

Company Registration No. 900262

Anglesey Aluminium Limited

Report and Financial Statements

31 December 2013

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Anglesey Aluminium Limited

Report and financial statements 2013

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Anglesey Aluminium Limited

Report and financial statements 2013

Officers and professional advisers

Directors

K A Stingl
B J King

Secretary

G J C Aldridge

Bankers

HSBC Bank plc

Solicitors

Weightmans

Registered office

2 Eastbourne Terrace
London
W2 6LG

Auditor

Deloitte LLP
Chartered Accountants
London

Anglesey Aluminium Limited

Strategic report

The directors, in preparing this Strategic report, have complied with s414C of the Companies Act 2006.

Principal activities and business review

Effective from November 2013 AAL became wholly owned subsidiary of Rio Tinto Aluminium Holdings Ltd prior to this date Anglesey Aluminium Limited was a joint venture whose ultimate parents ('the partners') were Rio Tinto plc (incorporated in Great Britain) and Kaiser Aluminium Corporation (incorporated in the United States).

Anglesey Aluminium Ltd ('the Group') owns a 100% shareholding in Anglesey Aluminium Metal Ltd ("AAM Ltd"). From 1 October 2009 the primary operation of AAM Ltd changed to a secondary re-melt facility. AAM Ltd has a 100% holding in Anglesey Aluminium Metal Renewables Limited ("AAMR Ltd") that has been established to investigate the viability of a renewable energy plant on land within the boundary of the existing smelter.

An extraordinary Board meeting was held in February 2013 which announced the cessation of the re-melt operation at the end of March 2013. The forecast plans at best showed large losses year on year which could not be sustained by the ultimate partners and the low billet orders could be fulfilled by lower cost margin sites in the Rio Tinto and Kaiser ('the partners') group. The site has become a purely decommissioning site. The final environmental permits were surrendered in April 2014 to allow for a potential buyer to redevelop the site for industrial use.

The Company has significant land holdings and is continuing its discussions regarding the disposal of these land holdings to third parties. The Company has reached an agreement concerning the disposal of the operational land together with the sale of its 100% holding in AAMR Ltd. The Heads of Terms and exclusivity agreement have been signed with due diligence on-going. In addition an option agreement is in place to dispose of the Company's non-operational land which consists mainly of a country park and farmland.

The results of the Group for the year ended 31 December 2013 are set out on page 8 and show an operating loss of £9.7m (2012: profit £3.4m).

The loss on ordinary trading conditions after tax is £11.5m (2012: £1.7m) reflecting the challenging trading conditions as set out above. No dividend was paid during the year (2012: £nil).

Principal risks and uncertainties

The directors have identified the need to manage the Company's material financial risks, including foreign exchange, liquidity, credit and interest rate risks. These risks are monitored through a Group Treasury management function, which invests surplus funds, mitigates foreign exchange exposure and manages borrowings for Rio Tinto Group companies.

Rio Tinto Group Treasury also seeks to limit counter-party risk by conducting most of its banking and dealing activities with a limited number of major international banks, whose status is kept under review.

Liquidity risk

The Company finances its operations through a combination of retained profits and inter-company loans.

Interest rate risk

To the extent that the Company enters into inter-company loan agreements, the Company's exposure to interest rate risk arises on loans on which interest is charged at LIBOR. The Company does not participate in interest rate hedging.

Credit risk

No material exposure is considered to exist in respect of inter-company balances.

Approved by the Board of Directors
and signed on behalf of the Board on 24 June 2014


B J King
Director

Anglesey Aluminium Limited

Directors' report

The directors present their annual report and consolidated audited financial statements for the year ended 31 December 2013.

Indemnities and insurance

Rio Tinto plc indemnify officers of subsidiary companies, who have been appointed by Rio Tinto plc, against liabilities arising from the conduct of the Group's business, to the extent permitted by law, by the placing of directors' and officers' insurance. The insurance indemnifies individual directors' and officers' personal legal liability and cost for claims arising out of actions taken in connection with Group business.

Environment

The Company recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by its activities. The Group operates in accordance with the policies described in both Rio Tinto's annual report which do not form a part of this report. Initiatives designed to minimise the Company's impact on the environment include current efficiency, CO2 emissions, renewable obligations and recycling policy and minimising the production of waste, which cannot be recycled (both hazardous and non-hazardous).

Employees

Details of the number of employees and related costs can be found in note 4 to the consolidated financial statements on page 14.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

The Company participates in the policies and practices to keep the employees informed on matters relevant to them as employees through regular meetings and newsletters. Employee representatives are consulted regularly on a wide range of matters affecting their interests along with trade union consultation where necessary. The Company also participates in the Rio Tinto Share Saving Plan. During 2013 the majority of employees participated in the plan; however, no further participation was granted post 2013 due to the increased cost of the new share save scheme.

Directors

The composition of the Board of Directors at the date of this report is shown on page 1.

All directors served throughout the year with the following exceptions:

John Barneson	(resigned 14 November 2013)
John Donnan	(resigned 14 November 2013)
Thierry Blondel	(resigned 13 September 2013)

Donations

Donations for charitable purposes made by the Company during the year amounted to £25,575 (2012: £525). During the year the Directors agreed to establish a £250,000 local community legacy fund for charitable donations. The Company made no donations during either year for political purposes as defined by the Companies Act 2006 as amended by the Political Parties, Elections and Referendums Act 2000.

Anglesey Aluminium Limited

Directors' report (continued)

Policy regarding payment of creditors

It is the Group's policy to abide by the terms of payment agreed with suppliers. In many cases the terms of payment are as stated in the suppliers' own literature. In other cases, the terms of payment are determined by specific written or oral agreement. The Company does not follow any published codes or standard on payment practices. Group trade creditors at 31 December 2013 represented 7 days (2012: 36 days) of annual purchases.

Going concern

As described further in note 2 to the financial statements, the entity ceased to trade on 31 March 2013. Consequently, as required by FRS 18, the financial statements have been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the Company's assets to net realisable value.

The Group had net liabilities of £45.6m at the year-end (2012: £34.0m). A large proportion of the liabilities due are comprised of a loan of £49.0m (2012: £49.0m) due to its parent Rio Tinto PLC. The maturity date on the loan due to Rio Tinto PLC is the 31 December 2014. The Directors expect the loan to be extended beyond this date.

Auditor and disclosure of information to auditor

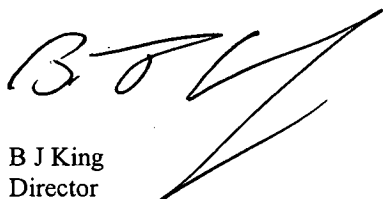
Each of the persons who are a director at the date of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the UK Companies Act 2006.

Under section 487(2) of the Companies Act 2006, Deloitte LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is the earlier.

Approved by the Board of Directors
and signed on behalf of the Board



B J King
Director

24 June 2014

Anglesey Aluminium Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Company and Group for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Anglesey Aluminium Limited

We have audited the financial statements of Anglesey Aluminium Limited for the year ended 31 December 2013 which comprises the consolidated profit and loss account, the consolidated and Company balance sheet, the consolidated cash flow statement and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and Company's affairs as at 31 December 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Emphasis of matter – financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 2 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Independent auditor's report to the members of Anglesey Aluminium Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Jeremy Black (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
27 June 2014

Anglesey Aluminium Limited

Consolidated profit and loss account Year ended 31 December 2013

	Notes	2013 £'000	2012 £'000
Turnover	2	23,379	121,657
Cost of sales		(27,023)	(115,806)
Gross (loss)/profit		(3,644)	5,851
Administrative expenses		(6,037)	(2,402)
Operating (loss)/profit	3	(9,681)	3,449
Profit/(loss) on the sale of tangible fixed assets		428	(900)
Interest payable and similar charges	6	(2,327)	(2,603)
Loss on ordinary activities before taxation		(11,580)	(54)
Tax charge on (loss)/profit on ordinary activities	7	-	(1,610)
Loss on ordinary activities after taxation	17	(11,580)	(1,664)

The Company ceased trading on 31 March 2013. The current and prior year results arose from discontinued operations.

There are no recognised gains and losses for the current and preceding financial year other than the loss of £11.6m (2012: loss of £1.7m) as shown above. Accordingly no separate statement of total recognised gains and losses is presented.

Anglesey Aluminium Limited

Consolidated balance sheet 31 December 2013

	Notes	2013 £'000	2012 £'000
Fixed assets			
Tangible assets	7	3,282	3,708
Investments	8	7	8
		<u>3,289</u>	<u>3,716</u>
Current assets			
Stocks	9	240	8,661
Debtors	9	423	10,369
Cash at bank and in hand		7,741	14,548
		<u>8,404</u>	<u>33,578</u>
Creditors: amounts falling due within one year	10	<u>(50,301)</u>	<u>(58,544)</u>
Net current liabilities		<u>(41,897)</u>	<u>(24,966)</u>
Total assets less current liabilities		<u>(38,608)</u>	<u>(21,250)</u>
Provisions for liabilities and charges	11	<u>(6,952)</u>	<u>(12,730)</u>
Net liabilities		<u>(45,560)</u>	<u>(33,980)</u>
Capital and reserves			
Called up share capital	14	26,250	26,250
Profit and loss account	15	<u>(71,810)</u>	<u>(60,230)</u>
Shareholders' deficit	16	<u>(45,560)</u>	<u>(33,980)</u>

The financial statements of Anglesey Aluminium Limited (registered number 900262) were approved by the Board of Directors and authorised for issue on 24 June 2014.


B J King
Director

Anglesey Aluminium Limited

Company balance sheet 31 December 2013

	Notes	2013 £'000	2012 £'000
Fixed assets			
Investments in subsidiaries		-	-
Total assets less current liabilities		-	-
Capital and reserves			
Called up share capital	14	26,250	26,250
Profit and loss account	15	(26,250)	(26,250)
Shareholders' funds	16	-	-

The financial statement of Anglesey Aluminium Limited (registered number 900262) were approved by the board of directors and authorised for issue on 24 June 2014.


B J King
Director

Anglesey Aluminium Limited

Consolidated cash flow statement Year ended 31 December 2013

	Notes	2013 £'000	2012 £'000
Net cash (outflow) / inflow from operating activities	19	(5,318)	11,587
Returns on investments and servicing of finance	20	(2,327)	(2,603)
Capital expenditure and financial investment	20	838	(83)
(Decrease) / increase in cash in the year		<u>(6,807)</u>	<u>8,901</u>
Reconciliation of net cash flow to movement in net fund	21		
(Decrease) / increase in cash in the year		<u>(6,807)</u>	<u>8,901</u>
Movement in net funds		(6,807)	8,901
Net funds at start of the year		<u>14,549</u>	<u>5,648</u>
Net funds at the end of the year		<u>7,742</u>	<u>14,549</u>

Anglesey Aluminium Limited

Notes to the financial statements Year ended 31 December 2013

1. Basis of accounting

The consolidated financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted, which have been applied consistently in the current and prior years, are described below.

The consolidated financial statements are prepared in accordance with the historical cost convention.

The consolidated financial statements incorporate the accounts of AAM Limited and AAMR Ltd, for the year ended 31 December 2013. The results of subsidiaries acquired, sold or liquidated are consolidated for the years from or to the date on which control passed. Acquisitions are accounted for under the acquisition method.

2. Accounting policies

Turnover

Turnover represents sales, net of VAT, in the United Kingdom of aluminium at prices based on the terms of sales agreements made with the shareholders of the Company.

Fixed asset investments

Tradable carbon credits are included at cost less provision for any permanent diminution in value.

Investments in subsidiaries

Investments held as fixed assets are stated at cost less provision for any permanent impairment in value.

Depreciation

No depreciation is provided on freehold land and assets in the course of construction.

For all other tangible fixed assets depreciation is calculated on a straight line basis calculated to write down to their estimated residual values over the year of their estimated useful economic lives, which is considered to be fifteen years unless they form part of the plant and machinery assets which have been impaired to a residual value where no depreciation is charged.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in years different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no binding contract to dispose of these assets. Deferred tax is not provided on unremitted earnings where there is no binding commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value on a first-in-first-out basis. Cost, in the case of work in progress and finished stocks of metal, includes materials, labour and all appropriate overheads.

Anglesey Aluminium Limited

Notes to the financial statements Year ended 31 December 2013

2. Accounting policies (continued)

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

Pensions

The expected cost of pensions in respect of Rio Tinto plc defined benefit pension schemes in which the Company participates is charged to the profit and loss account so as to spread the cost of pensions over the service lives of employees in the schemes. Variations from the regular cost are spread over the expected remaining service lives of current employees in the schemes in line with the allocation by the principal employer of such variation between companies in the scheme. The pension cost is assessed in accordance with the advice of qualified actuaries.

The Company is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the Rio Tinto plc Pension Fund. A review of the whole fund was prepared at 31 December 2012 by an independent qualified actuary for the purposes of IAS 19. At that date the fund had a surplus of £34.0million.

The existence of this deficit does not affect the rate at which the Company pays contributions as this is determined by the normal Trustee funding valuation. Currently all additional contributions are being funded through the clearing fund.

For defined contribution schemes the amount charged to the profit and loss account is the contribution payable in the year. This is a multi-employer scheme so no FRS 17 disclosures are required in the financial statements. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Operating leases

Rentals are charged to the profit and loss account in equal annual amounts over the lease term.

Rehabilitation provision

In accordance with FRS 12 'Provisions, Contingent Liabilities and Contingent Assets a provision for certain costs relating to the future closure of the plant has been established. This provision has been calculated on the basis of a report from an independent quantity surveyor, and reflects an estimate of the costs of returning the site of the plant to "light industrial use" in accordance with the initial planning consent.

The fixed asset which reflects a discounted estimate of future costs, was fully written down by September 2009.

The provision is discounted and the unwinding of the discount each year is charged to interest payable and similar charges.

Operating leases

Operating lease rentals payable are charged to the profit and loss account on a straight-line basis over the lease term. Any premium or discount on the acquisition of a lease is spread over the life of the lease on a straight-line basis.

Anglesey Aluminium Limited

Notes to the financial statements Year ended 31 December 2013

2. Accounting policies (continued)

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the directors' report on pages 2-4.

The Group had net liabilities of £45.6m at the year-end (2012: £34.0m). A large proportion of the liabilities due are comprised of a loan of £49.0m (2012: £49.0m) due one of its partners Rio Tinto PLC. The maturity date on the loan due to Rio Tinto PLC is the 31 December 2014. The Directors expect the loan to be extended beyond this date.

The Group ceased to trade on 31 March 2013. Consequently as required by FRS 18 the financial statements have been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the Company's assets to net realisable value. The financial statements do not include any provision for the future costs of terminating the business of the company except to the extent that such were committed at the balance sheet date. No adjustments arose as a result of ceasing to apply the going concern basis.

3. Operating (loss) / profit

	2013 £'000	2012 £'000
Operating (loss) / profit is arrived at after charging:		
Depreciation of tangible assets – owned assets	17	74
Fees payable to the Company's auditor for audit of the Company's annual accounts	54	75
Fees payable to the Company's auditor for non-audit services	-	-
Operating lease rentals:		
Hire of plant and machinery	41	37
Other operating leases	20	31
	<u> </u>	<u> </u>

4. Employees

	2013 No.	2012 No.
The average number of persons employed in each of the following categories (including directors) during the year was:		
Production	40	72
Administration	8	8
	<u> </u>	<u> </u>
	48	80
	<u> </u>	<u> </u>
	£'000	£'000
Staff costs, including directors, during the year:		
Wages and salaries	4,717	6,339
Social security costs	244	680
Other pension costs	55	48
	<u> </u>	<u> </u>
	5,016	7,067
	<u> </u>	<u> </u>

Anglesey Aluminium Limited

Notes to the financial statements Year ended 31 December 2013

4. Employees (continued)

Pension costs

Employees who joined the Company before 1 April 2005 were eligible to participate in the Rio Tinto Pension Fund (the 'Fund'). The assets of the Fund are held in a separate trustee administered fund.

The Rio Tinto Pension Fund provides benefits on both a defined benefit and a defined contribution basis. However, any contributions paid by the Company are accounted as if the scheme were a defined contribution scheme, as the Company is unable to identify its share of the underlying assets and liabilities in the scheme. A one-off contribution was made to the Rio Tinto Pension Fund of £70,000 on 30 September 2009. Currently 38.1% of employee salaries are paid as additional pension contributions into the fund. The Company also paid an accident premium which is considered a pension cost for the year of £27,506 (2012: £9,549).

The last actuarial valuation was conducted with an effective date of 31 December 2008. As result of the findings of that valuation, regular employer contributions to the Fund became effective on 1 January 2009.

Thereafter the contribution requirements will be reviewed on a six-monthly basis. However, the pension contributions per employee have increased to 38.1% as at 1 October 2012. An annual valuation of the Fund was earned out by independent qualified actuaries on 31 December 2012 under International Accounting Standards 19 'Employee Benefits' and on this basis the Fund had a deficit of £94.0m; a funding level of 93%.

Employees who join on or after 1 April 2005 are eligible to join the Anglesey Aluminium Metal Group Personal Pension Plan, a defined contribution stakeholder pension in association with Standard Life. Contributions amounted to £54,679 (11%) (2012: £47,607 (6%)). At 31 December 2013 there were £nil (2012: £nil) prepaid pension contributions.

5. Directors

The emoluments (excluding pension scheme contributions) of the directors were as follows:

	2013 £'000	2012 £'000
Emoluments	187	140
Company contributions to money purchase pension schemes	86	55
	<u>273</u>	<u>195</u>

None of the five (2012: eight) directors who served during the year were members of a Rio Tinto plc defined benefit pension scheme.

The emoluments of the highest paid director were £186,454 (2012: £40,121) with Company pension contributions of £86,353 (2012: £55,121).

The highest paid director was not a member of a Rio Tinto plc defined benefit pension scheme in either year.

6. Interest payable and similar charges

	2013 £'000	2012 £'000
Rehabilitation provision finance charge (note 13)	118	355
Bank interest	4	37
Loan interest	2,205	2,211
	<u>2,327</u>	<u>2,603</u>

Anglesey Aluminium Limited

Notes to the financial statements Year ended 31 December 2013

7. Tax charge on (loss) on ordinary activities

(a) Analysis of tax in the year

	2013 £'000	2012 £'000
UK corporation tax at 23% (2012: 24%)		
Current taxation	-	-
Deferred taxation (see note 14)	-	(1,610)
Tax charge for year	-	(1,610)

(b) Factors affecting tax charge for the year

	2013 £'000	2012 £'000
(Loss) on ordinary activities before tax	(11,580)	(54)
(Loss) on ordinary activities multiplied by standard rate of corporation at 23% (2012: 24%)	(2,692)	(13)
Effects of:		
Expenses not deductible for tax purposes	28	88
Capital allowances in excess of depreciation	130	(244)
Change in provision leading to increase in tax charge	(930)	-
Deferred tax movement on share options recharge	(103)	-
Losses carried forward	3,567	712
Utilisation of tax losses	-	(543)
Current tax credit for year (note 7(a))	-	-

Reductions to the main rate of UK corporation tax, to 21% with effect from 1 April 2014 and 20% with effect from 1 April 2015, were substantively enacted on 2 July 2013. These changes have no impact on the financial statements prepared to 31 December 2013.

6. Profit on ordinary activities after taxation

The Company has taken advantage of s.230 of the Companies Act 2006 and consequently a profit and loss account for the Company alone is not presented. The Company's result for the financial year before dividends amounted to a profit of £nil (2012: £nil).

Anglesey Aluminium Limited

Notes to the financial statements Year ended 31 December 2013

7. Tangible fixed assets

	Freehold land and buildings £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Assets in course of construction £'000	Total £'000
Cost					
At 1 January 2013	1,793	99,787	5,766	753	108,099
Additions during the year	-	19	-	-	19
Disposals	-	(856)	-	-	(856)
At 31 December 2013	1,793	98,950	5,766	753	107,262
Accumulated depreciation					
At 1 January 2013	1,217	97,474	5,700	-	104,391
Amount charged in the year	-	17	-	-	17
Disposals	-	(428)	-	-	(428)
At 31 December 2013	1,217	97,063	5,700	-	103,980
Net book value					
At 31 December 2013	576	1,887	66	753	3,282
At 31 December 2012	576	2,313	66	753	3,708

8. Fixed asset investments

	2013 £'000	2012 £'000
Cost		
Provision for impairment	416	416
	(409)	(408)
Net book value	7	8

Anglesey Aluminium Limited

Notes to the financial statements Year ended 31 December 2013

9. Current assets

Group	2013 £'000	2012 £'000
Stocks:		
Raw materials and stores	240	6,352
Work in progress	-	66
Finished goods	-	2,243
	<u>240</u>	<u>8,661</u>

There is no material difference between the balance sheet value of stocks and their replacement cost.

	2013 £'000	2012 £'000
Debtors (all due in less than one year):		
Trade debtors	27	57
Amounts owed by Rio Tinto plc and its subsidiary undertakings	71	5,157
Short term deposit with Rio Tinto Finance plc	-	1
Amounts owed by Kaiser Aluminium	-	4,895
Prepayments and other debtors	7	259
VAT debtor	318	-
	<u>423</u>	<u>10,369</u>

10. Creditors: amounts falling due within one year

	2013 £'000	2012 £'000
Trade creditors	566	7,514
Other creditors including taxation and social security	735	403
VAT creditor	-	1,627
Amounts owed to Rio Tinto Finance PLC – pension loan	49,000	49,000
	<u>50,301</u>	<u>58,544</u>

The loan owed to Rio Tinto bears an interest rate of LIBOR + 2.5% subject to a floor of 4.5% and a cap of 7% and is due for repayment on 31 December 2014.

Anglesey Aluminium Limited

Notes to the financial statements Year ended 31 December 2013

11. Provisions for liabilities and charges

	Rehabilitation provision £'000	Redundancy provision £'000	Share based payments £'000	Total £'000
At 1 January 2013	12,302	242	186	12,730
Additional provision in the year	-	3,564	145	3,709
Unwinding of discount	(118)	-	-	(118)
Utilisation during the year	(6,174)	(2,896)	(299)	(9,369)
At 31 December 2013	<u>6,010</u>	<u>910</u>	<u>32</u>	<u>6,952</u>

The share based payments provision relates to the current estimate of the amount that will become payable to Rio Tinto in respect of the Share Savings Plan. The share based payments are for three and five year options expecting to be claimed for the current year through to the final one in 2015.

The redundancy provision is for future costs which relate specific employees that have their notice of redundancy at the year end date.

The rehabilitation provision is for certain costs relating to the future closure of the plant. This provision has been calculated on the basis of a report from an independent quantity surveyor, and reflects an estimate of the costs of returning the site of the plant to "light industrial use" in accordance with the initial planning consent.

12. Deferred taxation

The major elements of the amount of deferred tax recognised and unrecognised in the financial statements are as follows:

	Recognised		Unrecognised	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Tax losses	-	-	6,963	3,396
	<u>-</u>	<u>-</u>	<u>6,963</u>	<u>3,396</u>

Based on Company decision to cease remelt operations there may be no taxable profits generated against which unrecognised losses can be utilised. The unrecognised amounts are not expected to crystallise.

13. Operating lease commitments

At 31 December 2013 the Group was committed to make the following payments during the next year in respect of non-cancellable operating leases:

	2013		2012	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Leases which expire: After five years	-	30	-	31
	<u>-</u>	<u>30</u>	<u>-</u>	<u>31</u>

Anglesey Aluminium Limited

Notes to the financial statements Year ended 31 December 2013

14. Called up share capital

	2013 £'000	2012 £'000
Allotted, called up and fully paid:		
26,250,000 ordinary shares of £1 each	26,250	26,250

15. Profit and loss account

	2013 £'000	2012 £'000
At start of the year	(60,230)	(58,566)
(Loss) on ordinary activities after taxation	(11,580)	(1,664)
At end of the year	(71,810)	(60,230)
The Company		
At start of the year	(26,250)	(26,250)
(Loss) on ordinary activities after taxation	-	-
At end of the year	(26,250)	(26,250)

No profit and loss account is presented for the Company, as permitted by Section 408 of the Companies Act 2006.

16. Reconciliation of movements in shareholders' deficit

	2013 £'000	2012 £'000
The Group		
(Loss)/profit for the financial year	(11,580)	(1,664)
Net (decrease)/increase to shareholders' funds	(11,580)	(1,664)
Opening shareholders' deficit	(33,980)	(32,316)
Closing shareholders' deficit	(45,560)	(33,980)
The Company		
Profit/(loss) for the financial year	-	-
Net increase to shareholders' funds	-	-
Opening shareholders' funds	-	-
Closing shareholders' funds	-	-

Anglesey Aluminium Limited

Notes to the financial statements Year ended 31 December 2013

17. Related parties disclosure

Effective from November 2013 AAL became wholly owned sub of Rio Tinto Aluminium Holdings Ltd.

Prior to this date Anglesey Aluminium Limited was owned by the following companies in the stated percentages:

Rio Tinto Aluminium Holdings (UK) Limited	51%
Kaiser Aluminium Investments Company	49%

AAM Limited sold aluminium to subsidiaries of these companies. All transactions are in proportion to their shareholding. The sales of aluminium are included in turnover, while the purchases of alumina are included in cost of sales. The amounts involved in these transactions and the amounts due to and from these companies are disclosed in the table below. No amounts due from these companies have been provided for or written off during the year.

Certain employees of AAM Limited are members of the Rio Tinto pension scheme. No employers' contributions were paid during the year. However the Company paid an accident premium which is considered a pension cost for the year of £27,506 (2012: £9,549) into the scheme.

Anglesey Aluminium Metal Limited makes use of the treasury function of Rio Tinto Finance plc, and invests surplus cash balances, due to timing differences, with them on a weekly basis. The amount invested by Rio Tinto Finance plc on behalf of Anglesey Aluminium Metal Limited as at 31 December 2013 amounted to £843 (2012: £843).

Both owners are called upon by AAM Limited to supply consultancy advice for which a charge is payable.

All services provided to these related parties were provided as part of the Company's normal business.

The amounts payable for services rendered during the year are included in administrative expenses and disclosed in the table below:

	Rio Tinto Aluminium Holdings (UK) Limited		Kaiser Aluminium Investments Company	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Aluminium sold	11,338	60,481	10,889	58,109
Consultancy advice obtained	-	319	-	-
Due from	71	5,157	-	4,895

Anglesey Aluminium Limited

Notes to the financial statements Year ended 31 December 2013

18. Ultimate parent Company

Effective from November 2013 Anglesey Aluminium Limited became wholly owned sub of Rio Tinto Aluminium Holdings Ltd

Prior to this date Anglesey Aluminium Limited was a joint venture whose ultimate parents were Rio Tinto plc (incorporated in Great Britain) and Kaiser Aluminium Corporation (incorporated in the United States).

The largest and smallest group of companies of which the Company is a member and which prepares consolidated financial statements within the Rio Tinto group is Rio Tinto plc, a Company incorporated in Great Britain and registered in England and Wales

The consolidated accounts of the parent is available to the public and are available from:

Rio Tinto, 2 Eastbourne Terrace, London W2 6LG

19. Reconciliation of operating (loss) / profit to net cash (outflow) / inflow from operating activities

	2013 £'000	2012 £'000
Operating profit	(9,681)	3,449
Depreciation charges	17	74
Decrease / (Increase) in stocks	8,421	(310)
Decrease in debtors	9,946	10,618
Decrease in creditors and provisions	(14,021)	(2,244)
Net cash (outflow) /inflow from operating activities	(5,318)	11,587

20. Analysis of cash flows

	2013 £'000	2012 £'000
Returns on investments and servicing of finance		
Interest paid	(2,327)	(2,603)
Returns on investments and servicing of finance	(2,327)	(2,603)
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(19)	(83)
Amounts received for disposal of fixed assets	856	-
Returns on investments and servicing of finance	837	(83)

Anglesey Aluminium Limited

Notes to the financial statements Year ended 31 December 2013

21. Analysis of changes in net (debt)/funds

	At 1 January 2013 £'000	Cash flows during the year £'000	At 31 December 2013 £'000
Cash at bank and in hand	14,548	(6,807)	7,741
Short term deposit with Rio Tinto finance Plc	1	-	1
	<u>14,549</u>	<u>(6,807)</u>	<u>7,742</u>