20. INVENTORIES

US$ million	2010	2009
Raw materials and consumables	823	741
Work in progress	1,520	1,368
Finished products	1,261	1,103
	3,604	3,212

The cost of inventories recognised as an expense and included in cost of sales amounted to $14,262 million (2009: $12,605 million).

Inventories held at net realisable value amounted to $352 million (2009: $477 million).

Write-down of inventories (net of revaluation of provisionally priced purchases) amounted to $38 million (2009: $128 million). Of this, nil was capitalised (2009: $80 million).

There were also $29 million (2009: $88 million) of inventory write-downs reversed and recognised as a reduction in the inventory expense for the year.

21. TRADE AND OTHER RECEIVABLES

			2010			2009[1]
US$ million	Due within one year	Due after one year	Total	Due within one year	Due after one year	Total
Trade receivables	2,814	178	2,992	2,496	145	2,641
Amounts owed by related parties	2	–	2	12	–	12
Other receivables[2]	755	134	889	642	55	697
Prepayments and accrued income	160	9	169	201	6	207
	3,731	321	4,052	3,351	206	3,557

[1] Comparatives have been adjusted to present $3 million of current financial asset investments as other receivables.
[2] 2009 includes an amount of $72 million related to cash proceeds in respect of the disposal of the Group's 50% interest in the Booysendal joint venture held in an escrow account pending completion of documentation. This amount was received in October 2010.

The historical level of customer default is minimal and as a result the credit quality of year end trade receivables which are not past due is considered to be high. Of the year end trade receivables balance the following were past due at 31 December (stated after associated impairment provision):

US$ million	2010	2009
Less than one month	130	123
Greater than one month, less than two months	18	38
Greater than two months, less than three months	12	12
Greater than three months	21	34
	181	207

The overdue debtor ageing profile above is typical of the industry in which certain of the Group's businesses operate. Given this, the existing insurance cover (including letters of credit from financial institutions) and the nature of the related counterparties, these amounts are considered recoverable.

Total trade receivables are stated net of the following impairment provision:

US$ million	2010	2009
At 1 January	51	41
Charge for the year	4	9
Transfer to assets held for sale	(2)	(4)
Currency movements	–	5
At 31 December	53	51

22. TRADE AND OTHER PAYABLES

US$ million	2010	2009
Trade payables	2,748	2,939
Amounts owed to related parties	59	–
Tax and social security	162	163
Other payables	954	785
Accruals and deferred income	1,027	508
	4,950	4,395

23. FINANCIAL ASSETS

The carrying amounts and fair values of financial assets are as follows:

US$ million	2010 Estimated fair value	2010 Carrying value	2009 Estimated fair value	2009 Carrying value
At fair value through profit and loss				
Trade and other receivables[1]	777	777	838	838
Other financial assets (derivatives)[2]	842	842	603	603
Loans and receivables				
Cash and cash equivalents	6,401	6,401	3,269	3,269
Trade and other receivables[1]	3,106	3,106	2,512	2,512
Financial asset investments	1,871	1,920	1,566	1,595
Available for sale investments				
Financial asset investments	1,300	1,300	1,131	1,131
Total financial assets	14,297	14,346	9,919	9,948

[1] Trade and other receivables exclude prepayments and accrued income.
[2] Derivative instruments are analysed between those which are 'Held for trading' and those designated into hedge relationships in note 25.

The fair values of financial assets represent the market value of quoted investments and other traded instruments. For non-listed investments and other non-traded financial assets, fair value is calculated with discounted cash flows using market assumptions, unless carrying value is considered to approximate fair value.

Fair value hierarchy

An analysis of financial assets carried at fair value is set out below:

US$ million	2010 Level 1[1]	2010 Level 2[2]	2010 Level 3[3]	2010 Total	2009 Level 1[1]	2009 Level 2[2]	2009 Level 3[3]	2009 Total
At fair value through profit and loss								
Trade and other receivables	–	777	–	777	–	838	–	838
Other financial assets (derivatives)	–	801	41	842	3	569	31	603
Available for sale investments								
Financial asset investments	1,223	22	55	1,300	1,072	19	40	1,131
	1,223	1,600	96	2,919	1,075	1,426	71	2,572

[1] Valued using unadjusted quoted prices in active markets for identical financial instruments. This category includes listed equity shares, and certain exchange-traded derivatives.
[2] Valued using techniques based significantly on observable market data. Instruments in this category are valued using valuation techniques where all of the inputs that have a significant effect on the valuation are directly or indirectly based on observable market data.
[3] Instruments in this category have been valued using a valuation technique where at least one input (which could have a significant effect on the instrument's valuation) is not based on observable market data. Where inputs can be observed from market data without undue cost and effort, the observed input is used. Otherwise, management determines a reasonable estimate for the input. Financial assets included within level 3 primarily consist of embedded derivatives and financial asset investments where valuation depends upon unobservable inputs.

There have been no significant transfers between level 1 and level 2 in the year ended 31 December 2010. The movements in the fair value of the level 3 financial assets are shown in the following table:

US$ million	2010	2009
At 1 January	71	137
Net loss recorded in remeasurements	(6)	(111)
Net gain recorded in statement of comprehensive income	10	1
Additions	3	–
Transfer to assets held for sale	(26)	–
Reclassification from/to level 3 Other financial liabilities (derivatives)	41	35
Currency movements	3	9
At 31 December	96	71

For the level 3 financial assets, changing certain inputs to reasonably possible alternative assumptions may change the fair value significantly. Where significant, the effect of a change in these assumptions to a reasonably possible alternative assumption is outlined in the table below. These sensitivities have been calculated by amending the fair value of the level 3 financial assets at 31 December for a change in each individual assumption, as outlined below, whilst keeping all other assumptions consistent with those used to calculate the fair value recognised in the financial statements.

US$ million	Change in assumption	2010 Increase/(decrease) in fair value of assets	2009 Increase/(decrease) in fair value of assets
Other financial assets (derivatives)	Increase of 5% in dividend forecast	11	–
	Decrease of 5% in dividend forecast	(11)	–
	Shift of TJLP curve[1]	38	–
Financial asset investments	Decrease of 10% in liquidity discount percentage	14	11
	Increase of 10% in liquidity discount percentage	(14)	(11)

[1] Brazilian domestic long term interest rate curve.

Financial asset risk exposures are set out in note 25.

24. FINANCIAL LIABILITIES

The carrying amounts and fair values of financial liabilities are as follows:

US$ million	2010 Estimated fair value	2010 Carrying value	2009 Estimated fair value	2009 Carrying value
At fair value through profit and loss				
Trade and other payables[1]	434	434	315	315
Other financial liabilities (derivatives)[2]	835	835	659	659
Designated into fair value hedge				
Borrowings	8,815	8,192	7,793	7,168
Financial liabilities at amortised cost				
Trade and other payables[1]	4,404	4,404	4,297	4,297
Borrowings[3]	7,216	5,247	8,744	7,147
Total financial liabilities	21,704	19,112	21,808	19,586

[1] Trade and other payables exclude tax and social security and current and non-current deferred income and include other non-current payables.
[2] Derivative instruments are analysed between those which are 'Held for trading' and those designated into hedge relationships in note 25.
[3] Fair value of the convertible bond represents the quoted price of the debt and therefore includes the portion accounted for in equity.

The fair value of financial liabilities is determined by reference to its quoted market price, otherwise the carrying value approximates fair value.

Fair value hierarchy

An analysis of financial liabilities carried at fair value is set out below:

US$ million	2010 Level 1[1]	2010 Level 2[2]	2010 Level 3[3]	2010 Total	2009 Level 1[1]	2009 Level 2[2]	2009 Level 3[3]	2009 Total
At fair value through profit and loss								
Trade and other payables	–	434	–	434	–	315	–	315
Other financial liabilities (derivatives)	–	775	60	835	3	543	113	659
	–	1,209	60	1,269	3	858	113	974

[1] Valued using unadjusted quoted prices in active markets for identical financial instruments. This category includes exchange-traded derivatives.
[2] Valued using techniques based significantly on observable market data. Instruments in this category are valued using valuation techniques where all of the inputs that have a significant effect on the valuation are directly or indirectly based on observable market data.
[3] Instruments in this category have been valued using a valuation technique where at least one input (which could have a significant effect on the instrument's valuation) is not based on observable market data. Where inputs can be observed from market data without undue cost and effort, the observed input is used. Otherwise, management determines a reasonable estimate for the input. Financial instruments included within level 3 primarily consist of embedded derivatives where valuation depends upon unobservable inputs and commodity sales contracts which do not meet the conditions for the 'own use' exemption under IAS 39.

There have been no significant transfers between level 1 and level 2 in the year ended 31 December 2010. The movements in the fair value of the level 3 financial liabilities are shown in the following table:

US$ million	2010	2009
At 1 January	113	269
Net gain recorded in remeasurements	(121)	(21)
Net loss recorded in underlying earnings	–	6
Reduction in assumed life of financial liability	–	(181)[1]
Reclassification to/from level 3 Other financial assets (derivatives)	41	35
Currency movements	27	5
At 31 December	60	113

[1] Relates to reduction of embedded derivative liability at Loma de Níquel which was recorded in operating special items.

For the level 3 financial liabilities, changing certain inputs to reasonably possible alternative assumptions may change the fair value significantly. At 31 December 2010 the effect of a change in these assumptions to a reasonably possible alternative assumption was not considered significant. At 31 December 2009, where significant, the effect of a change in these assumptions to a reasonably possible alternative assumption is outlined in the table below. These sensitivities have been calculated by amending the fair value of the level 3 financial liabilities at 31 December 2009 for a change in each individual assumption, as outlined below, whilst keeping all other assumptions consistent with those used to calculate the fair value recognised in the financial statements.

US$ million	Change in assumption	2009 Increase/(decrease) in fair value of liabilities
Other financial liabilities (derivatives)	Increase of 5% in dividend forecast	9
	Decrease of 5% in dividend forecast	(9)

Financial liability risk exposures are set out in note 25.

24. FINANCIAL LIABILITIES continued

Analysis of borrowings

An analysis of borrowings, as presented on the Consolidated balance sheet, is set out below:

US$ million	2010 Due within one year	2010 Due after one year	2010 Total	2009 Due within one year	2009 Due after one year	2009 Total
Secured[1]						
Bank loans and overdrafts	57	404	461	416	413	829
Obligations under finance leases[2]	5	5	10	8	11	19
	62	409	471	424	424	848
Unsecured						
Bank loans and overdrafts	1,276	1,536	2,812	351	3,982	4,333
Bonds issued under EMTN programme	62	4,346	4,408	572	4,410	4,982
US bonds	–	3,249	3,249	–	1,935	1,935
Convertible bond[3]	–	1,434	1,434	–	1,369	1,369
Commercial paper	–	–	–	67	–	67
Other loans	135	930	1,065	85	696	781
	1,473	11,495	12,968	1,075	12,392	13,467
Total	1,535	11,904	13,439	1,499	12,816	14,315

[1] Assets with a book value of $569 million (2009: $1,197 million) have been pledged as security, of which $212 million (2009: $753 million) are property, plant and equipment, $183 million (2009: $242 million) are financial assets and $174 million (2009: $202 million) are inventories. Related to these assets are borrowings of $461 million (2009: $814 million) in respect of project financing arrangements.

[2] The minimum lease payments under finance leases fall due as follows:

US$ million	2010	2009
Within one year	5	9
Greater than one year, less than five years	4	9
Greater than five years	1	2
	10	20
Future finance charges on finance leases	–	(1)
Present value of finance lease liabilities	10	19

[3] Represents the fair value of the debt component of the convertible bond at the date of issue of $1,330 million (net of fees) adjusted for cumulative unwinding of discount of $104 million (2009: $39 million). The fair value of the equity conversion feature was $355 million and is presented in equity (refer to note 30).

In the year ended 31 December 2010 the Group raised $150 million through the issuance of a $100 million floating rate note, due April 2012 and a $50 million floating rate note, due September 2012, under the Euro Medium Term Note (EMTN) programme and ZAR1 billion ($151 million) through the issuance of a fixed rate note, due in May 2015, under the South African Domestic Medium Term Note programme.

In July 2010 the Group replaced a $2.5 billion facility maturing in March 2012 with a $3.5 billion facility maturing in July 2015.

In September 2010 the Group raised $1.25 billion through the issuance of senior notes (US bonds). The senior note offering comprised $750 million 2.15% senior notes due 2013 and $500 million 4.45% senior notes due 2020.

During 2009 the Group raised $2 billion through the issuance of senior notes, $1.7 billion through the issuance of senior convertible notes and $2.2 billion through the issuance of bonds under the EMTN programme.

25. FINANCIAL RISK MANAGEMENT AND DERIVATIVE FINANCIAL ASSETS/LIABILITIES

The Group is exposed in varying degrees to a variety of financial instrument related risks. The Board has approved and monitors the risk management processes, inclusive of documented treasury policies, counterparty limits, controlling and reporting structures. The risk management processes of the Group's independently listed subsidiaries are in line with the Group's own policy.

The types of risk exposure, the way in which such exposure is managed and quantification of the level of exposure in the balance sheet at year end is provided as follows (subcategorised into credit risk, liquidity risk and market risk).

Credit risk

The Group's principal financial assets are cash, trade and other receivables and investments. The Group's maximum exposure to credit risk arising from underlying financial assets is as follows:

US$ million	2010	2009
Cash and cash equivalents	6,401	3,269
Trade and other receivables	3,883	3,350
Financial asset investments[1]	1,920	1,595
Other financial assets (derivatives)	842	603
Other guarantees and loan facilities	92	12
	13,138	8,829

[1] Includes $643 million (2009: $546 million) of preference shares in BEE entities.

The Group limits exposure to credit risk on liquid funds and derivative financial instruments through adherence to a policy of, where possible:

- acceptable minimum counterparty credit ratings assigned by international credit-rating agencies (including long term ratings of A- (Standard & Poor's), A3 (Moody's) or A- (Fitch) or better);
- daily counterparty settlement limits (which are not to exceed three times the credit limit for an individual bank); and
- exposure diversification (the aggregate group exposure to key financial counterparties cannot exceed 5% of the counterparty's shareholders' equity).

25. FINANCIAL RISK MANAGEMENT AND DERIVATIVE FINANCIAL ASSETS/LIABILITIES continued

Given the diverse nature of the Group's operations (both in relation to commodity markets and geographically), together with insurance cover (including letters of credit from financial institutions), it does not have significant concentration of credit risk in respect of trade receivables, with exposure spread over a large number of customers.

An allowance for impairment of trade receivables is made where there is an identified loss event, which based on previous experience, is evidence of a reduction in the recoverability of the cash flows. Details of the credit quality of trade receivables and the associated provision for impairment is disclosed in note 21.

Liquidity risk

The Group ensures that there are sufficient committed loan facilities (including refinancing, where necessary) in order to meet short term business requirements, after taking into account cash flows from operations and its holding of cash and cash equivalents, as well as any group distribution restrictions that exist. In addition, certain projects are financed by means of limited recourse project finance, if appropriate.

The expected undiscounted cash flows of the Group's financial liabilities (including associated derivatives), by remaining contractual maturity, based on conditions existing at the balance sheet date are as follows:

	Within one year			One to two years		
US$ million	Fixed interest	Floating interest	Capital repayment	Fixed interest	Floating interest	Capital repayment
2010						
Financial liabilities (excluding derivatives)	**(566)**	**(148)**	**(6,356)[1]**	**(566)**	**(126)**	**(1,155)**
Net settled derivatives[2]	**485**	**(303)**	**13**	**486**	**(306)**	**3**
	(81)	**(451)**	**(6,343)**	**(80)**	**(432)**	**(1,152)**
2009						
Financial liabilities (excluding derivatives)	(550)	(200)	(5,660)[1]	(523)	(185)	(3,226)
Net settled derivatives[2]	461	(267)	–	441	(273)	5
	(89)	(467)	(5,660)	(82)	(458)	(3,221)

	Two to five years			Greater than five years		
US$ million	Fixed interest	Floating interest	Capital repayment	Fixed interest	Floating interest	Capital repayment
2010						
Financial liabilities (excluding derivatives)	**(1,197)**	**(137)**	**(7,504)[3]**	**(530)**	**(1,400)**	**(3,241)**
Net settled derivatives[2]	**1,083**	**(619)**	**(337)**	**530**	**(282)**	**(291)**
	(114)	**(756)**	**(7,841)**	**–**	**(1,682)**	**(3,532)**
2009						
Financial liabilities (excluding derivatives)	(1,379)	(295)	(5,877)[3]	(672)	(608)	(4,394)
Net settled derivatives[2]	1,187	(712)	(32)	672	(331)	(339)
	(192)	(1,007)	(5,909)	–	(939)	(4,733)

[1] Includes guarantees and loan facilities.
[2] The expected maturities were not materially different from the contracted maturities.
[3] Includes the full value of the convertible bond and assumes no conversion.

The Group had the following undrawn committed borrowing facilities at 31 December:

US$ million	2010	2009
Expiry date		
Within one year[1]	**3,781**	2,247
Greater than one year, less than two years	**12**	3,090
Greater than two years, less than five years	**7,269**	4,093
Greater than five years	**58**	90
	11,120	9,520

[1] Includes undrawn rand facilities equivalent to $1.7 billion (2009: $1.5 billion) in respect of a series of facilities with 364 day maturities which roll automatically on a daily basis, unless notice is served.

In February 2011 the Group cancelled its $2.25 billion revolving credit facility maturing in June 2011. At 31 December 2010 $1.1 billion (2009: nil) was drawn under the facility which was subsequently repaid.

Market risk

Market risk is the risk that financial instrument fair values will fluctuate due to changes in market prices. The significant market risks to which the Group is exposed are foreign exchange risk, interest rate risk and commodity price risk.

Foreign exchange risk

As a global business, the Group is exposed to many currencies principally as a result of non-US dollar operating costs and to a lesser extent, from non-US dollar revenues. The Group's policy is generally not to hedge such exposures as hedging is not deemed appropriate given the diversified nature of the Group, though exceptions can be approved by the Group Management Committee.

In addition, currency exposures exist in respect of non-US dollar expenditure on approved capital projects and non-US dollar borrowings in US dollar functional currency entities. The Group's policy is that such exposures should be hedged subject to a review of the specific circumstances of the exposure.

25. FINANCIAL RISK MANAGEMENT AND DERIVATIVE FINANCIAL ASSETS/LIABILITIES continued

The exposure of the Group's financial assets and liabilities (excluding intra-group loan balances) to currency risk is as follows:

	2010				2009			
US$ million	Financial assets (excluding derivatives)	Impact of currency derivatives[1]	Derivative assets	Total financial assets – exposure to currency risk	Financial assets (excluding derivatives)	Impact of currency derivatives[1]	Derivative assets	Total financial assets – exposure to currency risk
US dollar[2]	5,293	(140)	765	5,918	4,353	(202)	565	4,716
Rand	6,065	140	77	6,282	3,125	177	7	3,309
Sterling	386	–	–	386	455	–	–	455
Euro	20	–	–	20	85	2	–	87
Australian dollar	811	–	–	811	271	–	–	271
Brazilian real	571	–	–	571	407	–	–	407
Other currencies	358	–	–	358	649	23	31	703
Total financial assets	13,504	–	842	14,346	9,345	–	603	9,948

	2010				2009			
US$ million	Financial liabilities (excluding derivatives)	Impact of currency derivatives[1]	Derivative liabilities	Total financial liabilities – exposure to currency risk	Financial liabilities (excluding derivatives)	Impact of currency derivatives[1]	Derivative liabilities	Total financial liabilities – exposure to currency risk
US dollar	(6,444)	(5,797)	(813)	(13,054)	(7,719)	(5,364)	(609)	(13,692)
Rand	(3,906)	(22)	(22)	(3,950)	(3,550)	(4)	(50)	(3,604)
Sterling	(2,136)	1,796	–	(340)	(1,609)	1,198	–	(411)
Euro	(3,500)	3,486	–	(14)	(3,764)	3,652	–	(112)
Australian dollar	(595)	–	–	(595)	(543)	–	–	(543)
Brazilian real	(1,098)	462	–	(636)	(1,052)	401	–	(651)
Other currencies	(598)	75	–	(523)	(690)	117	–	(573)
Total financial liabilities	(18,277)	–	(835)	(19,112)	(18,927)	–	(659)	(19,586)

[1] Where currency derivatives are held to manage financial instrument exposures the notional principal amount is reallocated to reflect the remaining exposure to the Group.
[2] Of these US dollar financial assets, $413 million (2009: $127 million) are subject to South African exchange controls and will be converted to rand within six months of 31 December.

Interest rate risk

Interest rate risk arises due to fluctuations in interest rates which impact on the value of short term investments and financing activities. Exposure to interest rate risk is particularly with reference to changes in US and South African interest rates.

The Group policy is to borrow funds at floating rates of interest as, over the longer term, this is considered by management to give somewhat of a natural hedge against commodity price movements, given the correlation with economic growth (and industrial activity) which in turn shows a high correlation with commodity price fluctuation. In certain circumstances, the Group uses interest rate swap contracts to manage its exposure to interest rate movements on a portion of its existing debt. Strategic hedging using fixed rate debt may also be undertaken from time to time if approved by the Group Management Committee.

In respect of financial assets, the Group's policy is to invest cash at floating rates of interest and cash reserves are to be maintained in short term investments (less than one year) in order to maintain liquidity, while achieving a satisfactory return for shareholders.

The exposure of the Group's financial assets (excluding intra-group loan balances) to interest rate risk is as follows:

	2010					2009				
	Interest bearing financial assets		Non-interest bearing financial assets			Interest bearing financial assets		Non-interest bearing financial assets		
US$ million	Floating rate	Fixed rate[1]	Equity investments	Other non-interest bearing	Total	Floating rate	Fixed rate[1]	Equity investments	Other non-interest bearing	Total
Financial assets (excluding derivatives)[2]	6,981	1,068	1,300	4,155	13,504	3,530	1,032	1,131	3,652	9,345
Derivative assets	315	–	–	527	842	174	–	–	429	603
Financial asset exposure to interest rate risk	7,296	1,068	1,300	4,682	14,346	3,704	1,032	1,131	4,081	9,948

[1] Includes $643 million (2009: $546 million) of preference shares in BEE entities.
[2] At 31 December 2010 and 31 December 2009 no interest rate swaps were held in respect of financial asset exposures.

Floating rate financial assets consist mainly of cash and bank term deposits. Interest on floating rate financial assets is based on the relevant national inter-bank rates. Fixed rate financial assets consist mainly of financial asset investments and cash, and have a weighted average interest rate of 11.7% (2009: 11.0%) for an average period of three years (2009: three years). Equity investments have no maturity period and the majority are fully liquid.

The exposure of the Group's financial liabilities (excluding intra-group loan balances) to interest rate risk is as follows:

	2010				2009			
	Interest bearing financial liabilities				Interest bearing financial liabilities			
US$ million	Floating rate	Fixed rate	Non-interest bearing financial liabilities	Total	Floating rate	Fixed rate	Non-interest bearing financial liabilities	Total
Financial liabilities (excluding derivatives)	(3,921)	(9,507)	(4,849)	(18,277)	(5,529)	(8,697)	(4,701)	(18,927)
Impact of interest rate swaps[1]	(8,046)	8,046	–	–	(6,896)	6,896	–	–
Derivative liabilities	(44)	–	(791)	(835)	(109)	–	(550)	(659)
Financial liability exposure to interest rate risk	(12,011)	(1,461)	(5,640)	(19,112)	(12,534)	(1,801)	(5,251)	(19,586)

[1] Where interest rate swaps are held to manage financial liability exposures the notional principal amount is reallocated to reflect the remaining exposure to the Group.

25. FINANCIAL RISK MANAGEMENT AND DERIVATIVE FINANCIAL ASSETS/LIABILITIES continued

Interest on floating rate financial liabilities is based on the relevant national inter-bank rates. Remaining fixed rate borrowings accrue interest at a weighted average interest rate of 9% (2009: 9%) for an average period of three years (2009: four years). Average maturity on non-interest bearing instruments is 14 months (2009: 14 months).

Commodity price risk

The Group's earnings are exposed to movements in the prices of the commodities it produces.

The Group policy is generally not to hedge price risk, although some hedging may be undertaken for strategic reasons. In such cases, the Group uses forward and deferred contracts to hedge the price risk.

Certain of the Group's sales and purchases are provisionally priced and as a result are susceptible to future price movements. The exposure of the Group's financial assets and liabilities to commodity price risk is as follows:

	2010				2009			
	Commodity price linked				Commodity price linked			
US$ million	Subject to price movements	Fixed price[1]	Not linked to commodity price	Total	Subject to price movements	Fixed price[1]	Not linked to commodity price	Total
Total net financial instruments (excluding derivatives)	(136)	1,322	(5,959)	(4,773)	352	733	(10,667)	(9,582)
Commodity derivatives (net)[2]	(26)	–	–	(26)	(78)	–	–	(78)
Non-commodity derivatives (net)	–	–	33	33	–	–	22	22
Total financial instrument exposure to commodity risk	(162)	1,322	(5,926)	(4,766)	274	733	(10,645)	(9,638)

[1] Includes financial instruments whose commodity prices are set quarterly or via contract negotiation.

[2] Includes a $26 million (2009: $44 million) derivative embedded in a long term power contract.

Derivatives

In accordance with IAS 32 *Financial Instruments: Presentation* and IAS 39, the fair value of all derivatives are separately recorded on the balance sheet within 'Other financial assets (derivatives)' and 'Other financial liabilities (derivatives)'. Derivatives are classified as current or non-current depending on the expected maturity of the derivative.

The Group utilises derivative instruments to manage certain market risk exposures as explained above. The Group does not use derivative financial instruments for speculative purposes, however it may choose not to designate certain derivatives as hedges for accounting purposes. Such derivatives that are not hedge accounted are classified as 'non-hedges' and fair value movements are recorded in the income statement.

The use of derivative instruments is subject to limits and the positions are regularly monitored and reported to senior management.

Embedded derivatives

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of their host contract and the host contract is not carried at fair value. Embedded derivatives may be designated into hedge relationships and are accounted for in accordance with the Group's accounting policy set out in note 1.

Anglo American Sur

Anglo American inherited a 1978 agreement with Enami, a Chilean state controlled minerals company, when it acquired Anglo American Sur in 2002. In 2008 this agreement was transferred by Enami to Codelco, the Chilean state copper company. Anglo American Sur is wholly owned by the Group and owns the Los Bronces and El Soldado copper mines and the Chagres smelter. The agreement grants Codelco the right, subject to certain conditions and limitations, to acquire up to a 49% non-controlling interest in Anglo American Sur. The right to exercise the option is restricted to a window that occurs once every three years in the month of January until January 2027, with the next window in January 2012. The calculations of the price at which Codelco can exercise its rights are complex and confidential but do, *inter alia*, take account of company profitability over a five year period.

The option's fair value is calculated as the difference between the estimated fair value of the underlying assets to which the option relates and the estimated option price. The estimated fair value of the underlying assets may vary based on a market participant's assumptions at any point in time, including, *inter alia*, commodity prices, foreign exchange rates and discount rates. In addition, the option price must be estimated based on current assumptions about inputs that cannot be finalised in advance of the option window and are subject to significant fluctuations. Based on a range of scenarios for these key variables, it has been concluded that the option has insufficient value to warrant recognition on the balance sheet as at 31 December 2010.

Cash flow hedges

In certain cases the Group classifies its forward foreign currency and commodity price contracts hedging highly probable forecast transactions as cash flow hedges. Where this designation is documented, changes in fair value are recognised in equity until the hedged transactions occur, at which time the respective gains or losses are transferred to the income statement (or hedged balance sheet item) in accordance with the Group's accounting policy set out in note 1.

Fair value hedges

The majority of interest rate swaps (taken out to swap the Group's fixed rate borrowings to floating rate, in accordance with the Group's policy) have been designated as fair value hedges. The carrying value of the hedged debt is adjusted to reflect the fair value of the interest rate risk being hedged. Subsequent changes in the fair value of the hedged risk are offset against fair value changes in the interest rate swap and classified within net finance costs in the income statement.

Non-hedges

The Group may choose not to designate certain derivatives as hedges. This may occur where the Group is economically hedged but IAS 39 hedge accounting cannot be achieved or where gains and losses on both the derivative and hedged item naturally offset in the income statement, which may for example be the case for certain cross currency swaps of non-US dollar debt. Where derivatives have not been designated as hedges, fair value changes are recognised in the income statement in accordance with the Group's accounting policy set out in note 1 and are classified as financing or operating depending on the nature of the associated hedged risk.

25. FINANCIAL RISK MANAGEMENT AND DERIVATIVE FINANCIAL ASSETS/LIABILITIES continued

The fair value of the Group's open derivative position at 31 December (excluding normal purchase and sale contracts held off balance sheet), recorded within 'Other financial assets (derivatives)' and 'Other financial liabilities (derivatives)' is as follows:

	Current				Non-current			
	2010		2009		2010		2009	
US$ million	Asset	Liability	Asset	Liability	Asset	Liability	Asset	Liability
Cash flow hedge[1]								
Forward foreign currency contracts	50	–	40	–	–	–	19	–
Forward commodity contracts	–	–	–	(3)	–	–	–	–
Other	–	–	–	(1)	–	–	–	–
Fair value hedge								
Interest rate swaps	–	–	18	–	309	(44)	157	(70)
Non-hedge ('Held for trading')								
Forward foreign currency contracts	307	(34)	285	(18)	119	–	26	(2)
Cross currency swaps	20	–	14	(14)	3	(676)	7	(424)
Other	–	(46)	8	(40)	34	(35)	29	(87)
	377	(80)	365	(76)	465	(755)	238	(583)

[1] The timing of the expected cash flows associated with these hedges is as follows:

US$ million	2010	2009
Within one year	50	36
Greater than one year, less than two years	–	19
	50	55

The periods when these hedges are expected to impact the income statement generally follow the cash flow profile with the exception of hedging associated with capital projects which is included in the capitalised asset value and depreciated over the life of the asset.

These marked to market valuations are in no way predictive of the future value of the hedged position, nor of the future impact on the profit of the Group. The valuations represent the cost of closing all hedge contracts at year end, at market prices and rates available at the time.

Normal purchase and normal sale contracts

Commodity based contracts that meet the scope exemption in IAS 39 (in that they are settled through physical delivery of the Group's production or are used within the production process), are classified as normal purchase or sale contracts. In accordance with IAS 39 these contracts are not marked to market.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and, with cognisance of forecast future market conditions and structuring, to maintain an optimal capital structure to reduce the cost of capital.

In order to manage the short and long term capital structure, the Group adjusts the amount of ordinary dividends paid to shareholders, returns capital to shareholders (via, for example, share buybacks and special dividends), arranges debt to fund new acquisitions and may also sell non-core assets to reduce debt.

The Group monitors capital on the basis of the ratio of net debt to total capital (gearing). Net debt is calculated as total borrowings less cash and cash equivalents (including derivatives which provide an economic hedge of debt and the net debt of disposal groups). Total capital is calculated as 'Net assets' (as shown in the Consolidated balance sheet) excluding net debt. Gearing at 31 December 2010 was 16.3% (2009: 28.7%). The decrease in gearing since 31 December 2009 is due to lower net debt combined with higher net assets.

Financial instrument sensitivities

Financial instruments affected by market risk include borrowings, deposits, derivative financial instruments, trade receivables and trade payables. The following analysis, required by IFRS 7, is intended to illustrate the sensitivity of the Group's financial instruments (at 31 December) to changes in commodity prices, interest rates and foreign currencies.

The sensitivity analysis has been prepared on the basis that the components of net debt, the ratio of fixed to floating interest rates of the debt and derivatives portfolio and the proportion of financial instruments in foreign currencies are all constant and on the basis of the hedge designations in place at 31 December. In addition, the commodity price impact for provisionally priced contracts is based on the related trade receivables and trade payables at 31 December. As a consequence, this sensitivity analysis relates to the position at 31 December.

The following assumptions were made in calculating the sensitivity analysis:

- All income statement sensitivities also impact equity.
- For debt and other deposits carried at amortised cost, carrying value does not change as interest rates move.
- No sensitivity is provided for interest accruals as these are based on pre-agreed interest rates and therefore are not susceptible to further rate changes.
- Changes in the carrying value of derivatives (from movements in commodity prices and interest rates) designated as cash flow hedges are assumed to be recorded fully within equity on the grounds of materiality.
- No sensitivity has been calculated on derivatives and related underlying instruments designated into fair value hedge relationships as these are assumed materially to offset one another.
- All hedge relationships are assumed to be fully effective on the grounds of materiality.
- Debt with a maturity of less than one year is floating rate, unless it is a long term fixed rate debt in its final year.
- Translation of foreign subsidiaries and operations into the Group's presentation currency has been excluded from the sensitivity.

Using the above assumptions, the following table shows the illustrative effect on the income statement and equity that would result from reasonably possible changes in the relevant commodity price, interest rate or foreign currency.

25. FINANCIAL RISK MANAGEMENT AND DERIVATIVE FINANCIAL ASSETS/LIABILITIES continued

US$ million	2010 Income statement	2010 Equity	2009 Income statement	2009 Equity
Commodity price sensitivities				
10% increase in the platinum price	(19)	(19)	(14)	(14)
10% decrease in the platinum price	19	19	14	14
10% increase in the copper price	59	59	89	89
10% decrease in the copper price	(59)	(59)	(89)	(89)
Interest rate sensitivities				
50 bp increase in US interest rates	1	1	3	3
50 bp decrease in US interest rates	(1)	(1)	(3)	(3)
Foreign currency sensitivities[1]				
+10% US dollar to rand	(76)	(76)	(59)	(59)
-10% US dollar to rand	76	76	59	59
+10% US dollar to Australian dollar	23	23	4	4
-10% US dollar to Australian dollar	(23)	(23)	(4)	(4)
+10% US dollar to Brazilian real[2]	456	482	191	198
-10% US dollar to Brazilian real[2]	(297)	(302)	(175)	(183)
+10% US dollar to Chilean peso[2]	38	60	(11)	(67)
-10% US dollar to Chilean peso[2]	(46)	(73)	14	82

[1] + represents strengthening of US dollar against the respective currency.
[2] Includes sensitivities for non-hedge derivatives related to capital expenditure.

The above sensitivities are calculated with reference to a single moment in time and are subject to change due to a number of factors including:
- fluctuating trade receivable and trade payable balances;
- derivative instruments and borrowings settled throughout the year;
- fluctuating cash balances;
- changes in currency mix; and
- commercial paper with short term maturities, which is regularly replaced or settled.

As the sensitivities are limited to year end financial instrument balances they do not take account of the Group's sales and operating costs which are highly sensitive to changes in commodity prices and exchange rates. In addition, each of the sensitivities is calculated in isolation, whilst in reality commodity prices, interest rates and foreign currencies do not move independently.

26. PROVISIONS FOR LIABILITIES AND CHARGES

US$ million	2010 Environmental restoration[1]	Decommissioning[1]	Other	Total
At 1 January	839	336	617	1,792
Charged to the income statement	84	15	242	341
Capitalised	(8)[2]	18	(5)	5
Unwinding of discount	46	20	2	68
Amounts applied	(14)	(1)	(168)	(183)
Unused amounts reversed	(26)	(3)	(29)	(58)
Transfers[3]	(51)	(36)	120	33
Disposal of businesses	(1)	(2)	–	(3)
Currency movements	62	27	28	117
At 31 December	931	374	807	2,112

[1] The Group makes contributions to controlled funds to meet the cost of some of its environmental restoration and decommissioning liabilities (see note 16).
[2] Amounts capitalised in the environmental restoration provision relate to amounts that will be recovered from third parties when the actual expenditure is incurred.
[3] Includes amounts transferred to assets held for sale.

Maturity analysis of total provisions:

US$ million	2010	2009
Current	446	209
Non-current	1,666	1,583
	2,112	1,792

Environmental restoration
The Group has an obligation to undertake restoration, rehabilitation and environmental work when environmental disturbance is caused by the development or ongoing production of a mining property. A provision is recognised for the present value of such costs. It is anticipated that these costs will be incurred over a period in excess of 20 years.

Decommissioning
Provision is made for the present value of costs relating to the decommissioning of plant or other site restoration work. It is anticipated that these costs will be incurred over a period in excess of 20 years.

Other
Other provisions primarily relate to subsidiaries' cash settled share-based payments, other employee entitlements (including long service and leave entitlements), indemnities, warranties and legal claims. It is anticipated that these costs will be incurred over a five year period.

27. DEFERRED TAX

The movement in deferred tax balances during the year is as follows:

US$ million	2010	2009
Deferred tax assets		
At 1 January	288	258
Credited to the income statement	69	12
Charged to the statement of comprehensive income	(16)	(33)
Credited directly to equity	51	13
Transfers	(27)	(5)
Currency movements	24	43
At 31 December	389	288

US$ million	2010	2009
Deferred tax liabilities		
At 1 January	(5,192)	(4,555)
(Charged)/credited to the income statement	(222)	144
(Charged)/credited to the statement of comprehensive income	(76)	36
Credited directly to equity	17	7
Acquired/released in respect of business combinations	98	54
Transfers	52	46
Disposal of businesses	119	–
Currency movements	(437)	(924)
At 31 December	(5,641)	(5,192)

The amount of deferred tax recognised in the balance sheet is as follows:

US$ million	2010	2009
Deferred tax assets		
Tax losses	105	49
Post employment benefits	45	48
Share-based payments	55	42
Other temporary differences	184	149
	389	288
Deferred tax liabilities		
Capital allowances in excess of depreciation	(3,121)	(2,846)
Fair value adjustments	(1,903)	(1,942)
Tax losses	103	115
Derivatives	(211)	(106)
Provisions	(507)	(405)
Other temporary differences	(2)	(8)
	(5,641)	(5,192)

The amount of deferred tax charged/(credited) to the income statement is as follows:

US$ million	2010	2009
Capital allowances in excess of depreciation	162	(79)
Fair value adjustments	(168)	(502)
Tax losses	(42)	(33)
Derivatives	105	208
Provisions	44	114
Other temporary differences	52	136
	153	(156)

The current expectation regarding the maturity of deferred tax balances is as follows:

US$ million	2010	2009
Deferred tax assets		
Recoverable within 12 months	49	23
Recoverable after 12 months	340	265
	389	288
Deferred tax liabilities		
Payable within 12 months	(283)	(171)
Payable after 12 months	(5,358)	(5,021)
	(5,641)	(5,192)

27. DEFERRED TAX continued

The Group had the following balances in respect of which no deferred tax asset had been recognised:

US$ million	2010 Tax losses – revenue	2010 Tax losses – capital	2010 Other temporary differences	2010 Total	2009 Tax losses – revenue	2009 Tax losses – capital	2009 Other temporary differences	2009 Total
Expiry date								
Within one year	–	–	–	–	–	–	–	–
Greater than one year, less than five years	15	–	–	15	14	–	–	14
Greater than five years	84	–	–	84	5	–	–	5
No expiry date	3,023	1,252	8	4,283	3,304	1,154	7	4,465
	3,122	1,252	8	4,382	3,323	1,154	7	4,484

The Group also has unused tax credits of $84 million (2009: $22 million) for which no deferred tax asset is recognised in the balance sheet. None of these credits expire within five years.

No deferred tax has been recognised in respect of temporary differences associated with investments in subsidiaries, branches and associates and interests in joint ventures, where the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future. The aggregate amount of temporary differences associated with such investments in subsidiaries, branches and associates and interests in joint ventures is represented by the contribution of those investments to the Group's retained earnings and amounted to $20,277 million (2009: $16,843 million).

28. RETIREMENT BENEFITS

The Group operates defined contribution and defined benefit pension plans for the majority of its employees. It also operates post employment medical arrangements in southern Africa. In 2009 plans in North America related to businesses which were disposed of in 2010.

Defined contribution plans

The defined contribution pension and medical cost represents the actual contributions payable by the Group to the various plans. At 31 December 2010 there were no material outstanding or prepaid contributions and so no accrual or prepayment has been disclosed in the balance sheet in relation to these plans.

The assets of the defined contribution plans are held separately in independently administered funds. The charge in respect of these plans is calculated on the basis of the contribution payable by the Group in the financial year. The charge for the year for defined contribution pension plans (net of amounts capitalised) was $216 million (2009: $172 million) and for defined contribution medical plans (net of amounts capitalised) was $23 million (2009: $18 million).

Defined benefit pension plans and post employment medical plans

The majority of the defined benefit pension plans are funded. The assets of these plans are held separately from those of the Group, in independently administered funds, in accordance with statutory requirements or local practice throughout the world. The unfunded pension plans are principally in South America.

The post employment medical arrangements provide health benefits to retired employees and certain dependants. Eligibility for cover is dependent upon certain criteria. The majority of these plans are unfunded.

The Group's provision of anti-retroviral therapy to HIV positive staff has not significantly impacted the post employment medical plan liability.

Independent qualified actuaries carry out full valuations every three years using the projected unit credit method. The actuaries have updated the valuations to 31 December 2010.

Actuarial assumptions

The principal assumptions used to determine the actuarial present value of benefit obligations and pension charges and credits under IAS 19 *Employee Benefits* are detailed below (shown as weighted averages):

%	2010 Southern Africa	2010 The Americas	2010 Europe	2009 Southern Africa	2009 The Americas	2009 Europe
Defined benefit pension plans						
Average discount rate for plan liabilities	8.5	8.5	5.4	9.0	8.5	5.7
Average rate of inflation	5.8	3.8	3.2	5.8	3.7	3.7
Average rate of increase in salaries	7.0	6.8	0.4[1]	7.0	6.1	3.7
Average rate of increase of pensions in payment	5.8	3.6	3.5	5.8	3.1	3.7
Average long term rate of return on plan assets[2]	9.1	12.4	6.1	9.6	10.5	6.6
Post employment medical plans						
Average discount rate for plan liabilities	8.5	n/a	n/a	9.0	6.6	n/a
Average rate of inflation	5.8	n/a	n/a	5.8	1.1	n/a
Expected average increase in healthcare costs	7.2	n/a	n/a	7.2	4.1	n/a

[1] Certain European plans ceased future accrual of benefits during 2010.

[2] The long term expected return on plan assets has been set with reference to current market yields on government and corporate bonds and expected equity bond-outperformance in the relevant jurisdictions. The expected return on cash assets has been set with reference to expected bank base rates. The overall long term expected rate of return for each class is weighted by the asset allocation to the class at the balance sheet date.

28. RETIREMENT BENEFITS continued

Mortality assumptions are determined based on standard mortality tables with adjustments, as appropriate, to reflect experience of conditions locally. In southern Africa, the PA90 tables (2009: PA90 tables) are used. The main plans in Europe use the SAPS tables (2009: SAPS and PXA00 tables). The main plans in the Americas use the RV2004 and AT2000 tables (2009: RV2004, AT2000 and UP94 tables). The mortality tables used imply that a male or female aged 60 at the balance sheet date has the following future life expectancy:

	Male		Female	
Years	2010	2009	2010	2009
Southern Africa	20.6	20.5	25.5	25.4
The Americas	23.2	23.2	27.2	26.9
Europe	27.4	27.3	30.0	29.9

Summary of plans by geography

The Group's plans in respect of pension and post employment healthcare are summarised as follows:

	2010				2009			
US$ million	Southern Africa	The Americas	Europe	Total	Southern Africa	The Americas	Europe	Total
Assets[1]								
Defined benefit pension plans in surplus	112	–	–	112	54	–	–	54
Liabilities								
Defined benefit pension plans in deficit	–	(178)	(101)	(279)	–	(173)	(231)	(404)
Post employment medical plans in deficit	(312)	–	–	(312)	(271)	(31)	–	(302)
	(312)	(178)	(101)	(591)	(271)	(204)	(231)	(706)

[1] Amounts are included in 'Other non-current assets'.

Five year summary of plan assets and liabilities

US$ million	2010	2009	2008	2007	2006
Defined benefit pension plans					
Present value of liabilities	(2,840)	(2,975)	(2,157)	(3,095)	(4,256)
Fair value of plan assets	2,732	2,731	2,073	3,148	4,160
Net (deficit)/surplus	(108)	(244)	(84)	53	(96)
Surplus restriction	(59)	(106)	(61)	(136)	(163)
Net deficit after surplus restriction	(167)	(350)	(145)	(83)	(259)
Actuarial gain/(loss) on plan assets[1]	76	184	(392)	39	308
Actuarial gain/(loss) on plan liabilities[2]	19	(361)	208	(48)	(156)
Post employment medical plans					
Present value of liabilities	(337)	(322)	(241)	(329)	(422)
Fair value of plan assets	25	20	17	20	16
Net deficit	(312)	(302)	(224)	(309)	(406)
Actuarial gain on plan assets[3]	2	–	1	1	–
Actuarial (loss)/gain on plan liabilities[4]	(13)	(10)	16	(29)	15

[1] Net experience gains on pension plan assets were $76 million (2009: gains of $184 million; 2008: losses of $392 million; 2007: gains of $32 million; 2006: gains of $314 million).
[2] Net experience gains on pension plan liabilities were $38 million (2009: losses of $17 million; 2008: losses of $29 million; 2007: losses of $112 million; 2006: losses of $113 million).
[3] Net experience gains on medical plan assets were $2 million (2009: nil; 2008: gains of $1 million; 2007: losses of $1 million; 2006: losses of $1 million).
[4] Net experience gains on medical plan liabilities were $5 million (2009: losses of $3 million; 2008: losses of $7 million; 2007: losses of $4 million; 2006: gains of $36 million).

Cumulative net actuarial losses recognised in the Consolidated statement of comprehensive income are $378 million (2009: $509 million; 2008: $292 million; 2007: $163 million; 2006: $126 million).

Income statement

The amounts recognised in the income statement are as follows:

	2010			2009		
US$ million	Pension plans	Post employment medical plans	Total	Pension plans	Post employment medical plans	Total
Analysis of the amount charged to operating profit						
Current service costs	28	3	31	32	4	36
Past service costs and effects of settlements and curtailments	9	(6)	3	–	–	–
Total within operating costs	37	(3)	34	32	4	36
Analysis of the amount charged to net finance costs						
Expected return on plan assets[1]	(203)	(2)	(205)	(156)	(1)	(157)
Interest costs on plan liabilities[2]	193	26	219	156	18	174
Net charge to net finance costs	(10)	24	14	–	17	17
Total charge to the income statement	27	21	48	32	21	53

[1] Included in 'Investment income'.
[2] Included in 'Interest expense'.

28. RETIREMENT BENEFITS continued

Pension plan assets and liabilities by geography

The market value of the pension assets in defined benefit pension plans, the long term expected rate of return and the split of the present value of unfunded and funded obligations at 31 December are as follows:

							2010							2009
	Southern Africa		The Americas		Europe		Total	Southern Africa		The Americas		Europe		Total
	Rate of return %	Fair value US$ million	Rate of return %	Fair value US$ million	Rate of return %	Fair value US$ million	Fair value US$ million	Rate of return %	Fair value US$ million	Rate of return %	Fair value US$ million	Rate of return %	Fair value US$ million	Fair value US$ million
Equity	11.3	359	16.8	13	7.7	822	1,194	11.7	332	9.5	75	8.1	774	1,181
Bonds	8.0	597	12.0	128	4.7	582	1,307	8.5	558	10.9	196	5.1	687	1,441
Other	6.5	62	10.8	6	3.0	163	231	7.0	44	9.4	10	4.0	55	109
Fair value of pension plan assets[1]		1,018		147		1,567	2,732		934		281		1,516	2,731
Present value of unfunded obligations		–		(170)		(1)	(171)		–		(146)		(5)	(151)
Present value of funded obligations[1]		(847)		(155)		(1,667)	(2,669)		(791)		(308)		(1,725)	(2,824)
Present value of pension plan liabilities		(847)		(325)		(1,668)	(2,840)		(791)		(454)		(1,730)	(2,975)
Net surplus/(deficit) in pension plans		171		(178)		(101)	(108)		143		(173)		(214)	(244)
Surplus restriction related to pension plans		(59)		–		–	(59)		(89)		–		(17)	(106)
Recognised pension plan assets/(liabilities)		112		(178)		(101)	(167)		54		(173)		(231)	(350)
Amounts in the balance sheet														
Pension assets		112		–		–	112		54		–		–	54
Pension liabilities		–		(178)		(101)	(279)		–		(173)		(231)	(404)
		112		(178)		(101)	(167)		54		(173)		(231)	(350)

[1] The market value of assets was used to determine the funding level of the plans. The market value of the assets of the funded plans was sufficient to cover 102% (2009: 97%) of the benefits that had accrued to members after allowing for expected increases in future earnings and pensions. Companies within the Group are paying contributions as required in accordance with local actuarial advice.

Movement analysis

The changes in the present value of defined benefit obligations are as follows:

			2010			2009
US$ million	Pension plans	Post employment medical plans	Total	Pension plans	Post employment medical plans	Total
At 1 January	(2,975)	(322)	(3,297)	(2,157)	(241)	(2,398)
Current service costs	(28)	(3)	(31)	(32)	(4)	(36)
Past service costs and effects of settlements and curtailments	118	6	124	–	–	–
Interest costs	(193)	(26)	(219)	(156)	(18)	(174)
Actuarial gains/(losses)	19	(13)	6	(361)	(10)	(371)
Benefits paid	160	17	177	135	13	148
Contributions paid by other members	(2)	–	(2)	(7)	–	(7)
Transfer to liabilities directly associated with assets held for sale	128	40	168	(1)	–	(1)
Reclassification	(8)	–	(8)	–	–	–
Currency movements	(59)	(36)	(95)	(396)	(62)	(458)
At 31 December	(2,840)	(337)	(3,177)	(2,975)	(322)	(3,297)

The changes in the fair value of plan assets are as follows:

			2010			2009
US$ million	Pension plans	Post employment medical plans	Total	Pension plans	Post employment medical plans	Total
At 1 January	2,731	20	2,751	2,073	17	2,090
Past service costs and effects of settlements and curtailments	(127)	–	(127)	–	–	–
Expected return	203[1]	2	205	156[1]	1	157
Actuarial gains	76[1]	2	78	184[1]	–	184
Contributions paid by employer[2]	53	–	53	62	–	62
Benefits paid	(160)	(1)	(161)	(135)	–	(135)
Contributions paid by other members	2	–	2	7	–	7
Transfer to liabilities directly associated with assets held for sale	(113)	–	(113)	–	–	–
Currency movements	67	2	69	384	2	386
At 31 December	2,732	25	2,757	2,731	20	2,751

[1] The actual return on assets in respect of pension plans was a gain of $279 million (2009: $340 million).

[2] The Group expects to contribute approximately $36 million to its pension plans and $16 million to its post employment medical plans in 2011.

28. RETIREMENT BENEFITS continued

Healthcare sensitivity analysis

Amounts recognised in the income statement, in respect of post employment medical plans, are sensitive to assumed healthcare trend rates. A 1% change in assumed healthcare cost trend rates would have the following effects:

	1% increase		1% decrease	
US$ million	2010	2009	2010	2009
Effect on the sum of service costs and interest costs	**3**	4	**(3)**	(3)
Effect on defined benefit obligations	**37**	36	**(31)**	(30)

29. CALLED-UP SHARE CAPITAL AND SHARE-BASED PAYMENTS

Called-up share capital

	2010		2009	
	Number of shares	US$ million	Number of shares	US$ million
Called-up, allotted and fully paid:				
5% cumulative preference shares of £1 each	**50,000**	**–**	50,000	–
Ordinary shares of $54\frac{86}{91}$ US cents each:				
At 1 January	**1,342,927,138**	**738**	1,342,919,020	738
Other	**5,576**	**–**	8,118	–
At 31 December	**1,342,932,714**	**738**	1,342,927,138	738

During 2010 5,576 ordinary shares of $54\frac{86}{91}$ US cents each were allotted to certain non-executive directors by subscription of their after tax directors' fees (2009: 8,118 ordinary shares).

Excluding shares held in treasury (but including the shares held by the Group in other structures, as outlined in the Tenon and Employee benefit trust sections below) the number and carrying value of called-up, allotted and fully paid ordinary shares as at 31 December 2010 was 1,320,052,246 and $725 million (2009: 1,316,493,628; $723 million).

At 31 December 2010 the Company held 22,880,468 ordinary shares of $54\frac{86}{91}$ US cents in treasury (2009: 26,433,510 ordinary shares).

At general meetings, every member who is present in person has one vote on a show of hands and, on a poll, every member who is present in person or by proxy has one vote for every ordinary share held.

In the event of winding up, the holders of the cumulative preference shares will be entitled to the repayment of a sum equal to the nominal capital paid up, or credited as paid up, on the cumulative preference shares held by them and any accrued dividend, whether such dividend has been earned or declared or not, calculated up to the date of the winding up.

No ordinary shares were allotted on exercise of employee share option plans (2009: nil).

Tenon

Tenon Investment Holdings (Pty) Limited (Tenon), a wholly owned subsidiary of Anglo American South Africa Limited (AASA), has entered into agreements with Epoch Investment Holdings Limited (Epoch), Epoch Two Investment Holdings Limited (Epoch Two) and Tarl Investments Holdings Limited (Tarl) (collectively the Investment Companies), each owned by independent charitable trusts whose trustees are independent of the Group. Under the terms of these agreements, the Investment Companies have purchased Anglo American plc shares on the market and have granted to Tenon the right to nominate a third party (which may include Anglo American plc but not any of its subsidiaries) to take transfer of the Anglo American plc shares each has purchased on the market. Tenon paid the Investment Companies 80% of the cost of the Anglo American plc shares including associated costs for this right to nominate which together with subscriptions by Tenon for non-voting participating redeemable preference shares in the Investment Companies provided all the funding required to acquire the Anglo American plc shares through the market. These payments by Tenon were sourced from the cash resources of AASA. Tenon is able to exercise its right of nomination at any time up to 31 December 2025 against payment of an average amount of $8.22 per share to Epoch, $12.78 per share to Epoch Two and $10.61 per share to Tarl which will be equal to 20% of the total costs respectively incurred by Epoch, Epoch Two and Tarl in purchasing shares nominated for transfer to the third party. These funds will then become available for redemption of the preference shares issued by the Investment Companies. The amount payable by the third party on receipt of the Anglo American plc shares will accrue to Tenon and, in accordance with paragraph 33 of IAS 32, any resulting gain or loss recorded by Tenon will not be recognised in the income statement of Anglo American plc.

Under the agreements, the Investment Companies will receive dividends on the shares they hold and have agreed to waive the right to vote on those shares. The preference shares issued to the charitable trusts are entitled to a participating right of up to 10% of the profit after tax of Epoch and 5% of the profit after tax of Epoch Two and Tarl. The preference shares issued to Tenon will carry a fixed coupon of 3% plus a participating right of up to 80% of the profit after tax of Epoch and 85% of the profit after tax of Epoch Two and Tarl. Any remaining distributable earnings in the Investment Companies, after the above dividends, are then available for distribution as ordinary dividends to the charitable trusts.

The structure effectively provides Tenon with a beneficial interest in the price risk on these shares together with a participation in future dividend receipts. The Investment Companies will retain legal title to the shares until Tenon exercises its right to nominate a transferee.

At 31 December 2010 the Investment Companies together held 112,300,129 (2009: 112,300,129) Anglo American plc shares with a market value of $5,852 million (2009: $4,915 million) which represented 9% (2009: 9%) of the ordinary shares in issue (excluding treasury shares). The Investment Companies are not permitted to hold more than an aggregate of 10% of the issued share capital of Anglo American plc at any one time.

Although the Group has no voting rights in the Investment Companies and cannot appoint or remove trustees of the charitable trusts, the Investment Companies continue to meet the accounting definition of a subsidiary in accordance with IAS 27. As a result, the Investment Companies are consolidated in accordance with the definitions of IAS 27 and the principles set out in SIC 12 *Consolidation – Special Purpose Entities.*

29. CALLED-UP SHARE CAPITAL AND SHARE-BASED PAYMENTS continued

Employee benefit trust

The provision of shares to certain of the Company's share option and share incentive schemes is facilitated by an employee benefit trust. During 2010, 948,259 shares (2009: 3,496,000 shares) were sold to employees on exercise of their options. The cost of shares purchased by the trust is presented against retained earnings. The employee benefit trust has waived the right to receive dividends on these shares.

The market value of the 985 shares (2009: 949,244 shares) held by the trust at 31 December 2010 was $0.1 million (2009: $44 million).

In addition to the employee benefit trust, shares relating to the Company's share option and share incentive schemes may also be settled by the issue of treasury shares.

The costs of operating the trust are borne by the Group but are not material.

Share-based payments

During the year ended 31 December 2010, the Group had five share-based payment arrangements with employees relating to shares of the Company, the details of which are described in the Remuneration report. All of these schemes are equity settled, either by award of options to acquire ordinary shares (ESOS and SAYE) or award of ordinary shares (BSP, LTIP and SIP). The ESOS is now closed to new participants, having been replaced with the BSP. The DOP has since replaced the ESOS for use in special circumstances, relating to the recruitment or retention of key executives. No shares have been issued under the DOP.

The total share-based payment charge relating to Anglo American plc shares for the year was made up as follows:

US$ million	2010	2009
BSP	69	57
LTIP	41	50
Other schemes	16	19
	126	126

The fair value of options granted under the SAYE scheme, being the only material option scheme, was calculated using a Black Scholes model. No ESOS awards were granted in 2010 or 2009. The assumptions used in these calculations for the current and prior years are set out in the table below:

Arrangement[1]	2010 SAYE	2009 SAYE
Date of grant	26/04/10	23/04/09
Number of instruments	172,650	1,481,927
Exercise price (£)	22.99	9.56
Share price at the date of grant (£)	28.74	11.95
Contractual life (years)	3.5-7.5	3.5-7.5
Vesting conditions[2]	3-7	3-7
Expected volatility	40%	45%
Expected option life (years)	3.5-7.5	3.5-7.5
Risk free interest rate (weighted average)	2.7%	2.7%
Expected departures	5% pa	5% pa
Expected outcome of meeting performance criteria (at date of grant)	n/a	n/a
Fair value per option granted (weighted average) (£)	13.29	6.71

The fair value of ordinary shares awarded under the BSP, LTIP and LTIP – AOSC (2009: LTIP – ROCE), being the more material share schemes, was calculated using a Black Scholes model. The fair value of shares awarded under the LTIP – TSR scheme was calculated using a Monte Carlo model. The assumptions used in these calculations for the current and prior years are set out in the table below:

	2010				2009			
Arrangement[1]	BSP	LTIP	LTIP – AOSC	LTIP – TSR	BSP	LTIP	LTIP – ROCE	LTIP – TSR
Date of grant	19/03/10	12/03/10	12/03/10	12/03/10	18/03/09	30/03/09	30/03/09	30/03/09
Number of instruments	3,007,996	871,864	220,369	220,369	5,929,013	837,180	468,132	468,132
Exercise price (£)	–	–	–	–	–	–	–	–
Share price at the date of grant (£)	23.80	25.69	25.69	25.69	11.62	12.61	12.61	10.81
Contractual life (years)	3	3	3	3	3	3	3	3
Vesting conditions	[3]	[4]	[5]	[6]	[3]	[4]	[5]	[6]
Expected volatility	40%	40%	40%	40%	45%	45%	45%	45%
Risk free interest rate	1.9%	1.9%	1.9%	1.9%	2.0%	1.8%	1.8%	1.8%
Expected departures	5% pa	5% pa	5% pa	5% pa	5% pa	5% pa	5% pa	5% pa
Expected outcome of meeting performance criteria (at date of grant)	100%	100%	100%	n/a	44-100%	100%	100%	n/a
Fair value per option granted (weighted average) (£)	26.64	27.08	27.08	23.56	11.12	10.81	10.81	8.38

[1] The number of instruments used in the fair value models differs from the total number of instruments awarded in the year due to awards made subsequent to the fair value calculations. The fair value calculated per the assumptions above has been applied to the total number of awards. The difference in income statement charge is not considered significant.
[2] Number of years of continuous employment.
[3] Three years of continuous employment with enhancement shares having variable vesting based on non-market based performance conditions.
[4] Three years of continuous employment.
[5] Variable vesting dependent on three years of continuous employment and, in 2010, Group AOSC target being achieved (2009: Group ROCE target being achieved).
[6] Variable vesting dependent on three years of continuous employment and market based performance conditions being achieved.

29. CALLED-UP SHARE CAPITAL AND SHARE-BASED PAYMENTS continued

The expected volatility is based on historic volatility over the last five years. The expected life is the average expected period to exercise. The risk free interest rate is the yield on zero-coupon UK government bonds with a term similar to the expected life of the option.

The charges arising in respect of the other Anglo American plc employee share schemes that the Group operated during the year are not considered material.

A reconciliation of option movements for the more significant share-based payment arrangements over the year ended 31 December 2010 and the prior year is shown below. All options outstanding at 31 December 2010 with an exercise date on or prior to 31 December 2010 are deemed exercisable. Options were exercised regularly during the year and the weighted average share price for the year ended 31 December 2010 was £26.71 (2009: £19.45).

Executive Share Option Scheme[1]

Options to acquire ordinary shares of 54 86/91 US cents were outstanding under the terms of this scheme as follows:

								2010
Year of grant	Date exercisable	Option price per share £	Options outstanding 1 January	Options granted in year	Options exercised in year	Options forfeited in year	Options expired in year	Options outstanding 31 December
2000	23 March 2003 to 22 March 2010	7.66	407,234	–	(397,150)	(10,084)	–	–
2000	12 September 2003 to 11 September 2010	10.19	3,056	–	(3,056)	–	–	–
2001	2 April 2004 to 1 April 2011	10.03	695,900	–	(321,368)	(3,600)	–	370,932
2001	13 September 2004 to 12 September 2011	8.00	23,750	–	(2,000)	–	–	21,750
2002	18 March 2005 to 17 March 2012	11.50	742,003	–	(129,594)	(14,000)	–	598,409
2002	13 September 2005 to 12 September 2012	8.05	7,000	–	–	–	–	7,000
2003	5 March 2006 to 4 March 2013	9.28	1,366,322	–	(127,354)	(17,268)	–	1,221,700
2004	1 March 2007 to 28 February 2014	13.43	1,437,165	–	(197,936)	(12,500)	–	1,226,729
2004	10 August 2007 to 9 August 2014	11.52	33,809	–	(1,000)	–	–	32,809
2005	6 January 2008 to 4 January 2015	12.12	37,579	–	(37,579)	–	–	–
2005	1 August 2008 to 31 July 2015	14.40	18,000	–	(9,000)	–	–	9,000
2005	19 August 2008 to 18 August 2015	13.94	2,750	–	(2,750)	–	–	–
			4,774,568	–	(1,228,787)	(57,452)	–	3,488,329

								2009
Year of grant	Date exercisable	Option price per share £	Options outstanding 1 January	Options granted in year	Options exercised in year	Options forfeited in year	Options expired in year	Options outstanding 31 December
1999	24 June 2002 to 23 June 2009	6.98	514,333	–	(514,333)	–	–	–
1999	19 October 2002 to 18 October 2009	8.00	7,000	–	(7,000)	–	–	–
2000	23 March 2003 to 22 March 2010	7.66	716,122	–	(299,888)	(9,000)	–	407,234
2000	12 September 2003 to 11 September 2010	10.19	3,056	–	–	–	–	3,056
2001	2 April 2004 to 1 April 2011	10.03	879,620	–	(161,312)	(22,408)	–	695,900
2001	13 September 2004 to 12 September 2011	8.00	23,750	–	–	–	–	23,750
2002	18 March 2005 to 17 March 2012	11.50	943,861	–	(176,520)	(25,338)	–	742,003
2002	13 September 2005 to 12 September 2012	8.05	7,000	–	–	–	–	7,000
2003	5 March 2006 to 4 March 2013	9.28	1,763,011	–	(332,431)	(64,258)	–	1,366,322
2003	13 August 2006 to 12 August 2013	11.41	22,500	–	(12,500)	(10,000)	–	–
2004	1 March 2007 to 28 February 2014	13.43	1,927,167	–	(319,961)	(170,041)	–	1,437,165
2004	10 August 2007 to 9 August 2014	11.52	57,309	–	(23,500)	–	–	33,809
2004	29 November 2007 to 28 November 2014	12.73	8,791	–	(8,791)	–	–	–
2005	6 January 2008 to 4 January 2015	12.12	37,579	–	–	–	–	37,579
2005	1 August 2008 to 31 July 2015	14.40	18,000	–	–	–	–	18,000
2005	19 August 2008 to 18 August 2015	13.94	2,750	–	–	–	–	2,750
			6,931,849	–	(1,856,236)	(301,045)	–	4,774,568

See page 161 for footnote.

29. CALLED-UP SHARE CAPITAL AND SHARE-BASED PAYMENTS continued

SAYE Share Option Scheme[1]

Options to acquire ordinary shares of 54 86/91 US cents were outstanding under the terms of this scheme as follows:

								2010
Year of grant	Date exercisable	Option price per share £	Options outstanding 1 January	Options granted in year	Options exercised in year	Options forfeited in year	Options expired in year	Options outstanding 31 December
2002	1 September 2009 to 28 February 2010	9.23	2,179	–	(1,712)	(467)	–	–
2003	1 September 2010 to 28 February 2011	7.52	36,756	–	(36,246)	(510)	–	–
2004	1 September 2009 to 28 February 2010	10.81	1,389	–	(1,389)	–	–	–
2004	1 September 2011 to 29 February 2012	10.81	12,844	–	(1,061)	(1,150)	–	10,633
2005	1 September 2010 to 28 February 2011	10.15	191,212	–	(184,269)	(2,842)	–	4,101
2005	1 September 2012 to 28 February 2013	10.15	33,766	–	(8,322)	(1,715)	–	23,729
2006	1 September 2009 to 28 February 2010	17.97	22,304	–	(9,219)	(13,085)	–	–
2006	1 September 2011 to 29 February 2012	17.97	57,604	–	(4,920)	(4,214)	–	48,470
2006	1 September 2013 to 28 February 2014	17.97	18,080	–	(884)	(637)	–	16,559
2007	1 September 2010 to 28 February 2011	21.42	72,584	–	(61,024)	(5,193)	–	6,367
2007	1 September 2012 to 28 February 2013	21.42	36,930	–	(1,432)	(4,139)	–	31,359
2007	1 September 2014 to 28 February 2015	21.42	17,090	–	(694)	(3,273)	–	13,123
2008	1 September 2011 to 29 February 2012	24.16	64,836	–	(917)	(10,840)	–	53,079
2008	1 September 2013 to 28 February 2014	24.16	26,847	–	(369)	(3,648)	–	22,830
2008	1 September 2015 to 29 February 2016	24.16	13,064	–	(352)	(2,835)	–	9,877
2009	1 September 2012 to 28 February 2013	9.56	822,245	–	(13,881)	(99,449)	–	708,915
2009	1 September 2014 to 28 February 2015	9.56	477,750	–	(3,237)	(39,534)	–	434,979
2009	1 September 2016 to 28 February 2017	9.56	129,946	–	(440)	(7,584)	–	121,922
2010	1 September 2013 to 28 February 2014	22.99	–	100,196	–	(5,078)	–	95,118
2010	1 September 2015 to 29 February 2016	22.99	–	57,989	–	(2,287)	–	55,702
2010	1 September 2017 to 28 February 2018	22.99	–	14,465	–	(1,416)	–	13,049
			2,037,426	172,650	(330,368)	(209,896)	–	1,669,812

								2009
Year of grant	Date exercisable	Option price per share £	Options outstanding 1 January	Options granted in year	Options exercised in year	Options forfeited in year	Options expired in year	Options outstanding 31 December
2001	1 July 2008 to 31 December 2008	8.45	870	–	–	(870)	–	–
2002	1 September 2009 to 28 February 2010	9.23	24,349	–	(19,892)	(2,278)	–	2,179
2003	1 September 2008 to 28 February 2009	7.52	4,189	–	(3,491)	(698)	–	–
2003	1 September 2010 to 28 February 2011	7.52	40,908	–	(3,103)	(1,049)	–	36,756
2004	1 September 2009 to 28 February 2010	10.81	69,295	–	(65,799)	(2,107)	–	1,389
2004	1 September 2011 to 29 February 2012	10.81	18,129	–	(3,278)	(2,007)	–	12,844
2005	1 September 2008 to 28 February 2009	10.15	7,733	–	(3,780)	(3,953)	–	–
2005	1 September 2010 to 28 February 2011	10.15	237,371	–	(27,734)	(18,425)	–	191,212
2005	1 September 2012 to 28 February 2013	10.15	43,060	–	(2,904)	(6,390)	–	33,766
2006	1 September 2009 to 28 February 2010	17.97	169,942	–	(109,117)	(38,521)	–	22,304
2006	1 September 2011 to 29 February 2012	17.97	105,138	–	(2,599)	(44,935)	–	57,604
2006	1 September 2013 to 28 February 2014	17.97	28,699	–	(269)	(10,350)	–	18,080
2007	1 September 2010 to 28 February 2011	21.42	137,115	–	(840)	(63,691)	–	72,584
2007	1 September 2012 to 28 February 2013	21.42	72,086	–	(539)	(34,617)	–	36,930
2007	1 September 2014 to 28 February 2015	21.42	30,991	–	–	(13,901)	–	17,090
2008	1 September 2011 to 29 February 2012	24.16	168,225	–	(220)	(103,169)	–	64,836
2008	1 September 2013 to 28 February 2014	24.16	69,231	–	(92)	(42,292)	–	26,847
2008	1 September 2015 to 29 February 2016	24.16	32,378	–	–	(19,314)	–	13,064
2009	1 September 2012 to 28 February 2013	9.56	–	847,891	(235)	(25,411)	–	822,245
2009	1 September 2014 to 28 February 2015	9.56	–	498,808	(515)	(20,543)	–	477,750
2009	1 September 2016 to 28 February 2017	9.56	–	135,228	–	(5,282)	–	129,946
			1,259,709	1,481,927	(244,407)	(459,803)	–	2,037,426

See page 161 for footnote.

29. CALLED-UP SHARE CAPITAL AND SHARE-BASED PAYMENTS continued

Long Term Incentive Plan[1][2]

Ordinary shares of $54\frac{86}{91}$ US cents may be awarded under the terms of this scheme for no consideration. The number of shares outstanding is shown below:

							2010
Year of grant	Vesting date	Shares outstanding 1 January	Shares conditionally awarded in year	Shares vested in year	Shares forfeited in year	Shares expired in year	Shares outstanding 31 December
2007	23 March 2010	1,525,173	–	(930,511)	(589,704)	–	4,958
2008	17 March 2011	1,500,248	–	(3,363)	(94,480)	–	1,402,405
2008	18 August 2011	73,950	–	(236)	(264)	–	73,450
2009	30 March 2012	1,691,544	–	(172,056)	(193,207)	–	1,326,281
2010	12 March 2013	–	1,312,602	(89,501)	(17,627)	–	1,205,474
		4,790,915	1,312,602	(1,195,667)	(895,282)	–	4,012,568

							2009
Year of grant	Vesting date	Shares outstanding 1 January	Shares conditionally awarded in year	Shares vested in year	Shares forfeited in year	Shares expired in year	Shares outstanding 31 December
2006	29 March 2009	1,202,032	–	(598,386)	(603,646)	–	–
2007	23 March 2010	1,604,945	–	(31,000)	(48,772)	–	1,525,173
2008	17 March 2011	1,576,018	–	–	(75,770)	–	1,500,248
2008	18 August 2011	83,200	–	(250)	(9,000)	–	73,950
2009	30 March 2012	–	1,773,444	(29,773)	(52,127)	–	1,691,544
		4,466,195	1,773,444	(659,409)	(789,315)	–	4,790,915

Bonus Share Plan[3]

Ordinary shares of $54\frac{86}{91}$ US cents may be awarded under the terms of this scheme for no consideration. The number of shares outstanding is shown below:

							2010
Year of grant	Performance period end date	Shares outstanding 1 January	Shares conditionally awarded in year	Shares vested in year	Shares forfeited in year	Shares expired in year	Shares outstanding 31 December
2006	31 December 2008	1,364	–	(1,364)	–	–	–
2007	31 December 2009	1,306,505	–	(661,119)	(645,386)	–	–
2008	31 December 2010	1,535,775	–	(179,592)	(60,000)	–	1,296,183
2009	31 December 2011	5,745,768	–	(590,779)	(195,148)	–	4,959,841
2010	31 December 2012	–	3,009,494	(159,614)	(85,644)	–	2,764,236
		8,589,412	3,009,494	(1,592,468)	(986,178)	–	9,020,260

							2009
Year of grant	Performance period end date	Shares outstanding 1 January	Shares conditionally awarded in year	Shares vested in year	Shares forfeited in year	Shares expired in year	Shares outstanding 31 December
2005	31 December 2007	826	–	–	(826)	–	–
2006	31 December 2008	1,270,144	–	(1,232,752)	(36,028)	–	1,364
2007	31 December 2009	1,396,613	–	(48,233)	(41,875)	–	1,306,505
2008	31 December 2010	1,622,451	–	(40,756)	(45,920)	–	1,535,775
2009	31 December 2011	–	5,943,960	(146,171)	(52,021)	–	5,745,768
		4,290,034	5,943,960	(1,467,912)	(176,670)	–	8,589,412

Share Incentive Plan

Ordinary shares of $54\frac{86}{91}$ US cents may be awarded under the terms of this scheme for no consideration. The number of shares outstanding is shown below:

	Awards outstanding at 31 December 2010	Awards outstanding at 31 December 2009	Latest release date
Share Incentive Plan	915,652	985,681	7 December 2013

(1) The early exercise of share options is permitted at the discretion of the Company upon *inter alia* termination of employment, ill health or death.
(2) The LTIP awards are contingent on pre-established performance criteria being met. Further information in respect of this scheme is shown in the Remuneration report.
(3) The BSP was approved by shareholders in 2004 as a replacement for the ESOS. Further information in respect of the BSP, including performance conditions, is shown in the Remuneration report.