

Registered number: 121469

FC034111

CC

ANGLO AMERICAN EXPLORATION COLOMBIA LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



ANGLO AMERICAN EXPLORATION COLOMBIA LIMITED

COMPANY INFORMATION

Directors	M P Donnelly C Howells (resigned 27 September 2019) E C Klonarides W K B Ward-Brew
Company secretary	Anglo American Corporate Secretary Limited Intertrust Corporate Services (Jersey) Limited (resigned 7 February 2019) Ogier Global Company Secretary (Jersey) Limited (appointed 7 February 2019)
Registered number	121469
Registered office	3rd Floor 44 Esplanade St Helier Jersey JE4 9WG
Administration office	20 Carlton House Terrace London United Kingdom SW1Y 5AN
Bankers	Barclays Bank plc 1 Churchill Place Canary Wharf London United Kingdom E14 5HP

ANGLO AMERICAN EXPLORATION COLOMBIA LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Directors' responsibilities statement	3
Statement of comprehensive income	4
Balance sheet	5
Statement of changes in equity	6 - 7
Notes to the financial statements	8 - 17

ANGLO AMERICAN EXPLORATION COLOMBIA LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and the financial statements for the year ended 31 December 2019.

Principal activity

The principal activity of Anglo American Exploration Colombia Limited (the "Company") is as an investment holding company.

Dividends paid

There were no dividends paid in the year under review (2018 - \$NIL).

Results

The Statement of comprehensive income for the year is set out on page 4.

Directors

The directors who served during the year and up to the date of this report were:

M P Donnelly
C Howells (resigned 27 September 2019)
E C Klonarides
W K B Ward-Brew

Going concern

The Company's ability to operate as a going concern is assessed in conjunction with Anglo American plc and its subsidiaries (together the "Group") as its viability is dependent upon the ability of the Group companies to settle their intercompany balances with the Company and to provide funds for working capital needs. Anglo American Services (UK) Ltd have confirmed that they intend to provide financial resources, where requested, for at least 12 months from the date of signing these financial statements, whilst the Company remains a subsidiary of Anglo American plc.

The directors of the Company therefore feel that the Company will have sufficient funds, taking account of possible changes in trading performance (including specifically the potential impact of COVID-19 on the cash flows of the Company, Anglo American Services (UK) Ltd and Anglo American plc) and amounts owed by other Group companies, to conclude that the Company can adopt the going concern basis for the foreseeable future.

Future developments

The directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

Post balance sheet events

Following the end of 2019 the novel coronavirus (COVID-19) has been declared a pandemic by the World Health Organisation. The emergence of COVID-19 is considered a non-adjusting post balance sheet event as defined in IAS 10 Events after the reporting period since it represents a set of conditions which only arose after the balance sheet date. The impact of COVID-19 on the world economy and the Company's future financial performance remains uncertain. Depending on the extent and severity of the pandemic, there may be a material impact on the Company's accounting estimates in future periods.

ANGLO AMERICAN EXPLORATION COLOMBIA LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

This report was approved by the board on 2 September 2020 and signed on its behalf.



E C Klonarides
Director

ANGLO AMERICAN EXPLORATION COLOMBIA LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. 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.

ANGLO AMERICAN EXPLORATION COLOMBIA LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 \$	2018 \$
Exceptional items	6	(159,000)	(191,100)
Operating loss		(159,000)	(191,100)
Interest receivable and similar income	4	6,766	5,812
Loss before tax		(152,234)	(185,288)
Tax on loss	5	-	-
Loss for the financial year		(152,234)	(185,288)
Total comprehensive income for the year		(152,234)	(185,288)

The notes on pages 8 to 17 form part of these financial statements.

The results relate to continuing operations of the Company.

ANGLO AMERICAN EXPLORATION COLOMBIA LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2019**

	Note	2019 \$	2018 \$
Fixed assets			
Investments	7	1	1
		<u>1</u>	<u>1</u>
Current assets			
Debtors: amounts falling due within one year	8	313,024	306,258
Cash at bank and in hand	9	39	39
		<u>313,063</u>	<u>306,297</u>
Creditors: amounts falling due within one year	10	(504,750)	(345,750)
Net current liabilities		(191,687)	(39,453)
Total assets less current liabilities		(191,686)	(39,452)
Net liabilities		<u>(191,686)</u>	<u>(39,452)</u>
Capital and reserves			
Called up share capital	12	50,200	50,200
Share premium account	13	277,773	277,773
Profit and loss account	13	(519,659)	(367,425)
Shareholders' deficit		<u>(191,686)</u>	<u>(39,452)</u>

The directors consider the Company is not required to appoint an auditor under Article 113(1) of the Companies (Jersey) Law 1991 and therefore have taken exemption from the provisions of the Companies (Jersey) Law 1991 relating to the audit of accounts.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 2 September 2020.



E C Klonarides
Director

The notes on pages 8 to 17 form part of these financial statements.

ANGLO AMERICAN EXPLORATION COLOMBIA LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	\$	\$	\$	\$
At 1 January 2019	50,200	277,773	(367,425)	(39,452)
Comprehensive income for the year				
Loss for the year	-	-	(152,234)	(152,234)
Total comprehensive income for the year	-	-	(152,234)	(152,234)
At 31 December 2019	50,200	277,773	(519,659)	(191,686)

ANGLO AMERICAN EXPLORATION COLOMBIA LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital \$	Share premium account \$	Profit and loss account \$	Total equity \$
At 1 January 2018	50,200	277,773	(182,137)	145,836
Comprehensive income for the year				
Loss for the year	-	-	(185,288)	(185,288)
Total comprehensive income for the year	-	-	(185,288)	(185,288)
At 31 December 2018	50,200	277,773	(367,425)	(39,452)

ANGLO AMERICAN EXPLORATION COLOMBIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

Anglo American Exploration Colombia Limited is a private company limited by shares, incorporated in Jersey and centrally managed and controlled from the United Kingdom.

The nature of the Company's operations and principal activities is set out in the Directors' report.

The address of the registered office is given on the Company Information page.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies (Jersey) Law 1991.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

ANGLO AMERICAN EXPLORATION COLOMBIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.3 Going concern

The Company's ability to operate as a going concern is assessed in conjunction with Anglo American plc and its subsidiaries (together the "Group") as its viability is dependent upon the ability of the Group companies to settle their intercompany balances with the Company and to provide funds for working capital needs. Anglo American Services (UK) Ltd have confirmed that they intend to provide financial resources, where requested, for at least 12 months from the date of signing these financial statements, whilst the Company remains a subsidiary of Anglo American plc.

The directors of the Company therefore feel that the Company will have sufficient funds, taking account of possible changes in trading performance (including specifically the potential impact of COVID-19 on the cash flows of the Company, Anglo American Services (UK) Ltd and Anglo American plc) and amounts owed by other Group companies, to conclude that the Company can adopt the going concern basis for the foreseeable future.

2.4 Impact of new international reporting standards, amendments and interpretations

IFRS 16

There are no material adjustments required to be made to the Company's financial statements as a result of the application of IFRS 16.

The Company has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019.

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is USD.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.6 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

ANGLO AMERICAN EXPLORATION COLOMBIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.7 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

2.8 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.10 Associates and joint ventures

Associates and Joint Ventures are held at cost less impairment.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.14 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged

ANGLO AMERICAN EXPLORATION COLOMBIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.14 Financial instruments (continued)

or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Fair value through profit or loss

All of the Company's financial assets other than those which meet the criteria to be measured at amortised cost are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Debt instruments at amortised cost

Debt instruments are subsequently measured at amortised cost where they are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Amortised cost is calculated using the effective interest method and represents the amount measured at initial recognition less repayments of principal plus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised or at FVOCI. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Financial liabilities

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the

ANGLO AMERICAN EXPLORATION COLOMBIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.14 Financial instruments (continued)

amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

There are no critical judgments made by the directors in applying the Company's accounting policies other than assessing investments for impairment.

Impairment of investments in subsidiaries

Determining whether the Company's debt and equity investments in subsidiaries have been impaired requires estimations of the recoverable amount of the investments. Recoverable amount is the higher of fair value less costs of disposal and value in use. The value in use calculations require the Company to estimate the future cash flows expected to arise from the investments and suitable discount rates in order to calculate present values. If the recoverable amount of an investment is estimated to be less than its carrying amount, the carrying amount of the investment is reduced to its recoverable amount. An impairment loss is recognised in the Statement of comprehensive income. See Note 7 for further information.

4. Interest receivable

	2019 \$	2018 \$
Interest receivable from group companies	6,766	5,812
	<u>6,766</u>	<u>5,812</u>

5. Taxation

The UK rate of corporation tax has been presented within the rate reconciliation below as the most applicable rate due to the Company being UK resident for tax purposes.

	2019 \$	2018 \$
Total current tax	<u>-</u>	<u>-</u>

ANGLO AMERICAN EXPLORATION COLOMBIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

5. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - *higher than*) the standard rate of corporation tax of 19% (2018 - 19%). The differences are explained below:

	2019 \$	2018 \$
Loss before tax	<u>(152,234)</u>	<u>(185,288)</u>
Loss before tax multiplied by standard rate of corporation tax of 19% (2018 - 19%)	(28,924)	(35,205)
Effects of:		
Impairment of investments	30,210	36,309
Group relief claimed for nil consideration	(1,286)	(1,104)
Total tax charge for the year	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

On 6 September 2016, the Finance Act 2016 was substantively enacted and provided for a reduction in the main rate of UK corporation tax from 19% to 17% from 1 April 2020. Deferred tax has therefore been recognised at the 17% rate where appropriate.

On 17 March 2020, a Budget resolution was passed which substantively enacted an increase in the rate of UK corporation tax to 19% from 1 April 2020.

6. Exceptional items

	2019 \$	2018 \$
Impairment expense	159,000	191,100
	<u>159,000</u>	<u>191,100</u>

After a review of the net asset value of the Company's investments as at 31 December 2019, the Company has recognised an impairment expense of \$159,000 (2018 - \$191,100) on its investment in Anglo American Colombia Exploration S.A.

ANGLO AMERICAN EXPLORATION COLOMBIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

7. Fixed asset investments

	Investments in associates \$
Cost or valuation	
At 1 January 2019	3,663,576
Additions	159,000
At 31 December 2019	<u>3,822,576</u>
Impairment	
At 1 January 2019	3,663,575
Charge for the period	159,000
At 31 December 2019	<u>3,822,575</u>
Net book value	
At 31 December 2019	<u><u>1</u></u>
At 31 December 2018	<u><u>1</u></u>
Participating interests	
Associates	

Name	Registered office	Principal activity	Class of shares	Holding
Anglo American Colombia Exploration S.A.	Avenida Carrera, 9a#115 - 06/30, Oficina 1702, Bogotá, Colombia	Investment company	Ordinary	14.97%

During the year, the Company invested \$159,000 in Anglo American Colombia Exploration S.A.

After a review of the net asset value of the Company's investments as at 31 December 2019, the Company has recognised an impairment expense of \$159,000 (2018 - \$191,100) on its investment in Anglo American Colombia Exploration S.A.

ANGLO AMERICAN EXPLORATION COLOMBIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

8. Debtors

	2019	<i>2018</i>
	\$	\$
Amounts owed by group undertakings	313,024	<i>306,258</i>
	<u>313,024</u>	<u><i>306,258</i></u>

The Company has facility agreements with affiliated undertakings of which \$313,024 (2018 - \$306,258) had been advanced at year end. The balance bears interest at a market related rate. The balance is unsecured and repayable on demand.

9. Cash and cash equivalents

	2019	<i>2018</i>
	\$	\$
Cash at bank and in hand	39	<i>39</i>
	<u>39</u>	<u><i>39</i></u>

10. Creditors: Amounts falling due within one year

	2019	<i>2018</i>
	\$	\$
Amounts owed to group undertakings	504,750	<i>345,750</i>
	<u>504,750</u>	<u><i>345,750</i></u>

The Company has facility agreements with affiliated undertakings of which \$504,750 (2018 - \$345,750) had been drawn at year end. The amounts owed are unsecured and repayable on demand.

ANGLO AMERICAN EXPLORATION COLOMBIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

11. Financial instruments

	2019 \$	2018 \$
Financial assets		
Cash	39	39
Loans and receivables measured at amortised cost	313,024	306,258
	<u>313,063</u>	<u>306,297</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(504,750)	(345,750)

Loans and receivables measured at amortised cost comprise amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise amounts owed to group undertakings.

12. Share capital

	2019 \$	2018 \$
Shares classified as equity		
Authorised, allotted, called up and fully paid		
1,004 Ordinary shares of \$50 each	<u>50,200</u>	<u>50,200</u>

The Company has one class of ordinary shares which carry no right to fixed income.

13. Reserves

Share premium account

Share premium represents the excess of the issue price over the par value on shares issued less transaction costs arising on issue.

Profit and loss account

Profit and loss account reserve represents accumulated retained earnings or losses.

ANGLO AMERICAN EXPLORATION COLOMBIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

14. Post balance sheet events

Following the end of 2019, the novel coronavirus (COVID-19) has been declared a pandemic by the World Health Organisation. The emergence of COVID-19 is considered a non-adjusting post balance sheet event as defined in IAS 10 Events after the reporting period since it represents a set of conditions which only arose after the balance sheet date.

The impact of COVID-19 on the world economy and the Company's future financial performance remains uncertain. Depending on the extent and severity of the pandemic, there may be a material impact on the Company's accounting estimates in future periods.

15. Ultimate parent undertaking and controlling party

The immediate parent company is Anglo American Exploration Overseas Holdings Limited, a company registered in Jersey. The registered address of the immediate parent company is 3rd Floor, 44 Esplanade, St Helier, JE4 9WG, Jersey.

The ultimate parent company and ultimate controlling entity is Anglo American plc, a company incorporated in the United Kingdom and registered in England and Wales. Anglo American plc is the parent undertaking of the largest and smallest group which includes the Company and for which group financial statements are prepared. The financial statements of both the immediate and ultimate parent companies may be obtained from the Company Secretary, 20 Carlton House Terrace, London SW1Y 5AN, the registered address of the ultimate parent company.