
ANGLO AFRICAN EXPLORATION HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021



fee - see letter

ANGLO AFRICAN EXPLORATION HOLDINGS LIMITED

COMPANY INFORMATION

Directors	M P Donnelly G Ingram (appointed 7 May 2021) E Klonarides (resigned 12 November 2021) J P Maher C Murphy (appointed 12 November 2021) W K B Ward-Brew (resigned 30 April 2021)
Company secretary	Anglo American Corporate Secretary Limited Ogier Global Company Secretary (Jersey) Limited
Registered number	121264
Registered office	3rd Floor 44 Esplanade St Helier Jersey JE4 9WG
Administration office	17 Charterhouse Street London United Kingdom EC1N 6RA
Bankers	Barclays Bank plc 1 Churchill Place Canary Wharf London United Kingdom E14 5HP

ANGLO AFRICAN EXPLORATION HOLDINGS LIMITED

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ANGLO AFRICAN EXPLORATION HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the satisfied for the year ended 31 December 2021.

Directors' responsibilities statement

The financial statements are responsible for preparing the Directors' report and the satisfied in accordance with applicable Jersey law and United Kingdom Accounting Standards.

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;
- stating whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- making judgements and accounting estimates that are reasonable and prudent; and
- preparing the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for ensuring that the financial statements comply with The Companies (Jersey) Law, 1991 and safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company.

Principal activity

The principal activity of Anglo African Exploration Holdings Limited (the "Company") is as a financing company.

Dividends paid

There were no dividends paid in the year under review (2020 - \$NIL).

Results

The Statement of comprehensive income for the year is set out on page 3.

ANGLO AFRICAN EXPLORATION HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Directors

The directors who served during the year and up to the date of signing the financial statements were:

M P Donnelly
G Ingram (appointed 7 May 2021)
E Klonarides (resigned 12 November 2021)
J P Maher
C Murphy (appointed 12 November 2021)
W K B Ward-Brew (resigned 30 April 2021)

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.

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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 it is dependent upon the ability of the Group companies to settle their intercompany balances with the Company and to provide funds for working capital and other needs. The Company's cash flow forecasts for the period to the end of June 2023, with considerations given to the uncertainty of the impact of the Covid-19 pandemic on the wider macroeconomic environment and trading performance of the Group, show that the Company maintains sufficient liquidity throughout the period of assessment without the use of mitigating actions.

The directors have also received a commitment of financial support from Anglo American Services (UK) Ltd. for use to the extent that it is necessary, including but not limited to, not seeking repayment of amounts advanced to the Company by the Group unless alternative financing has been secured by the Company. This support will remain in place for the foreseeable future, including the period of at least 12 months from authorisation of the Company's financial statements.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

This report was approved by the board on 28 June 2022 and signed by its order.



M Loosley
For and on behalf of
Anglo American Corporate Secretary Limited
Secretary

ANGLO AFRICAN EXPLORATION HOLDINGS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 \$	2020 \$
Administrative income		4,444,325	2,632,155
Operating profit	4	<u>4,444,325</u>	<u>2,632,155</u>
Interest receivable and similar income	5	4	269
Profit before tax		<u>4,444,329</u>	<u>2,632,424</u>
Taxation	6	32	(7,208)
Profit for the financial year		<u>4,444,361</u>	<u>2,625,216</u>
Total comprehensive income for the year		<u><u>4,444,361</u></u>	<u><u>2,625,216</u></u>

The notes on pages 7 to 16 form part of these financial statements.

The results relate to continuing operations of the Company.

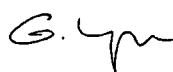
ANGLO AFRICAN EXPLORATION HOLDINGS LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2021**

	Note	2021 \$	2020 \$
Fixed assets			
Intangible assets	7	1,000	1,000
Investments	8	2	2
		<u>1,002</u>	<u>1,002</u>
Current assets			
Debtors: amounts falling due within one year	9	52,976	53,738
		<u>52,976</u>	<u>53,738</u>
Creditors: amounts falling due within one year	10	(1,553,829)	(1,554,627)
Net current liabilities		<u>(1,500,853)</u>	<u>(1,500,889)</u>
Total assets less current liabilities		<u>(1,499,851)</u>	<u>(1,499,887)</u>
Creditors: amounts falling due after more than one year	11	(48,884,447)	(53,328,772)
		<u>(50,384,298)</u>	<u>(54,828,659)</u>
Net liabilities		<u><u>(50,384,298)</u></u>	<u><u>(54,828,659)</u></u>
Capital and reserves			
Called up share capital	13	177,601	177,601
Profit and loss account	14	(50,561,899)	(55,006,260)
Shareholders' deficit		<u><u>(50,384,298)</u></u>	<u><u>(54,828,659)</u></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 directors and were signed on their behalf on 28 June 2022.



G Ingram
Director

The notes on pages 7 to 16 form part of these financial statements.

ANGLO AFRICAN EXPLORATION HOLDINGS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Profit and loss account	Total equity
	\$	\$	\$
At 1 January 2021	177,601	(55,006,260)	(54,828,659)
Comprehensive income for the year			
Profit for the year	-	4,444,361	4,444,361
Total comprehensive income for the year	-	4,444,361	4,444,361
At 31 December 2021	177,601	(50,561,899)	(50,384,298)

The notes on pages 7 to 16 form part of these financial statements.

ANGLO AFRICAN EXPLORATION HOLDINGS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Profit and loss account	Total equity
	\$	\$	\$
At 1 January 2020	177,601	(57,631,476)	(57,453,875)
Comprehensive income for the year			
Profit for the year	-	2,625,216	2,625,216
Total comprehensive income for the year	-	2,625,216	2,625,216
At 31 December 2020	177,601	(55,006,260)	(54,828,659)

ANGLO AFRICAN EXPLORATION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Anglo African Exploration Holdings 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:

Changes in accounting policies and disclosures

The accounting policies applied are consistent with those adopted and disclosed in the financial statements for the year ended 31 December 2020, except for the amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform — Phase 2.

The adoption of this new accounting pronouncement has not had a significant impact on the accounting policies, methods of computation or presentation applied by the Company.

ANGLO AFRICAN EXPLORATION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

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.

2.3 Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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 it is dependent upon the ability of the Group companies to settle their intercompany balances with the Company and to provide funds for working capital and other needs. The Company's cash flow forecasts for the period to the end of June 2023, with considerations given to the uncertainty of the impact of the Covid-19 pandemic on the wider macroeconomic environment and trading performance of the Group, show that the Company maintains sufficient liquidity throughout the period of assessment without the use of mitigating actions.

The directors have also received a commitment of financial support from Anglo American Services (UK) Ltd. for use to the extent that it is necessary, including but not limited to, not seeking repayment of amounts advanced to the Company by the Group unless alternative financing has been secured by the Company. This support will remain in place for the foreseeable future, including the period of at least 12 months from authorisation of the Company's financial statements.

ANGLO AFRICAN EXPLORATION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is United States Dollars (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.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 Taxation

Tax is recognised in profit or loss 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.

2.7 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 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.

2.10 Creditors

Creditors are amounts owed to group undertakings in respect of facility agreements.

Creditors are presented as amounts falling due within one year unless payment is not due within 12 months after the reporting period.

ANGLO AFRICAN EXPLORATION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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.

4. Operating profit

The operating profit is stated after crediting:

	2021	2020
	\$	\$
Exchange differences	4,444,325	2,632,155

5. Interest receivable and similar income

	2021	2020
	\$	\$
Interest receivable on loans from group companies	4	269
	4	269

6. 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.

	2021	2020
	\$	\$
Corporation tax		
Adjustments in respect of previous periods	-	7,208
Foreign tax on income for the year	(32)	-
Total current tax	(32)	7,208

ANGLO AFRICAN EXPLORATION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

6. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax of 19% (2020 - 19%). The differences are explained below:

	2021 \$	2020 \$
Profit before tax	4,444,329	2,632,424
Profit before tax multiplied by standard rate of corporation tax of 19% (2020 - 19%)	844,423	500,161
Effects of:		
Adjustments in respect of prior periods	-	7,208
Foreign exchange adjustment	(868,903)	(511,518)
Group relief surrendered for nil consideration	24,480	11,357
Foreign tax	(32)	-
Total tax charge for the year	(32)	7,208

Factors that may affect future tax charges

The Finance (No. 2) Act 2015 reduced the standard rate of corporation tax to 19%, effective from 1 April 2017. A further reduction in the UK corporation tax rate to 17% was expected to come into effect from 1 April 2020, however, legislation in the Finance Act 2020, enacted in July 2020, repealed this reduction. The Finance Act 2021 included measures to increase the standard rate of UK corporation tax to 25% with effect from 1 April 2023. The Finance Act 2021 was enacted in June 2021 and accordingly, these rates are applicable to the measurements of deferred tax balances at 31 December 2021. No deferred tax has been recognised during the year.

ANGLO AFRICAN EXPLORATION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

7. Intangible assets

	Other intangible assets \$
Cost	
At 1 January 2021	1,000
At 31 December 2021	<u>1,000</u>
Net book value	
At 31 December 2021	<u><u>1,000</u></u>
<i>At 31 December 2020</i>	<u><u>1,000</u></u>

The intangible assets are represented by intellectual property and geological databases.

ANGLO AFRICAN EXPLORATION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8. Investments

	Loans to subsidiaries \$
Cost or valuation	
At 1 January 2021	20,328
At 31 December 2021	<u>20,328</u>
Impairment	
At 1 January 2021	20,326
At 31 December 2021	<u>20,326</u>
Net book value	
At 31 December 2021	<u><u>2</u></u>
At 31 December 2020	<u><u>2</u></u>

Group financial statements are not presented as the Company is a wholly-owned subsidiary undertaking of Anglo American plc, which is registered in England and Wales. Accordingly, these financial statements present information about the Company as an individual undertaking and not about its group. As permitted by IFRS 10.4(a) consolidated financial statements have not been prepared.

ANGLO AFRICAN EXPLORATION HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Debtors: Amounts falling due within one year

	2021 \$	2020 \$
Amounts owed by group undertakings	52,976	53,738
	<u>52,976</u>	<u>53,738</u>

Amounts owed by group undertakings amounting to \$52,976 (2020 - \$53,738) are short term and are held under a cash pooling arrangement. The balance bears interest at a market related rate. The amounts owed are unsecured and repayable on demand.

10. Creditors: Amounts falling due within one year

	2021 \$	2020 \$
Amounts owed to group undertakings	1,553,829	1,547,419
Corporation tax	-	7,208
	<u>1,553,829</u>	<u>1,554,627</u>

The Company has facility agreements with affiliated undertakings of which \$1,547,387 (2020 - \$1,547,419) had been drawn at year end. The balance is non-interest bearing. The amounts owed are unsecured and repayable on demand.

11. Creditors: Amounts falling due after more than one year

	2021 \$	2020 \$
Amounts owed to group undertakings	48,884,447	53,328,772
	<u>48,884,447</u>	<u>53,328,772</u>

The Company has facility agreements with affiliated undertakings of which \$48,884,447 (2020 - \$53,328,772) had been drawn at year end. The balance is non-interest bearing. The classification of the amounts owed is based on the repayment terms.

ANGLO AFRICAN EXPLORATION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

12. Financial instruments

	2021 \$	2020 \$
Financial assets		
Financial assets measured at amortised cost	<u>52,976</u>	<u>53,738</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(50,438,276)</u>	<u>(54,883,399)</u>

Financial assets measured at amortised cost comprise amounts owed by group undertakings.

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

13. Called up share capital

	2021 \$	2020 \$
Shares classified as equity		
Authorised, allotted, called up and fully paid		
177,601 (2020 - 177,601) Ordinary shares of \$1 each	<u>177,601</u>	<u>177,601</u>

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

14. Reserves

Profit and loss account

Profit and loss account reserve represents accumulated retained earnings.

15. Post balance sheet events

There have been no significant events affecting the Company since the year end.

ANGLO AFRICAN EXPLORATION HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

16. Ultimate parent and controlling party

The immediate parent company is A.R.H. 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 company may be obtained from the Company Secretary, 17 Charterhouse Street, London, EC1N 6RA, the registered office of the ultimate parent company.