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**OS AA01**

000745/250



**Companies House**

Statement of details of parent law and other  
information for an overseas company

✓ **What this form is for**  
You may use this form to  
accompany your accounts  
disclosed under parent law.

✗ **What this form is NOT for**  
You cannot use this form to  
an alteration of manner of  
with accounting requirements

WEDNESDAY



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A32

15/09/2021

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COMPANIES HOUSE

## Part 1 Corporate company name

Corporate name of  
overseas company ①

Anglo American International Limited

UK establishment  
number

B R 0 1 9 3 7 9

### → Filling in this form

Please complete in typescript or in  
bold black capitals.

All fields are mandatory unless  
specified or indicated by \*

① This is the name of the company in  
its home state.

## Part 2 Statement of details of parent law and other information for an overseas company

### A1 Legislation

Please give the legislation under which the accounts have been prepared and  
audited.

Legislation ②

Mauritius Companies Act

② This means the relevant rules or  
legislation which regulates the  
preparation of accounts.

### A2 Accounting principles

Accounts

Have the accounts been prepared in accordance with a set of generally accepted  
accounting principles?

Please tick the appropriate box.

☐ No. Go to Section A3.

☒ Yes. Please enter the name of the organisation or other  
body which issued those principles below, and then go to Section A3.

③ Please insert the name of the  
appropriate accounting organisation  
or body.

Name of organisation  
or body ③

International Accounting Standards Board

# OS AA01

Statement of details of parent law and other information for an overseas company


**A3**

## Audited accounts

Audited accounts	<p>Have the accounts been audited in accordance with a set of generally accepted auditing standards?</p> <p>Please tick the appropriate box.</p> <p><input type="checkbox"/> No. Go to <b>Part 3 'Signature'</b>.</p> <p><input checked="" type="checkbox"/> Yes. Please enter the name of the organisation or other body which issued those standards below, and then go to <b>Part 3 'Signature'</b>.</p>	<p>❶ Please insert the name of the appropriate accounting organisation or body.</p>
Name of organisation or body ❶	International Accounting Standards Board	

## Part 3

## Signature

Signature	I am signing this form on behalf of the overseas company.	
	<p>Signature</p> <p>X  X</p> <p>Matthew Loosley, for and on behalf of Anglo American Corporate Secretary Limited Permanent Representative</p>	
	This form may be signed by: Director, Secretary, Permanent representative.	

# OS AA01

## Statement of details of parent law and other information for an overseas company



### Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name COMPANY SECRETARIAL TEAM

Company name ANGLO AMERICAN PLC

Address 17 CHARTERHOUSE STREET

Post town LONDON

County/Region

Postcode E C 1 N 6 R A

Country UK

DX

Telephone



### Important information

Please note that all this information will appear on the public record.



### Where to send

You may return this form to any Companies House address:

#### England and Wales:

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.

#### Scotland:

The Registrar of Companies, Companies House,  
Fourth floor, Edinburgh Quay 2,  
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.  
DX ED235 Edinburgh 1

#### Northern Ireland:

The Registrar of Companies, Companies House,  
Second Floor, The Linenhall, 32-38 Linenhall Street,  
Belfast, Northern Ireland, BT2 8BG.  
DX 481 N.R. Belfast 1.



### Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☐ You have completed all sections of the form, if appropriate.
- ☐ You have signed the form.



### Further information

For further information, please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

**Registered number: C144076**

**Anglo American International Limited**

**Financial statements**

**31 December 2020**

## **Anglo American International Limited**

Financial statements  
*for the year ended 31 December 2020*

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## **Anglo American International Limited**

### **Corporate data**

**Directors:** Alan MacPherson  
Richard Price  
Zahira Quattrocchi  
Matthew Walker

**Company secretary:** Anglo American Corporate Secretary Limited (appointed 14 April 2021)

**Registered office:** AXIS Fiduciary Ltd  
2nd Floor, The AXIS  
26 Bank Street  
Cybercity Ebene  
72201  
Mauritius

**Independent auditors:** PricewaterhouseCoopers LLP  
Statutory Auditors  
1 Embankment Place  
London  
United Kingdom  
WC2N 6RH

**Banker:** Barclays Bank plc  
1 Churchill Place  
London  
E14 5HP

## **Anglo American International Limited**

### **Strategic report**

#### **Introduction**

Anglo American International Limited (the “Company”) is an investment holding company. There have not been any significant changes in the Company’s principal activities in the year under review. 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.

#### **Business review**

As shown in the Company’s statement of comprehensive income, the Company’s profit before tax has decreased to \$1,130,137,000 (2019 - \$1,739,594,000) due to a decrease in dividend income during the year.

The balance sheet shows that the Company is in a net asset position of \$15,398,200,000 (2019 - \$14,892,776,000).

#### **Principal risks and uncertainties and financial risk management policies**

The directors considered the risks attached to the Company’s financial instruments. The directors have taken a prudent approach in their consideration of the risks attached to the financial instruments of the Company. The Company’s exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of assets, liabilities and the financial statements. Credit risk is not considered to be material on the basis that the Company’s debtor balances are due from other companies within the Anglo American Group.

#### **Key performance indicators**

Due to the nature of the Company as an investment holding company, there are no key performance indicators reviewed by management or the directors when assessing the performance or position of the Company.

This report was approved by the board on 7 May 2021 and signed on its behalf.



**Director:**

**7 May 2021**

## **Anglo American International Limited**

### **Directors' report**

The directors are pleased to present their report and the financial statements for the year ended 31 December 2020.

### **Directors' responsibilities statement**

The directors are responsible for the preparation and presentation of the financial statements in accordance with the requirements of the Mauritius Companies Act applicable to a company holding a Category 2 Global Business Licence, as described in note 2 (a) to the financial statements, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors have reviewed the Company's expected future cashflows and available sources of liquidity. Anglo American Services (UK) Ltd. have also 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 the Company will have sufficient funds to conclude that the Company can adopt the going concern basis for the foreseeable future.

### **Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### **Principal activity**

The principal activity of the Company is that of investment holding in the mining sector.

### **Results and dividend**

The results for the year are shown on page 8.

During the year, the Company paid interim dividends totalling \$568,232,000 (2019 - \$2,414,475,000) to its parent company Anglo American Overseas Limited.

### **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.



## **Anglo American International Limited**

### **Directors' report**

#### **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 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. The Company's cash flow forecasts for the period to the end of June 2022, with considerations given to the uncertainty of the impact of 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.

#### **Post balance sheet events**

On 26 January 2021, the Company paid a dividend of \$542,258,000 to its parent company Anglo American Overseas Limited.

The directors have reviewed the Company's expected future cashflows and available sources of liquidity and concluded that it remains appropriate to adopt the going concern basis of accounting as disclosed in note 2 for these financial statements.

#### **Auditors**

At the 2020 Annual General Meeting of Anglo American plc, the Company's ultimate parent company, PricewaterhouseCoopers LLP were appointed as external auditor to the Group.

**Approved by the Board and signed on its behalf by:**

**Director:**



**7 May 2021**



# Independent auditors' report to the members of Anglo American International Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Anglo American International Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit and cash flows for the year then ended; and
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

We have audited the financial statements, included within the Annual Report, which comprise: the statement of financial position as at 31 December 2020; the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to international tax regulations and anti-bribery and corruption laws, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias included within significant accounting judgements and estimates. Audit procedures performed by the engagement team included:

- Review of Board minutes, discussions with management, internal audit and the internal legal function, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Evaluation of management's controls designed to prevent and detect fraudulent financial reporting;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and

- Assessing significant judgements and estimates, in particular those relating to impairment or impairment reversals in respect of investments in and receivables from fellow Group undertakings, to ensure that there is no indication of management bias.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### **Use of this report**

This report, including the opinion, has been prepared for and only for the company's members as a body for the purpose of providing audited financial information to the South African Reserve Bank ("SARB") in accordance with our engagement letter dated 22 April 2021 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, including without limitation under any contractual obligations of the company, save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP  
Chartered Accountants  
London  
7 May 2021

## Anglo American International Limited

### Statement of profit or loss and other comprehensive income for the year ended 31 December 2020

	Note	2020 \$000	2019 \$000
Revenue	5	1,129,616	2,101,809
Expenses		-	(2)
Exceptional expense	6	-	(355,022)
Operating profit	7	1,129,616	1,746,785
Interest income	9	521	8,271
Interest payable and other similar expenses	10	-	(15,462)
<b>Profit before taxation</b>		<b>1,130,137</b>	<b>1,739,594</b>
Taxation	11	(56,481)	(86,904)
<b>Profit for the year</b>		<b>1,073,656</b>	<b>1,652,690</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>1,073,656</b>	<b>1,652,690</b>

The notes on pages 13 to 30 form part of these financial statements.

The results relate to continuing operations of the Company.

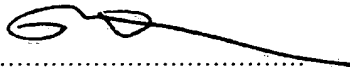
**Anglo American International Limited***Registered number: C144076***Statement of financial position***at 31 December 2020*

	Note	2020 \$000	2019 \$000
<b>Assets</b>			
<b>Non-current asset</b>			
Fixed asset investments	12	14,855,955	14,855,955
		<hr/>	<hr/>
<b>Current assets</b>			
Debtors: Amounts falling due within one year	13	542,245	36,821
		<hr/>	<hr/>
<b>Total current assets</b>		542,245	36,821
		<hr/>	<hr/>
<b>Total assets</b>		15,398,200	14,892,776
		<hr/>	<hr/>
<b>Equity</b>			
Share capital	14	4,312	4,312
Share premium	15	10,397,807	10,397,807
Other reserve		1,240,808	1,240,808
Retained earnings		3,755,273	3,249,849
		<hr/>	<hr/>
<b>Total shareholders' funds</b>		15,398,200	14,892,776
		<hr/>	<hr/>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Provisions	16	-	-
		<hr/>	<hr/>
<b>Total current liabilities</b>		-	-
		<hr/>	<hr/>
<b>Total liabilities</b>		-	-
		<hr/>	<hr/>
<b>Total equity and liabilities</b>		15,398,200	14,892,776
		<hr/>	<hr/>

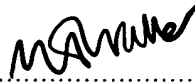
**Anglo American International Limited**  
*Registered number: C144076*

**Statement of financial position**  
*at 31 December 2020*

These financial statements have been approved and authorised for issue by the Board of Directors on 7 May 2021 and signed on its behalf by



*Director*



*Director*

The notes on pages 13 to 30 form part of these financial statements

**Anglo American International Limited**

**Statement of changes in equity**  
for the year ended 31 December 2020

	Share Capital	Share Premium	Other reserves	Retained earnings	TOTAL
	\$000	\$000	\$000	\$000	\$000
Balance as at 1 January 2020	4,312	10,397,807	1,240,808	3,249,849	14,892,776
Total comprehensive income for the year					
Profit for the financial year	-	-	-	1,073,656	1,073,656
Transactions with owners of the Company recognised directly in equity					
Interim dividends	-	-	-	(568,232)	(568,232)
Balance as at 31 December 2020	<u>4,312</u>	<u>10,397,807</u>	<u>1,240,808</u>	<u>3,755,273</u>	<u>15,398,200</u>

The notes on pages 13 to 30 form part of these financial statements



**Anglo American International Limited**

**Statement of changes in equity**  
*for the year ended 31 December 2019*

	Share Capital	Share Premium	Other reserves	Retained earnings	TOTAL
	\$000	\$000	\$000	\$000	\$000
<b>Balance as at 1 January 2019</b>	4,312	10,397,807	1,240,808	4,011,634	15,654,561
<b>Total comprehensive income for the year</b>					
Profit for the financial year	-	-	-	1,652,690	1,652,690
<b>Transactions with owners of the Company recognised directly in equity</b>					
Interim dividends	-	-	-	(2,414,475)	(2,414,475)
<b>Balance as at 31 December 2019</b>	<u>4,312</u>	<u>10,397,807</u>	<u>1,240,808</u>	<u>3,249,849</u>	<u>14,892,776</u>

The notes on pages 13 to 30 form part of these financial statements.

## Anglo American International Limited

### Statement of cash flows for the year ended 31 December 2020

	2020 \$000	2019 \$000
<b>Cash flows from operating activities</b>		
Profit before taxation	1,130,137	1,739,594
Adjustments for:		
Exceptional expenses	-	355,022
Income taxes paid	(56,481)	(86,904)
<b>Net cash inflows from operating activities</b>	<b>1,073,656</b>	<b>2,007,712</b>
<b>Cash flows from investing activities</b>		
Loans to related parties	(505,424)	406,763
<b>Net cash (outflows)/inflows from investing activities</b>	<b>(505,424)</b>	<b>406,763</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(568,232)	(2,414,475)
<b>Net cash used in financing activities</b>	<b>(568,232)</b>	<b>(2,414,475)</b>
<b>Net change in cash and cash equivalents</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at beginning of the year	-	-
<b>Cash and cash equivalents at end of the year</b>	<b>-</b>	<b>-</b>

The notes on pages 13 to 30 form part of these financial statements.

## **Anglo American International Limited**

### **Notes to the financial statements** *for the year ended 31 December 2020*

#### **1. General information**

The Company was incorporated as a private limited company on 24 September 1992 and was granted a Category 2 Global Business Licence in Mauritius on 30 December 2016. The principal activity of the Company is that of investment holding in the mining sector.

#### **2. Basis of preparation**

##### *(a) Statement of compliance*

The Company has subsidiaries and in accordance with International Financial Reporting Standards (IFRS) is required to present consolidated financial statements. In accordance with the Fourteenth Schedule of the Mauritius Companies Act Section 12, the Company may not prepare group financial statements as it is a wholly owned subsidiary of another company and, in accordance with Section 211 (content and form of financial statements) of the Mauritius Companies Act, these financial statements present the financial position, financial performance and cash flow of the Company. The basis of preparation of these financial statements complies with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB).

##### *(b) Basis of measurement*

The financial statements have been prepared on a historical cost basis, except where stated otherwise.

##### *(c) Functional and presentation currency*

The financial statements are presented in United States Dollars (USD) which is the Company's functional currency. All amounts have been rounded to the nearest USD unless otherwise stated.

##### *(d) 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 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. The Company's cash flow forecasts for the period to the end of June 2022, with considerations given to the uncertainty of the impact of 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.

## Anglo American International Limited

### Notes to the financial statements for the year ended 31 December 2020

#### 2. Basis of preparation (continued)

##### (e) Use of estimates and judgement

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

##### Assumption and estimation uncertainties

Information about assumptions and estimation uncertainties (if any) that have a significant risk of resulting in a material adjustment in the year ending 31 December 2020 is included in the relevant notes as follows:

- Impairment test: key assumptions underlying recoverable amounts.

##### Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

## Anglo American International Limited

### Notes to the financial statements for the year ended 31 December 2020

#### 3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise stated.

##### *(a) Foreign currency transactions*

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated in the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

##### *(b) Revenue recognition*

Revenue is recognised as follows:

- Dividend income: when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).
- Interest income: as it accrues (taking into account the effective yield on the assets).

##### *(c) Taxation*

Taxation comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items directly in equity or in other comprehensive income.

###### *(i) Current tax*

Current tax comprises the expected tax payable on the taxable income for the year and any adjustment to the tax payable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also include any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

###### *(ii) Deferred tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

## Anglo American International Limited

### Notes to the financial statements for the year ended 31 December 2020

#### 3. Significant accounting policies (continued)

##### *(ii) Deferred tax (continued)*

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if certain criteria are met.

##### *(d) Fixed asset investments*

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Fixed asset investments are shown at cost and provision for impairment is only made where, in opinion of the directors, there is a diminution in value which is other than temporary. Where there has been such a diminution in value of an investment, it is recognised as an expense in the year in which the diminution is identified.

##### *(e) Financial instruments*

The Company classifies non-derivative financial assets into the following categories: loans and receivables.

The Company classifies non-derivative financial liabilities into the other financial liabilities category.

##### *(i) Non-derivative financial assets and financial liabilities – Recognition and derecognition*

The Company initially recognises loans and receivables and debt securities issued on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

## Anglo American International Limited

### Notes to the financial statements for the year ended 31 December 2020

#### 3. Significant accounting policies (continued)

##### *(e) Financial instruments (continued)*

Any interest in such derecognised financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

##### *(ii) Non-derivative financial assets - Measurement*

*Amounts owed by group undertakings* - These assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method. Loans and receivables comprise cash and cash equivalents.

*Cash and cash equivalents* - Cash comprises cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

##### *(iii) Non-derivative financial liabilities - Measurement*

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

Non derivative financial liabilities comprise of loan from holding company and other payables, which are classified under the other financial liabilities category.

##### *Loan from holding company*

Loan from holding company is recognised initially at fair value, net of transaction costs incurred and are subsequently carried at amortised cost.

##### *Other payables*

Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

## Anglo American International Limited

### Notes to the financial statements for the year ended 31 December 2020

#### 3. Significant accounting policies (continued)

##### *(f) Share capital*

###### *Ordinary shares*

Ordinary shares are classified in equity. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

##### *(g) Impairment*

###### *(i) Non-derivative financial assets*

Financial assets not classified as fair value through profit or loss, including an interest in an equity-accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security; or
- observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

###### *Impairment of financial assets – carried at amortised cost*

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the amount of the loss is recognised profit or loss.



## **Anglo American International Limited**

### **Notes to the financial statements** *for the year ended 31 December 2020*

#### **3. Significant accounting policies (continued)**

##### *(g) Impairment (continued)*

###### *(i) Non-derivative financial assets (continued)*

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised profit or loss.

##### *(h) Expenses*

All expenses are recognised in the statement of profit and loss and comprehensive income on an accrual basis.

##### *(i) Provisions*

A provision is recognised if, as a result of a past event, the Company have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are recognised by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

## Anglo American International Limited

### Notes to the financial statements for the year ended 31 December 2020

#### 4. Financial instruments – Fair values and risk management

##### *(a) Accounting classifications and fair value*

The following table shows the carrying amounts of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 December 2020	Loans and receivables \$000	Total \$000
<b>Financial assets not measured at fair value</b>		
Amounts owed by group undertakings	542,245	542,245
	-----	-----
31 December 2019	Loans and receivables \$000	Total \$000
<b>Financial assets not measured at fair value</b>		
Amounts owed by group undertakings	36,821	36,821
	-----	-----

##### *(b) Financial risk management*

###### *Introduction and preview*

Financial instruments carried on the statement of financial position include cash and cash equivalents, loan from holding company and other payables. The recognition method adopted is disclosed in the individual policy statement associated with each item. The most important types of risk are market risk, credit risk and liquidity risk.

The Company's activities expose them to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. The Company's aims are therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Company's financial performance.

The Company's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Company regularly reviews its risk management policies and systems to reflect changes in markets and emerging best practice.

The Company has exposure to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk

## Anglo American International Limited

### Notes to the financial statements for the year ended 31 December 2020

#### 4. Financial instruments – Fair values and risk management (continued)

##### *Market risk*

Market risk is the risk that changes in market prices, such as interest rates, equity prices and foreign exchange rates will affect the Company's income or the fair value of its holdings of financial instruments.

##### *Interest rate risk*

The Company is not significantly exposed to interest rate risk. The income and operating cash flows are substantially independent of changes in market interest rates.

##### *Price risk*

The Company is not exposed to commodity price risk.

##### *Currency risk*

All of the Company's financial liabilities are denominated in United States Dollar. Consequently, the Company is not exposed to the risk of foreign currency exchange rates.

##### *Credit risk*

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet contractual obligations, and arises from the Company's cash and cash equivalents.

The Company also limits its exposure to credit risk by dealing only with counterparties that have a good credit rating and management does not expect the counter party to fail to meet its obligations.

##### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they become due without incurring unacceptable losses or risking damage to the Company's reputation. The holding company shall provide the Company with the financial support in case of liquidity problems.

#### 5. Revenue

	2020 \$000	2019 \$000
Dividend revenue	<u>1,129,616</u>	<u>2,101,809</u>

During the year, the Company received dividends from Anglo American South Africa Proprietary Limited of \$1,129,616,000 (2019 - \$1,738,070,000) and from Anglo American 2005 Limited of \$NIL (2019 - \$363,739,000).

## Anglo American International Limited

### Notes to the financial statements for the year ended 31 December 2020

#### 6. Exceptional expense

	2020 \$000	2019 \$000
Impairment	-	(355,222)
Release of provision	-	200
	<u>-</u>	<u>(355,022)</u>

After a review of the net asset value of the Company's investments as at 31 December 2020, the Company has recognised impairment charges of \$NIL (2019 - \$355,222,000) on its investment in Anglo American 2005 Limited. On 28 February 2020, the Company's subsidiary Anglo American 2005 Limited was dissolved.

During the year a provision of \$NIL (2019 - \$200,000) was released in respect of claims under the tax deed of covenant in relation to the Company's former investment in Tarmac Deutschland GmbH. Further details are disclosed in note 16.

#### 7. Operating profit

Audit fees for the audit of these financial statements of \$38,634 (2019 - \$14,963) have been borne by Anglo American Services (UK) Ltd.

#### 8. Employees

The Company has no employees other than the directors, who did not receive any remuneration for their services to the Company (2019 - \$NIL). The directors do not believe it is practicable to apportion their total remuneration between their services as the directors of the Company and as directors of fellow group companies.

#### 9. Interest income

	2020 \$000	2019 \$000
Interest receivable on loans to group undertakings	521	8,271
	<u>521</u>	<u>8,271</u>

## Anglo American International Limited

### Notes to the financial statements for the year ended 31 December 2020

#### 10. Interest payable and other similar expenses

	2020 \$000	2019 \$000
Foreign exchange losses	-	15,462
	<u>-</u>	<u>15,462</u>
	<u>-</u>	<u>15,462</u>

#### 11. 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 in January 2017, becoming subject to Corporation tax in the UK since that date.

	2020 \$000	2019 \$000
<i>Current tax expense</i>		
Withholding taxes	56,481	86,904
	<u>56,481</u>	<u>86,904</u>
Total tax charge for the year	<u>56,481</u>	<u>86,904</u>

#### *Tax reconciliation:*

The total tax charge assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK. The differences are explained below:

	2020 \$000	2019 \$000
Profit before taxation	1,130,137	1,739,594
	<u>1,130,137</u>	<u>1,739,594</u>
Profit before taxation multiplied by standard rate of corporation tax of 19% (2019 - 19%)	214,726	330,523
<b>Effects of:</b>		
Income not subject to tax	(214,627)	(399,344)
Impairment not deductible for tax purposes	-	67,454
Group relief received for nil consideration	(99)	1,367
Withholding tax on dividend income	56,481	86,904
	<u>56,481</u>	<u>86,904</u>
Total tax charge for the year	<u>56,481</u>	<u>86,904</u>

The Company does not have any tax losses or deductible temporary differences and thus it does not recognise any deferred tax asset at 31 December 2020 (2019 - \$NIL).

## Anglo American International Limited

### Notes to the financial statements for the year ended 31 December 2020

#### 11. Taxation (continued)

##### Factors that may affect future tax charges

The Finance (No.2) Act 2015 reduced the main rate of UK 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 (as enacted by Finance Act 2016 on 15 September 2016). However, legislation introduced in the Finance Act 2020 (enacted on 22 July 2020) repealed the reduction of the corporation tax, thereby maintaining the current rate of 19%. Deferred taxes on the balance sheet have been measured at 19% (2019 – 17%) which represents the future corporation tax rate that was enacted at the balance sheet date.

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were not substantively enacted at the balance sheet date.

#### 12. Fixed asset investments

	Investments in subsidiary companies \$000	Investments in participating interests \$000	Total \$000
<i>Cost</i>			
At 1 January 2020	15,293,793	492,704	15,786,497
Disposals	(437,838)	(492,704)	(930,542)
	-----	-----	-----
At 31 December 2020	14,855,955	-	14,855,955
	-----	-----	-----
<i>Provision for diminution in value of investment</i>			
At 1 January 2020	(437,838)	(492,704)	(930,542)
Impairment reversal	437,838	492,704	930,542
	-----	-----	-----
At 31 December 2020	-	-	-
	-----	-----	-----
<b>Valuation at 31 December 2020</b>	<b>14,855,955</b>	<b>-</b>	<b>14,855,955</b>
	-----	-----	-----
<i>Valuation at 31 December 2019</i>	<i>14,855,955</i>	<i>-</i>	<i>14,855,955</i>
	=====	=====	=====

## Anglo American International Limited

### Notes to the financial statements for the year ended 31 December 2020

#### 12. Fixed asset investments (continued)

##### Subsidiary undertakings

<i>Name of company</i>	<i>Address</i>	<i>Class of shares</i>	<i>Number of shares</i>	<i>% held</i>	<i>Country of Incorporation</i>
Anglo American South Africa Proprietary Limited	44 Main Street Johannesburg 2001	Ordinary	261,751,844	100	South Africa

After a review of the net asset value of the Company's investments as at 31 December 2020, the Company has recognised impairment charge of \$NIL (2019 - \$355,222,000) on its investment in Anglo American 2005 Limited.

On 8 January 2020, the Company's subsidiary Anglo American (London) 2 was dissolved.

On 28 February 2020, the Company's subsidiary Anglo American 2005 Limited was dissolved.

## Anglo American International Limited

### Notes to the financial statements for the year ended 31 December 2020

#### 13. Debtors: amounts falling due within one year

	2020 \$000	2019 \$000
Amounts owed by group undertakings	542,245	36,821
	<u>542,245</u>	<u>36,821</u>

The Company has a facility agreement with Anglo American Capital plc, an affiliated undertaking. The balance bears interest at the one month LIBOR rate applicable to the currency of each balance less 10 basis points and the amounts owed are repayable on demand.

#### 14. Share capital

	2020 \$	2019 \$
<i>Issued and fully paid</i>		
1,000 (2019 - 1,000) Normal Class A ordinary shares at a par value of USD 0.10 each	100	100
43,074,164 (2019 - 43,074,164) re-purchasable Class A ordinary shares at a par value of USD 0.10 each	4,307,416	4,307,416
40,000 (2019 - 40,000) Ordinary B shares at a par value of USD 0.10 each	4,000	4,000
Balance at 31 December	<u>4,311,516</u>	<u>4,311,516</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and have rights to vote at shareholder meetings of the Company.

#### 15. Share premium

	2020 \$000	2019 \$000
Balance at 1 January and 31 December	<u>10,397,807</u>	<u>10,397,807</u>



## Anglo American International Limited

### Notes to the financial statements for the year ended 31 December 2020

#### 16. Provisions

In 2013 the Company received notification of claims under the tax deed of covenant in relation to its former investment in Tarmac Deutschland GmbH which was sold by the Company in 2010. An initial provision of \$650,000 was raised in 2013 and utilised against subsequent claims. During 2019 confirmation was received that there were no outstanding claims under the tax deed and the remaining provision of \$200,000 was released.

#### 17. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if they are subject to common control.

During the year the Company had the following transactions with its related parties.

		2020 \$000	2019 \$000
<i>Transactions during the year:</i>	<i>Nature</i>		
Anglo American Capital plc	Interest received	<u>521</u>	<u>8,271</u>
Anglo American Capital plc	Net amounts deposited/(withdrawn)	<u>502,619</u>	<u>(415,033)</u>
Anglo American South Africa Proprietary Limited	Dividends received	<u>1,129,616</u>	<u>1,738,070</u>
Anglo American 2005 Limited	Dividends received	<u>-</u>	<u>363,739</u>
Anglo American Overseas Limited	Dividends paid	<u>568,232</u>	<u>2,414,475</u>
<i>Balance outstanding at 31 December:</i>			
Anglo American Capital plc	Loan receivable	<u>542,243</u>	<u>39,105</u>

## Anglo American International Limited

### Notes to the financial statements for the year ended 31 December 2020

#### 18. Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for the shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares or sell assets to reduce debt. The group monitors capital on the basis of gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

The Company's adjusted net debt to equity ratio at 31 December 2020 was as follows.

	2020 \$000	2019 \$000
Total Liabilities	-	-
Less: cash and cash equivalents	-	-
Net debt	-	-
Equity	15,398,200	14,892,776
Net debt to equity ratio	-	-

#### 19. Going concern

The Company generated profit of \$1,073,656,000 for the year ended 31 December 2020 (2019: \$1,652,690,000) and as of that date, the Company's total assets exceeded its total liabilities by \$15,398,200,000 (2019: \$14,892,776,000). An affiliated company confirmed its willingness to provide financial support to the Company to meet its obligations as they fall due for a period of not less than twelve months. Accordingly, the financial statements are prepared on the basis of accounting policies applicable to a going concern.

Further details regarding the adoption of the going concern basis can be found in Note 2(d) of the financial statements.

## **Anglo American International Limited**

### **Notes to the financial statements** *for the year ended 31 December 2020*

#### **20. Holding and ultimate holding company**

The immediate parent company is Anglo American Overseas Limited, which is registered in Jersey.

The Company forms part of the Anglo American Group ("the Group"). The Company's ultimate parent company is Anglo American plc, a public limited company incorporated in the United Kingdom and registered in England and Wales (registered number 3564138). 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, 17 Charterhouse Street, London, EC1N 6RA, the registered office of both companies.

#### **21. Post balance sheet events**

On 26 January 2021, the Company paid a dividend of \$542,258,000 to its parent company Anglo American Overseas Limited.

The directors have reviewed the Company's expected future cashflows and available sources of liquidity and concluded that it remains appropriate to adopt the going concern basis of accounting as disclosed in note 2 for these financial statements.

## Anglo American International Limited

### Detailed unaudited income statement for the year ended 31 December 2020

	2020 \$000	2019 \$000
<b>Revenue</b>		
Dividends received from fixed asset investments	1,129,616	2,101,809
Interest income	521	8,271
	<u>1,130,137</u>	<u>2,110,080</u>
<b>Expenses</b>		
Sundries	-	2
Impairment charge	-	355,022
Foreign exchange expense	-	15,462
	<u>-</u>	<u>370,486</u>
<b>Profit before taxation</b>	<u>1,130,137</u>	<u>1,739,594</u>

The supplementary information presented does not form part of the financial statements and is unaudited.