

THE ANDES TRUST LIMITED
Annual Report and Financial Statements
31 December 2018



THE ANDES TRUST LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

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THE ANDES TRUST LIMITED

YEAR ENDED 31 DECEMBER 2018

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

A Atucha
E Tagle
A M Lindsay

Company secretary

J T R Anderson

Registered office

Cleveland House
33 King Street
St James's
London
SW1Y 6RJ

Solicitors

Clifford Chance LLP

THE ANDES TRUST LIMITED

YEAR ENDED 31 DECEMBER 2018

DIRECTORS' REPORT

The Directors present their Annual Report and the audited financial statements for the year ended 31 December 2018. The Directors' Report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006. No strategic report has been prepared in accordance with those provisions.

Review Of Business And Future Developments

The Company is part of the Antofagasta plc group ("the Group"). The principal activity of the Company is the holding of investments in Group subsidiaries, which is not expected to change in the foreseeable future. The Company does not have any branches.

Results And Dividends

The Company was dormant during the year and accordingly did not incur any gains or losses (2017 – US\$nil).

The Directors do not recommend the payment of a dividend (2017 – US\$nil).

Going Concern

The Company's business activities, performance and position are set out in this report. The financial position of the Company is set out in the financial statements and related notes.

In assessing the Company's going concern status the Directors have taken into account the above factors, including the financial position of the Company, in particular its positive net current asset and net asset balances, and the absence of any external debt.

After making appropriate enquiries, the Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future and that it is appropriate to adopt the going concern basis in preparing the financial statements.

Principal risks and uncertainties

As explained above, the principal activity of the Company is the holding of investments in Group subsidiaries. The Group's business activities together with those factors likely to affect its future performance are set out in the Group's Annual Report. Details of the key risks facing the Group and financial risk management, including details on the management of liquidity and credit risk, are included in the report.

Employees

The Company had no employees during the current or prior year.

THE ANDES TRUST LIMITED

YEAR ENDED 31 DECEMBER 2018

DIRECTORS' REPORT *(continued)*

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

A Atucha
E Tagle
A M Lindsay

No Director had an interest in the shares of the Company or in any contract to which the Company was a party during the year.

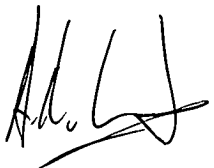
In accordance with the Company's Articles of Association and to the extent permitted by the laws of England and Wales, Directors are granted an indemnity from the Company in respect of liabilities personally incurred as a result of their office. In respect of those matters for which the Directors may or may not be indemnified, the Company maintained a Directors' and Officers' liability insurance policy throughout the financial year. A new policy has been entered into for the current financial year.

Audit exemption

The company is exempt from the requirements relating to preparing audited accounts in accordance with section 480 of the Companies Act 2006.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

Approved by the Board and signed on its behalf by:



A M Lindsay
Director
30 September 2019

Registered office:
Cleveland House
33 King Street
St James's
London
SW1Y 6RJ

THE ANDES TRUST LIMITED

YEAR ENDED 31 DECEMBER 2018

DIRECTORS' RESPONSIBILITIES STATEMENT

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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 prepared 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 (FRS 101).

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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

THE ANDES TRUST LIMITED

YEAR ENDED 31 DECEMBER 2018

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 US\$	2017 US\$
Administrative expenses		-	-
Operating profit		-	-
Profit on disposal of investments	7	-	-
Profit on ordinary activities before taxation	3	-	-
Tax on profit on ordinary activities	5	-	-
Profit for the financial year		-	-

No ordinary dividends were paid or proposed in either 2018 or 2017.

There were no operations other than continuing operations during the year.

There was no other comprehensive income either in the current or prior year.

THE ANDES TRUST LIMITED

YEAR ENDED 31 DECEMBER 2018

BALANCE SHEET AS AT 31 DECEMBER 2018

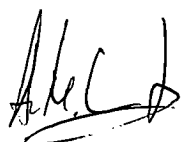
	Notes	2018 US\$	2017 US\$
Current Assets			
Debtors	6	4,477,962	4,477,962
Net Current Assets		<u>4,477,962</u>	<u>4,477,962</u>
Capital and Reserves			
Called up share capital	8	1,941,745	1,941,745
Share premium account		878,125	878,125
Profit and loss account	9	1,658,092	1,658,092
Total Shareholders' Funds		<u>4,477,962</u>	<u>4,477,962</u>

The company is exempt from the requirements relating to preparing audited accounts in accordance with section 480 of the Companies Act 2006.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The financial statements of The Andes Trust Limited (registered number 242107) on pages 5 to 12 were approved by the Board of Directors and authorised for issue on 30 September 2019. They were signed on its behalf by:



A M Lindsay
Director

THE ANDES TRUST LIMITED

YEAR ENDED 31 DECEMBER 2018

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

	Called up Share Capital US\$	Share Premium Account US\$	Profit and loss account US\$	Total Shareholders' Funds US\$
Balance at 1 January 2017	1,941,745	878,125	1,658,092	4,477,962
Profit for the financial year	-	-	-	-
Other comprehensive income for the year	-	-	-	-
Total comprehensive expense for the year	-	-	-	-
Balance at 31 December 2017 and 1 January 2018	1,941,745	878,125	1,658,092	4,477,962
Profit for the financial year	-	-	-	-
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	-	-
Balance at 31 December 2018	1,941,745	878,125	1,658,092	4,477,962

THE ANDES TRUST LIMITED

YEAR ENDED 31 DECEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS

1. General information

The Andes Trust Limited is a Company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principle activities are set out in the business review on page 2.

1.1 Basis of preparation

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. The financial statements have been prepared in accordance with the Companies Act 2006 as applicable to companies using FRS 101 (Financial Reporting Standard) "Reduced Disclosure Framework" as issued by the Financial Reporting Council, which applies the recognition and measurement bases of IFRS with reduced disclosure requirements.

These financial statements have been prepared under the historical cost basis convention; historically cost is generally based on the fair value of the consideration given in exchange for the assets.

The financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements, because it is included in the group financial statements of Antofagasta plc which are publicly available. The financial information has also been prepared on a going concern basis as explained in the Directors' Report.

These financial statements are presented in US dollars because that is the currency of the primary economic environment in which the Company operates.

As permitted by FRS 101, and because the Company is a wholly-owned subsidiary of Antofagasta plc, it has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions. Where required equivalent disclosures are given in the group financial statements of Antofagasta plc.

The company is exempt from the requirements relating to preparing audited accounts in accordance with section 480 of the Companies Act 2006.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

1.2 Adoption of new accounting standards

The following accounting standards, amendments and interpretations became effective in the current reporting period:

IFRS 9 Financial Instruments.

IFRS 9 introduces new classification categories for financial assets and liabilities; however, this has not resulted in any significant changes in the valuation or recognition methodology for the Company's financial assets and liabilities.

IFRS 9 requires a forward-looking expected credit loss (ECL) review for the Company's financial assets, other than those measured at fair value through profit or loss. As required by IFRS 9, the Company applies the "simplified approach" to its trade receivable balances and the "general approach" to all other financial assets. The general approach incorporates a review for any significant increase in counterparty credit risk since inception. The

THE ANDES TRUST LIMITED

YEAR ENDED 31 DECEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

1.2 Adoption of new accounting standards (continued)

ECL reviews include assumptions about the risk of default and expected loss rates. For trade receivables, the assessment takes into account the use of credit enhancements, for example, letters of credit.

The application of the standards and interpretations effective for the first time in the current year has had no significant impact on the amounts reported in these financial statements.

1.3 Accounting standards issued but not yet effective

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

- IFRS 16, *Leases*
- IFRS 17, *Insurance Contracts*
- IFRIC 23, *Uncertainty over Income Tax Treatments*
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
- Prepayment Features with Negative Compensation (Amendments to IFRS 9)
- Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)
- Annual Improvements to three IFRS Standards 2015–2017 Cycle
- Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)
- Amendments to References to the Conceptual Framework in IFRS Standards
- Definition of a Business (Amendments to IFRS 3)

2. Accounting Policies

A summary of the principal accounting policies which have been applied consistently is set out below.

(i) Currency translation

The Company's functional currency and presentation currency is the US dollar. Transactions in currencies other than the functional currency of the entity are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in currencies other than the functional currency are translated at year end exchange rates. Gains and losses on retranslation are included in net profit or loss for the period within other finance items.

(ii) Taxation

Tax expense comprises the charges or credits for the period relating to both current and any deferred tax.

Current tax is based on taxable profit for the year. Taxable profit may differ from net profit as reported in the income statement because it excludes items of income or expense that are taxable and deductible in different years and also excludes items that are not taxable or deductible. The liability for current tax is calculated using tax rates for each entity in the consolidated financial statements which have been enacted or substantively enacted at the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on temporary differences (i.e. differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit). Deferred tax is accounted for using the balance sheet liability method and is provided on all temporary differences with certain limited exceptions as follows:

- tax payable on undistributed earnings of subsidiaries, associates and joint ventures is provided except where the Company is able to control the remittance of profits and it is probable that there will be no remittance of past profits earned in the foreseeable future;

THE ANDES TRUST LIMITED

YEAR ENDED 31 DECEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

2. Accounting Policies *(continued)*

(ii) Taxation *(continued)*

- deferred tax is not provided on the initial recognition of an asset or liability in a transaction that does not affect accounting profit or taxable profit and is not a business combination; nor is deferred tax provided on subsequent changes in the carrying value of such assets and liabilities, for example where they are depreciated; and
- the initial recognition of any goodwill.

Deferred tax assets are recognised only to the extent that it is probable that they will be recovered through sufficient future taxable profit. The carrying amount of deferred tax assets is reviewed at each balance sheet date.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also taken directly to equity.

(iii) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held on call with banks, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value, net of bank overdrafts which are repayable on demand. Cash and cash equivalents normally have a maturity period of 90 days or less.

(iv) Other financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

- Equity instruments issued are recorded at the proceeds received, net of direct issue costs. Equity instruments of the Company comprise its sterling-denominated issued ordinary share capital and related share premium. The presentational currency of the Company and the functional currency of the Company is US dollars, and ordinary share capital and share premium are translated into US dollars at historical rates of exchange based on dates of issue.

(v) Other financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

- Equity instruments issued are recorded at the proceeds received, net of direct issue costs. Equity instruments of the Company comprise its sterling-denominated issued ordinary share capital and related share premium. The presentational currency of the Company and the functional currency of the Company is US dollars, and ordinary share capital and share premium are translated into US dollars at historical rates of exchange based on dates of issue.

(vi) Investments in subsidiaries

Investments in subsidiaries represent equity holdings in subsidiaries. Such investments are accounted for at cost less, where appropriate, provisions for impairment.

THE ANDES TRUST LIMITED

YEAR ENDED 31 DECEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

3. Result on ordinary activities before taxation

None of the Directors received any remuneration for their services to the Company (2017 – US\$nil).

There were no employees in 2018 (2017 - none).

4. Tax on result on ordinary activities

As at 31 December 2018 the Company was not a tax resident in the United Kingdom and accordingly is not liable to United Kingdom corporation tax. There is nil tax charge and hence no tax reconciliation has been presented.

5. Debtors

	2018	2017
	US\$	US\$
Amounts owed by parent company	4,477,912	4,477,912
Amounts owed by fellow Group company	50	50
Total debtors due within one year	4,477,962	4,477,962

Amounts owed by the parent and fellow Group company are unsecured, interest free, and have no fixed date of repayment.

6. Investments in fellow Group subsidiaries

The Company has a direct effective interest of 0.003% in the issued share capital of Antofagasta Minerals S.A., an entity incorporated and operating in Chile. Fellow Group subsidiaries hold the remaining 99.997%, resulting in the Antofagasta plc Group holding 100% of the issued share capital of the entity.

The Company has a direct effective interest of 0.0008% in the issued share capital of Minera Antucoya SCM, an entity incorporated and operating in Chile. Fellow Group subsidiaries hold a remaining 69.9992%, resulting in an effective 70% holding by the Antofagasta plc Group.

Given the level of percentage holding which the Company has in these entities there is no significant value recorded in the Company's balance sheet relating to these investments.

7. Called up share capital

	At 31 December 2018 and 2017			
	Authorised		Allotted, issued and fully paid	
	Number	US\$	Number	US\$
Ordinary shares of £1 each	1,225,000	2,171,558	1,095,360	1,941,745

THE ANDES TRUST LIMITED

YEAR ENDED 31 DECEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

7. Called up share capital *(continued)*

The Company has one class of ordinary shares which carry no right to fixed income. Each ordinary share carries one vote at any general meeting.

8. Profit and Loss Account

	US\$
Balance at 1 January 2017	1,658,092
Profit for the financial year	-
Balance at 31 December 2017 and 1 January 2018	1,658,092
Profit for the financial year	-
Balance at 31 December 2018	1,658,092

9. Ultimate Parent Company

The ultimate parent company is Metalinvest Establishment, a company incorporated in Liechtenstein and controlled by the E. Abaroa Foundation, in which members of the Luksic family are interested. This company does not produce group financial statements. The immediate parent company is Antofagasta plc, a company registered in England and Wales and listed on the London Stock Exchange.

Antofagasta plc is the only parent undertaking to prepare group financial statements. Copies of these group financial statements are available from Antofagasta plc, Cleveland House, 33 King Street, St James's, London SW1Y 6RJ.