

COMPANY REGISTRATION NUMBER 242107

THE ANDES TRUST LIMITED

Annual Report and Financial Statements

31 December 2022

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THE ANDES TRUST LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022

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THE ANDES TRUST LIMITED

YEAR ENDED 31 DECEMBER 2022

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

M Ortiz
R Orchard
J T R Anderson

Company secretary

J T R Anderson

Registered office

103 Mount Street
London
W1K 2TJ

Solicitors

Clifford Chance LLP
10 Upper Bank Street London E14 5JJ

THE ANDES TRUST LIMITED

YEAR ENDED 31 DECEMBER 2022

DIRECTORS' REPORT

The Directors present their Annual Report and the audited financial statements for the year ended 31 December 2022. 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

During the financial year under review the Company received no dividends from its subsidiary undertaking (2021 - US\$31,455). The Company's profit for the financial year after tax was nil (2021 - US\$24,169).

The Directors do not recommend the payment of a dividend (2021 - 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 that report.

Employees

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

THE ANDES TRUST LIMITED

YEAR ENDED 31 DECEMBER 2022

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:

M Ortiz

R Orchard (appointed 18 May 2023)

J T R Anderson (appointed 18 May 2023)

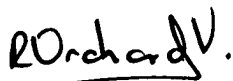
E Tagle (resigned 18 May 2023)

A M Lindsay (resigned 18 May 2023)

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.

Approved by the Board and signed on its behalf by:



R Orchard
Director
28 September 2023

Registered office:
103 Mount Street
London
W1K 2TJ

THE ANDES TRUST LIMITED

YEAR ENDED 31 DECEMBER 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 and enable them to ensure that the financial statements comply with the Companies Act 2006.

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 2022

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 US\$ Unaudited	2021 US\$
Administrative expenses		-	-
Operating profit		-	-
Dividends from subsidiaries	3	-	31,455
Profit before taxation	3	-	-
Tax on profit	4	-	(7,286)
Profit for the financial year		-	24,169

No ordinary dividends were paid or proposed in either 2022 or 2021.

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

THE ANDES TRUST LIMITED

YEAR ENDED 31 DECEMBER 2022

BALANCE SHEET AS AT 31 DECEMBER 2022

	Note	2022 US\$ Unaudited	2021 US\$
Current assets			
Debtors	5	4,502,131	4,502,131
Current assets		<u>4,502,131</u>	<u>4,502,131</u>
Capital and reserves			
Called up share capital	7	1,941,745	1,941,745
Share premium account		878,125	878,125
Profit and loss account	8	1,682,261	1,682,261
Total capital and reserves		<u>4,502,131</u>	<u>4,502,131</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 9 to 16 were approved by the Board of Directors and authorised for issue on 28 September 2023. They were signed on its behalf by:

R Orchard V.

R Orchard
Director

THE ANDES TRUST LIMITED

YEAR ENDED 31 DECEMBER 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022 - UNAUDITED

	Called up share capital (Note 7) US\$	Share premium account US\$	Profit and loss account (Note 8) US\$	Total capital and reserves US\$
Balance at 1 January 2021	1,941,745	878,125	1,658,092	4,477,962
Profit for the financial year	-	-	24,169	24,169
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	24,169	24,169
Balance at 31 December 2021 and 1 January 2022	1,941,745	878,125	1,682,261	4,502,131
Profit for the financial year	-	-	-	-
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	-	-
Balance at 31 December 2022	1,941,745	878,125	1,682,261	4,502,131

THE ANDES TRUST LIMITED

YEAR ENDED 31 DECEMBER 2022

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 principal 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.

The financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements, because it is included in the consolidated 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:

- Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41)
- Reference to the Conceptual Framework (Amendments to IFRS 3)

The application of these 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.

THE ANDES TRUST LIMITED

YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

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. It is expected that where applicable, these standards and amendments will be adopted on each respective effective date. None of these standards are expected to have a significant impact on the Company.

New Standards	Effective date
IFRS 17, Insurance Contracts	Annual periods beginning on or after January 1, 2023
Amendments to IFRSs	Effective date
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	Annual periods beginning on or after January 1, 2023
Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2	Annual periods beginning on or after January 1, 2023
Definition of Accounting Estimates – Amendments to IAS 8	Annual periods beginning on or after January 1, 2023
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) ¹	Annual periods beginning on or after January 1, 2024
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) ¹	Annual periods beginning on or after January 1, 2024
Non-current Liabilities with Covenants (Amendments to IAS 1) ¹	Annual periods beginning on or after January 1, 2024

1. These amendments are still subject to UK endorsement.

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 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 2022

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) 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.

(iv) Investments in group subsidiaries

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

(v) Debtors

Trade and other receivables do not generally carry any interest and are normally stated at their nominal value less any impairment. Impairment losses on trade receivables are recognised within an allowance account unless the Company considers that no recovery of the amount is possible, in which case the carrying value of the asset is reduced directly.

3. Profit before taxation

During the financial year under review, the Company received dividends from its subsidiary undertaking of nil (2021 - US\$31,455). The Company's profit for the financial year after tax was nil (2021 – US\$24,169).

No dividends were declared during the year, and the Directors recommend no further final dividend.

None of the Directors received any remuneration for their services to the Company (2021 – US\$nil).

There were no employees in 2022 (2021 - none).

THE ANDES TRUST LIMITED

YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

4. Tax on profit

As at 31 December 2022 the Company was not a tax resident in the United Kingdom and accordingly is not liable to United Kingdom corporation tax.

(a) Analysis of charge in the year

	2022 \$'000 Unaudited	2021 \$'000
Withholding current tax charge	-	(7,286)
Total tax charge	-	(7,286)

(b) Factors affecting current tax charge

In 2022 the standard rate of UK corporation tax was 19% (2021 – 19%).

The following table provides a numerical reconciliation between the accounting profit before tax multiplied by the applicable statutory tax rate and the total tax expense (including both current and deferred tax):

	2022 \$'000 Unaudited	2021 \$'000
Profit before taxation	-	31,455
Tax charge on profit before taxation at standard UK corporation tax rate	-	(5,976)
Income not subject to UK corporation tax	-	5,976
Foreign tax suffered	-	(7,286)
Total tax (charge)	-	(7,286)

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 the 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%.

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%, due to be effective from 1 April 2023. These changes were substantively enacted on 24 March 2021. The UK Chancellor of the Exchequer announced a reversal of the corporation tax increase in the fiscal event on 23 September 2022.

THE ANDES TRUST LIMITED

YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. Debtors

	2022 \$'000 Unaudited	2021 \$'000
Amounts owed by parent company	4,477,912	4,477,912
Amounts owed by fellow Group company	24,219	24,219
Total debtors due within one year	<u>4,502,131</u>	<u>4,502,131</u>

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

6. Investments in group subsidiaries

The Company has a direct interest of 0.002% in the issued share capital of Antofagasta Minerals S.A., an entity incorporated and operating in Chile, whose registered office is Avenida Apoquindo N° 4001, piso 18, Las Condes, Santiago, Chile. This interest has a cost of nil. Fellow Group subsidiaries hold the remaining 99.998%, resulting in the Antofagasta plc Group holding 100% of the issued share capital of the entity.

	Country of incorporation and operation	Registered office	Nature of business	Effective equity Shareholding 2022 Unaudited	Effective equity Shareholding 2021
Direct subsidiary undertakings					
Antofagasta Minerals SA	Chile	2	Mining	0.002%	0.002%
Indirect subsidiaries, associates and joint ventures					
Andean LFMA Investment Ltd	UK	1	Investment	100%	100%
Minera Los Pelambres SCM	Chile	2	Mining	60%	60%
Minera Centinela SCM	Chile	2	Mining	70%	70%
Minera Antucoya SCM	Chile	2	Mining	70%	70%
Energía Andina Geothermal SpA	Chile	2	Energy	100%	100%
MLP Transmisión S.A.	Chile	2	Energy	100%	100%
Sociedad Contractual Minera El Encierro	Chile	2	Mining	57%	57%
Los Pelambres Holding Company Limited	UK	1	Investment	100%	100%
Los Pelambres Investment Company Limited	UK	1	Investment	100%	100%
Anaconda South America Inc	USA	3	Investment	100%	100%
Inversiones Los Pelambres Chile Limitada	Chile	2	Investment	100%	100%
Equatorial Resources SpA	Chile	2	Investment	100%	100%
Minera Santa Margarita de Astillas SCM	Chile	2	Mining	82%	82%
Minera Penacho Blanco SA	Chile	2	Mining	67%	67%
Michilla Costa SpA	Chile	2	Logistics	100%	100%
Minera Pampa Fenix SCM	Chile	2	Investment	90%	90%
Minera Mulpun Limitada	Chile	2	Mining	100%	100%

Registered offices:

- 1: 103 Mount Street London W1K 2TJ United Kingdom
- 2: Avenida Apoquindo N° 4001, Piso 18, Las Condes, Santiago, Chile
- 3: 2711 Centerville Road, Suite 400, Wilmington, DE 19808, USA

THE ANDES TRUST LIMITED

YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

7. Called up share capital

At 31 December 2022 and 2021

	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 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 2021	1,658,092
Profit for the financial year	24,169
Balance at 31 December 2021 and 1 January 2022	1,682,261
Profit for the financial year	-
Balance at 31 December 2022	1,682,261

9. Exchange Rates in US Dollars

The principal exchange rates expressed in US dollars used in the preparation of the financial statements are as follows:

	2022	2021
Year-end rates	US\$1.2080 = £1 US\$1 = Ch\$856	US\$1.3490 = £1 US\$1 = Ch\$845
Average rates	US\$1.2340 = £1 US\$1 = Ch\$872	US\$1.3750 = £1 US\$1 = Ch\$760

10. 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 consolidated financial statements. The immediate parent company is Antofagasta plc, a company registered in England and Wales and listed on the London Stock Exchange.

THE ANDES TRUST LIMITED

YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

11. Publication of the Financial Statements of Antofagasta plc

The financial statements of Antofagasta plc. (registered address: 103 Mount Street, London, W1K 2TJ), the Company's direct parent, are available from the Group's website www.antofagasta.co.uk. This is the only Group to consolidate the financial information of the Company.