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**ANGLO AMERICAN FOUNDATION (FORMERLY ANGLO AMERICAN  
GROUP FOUNDATION)**

**(A company limited by guarantee)**

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**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**ANGLO AMERICAN FOUNDATION (FORMERLY ANGLO AMERICAN GROUP FOUNDATION)**  
**(A company limited by guarantee)**

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**ANGLO AMERICAN FOUNDATION (FORMERLY ANGLO AMERICAN GROUP FOUNDATION)**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE FOUNDATION, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**Trustees**

N B Mbazima  
Y Mfolo  
A Michaud-Ahmed  
J Samuel  
D G Wanblad

**Company registered number**

05452659

**Charity registered number**

1111719

**Registered office**

20 Carlton House Terrace, London, United Kingdom, SW1Y 5AN

**Company secretary**

Anglo American Corporate Secretary Limited

**Independent auditor**

Deloitte LLP, Hill House, 1 Little New St, London, United Kingdom, EC4A 3TR

**Bankers**

Barclays Bank PLC, 1 Churchill Place, Canary Wharf, London, E14 5HP

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**ANGLO AMERICAN FOUNDATION (FORMERLY ANGLO AMERICAN GROUP FOUNDATION)**  
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**TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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The Trustees (who are also directors of the charity for the purposes of the Companies Act 2006) present their annual report together with the audited financial statements of Anglo American Foundation ("the Foundation") for the year ended 31 December 2019.

This report is prepared in accordance with the special provisions relating to small companies under s415(a) of the Companies Act 2006, including the exemption from preparing a strategic report. The Trustees confirm that the annual report and financial statements of the Foundation comply with the current statutory requirements, the requirements of the Foundation's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

On 22 November 2019, the Foundation changed its name from Anglo American Group Foundation to Anglo American Foundation.

## **Objectives and Activities**

### **a. POLICIES AND OBJECTIVES**

The Foundation is committed to supporting sustainable development in the communities around Anglo American plc ("AA plc") Group operations (across the value chain) and entities by supporting effective solutions that address social, economic or environmental issues. In addition, it aims at contributing to good practice and effective public policy on sustainability matters of relevance to the mining and metals industry and its value chains.

The Foundation welcomes applications from charitable organisations aligned with the Group's Sustainable Mining Plan, specifically in the areas of:

- promotion of accountability and transparency mechanisms and good public policy of relevance to the mining industry and its stakeholders;
- community and public health;
- education and training/skills development;
- community development, with a general focus on livelihoods;
- biodiversity and wildlife conservation;
- water efficiency measures that support host communities; and
- energy efficiency, low carbon and climate adaptation measures that support host communities.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives and in planning future activities and setting the grant making policy for the year. The Foundation delivers public benefit by contributing to sustainable livelihoods in the communities in which the AA plc Group operates. The short and long term objectives of the Foundation are consistent.

### **Trustees**

The Trustees are selected from amongst senior AA plc Group managers and bring a broad range of perspectives from their respective disciplines within the company.

The following served as trustees throughout the year (unless otherwise stated) and to the present time:

N B Mbazima  
Y Mfolo  
A Michaud-Ahmed  
J Samuel  
D G Wanblad

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**ANGLO AMERICAN FOUNDATION (FORMERLY ANGLO AMERICAN GROUP FOUNDATION)**  
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**TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT) (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**Giving structure**

The Foundation seeks to develop continuing relationships with a small number of charitable organisations which contribute to its identified priority objectives. These will then be augmented from time to time by applications which come within the Foundation's priorities and relate to those parts of the world where the AA plc Group does business. Resources are also allocated by way of matching funds raised for charities by employees who work in the Anglo American London office.

**Meetings and processes**

Meetings are held throughout the year when the Trustees consider applications for funding from bona fide charities whose objectives match those of the Foundation. A working party, made up of two members of Anglo American Services (UK) Ltd ("AA Services") staff, considers the applications and puts forward proposals to the Trustees.

No staff are directly employed by the Foundation and as such there are no key management personnel other than the Trustees. No gift in kind has been recognised in respect of the time spent by AA Services staff working on activities of the Foundation..

**Achievements and performance**

**a. KEY FINANCIAL PERFORMANCE INDICATORS**

During the year, the Foundation awarded grants totalling £2,296,886 compared to £3,443,058 in 2018. As at 31 December 2019 the Foundation had total funds of £309,679 compared to £41,364 in the prior year. The financial position of the Foundation has improved compared to the prior year due to a reduction in awards granted in 2019, partially offset by a reduction in the donations received from AA Services during the year.

**b. REVIEW OF ACTIVITIES**

The following is a selection of grants approved by the Trustees for the year ended 31 December 2019:

**£825,695 - Technoserve**

TechnoServe is a leader in harnessing the power of the private sector to help people lift themselves out of poverty. A non-profit organization operating in 29 countries, they work with men and women in the developing world to build competitive farms, businesses, and industries. The grant will fund a program to support smallholder farmers in the horticulture, beef, and poultry value chains in Zimbabwe, establishing market access through contract production in partnership with private sector companies during a three-year program.

**£674,370 - Pyxera Global**

Pyxera Global is a non-profit based in Washington, DC that has worked in over 90 countries—to create opportunities for collaboration for purposeful global engagement between multinational corporations, national development agencies, local governments, and non-governmental organizations. Pyxera Global is our lead partner implementing our employee volunteering programme: Ambassador's for Good.

**£78,021 - World Vision**

World Vision is an international non-profit focused on helping the most vulnerable children in the most dangerous places to overcome poverty and injustice. The grant is to establish the backbone organisation 'Impact Catalyst' for the implementation of socio-economic development projects in Limpopo, South Africa.

These donations consist of annual payments for durations of up to 3 years over the period from 2019 to 2022.

All charities matched the Foundation's objectives. The Trustees will continue to consider donations to charities whose objectives align with its own.

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**TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT) (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**Financial review**

**a. GOING CONCERN**

The Foundation'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 make donations to the Foundation. AA Services has confirmed that it intends to provide financial resources, where requested, for at least 12 months from the date of signing these financial statements.

The Trustees therefore feel that the Foundation will have sufficient funds, taking account of possible changes in trading performance (including specifically the potential impact of COVID-19 on the cash flows of the Foundation, AA Services and Anglo American plc), to conclude that the Foundation will be able to continue its operations for the foreseeable future, and therefore has adopted the going concern basis in preparing the financial statements.

AA Services has committed to making annual donations of £4,000,000 for 2020. This funding, together with existing funds will enable the Foundation to meet its committed donations. On 25 March 2020, the Foundation received £4,000,000 from AA Services representing the annual donation for 2020.

**b. RESERVES POLICY**

Donations are made to the Foundation at the beginning of each financial year which are then held in an interest-bearing bank account. The Foundation intends to pay out all funds received. It is the policy of the Foundation to ensure that there are sufficient cash reserves to cover all committed donations and governance costs. The unrestricted reserves as at 31 December 2019 were £309,679 (2018 - £41,364).

**c. PRINCIPAL FUNDING**

AA Services makes donations to the Foundation from its annual pre-tax profits. It is envisaged that this is likely to remain the major source of income in the future. As at 23 June 2020 the charity had received post year end payments from AA Services totalling £4,000,000.

**d. MATERIAL INVESTMENTS POLICY**

The current investment policy of the Trustees is to place funds in an interest bearing account in order to earn interest whilst awaiting decisions by the Trustees.

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**TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT) (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**Structure, governance and management**

**a. CONSTITUTION**

The Foundation is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

The Foundation is constituted under a Memorandum of Association dated 13 May 2005 (revised 27 March 2018) and is a registered charity number 1111719.

**b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES**

The management of the Foundation is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. Any new Trustees would be selected by the existing Trustees from amongst senior AA plc Group managers. The induction process for any new Trustee comprises a series of briefing meetings with the current Trustees.

**c. POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

New trustees are provided with the following key documents:

- the charity's governing document;
- the charity's latest annual report and accounts; and
- minutes of recent trustee meetings.

New trustees also meet with other existing trustees and key people within the Foundation to get a better understanding of its work.

Trustees are also provided with appropriate training resources by an external training provider on an on-going basis.

**d. RISK MANAGEMENT**

The Trustees have assessed the major risks to which the Foundation is exposed, in particular those related to the operations and finances of the Foundation, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. The principal risk is related to unauthorised payments being made. This is mitigated by dual approval requirements, segregation of duties and restricted access to banking systems.

The Foundation'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 funding will continue to be received from AA Services.

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**ANGLO AMERICAN FOUNDATION (FORMERLY ANGLO AMERICAN GROUP FOUNDATION)**  
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**TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT) (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**MEMBERS' LIABILITY**

The Foundation is a company limited by guarantee and has no share capital. The liability of each trustee in the event of winding up is limited to £1. The Trustees have control over decision-making and operations of the Foundation.

**POST BALANCE SHEET EVENTS**

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

The impact of COVID-19 on the world economy and the Foundation's future financial performance remains uncertain. No impact on the Foundation has yet been identified.

**DISCLOSURE OF INFORMATION TO AUDITOR**

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

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

**AUDITOR**

At the 2020 Annual General Meeting of AA plc, PricewaterhouseCoopers LLP were appointed as external auditor to the AA plc group of companies. Accordingly Deloitte LLP will not be seeking re-appointment as auditor of the Foundation at the conclusion of their current term of office. There are no circumstances connected with the resignation of Deloitte LLP as external auditor which should be brought to the attention of members or creditors of the Foundation.

This report was approved by the Trustees, on 23 June 2020 and signed on their behalf by:

**J Samuel**  
Trustee

**D Wanblad**  
Trustee



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**ANGLO AMERICAN FOUNDATION (FORMERLY ANGLO AMERICAN GROUP FOUNDATION)**  
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**TRUSTEES' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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The Trustees (who are also directors of Anglo American Foundation for the purposes of company law) are responsible for preparing the Trustees' report and the audited financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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**ANGLO AMERICAN FOUNDATION (FORMERLY ANGLO AMERICAN GROUP FOUNDATION)**  
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANGLO AMERICAN FOUNDATION**  
**(FORMERLY ANGLO AMERICAN GROUP FOUNDATION)**

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**Report on the audit of the financial statements**

**Opinion**

In our opinion the financial statements of Anglo American Foundation (the "charitable company"):

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of financial activities (incorporating the income and expenditure account);
- the balance sheet;
- the statement of cash flows; and
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the "FRC's") Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

- the trustees' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANGLO AMERICAN FOUNDATION**  
**(FORMERLY ANGLO AMERICAN GROUP FOUNDATION)**

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**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in respect of these matters.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the charitable 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 charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's 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 auditor's 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.

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 auditor's report.

**Report on other legal and regulatory requirements**

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

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**ANGLO AMERICAN FOUNDATION (FORMERLY ANGLO AMERICAN GROUP FOUNDATION)**  
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANGLO AMERICAN FOUNDATION**  
**(FORMERLY ANGLO AMERICAN GROUP FOUNDATION)**

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In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report included within the trustees' report.

**Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies' exemption in preparing the the Trustees' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Sarah Anderson*

Sarah Anderson FCA (Senior statutory auditor)

for and on behalf of

**Deloitte LLP**

Statutory Auditor

Hill House  
1 Little New St  
London  
United Kingdom  
EC4A 3TR  
29 June 2020

**ANGLO AMERICAN FOUNDATION (FORMERLY ANGLO AMERICAN GROUP FOUNDATION)**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE STATEMENT)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>INCOME FROM:</b>					
Donations	2	2,500,000	3,422	2,503,422	3,433,066
Investments	3	13,459	-	13,459	8,459
Other income	4	7,307	-	7,307	-
<b>TOTAL INCOME</b>		<b>2,520,766</b>	<b>3,422</b>	<b>2,524,188</b>	<b>3,441,525</b>
<b>EXPENDITURE ON:</b>					
Charitable activities	5, 6, 6	2,300,771	3,422	2,304,193	3,443,058
<b>TOTAL EXPENDITURE</b>		<b>2,300,771</b>	<b>3,422</b>	<b>2,304,193</b>	<b>3,443,058</b>
<b>NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS/(LOSSES)</b>		<b>219,995</b>	<b>-</b>	<b>219,995</b>	<b>(1,533)</b>
Net gains/(losses) on investments		48,320	-	48,320	(40,721)
<b>NET INCOME / (EXPENDITURE)</b>		<b>268,315</b>	<b>-</b>	<b>268,315</b>	<b>(42,254)</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>268,315</b>	<b>-</b>	<b>268,315</b>	<b>(42,254)</b>
Total funds at 1 January		41,364	-	41,364	83,618
<b>TOTAL FUNDS AT 31 DECEMBER</b>		<b>309,679</b>	<b>-</b>	<b>309,679</b>	<b>41,364</b>

The notes on pages 14 to 21 form part of these financial statements.

There were no other recognised gains or losses for the year other than those listed above.

All income and expenditure derives from continuing activities.

The prior year comparatives include restricted funds donations and charitable expenditure of £9,066.

**ANGLO AMERICAN FOUNDATION (FORMERLY ANGLO AMERICAN GROUP FOUNDATION)**

(A company limited by guarantee)  
REGISTERED NUMBER: 05452659

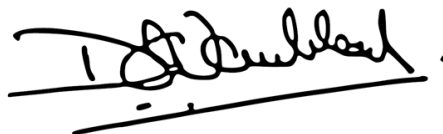
**BALANCE SHEET  
AS AT 31 DECEMBER 2019**

	Note	£	2019 £	£	2018 £
<b>CURRENT ASSETS</b>					
Debtors	10	-	1,676,640		
Cash at bank and in hand		<b>3,068,488</b>	<b>2,085,077</b>		
		<b>3,068,488</b>	<b>3,761,717</b>		
<b>CREDITORS: amounts falling due within one year</b>					
	11	<b>(2,367,367)</b>	<b>(2,785,857)</b>		
<b>NET CURRENT ASSETS</b>			<b>701,121</b>		<b>975,860</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>701,121</b>		<b>975,860</b>
<b>CREDITORS: amounts falling due after more than one year</b>					
	12	<b>(391,442)</b>			<b>(934,496)</b>
<b>NET ASSETS</b>			<b>309,679</b>		<b>41,364</b>
<b>CHARITY FUNDS</b>					
Unrestricted funds			<b>309,679</b>		<b>41,364</b>
<b>TOTAL FUNDS</b>			<b>309,679</b>		<b>41,364</b>

The financial statements of Anglo American Foundation (charity number 1111719) were approved and authorised for issue by the Trustees on 23 June 2020 and signed on their behalf, by:



**J Samuel**  
Trustee



**D Wanblad**  
Trustee

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**ANGLO AMERICAN FOUNDATION (FORMERLY ANGLO AMERICAN GROUP FOUNDATION)**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	14	<b>983,411</b>	<i>(473,214)</i>
<b>Change in cash and cash equivalents in the year</b>		<b>983,411</b>	<i>(473,214)</i>
Cash and cash equivalents brought forward		<b>2,085,077</b>	<i>2,558,291</i>
<b>Cash and cash equivalents carried forward</b>	15	<b>3,068,488</b>	<i>2,085,077</i>

The notes on pages 14 to 21 form part of these financial statements.

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**ANGLO AMERICAN FOUNDATION (FORMERLY ANGLO AMERICAN GROUP FOUNDATION)**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)) and the Companies Act 2006.

Anglo American Foundation (formerly Anglo American Group Foundation) meets the definition of a public benefit entity under FRS 102 and is incorporated in England and Wales as a private company limited by guarantee and having no share capital. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**1.2 Going concern**

The Trustees have received a letter of support from AA Services, such that the Foundation has adequate resources to meet its liabilities as they fall due for at least 12 months from the date of signing the accounts.

AA Services has committed to making annual donations of £4,000,000 for 2020. As at 23 June 2020 the Foundation had received post year end payments from AA Services totalling £4,000,000. This funding will enable the Foundation to fund its committed donations.

The Trustees therefore feel that the Foundation will have sufficient funds, taking account of possible changes in trading performance (including specifically the potential impact of COVID-19 on the cash flows of the Foundation, AA Services and Anglo American plc), to conclude that the Foundation will be able to continue its operations for the foreseeable future, and therefore has adopted the going concern basis in preparing the financial statements.

**1.3 Company status**

The Foundation is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the Foundation being wound up, the liability in respect of the guarantee is limited to £1 per member of the Foundation.

**1.4 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Foundation and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Foundation for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

**1.5 Income**

All income is recognised once the Foundation has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.



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**ANGLO AMERICAN FOUNDATION (FORMERLY ANGLO AMERICAN GROUP FOUNDATION)**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1. ACCOUNTING POLICIES (continued)**

**1.6 Expenditure**

Governance costs are those incurred in connection with administration of the Foundation and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the Foundation's educational operations, including support costs and costs relating to the governance of the Foundation apportioned to charitable activities. There were no governance costs for the current year or preceding year.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

No value has been assigned to support costs in respect of the time spent by AA Services staff on the activities of the Foundation as it is not possible to reasonably quantify this support.

**1.7 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Foundation; this is normally upon notification of the interest paid or payable by the Bank.

**1.8 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.9 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of financial activities incorporating income and expenditure account.

The Foundation's functional and presentational currency is GBP as this is the currency of the primary economic environment in which the Foundation operates.

**1.10 Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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**1. ACCOUNTING POLICIES (continued)**

**1.11 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Foundation anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.12 Financial instruments**

The Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**1.13 Critical accounting estimates and areas of judgment**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Trustees do not consider there are any critical judgments or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed above.

**2. INCOME FROM DONATIONS**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Donations from AA Services	<b>2,500,000</b>	-	<b>2,500,000</b>	3,424,000
Matched donations from employees	-	<b>3,422</b>	<b>3,422</b>	9,066
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations	<b>2,500,000</b>	<b>3,422</b>	<b>2,503,422</b>	3,433,066
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total 2018</i>	<i>3,424,000</i>	<i>9,066</i>	<i>3,433,066</i>	
	<hr/>	<hr/>	<hr/>	

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**3. INVESTMENT INCOME**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Investment income - local cash	13,459	-	13,459	8,459
<i>Total 2018</i>	8,459	-	8,459	

**4. OTHER INCOMING RESOURCES**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Gifts in kind	7,307	-	7,307	-
<i>Total 2018</i>	-	-	-	

The audit fee payable to the Foundation's auditor for the audit of the Foundation's annual accounts, of £7,307, has been borne by AA Services and treated as a gift in kind.

**5. GOVERNANCE COSTS**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Audit fees	7,307	-	7,307	-

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**6. ANALYSIS OF GRANTS**

	<b>Grants to Institutions 2019 £</b>	<b>Total 2019 £</b>	<i>Total 2018 £</i>
Education and training	356,934	356,934	415,752
Health and welfare	250,007	250,007	2,093,915
Other social investments	813,059	813,059	561
Community development - other	776,417	776,417	905,871
Environmental	76,640	76,640	-
Employee matched funding	23,829	23,829	26,959
	<u>2,296,886</u>	<u>2,296,886</u>	<u>3,443,058</u>
<i>Total 2018</i>	<u>3,443,058</u>	<u>3,443,058</u>	

**7. GAINS/(LOSSES) ON FOREIGN EXCHANGE**

	<b>2019 £</b>	<i>2018 £</i>
Foreign exchange gains/(losses)	<u>48,320</u>	<u>(40,721)</u>

The Foundation had a commitment to pay non-GBP donations as at 31 December 2019 which has been revalued to the Foundation's reporting currency of pound sterling and resulting in a foreign exchange gain of £48,320 (2018 - loss of £40,721).

**8. NET (EXPENDITURE) / INCOME**

The key management personnel of the Foundation are the Trustees listed on page 1.

During the year, no Trustees received any remuneration (2018 - £NIL).

During the year, no Trustees received any benefits in kind (2018 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2018 - £NIL).

The audit fee payable to the Foundation's auditor for the audit of the Foundation's annual accounts, of £7,307 (2018 - £7,137) has been borne by AA Services.

**9. TAXATION**

**Factors affecting tax charge for the year**

As a registered charity, the Foundation is potentially exempt from taxation on its income and gains falling within Chapter 3 of Part 11 of the Corporation Taxes Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable purposes. No tax charge has arisen in the current and preceding year.

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**10. DEBTORS**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Other debtors	-	1,676,640
	<u>-</u>	<u>1,676,640</u>
	<u>-</u>	<u>1,676,640</u>

The Foundation had a receivable balance due from AA Services of £1,600,000 in respect of 2018 funding that was settled in 2019.

The remaining receivable balance of £76,640 represented a donation made to Peace Parks Foundation in 2018 that was originally to have been reimbursed to the Foundation by the Anglo American Chairman's Fund (AACF). During 2019, a decision was taken by the Trustees of the Foundation and AACF to treat this as a donation from the Foundation, with no reimbursement required from AACF.

**11. CREDITORS: Amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Grant liabilities	<b>2,367,367</b>	2,785,857
	<u>2,367,367</u>	<u>2,785,857</u>

There are no performance-related conditions attached to any of the commitments due within one year.

**12. CREDITORS: Amounts falling due after more than one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Grant liabilities	<b>391,442</b>	934,496
	<u>391,442</u>	<u>934,496</u>

Of the creditors falling due after more than one year, £294,510 is due in 2021 and £96,932 in 2022. In 2018, £822,816 was due in 2020 and £110,390 in 2021.

There are no performance-related conditions attached to any of the commitments due after more than one year.

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**13. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Current assets	3,068,488	-	3,068,488
Creditors due within one year	(2,367,367)	-	(2,367,367)
Creditors due in more than one year	(391,442)	-	(391,442)
	<u>309,679</u>	<u>-</u>	<u>309,679</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Current assets	3,761,717	-	3,761,717
Creditors due within one year	(2,785,857)	-	(2,785,857)
Creditors due in more than one year	(934,496)	-	(934,496)
	<u>41,364</u>	<u>-</u>	<u>41,364</u>

**14. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2019 £	2018 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	268,315	(42,254)
<b>Adjustment for:</b>		
Decrease/(increase) in debtors	1,676,640	(1,676,640)
(Decrease)/increase in creditors	(961,544)	1,245,680
<b>Net cash provided by/(used in) operating activities</b>	<u>983,411</u>	<u>(473,214)</u>

**15. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2019 £	2018 £
Cash in hand	3,068,488	2,085,077
<b>Total</b>	<u>3,068,488</u>	<u>2,085,077</u>

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**16. RELATED PARTY TRANSACTIONS**

In the year, donations of £2,500,000 were received from AA Services (2018 - £3,424,000). The Trustees are all employed by AA Services or other subsidiaries of Anglo American plc.

The audit fee payable to the Foundation's auditor for the audit of the Foundation's annual accounts, of £7,307 (2018 - £7,137) has been borne by AA Services.

There were no other related party transactions.

**17. POST BALANCE SHEET EVENTS**

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

The impact of COVID-19 on the world economy and the Foundation's future financial performance remains uncertain. No impact on the Foundation has yet been identified.