

Registered number: 05452659  
Charity number: 1111719

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

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**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE FOUNDATION, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**Trustees**

N B Mbazima (appointed 15 July 2018)  
A Michaud-Ahmed (appointed 15 July 2018)  
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, 2 New Street Square, London, United Kingdom, EC4A 3BZ

**Bankers**

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

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**ANGLO AMERICAN GROUP FOUNDATION**  
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**TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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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 Group Foundation ("the Foundation") for the year ended 31 December 2017. 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 2016).

## **Objectives and Activities**

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

The Foundation is committed to supporting development initiatives directed towards the global and local community. The Foundation supports a diversified group of socio-economic programmes and sectors in recognition of the varied communities that the Anglo American plc ("AA plc") Group, operates in.

Specifically, the Foundation welcomes applications from charitable organisations associated with the following areas:

- education and training;
- international development;
- HIV/AIDS and welfare;
- environment; and
- London-based community development.

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 Anglo American Services (UK) Ltd ("AA Services") 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 (appointed 15 July 2018)  
A Michaud-Ahmed (appointed 15 July 2018)  
J Samuel  
D G Wanblad

### **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.



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**ANGLO AMERICAN GROUP FOUNDATION**  
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**TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT) (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**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 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 Trustess. It is not reasonable to quantify the support from AA Services staff and therefore no gift in kind has been recognised in respect of their time spent working on activities of the Foundation.

**Achievements and performance**

**a. KEY FINANCIAL PERFORMANCE INDICATORS**

During the year, the Foundation awarded grants totalling £2,165,822 compared to £497,886 in 2016. As at 31 December 2017 the Foundation had total funds of £83,618 compared to £49,858 in the prior year. This improvement in the financial position of the Foundation is primarily due to an increase in the donations received from AA Services during the year.

**b. REVIEW OF ACTIVITIES**

The following is a selection of approved grants by the Trustees:

£1,197,861 - International Youth Foundation

International Youth Foundation work to harness the talent and potential of the world's youth, now numbering 1.2 billion. At the heart of their efforts is building partnerships, initiatives, and curricula that prepare young men and women to succeed as citizens, employees, entrepreneurs, and change-makers.

£540,000 - Engineers Without Borders UK

Engineers Without Borders UK leads a movement for change by recognising and promoting the vital role of engineering and engineers in our collective future.

The Foundation is also funding a package of learning opportunities comprising masters/fellowships/scholarships for a number of candidates at the following three leading institutions:

£150,000 - University of Dundee

£138,000 - Blavatnik School of Government

£90,000 - Reuters Institute for Journalism

These donations all consist of three annual payments over the period from 2017 to 2020.

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

**Financial review**

**a. 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.

AA Services has committed to making annual donations of £1,424,000 for 2018. This funding, together with existing funds will enable the Foundation to meet its committed donations.

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**ANGLO AMERICAN GROUP FOUNDATION**  
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**TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT) (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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The Trustees therefore have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future at least 12 months from the date of signing. For this reason they continue to adopt the going concern basis in preparing the financial statements.

**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 reserves to cover all committed donations. The unrestricted reserves as at 31 December 2017 were £83,618 (2016 - £49,858).

**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 2 August 2018 the charity had received post year end payments from AA Services totalling £1,424,000.

**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.

**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 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 Services 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
- 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.

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**TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT) (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**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.

**MEMBERS' LIABILITY**

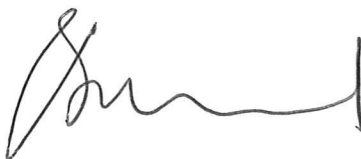
The Foundation is a company limited by guarantee and has no share capital. The liability of each trustee in the event of winding up is limited to £1. The Trustees have control over decision-making and operations of the Trust.

**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.

This report was approved by the Trustees, on 2 August 2018 and signed on their behalf by:



**J Samuel**  
Trustee

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**ANGLO AMERICAN GROUP FOUNDATION**  
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**TRUSTEES' RESPONSIBILITIES STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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The Trustees (who are also directors of Anglo American Group Foundation for the purposes of company law) are responsible for preparing the Trustees' report and the 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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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 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 Group Foundation (the "charitable company"):

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2017 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 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 14.

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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**ANGLO AMERICAN GROUP FOUNDATION**  
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 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 Financial Reporting Council'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 GROUP FOUNDATION**  
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 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 prepare the financial statements in accordance with the small companies regime and 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 (Senior statutory auditor)

for and on behalf of

**Deloitte LLP**

Statutory Auditor

2 New Street Square  
London  
United Kingdom  
EC4A 3BZ  
2 August 2018

**ANGLO AMERICAN GROUP FOUNDATION**  
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE STATEMENT)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

|  | Note | Unrestricted<br>funds<br>2017<br>£ | Restricted<br>funds<br>2017<br>£ | Total<br>funds<br>2017<br>£ | Total<br>funds<br>2016<br>£ |
|--|------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| <b>INCOME FROM:</b>  |      |                                    |                                  |                             |                             |
| Donations  | 2    | 2,071,667                          | 1,030                            | 2,072,697                   | 2,298,278                   |
| Investments  | 3    | 1,550                              | -                                | 1,550                       | 173                         |
| <b>TOTAL INCOME</b>  |      | <b>2,073,217</b>                   | <b>1,030</b>                     | <b>2,074,247</b>            | <b>2,298,451</b>            |
| <b>EXPENDITURE ON:</b>   |      |                                    |                                  |                             |                             |
| Charitable activities  |      | 2,164,792                          | 1,030                            | 2,165,822                   | 497,886                     |
| <b>TOTAL EXPENDITURE</b>   |      | <b>2,164,792</b>                   | <b>1,030</b>                     | <b>2,165,822</b>            | <b>497,886</b>              |
| <b>NET (EXPENDITURE) / INCOME BEFORE<br/>INVESTMENT GAINS/(LOSSES)</b> |      |                                    |                                  |                             |                             |
| Net gains/(losses) on investments                                      | 5    | (91,575)<br>125,335                | -<br>-                           | (91,575)<br>125,335         | 1,800,565<br>(114,271)      |
| <b>NET INCOME BEFORE OTHER<br/>RECOGNISED GAINS AND LOSSES</b>         |      | <b>33,760</b>                      | <b>-</b>                         | <b>33,760</b>               | <b>1,686,294</b>            |
| <b>NET MOVEMENT IN FUNDS</b>   |      | <b>33,760</b>                      | <b>-</b>                         | <b>33,760</b>               | <b>1,686,294</b>            |
| <br>   |      |                                    |                                  |                             |                             |
| Total funds at 1 January   |      | 49,858                             | -                                | 49,858                      | (1,636,436)                 |
| <b>TOTAL FUNDS AT 31 DECEMBER</b>                                      |      | <b>83,618</b>                      | <b>-</b>                         | <b>83,618</b>               | <b>49,858</b>               |

The notes on pages 13 to 19 form part of these financial statements.

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

All income and expenditure derives from continuing activities.

The prior year comparatives include restricted funds donations and charitable expenditure of £1,878.



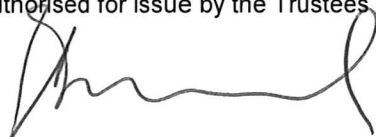
**ANGLO AMERICAN GROUP FOUNDATION**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 05452659**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2017**

|  | Note | £                  | 2017<br>£            | £                  | 2016<br>£            |
|--|------|--------------------|----------------------|--------------------|----------------------|
| <b>CURRENT ASSETS</b>  |      |                    |                      |                    |                      |
| Cash at bank and in hand                                       |      | 2,558,291          |                      | 1,801,961          |                      |
| <b>CREDITORS:</b> amounts falling due within one year          | 8    | <u>(1,302,044)</u> |                      | <u>(1,136,408)</u> |                      |
| <b>NET CURRENT ASSETS</b>                                      |      |                    | <u>1,256,247</u>     |                    | <u>665,553</u>       |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |      |                    | <u>1,256,247</u>     |                    | <u>665,553</u>       |
| <b>CREDITORS:</b> amounts falling due after more than one year | 9    |                    | <u>(1,172,629)</u>   |                    | <u>(615,695)</u>     |
| <b>NET ASSETS</b>  |      |                    | <u><u>83,618</u></u> |                    | <u><u>49,858</u></u> |
| <b>CHARITY FUNDS</b>   |      |                    |                      |                    |                      |
| Unrestricted funds   |      |                    | <u>83,618</u>        |                    | <u>49,858</u>        |
| <b>TOTAL FUNDS</b>   |      |                    | <u><u>83,618</u></u> |                    | <u><u>49,858</u></u> |

The Foundation's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements of Anglo American Group Foundation (charity number 1111719) were approved and authorised for issue by the Trustees on 2 August 2018 and signed on their behalf, by:



**J Samuel**  
**Trustee**

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**ANGLO AMERICAN GROUP FOUNDATION**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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|  | Note | 2017<br>£               | 2016<br>£               |
|--|------|-------------------------|-------------------------|
| <b>Cash flows from operating activities</b>            |      |                         |                         |
| Net cash provided by operating activities              | 11   | <u>756,330</u>          | <u>1,286,160</u>        |
| <b>Change in cash and cash equivalents in the year</b> |      | <b>756,330</b>          | <b>1,286,160</b>        |
| Cash and cash equivalents brought forward              |      | <u>1,801,961</u>        | <u>515,801</u>          |
| <b>Cash and cash equivalents carried forward</b>       | 12   | <u><u>2,558,291</u></u> | <u><u>1,801,961</u></u> |

The notes on pages 13 to 19 form part of these financial statements.

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**ANGLO AMERICAN GROUP FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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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 2016) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Anglo American Group Foundation meets the definition of a public benefit entity under FRS 102. 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 £1,424,000 and £1,824,818 for 2018 and 2019 respectively. As at 2 August 2018 the charity had received post year end payments from AA Services totalling £1,424,000. This funding will enable the Foundation to fund its committed donations.

The Trustees therefore have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future, at least 12 months from the date of signing. For this reason they continue to adopt 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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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.6 Expenditure**

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.

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.

**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 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.

**1.9 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.

**1.10 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.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**1. ACCOUNTING POLICIES (continued)**

**1.11 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**1.12 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**

|                                  | Unrestricted<br>funds<br>2017<br>£ | Restricted<br>funds<br>2017<br>£ | Total<br>funds<br>2017<br>£ | Total<br>funds<br>2016<br>£ |
|----------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Donations from AA Services       | 2,071,667                          | -                                | 2,071,667                   | 2,296,400                   |
| Matched donations from employees | -                                  | 1,030                            | 1,030                       | 1,878                       |
|                                  | <u>2,071,667</u>                   | <u>1,030</u>                     | <u>2,072,697</u>            | <u>2,298,278</u>            |
| Total donations and legacies     | <u>2,071,667</u>                   | <u>1,030</u>                     | <u>2,072,697</u>            | <u>2,298,278</u>            |
| <i>Total 2016</i>                | <u>2,296,400</u>                   | <u>1,878</u>                     | <u>2,298,278</u>            |                             |

**3. INVESTMENT INCOME**

|                                | Unrestricted<br>funds<br>2017<br>£ | Restricted<br>funds<br>2017<br>£ | Total<br>funds<br>2017<br>£ | Total<br>funds<br>2016<br>£ |
|--------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Investment income - local cash | 1,550                              | -                                | 1,550                       | 173                         |
|                                | <u>1,550</u>                       | <u>-</u>                         | <u>1,550</u>                | <u>173</u>                  |
| <i>Total 2016</i>              | <u>173</u>                         | <u>-</u>                         | <u>173</u>                  |                             |

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**4. ANALYSIS OF GRANTS**

|                          | Grants to<br>Institutions<br>2017<br>£ | Total<br>2017<br>£ | Total<br>2016<br>£ |
|--------------------------|--|--------------------|--------------------|
| Education and training   | 2,130,100                              | 2,130,100          | 497,232            |
| Health and welfare       | 1,894                                  | 1,894              | (16,143)           |
| Employee matched funding | 33,267                                 | 33,267             | 15,084             |
| Other social investments | 561                                    | 561                | 1,713              |
|                          | <u>2,165,822</u>                       | <u>2,165,822</u>   | <u>497,886</u>     |
| <i>Total 2016</i>        | <u>497,886</u>                         | <u>497,886</u>     |                    |

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

|                                 | 2017<br>£      | 2016<br>£        |
|---------------------------------|----------------|------------------|
| Foreign exchange gains/(losses) | <u>125,335</u> | <u>(114,271)</u> |

The Foundation held a US dollar bank balance as at 31 December 2017 which has been revalued to the Foundation's reporting currency of pound sterling and resulted in a foreign exchange gain of £NIL (2016 - £2,624).

The Foundation had a commitment to pay non-GBP donations as at 31 December 2017 which has been revalued to the Foundation's reporting currency of pound sterling and resulting in a foreign exchange gain of £125,335 (2016 - loss of £116,895).

**6. 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 (2016 - £NIL).

During the year, no Trustees received any benefits in kind (2016 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2016 - £NIL).

The audit fee payable to the Foundation's auditor for the audit of the Foundation's annual accounts, of £6,980 (2016 - £6,261) has been borne by Anglo American Services (UK) Ltd.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**7. 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.

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

|                   | 2017             | 2016             |
|-------------------|------------------|------------------|
|                   | £                | £                |
| Grant liabilities | <u>1,302,044</u> | <u>1,136,408</u> |

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

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

|                   | 2017             | 2016           |
|-------------------|------------------|----------------|
|                   | £                | £              |
| Grant liabilities | <u>1,172,629</u> | <u>615,695</u> |

Of the creditors falling due after more than one year, £866,641 is due in 2019 and £305,988 in 2020. In 2016, £474,842 was due in 2018 and £140,853 in 2019.

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

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**NOTES TO THE FINANCIAL STATEMENTS  
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**10. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

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

|                                     | Unrestricted<br>funds<br>2017<br>£ | Restricted<br>funds<br>2017<br>£ | Total<br>funds<br>2017<br>£ |
|-------------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Current assets                      | 2,558,291                          | -                                | 2,558,291                   |
| Creditors due within one year       | (1,302,044)                        | -                                | (1,302,044)                 |
| Creditors due in more than one year | (1,172,629)                        | -                                | (1,172,629)                 |
|                                     | <u>83,618</u>                      | <u>-</u>                         | <u>83,618</u>               |

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

|                                     | <i>Unrestricted<br/>funds<br/>2016<br/>£</i> | <i>Restricted<br/>funds<br/>2016<br/>£</i> | <i>Total<br/>funds<br/>2016<br/>£</i> |
|-------------------------------------|--|--|---------------------------------------|
| Current assets                      | 1,801,961                                    | -  | 1,801,961                             |
| Creditors due within one year       | (1,136,408)                                  | -  | (1,136,408)                           |
| Creditors due in more than one year | (615,695)                                    | -  | (615,695)                             |
|                                     | <u>49,858</u>                                | <u>-</u>                                   | <u>49,858</u>                         |

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

|  | 2017<br>£      | 2016<br>£        |
|--|----------------|------------------|
| Net income for the year (as per Statement of Financial Activities) | 33,760         | 1,686,294        |
| <b>Adjustment for:</b>   |                |                  |
| Increase/(decrease) in creditors                                   | 722,570        | (400,134)        |
| <b>Net cash provided by operating activities</b>                   | <u>756,330</u> | <u>1,286,160</u> |

**12. ANALYSIS OF CASH AND CASH EQUIVALENTS**

|              | 2017<br>£        | 2016<br>£        |
|--------------|------------------|------------------|
| Cash in hand | 2,558,291        | 1,801,961        |
| <b>Total</b> | <u>2,558,291</u> | <u>1,801,961</u> |



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**13. RELATED PARTY TRANSACTIONS**

In the year, donations of £2,071,667 were received from Anglo American Services (UK) Ltd (2016 - £2,296,400). The Trustees are employed by Anglo American Services (UK) Ltd which is a subsidiary of Anglo American plc.

**14. POST BALANCE SHEET EVENTS**

There are no events subsequent to balance sheet date requiring disclosure in the financial statements.