

Registered number: 05452659
Charity number: 1111719

ANGLO AMERICAN GROUP FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

ANGLO AMERICAN GROUP FOUNDATION
(A company limited by guarantee)

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ANGLO AMERICAN GROUP FOUNDATION
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE FOUNDATION, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2018**

Trustees

N B Mbazima (appointed 15 July 2018)
Y Mfolo (appointed 26 September 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, Hill House, 1 Little New Street, London, United Kingdom, EC4A 3TR

Bankers

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

ANGLO AMERICAN GROUP FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2018

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 2018. 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 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 (appointed 15 July 2018)
Y Mfolo (appointed 26 September 2018)
A Michaud-Ahmed (appointed 15 July 2018)
J Samuel
D G Wanblad

ANGLO AMERICAN GROUP FOUNDATION
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TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018

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 Trustess. It is not possible to reasonably 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 £3,443,058 compared to £2,165,822 in 2017. As at 31 December 2018 the Foundation had total funds of £41,364 compared to £83,618 in the prior year. The financial position of the Foundation is comparable to the prior year due to an increase in the donations received from AA Services during the year offsetting the additional awards granted in 2018.

b. REVIEW OF ACTIVITIES

The following is a selection of grants approved by the Trustees for the year ended 31 December 2018:

£881,255 - London School of Hygiene and Tropical Medicine

The London School of Hygiene & Tropical Medicine (LSHTM) is a leading research and education institution in public and global health. In collaboration with local partners, LSHTM conducts a baseline assessment with regards to the Sustainable Development Goal in Health (SDG3 goal) in Anglo American's host communities.

£450,000 - Institute for Human Rights and Business

The Institute for Human Rights and Business (IHRB) is a leading international think tank on business and human rights. The Foundation provides core funding to support IHRB's activities with regards to human rights responsibilities of commodities traders, tackling discrimination, digital technology and trade, and human rights defenders.

£375,000 - Diamond Development Initiative

The Diamond Development Initiative International (DDI) focuses on addressing the problems of artisanal diamond diggers bringing NGOs, governments and the private sector together in a common effort. DDI is an official member of the Kimberley Process, with an Independent Observer status. The Foundation continues to provide operational funding for core activities and supports a land reclamation project in Sierra Leone.

£325,000 - Sentebale

Sentebale was founded by Prince Harry and Prince Seeiso of Lesotho with a vision to positively transform the lives of children and young people affected by HIV. The grant supports Sentebale's expansion in Botswana to improve reach of marginalised youth.

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TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018

b. REVIEW OF ACTIVITIES (CONTINUED)

£300,000 - The Prince's Trust

The Prince's Trust is the UK's leading youth charity. The Foundation supports the organisation in growing the existing Achieve Programme, which is designed to help disadvantaged young people who are struggling to develop important character skills, in North London.

These donations consist of annual payments for durations of up to 3 years over the period from 2018 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. Donations received in the year ended 31 December 2018 were £3,433,066 (2017 - £2,072,697). Grants paid in the year ended 31 December 2018 were £3,443,058 (2017 - £2,165,822).

AA Services has committed to making annual donations of £2,500,000 for 2019 and 2020. This funding, together with existing funds will enable the Foundation to meet 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.

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 2018 were £41,364 (2017 - £83,618).

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 5 July 2019 the charity had received post year end payments from AA Services totalling £2,500,000.

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.

ANGLO AMERICAN GROUP FOUNDATION
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TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018

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
- * 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.

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.

ANGLO AMERICAN GROUP FOUNDATION
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TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018

DISCLOSURE OF INFORMATION TO AUDITOR

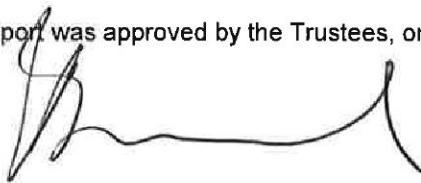
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- 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

Under section 487(2) of the Companies Act 2006, Deloitte LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the Trustees, on 5 July 2019 and signed on their behalf by:



J Samuel
Trustee

ANGLO AMERICAN GROUP FOUNDATION
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TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

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.

ANGLO AMERICAN GROUP FOUNDATION
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANGLO AMERICAN GROUP FOUNDATION

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 2018 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 15.

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.

ANGLO AMERICAN GROUP FOUNDATION
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANGLO AMERICAN GROUP FOUNDATION

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. 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.

ANGLO AMERICAN GROUP FOUNDATION
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANGLO AMERICAN GROUP FOUNDATION

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 (Senior statutory auditor)

for and on behalf of

Deloitte LLP

Statutory Auditor

Hill House
1 Little New Street
London
United Kingdom
EC4A 3TR
5 July 2019

ANGLO AMERICAN GROUP FOUNDATION
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE STATEMENT)
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:					
Donations	2	3,424,000	9,066	3,433,066	2,072,697
Investments	3	8,459	-	8,459	1,550
TOTAL INCOME		3,432,459	9,066	3,441,525	2,074,247
EXPENDITURE ON:					
Charitable activities		3,433,992	9,066	3,443,058	2,165,822
TOTAL EXPENDITURE		3,433,992	9,066	3,443,058	2,165,822
NET EXPENDITURE BEFORE INVESTMENT GAINS/(LOSSES)					
		(1,533)	-	(1,533)	(91,575)
Net gains/(losses) on investments		(40,721)	-	(40,721)	125,335
NET (EXPENDITURE) / INCOME		(42,254)	-	(42,254)	33,760
NET MOVEMENT IN FUNDS		(42,254)	-	(42,254)	33,760
Total funds at 1 January		83,618	-	83,618	49,858
TOTAL FUNDS AT 31 DECEMBER		41,364	-	41,364	83,618

The notes on pages 14 to 20 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.

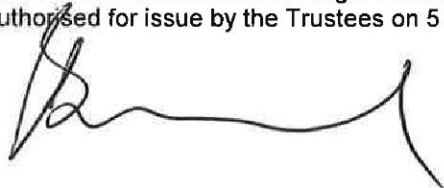
The prior year comparatives include restricted funds donations and charitable expenditure of £1,030.

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

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	£	2018 £	£	2017 £
CURRENT ASSETS					
Debtors	8	1,676,640	-		
Cash at bank and in hand		2,085,077	2,558,291		
		<u>3,761,717</u>	<u>2,558,291</u>		
CREDITORS: amounts falling due within one year	9	<u>(2,785,857)</u>	<u>(1,302,044)</u>		
NET CURRENT ASSETS			<u>975,860</u>		<u>1,256,247</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>975,860</u>		<u>1,256,247</u>
CREDITORS: amounts falling due after more than one year	10		<u>(934,496)</u>		<u>(1,172,629)</u>
NET ASSETS			<u>41,364</u>		<u>83,618</u>
CHARITY FUNDS					
Unrestricted funds			<u>41,364</u>		<u>83,618</u>
TOTAL FUNDS			<u>41,364</u>		<u>83,618</u>

The financial statements of Anglo American Group Foundation (charity number 1111719) were approved and authorised for issue by the Trustees on 5 July 2019 and signed on their behalf, by:



J Samuel
Trustee

ANGLO AMERICAN GROUP FOUNDATION
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	12	(473,214)	756,330
Change in cash and cash equivalents in the year		(473,214)	756,330
Cash and cash equivalents brought forward		2,558,291	1,801,961
Cash and cash equivalents carried forward	13	2,085,077	2,558,291

The notes on pages 14 to 20 form part of these financial statements.

ANGLO AMERICAN GROUP FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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)) and the Companies Act 2006.

Anglo American Group Foundation meets the definition of a public benefit entity under FRS 102 and is incorporated in England and Wales as a company limited by guarantee not having a 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 £2,500,000 for 2019 and 2020. As at 5 July 2019 the charity had received post year end payments from AA Services totalling £2,500,000. 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.

ANGLO AMERICAN GROUP FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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. 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.

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.

ANGLO AMERICAN GROUP FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
Donations from AA Services	3,424,000	-	3,424,000	2,071,667
Matched donations from employees	-	9,066	9,066	1,030
Total donations	3,424,000	9,066	3,433,066	2,072,697
<i>Total 2017</i>	<i>2,071,667</i>	<i>1,030</i>	<i>2,072,697</i>	

ANGLO AMERICAN GROUP FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

3. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income - local cash	8,459	-	8,459	1,550
<i>Total 2017</i>	1,550	-	1,550	

4. ANALYSIS OF GRANTS

	Grants to Institutions 2018 £	Total 2018 £	Total 2017 £
Education and training	415,752	415,752	2,130,100
Health and welfare	2,093,915	2,093,915	1,894
Community development - other	905,871	905,871	-
Employee matched funding	26,959	26,959	33,267
Other social investments	561	561	561
	3,443,058	3,443,058	2,165,822
<i>Total 2017</i>	2,165,822	2,165,822	

5. GAINS/(LOSSES) ON FOREIGN EXCHANGE

	2018 £	2017 £
Foreign exchange gains/(losses)	(40,721)	125,335

The Foundation had a commitment to pay non-GBP donations as at 31 December 2018 which has been revalued to the Foundation's reporting currency of pound sterling and resulting in a foreign exchange loss of £40,721 (2017 - gain of £125,335).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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 (2017 - £NIL).

During the year, no Trustees received any benefits in kind (2017 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2017 - £NIL).

The audit fee payable to the Foundation's auditor for the audit of the Foundation's annual accounts, of £7,137 (2017 - £6,980) has been borne by AA Services.

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. DEBTORS

	2018 £	2017 £
Due within one year		
Other debtors	1,676,640	-
	<u>1,676,640</u>	<u>-</u>

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

9. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Grant liabilities	2,785,857	1,302,044
	<u>2,785,857</u>	<u>1,302,044</u>

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

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10. CREDITORS: Amounts falling due after more than one year

	2018 £	2017 £
Grant liabilities	934,496	1,172,629

Of the creditors falling due after more than one year, £822,816 is due in 2020 and £110,390 in 2021. In 2017, £866,641 was due in 2019 and £305,988 in 2020.

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

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT 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)
	41,364	-	41,364

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
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)
	83,618	-	83,618

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**NOTES TO THE FINANCIAL STATEMENTS
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12. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(42,254)	33,760
Adjustment for:		
Increase in debtors	(1,676,640)	-
Increase in creditors	1,245,680	722,570
Net cash (used in)/provided by operating activities	(473,214)	756,330

13. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	2,085,077	2,558,291
Total	2,085,077	2,558,291

14. RELATED PARTY TRANSACTIONS

In the year, donations of £3,424,000 were received from AA Services (2017 - £2,071,667). The Trustees are employed by AA Services which is a subsidiary of Anglo American plc.

15. POST BALANCE SHEET EVENTS

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