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Registered number: 121704

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ANGLO AUSTRALIA INVESTMENTS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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ANGLO AUSTRALIA INVESTMENTS LIMITED

COMPANY INFORMATION

Directors	C Howells E Klonarides W K B Ward-Brew D M Wilson
Company secretary	Anglo American Corporate Secretary Limited Intertrust Corporate Services (Jersey) Limited (resigned 7 February 2019) Ogier Global Company Secretary (Jersey) Limited (appointed 7 February 2019)
Registered number	121704
Registered office	3rd Floor 44 Esplanade St Helier Jersey JE4 9WG
Administration office	20 Carlton House Terrace London United Kingdom SW1Y 5AN
Bankers	Barclays Bank plc 1 Churchill Place Canary Wharf London United Kingdom E14 5HP

ANGLO AUSTRALIA INVESTMENTS LIMITED

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ANGLO AUSTRALIA INVESTMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their annual report and the financial statements for the year ended 31 December 2018.

Principal activity

The Company is an investment holding company. The directors have the current intention to liquidate the Company.

Dividends paid

Dividends paid in the year amount to \$723,500,000 (2017 - \$NIL).

Results

The statement of comprehensive income for the year is set out on page 4.

Directors

The directors who served during the year were:

C Howells
E Klonarides
W K B Ward-Brew
D M Wilson

Going concern

Considering that the directors have the current intention to liquidate the Company in the next year, the financial statements have been prepared on a basis other than that of a going concern, which includes, where appropriate, writing down the Company's assets to net realisable value. The financial statements do not include any provision for the future costs of terminating the business of the Company except to the extent that such costs were committed at the balance date. The directors have received a letter of comfort from the Company's fellow group undertaking, Anglo American Services (UK) Ltd, such that the Company has adequate resources to meet its liabilities as they fall due (further detail is provided in Note 2).

Future developments

The directors have the current intention to liquidate the Company in the next year.

Post balance sheet events

On 28 March 2019, the Company received a dividend of \$427,102,833 from its subsidiary Anglo American International B.V.

On 28 March 2019, the Company paid a dividend of \$427,102,833 to its parent company, Anglo American Australia Investments Limited.

ANGLO AUSTRALIA INVESTMENTS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

This report was approved by the board on 30 August 2019 and signed on its behalf.



Claire Murphy
For and on behalf of
Anglo American Corporate Secretary Limited
Secretary

ANGLO AUSTRALIA INVESTMENTS LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ANGLO AUSTRALIA INVESTMENTS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 \$000	2017 \$000
Revenue	4	724,000	-
Gross profit		724,000	-
Administrative expenses		-	2
Exceptional other operating charges	8	307,791	1,432,910
Operating profit		1,031,791	1,432,912
Interest receivable and similar income		2	-
Interest payable and similar expenses	5	(12)	(11)
Profit before tax		1,031,781	1,432,901
Tax on profit	6	-	-
Profit for the financial year		1,031,781	1,432,901
Total comprehensive income for the year		1,031,781	1,432,901

The notes on pages 8 to 17 form part of these financial statements.

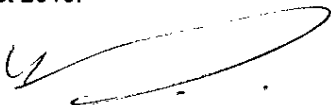
The results relate to discontinued operations of the Company.

ANGLO AUSTRALIA INVESTMENTS LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2018**

	Note	2018 \$000	2017 \$000
Fixed assets			
Investments	9	1,740,701	1,432,910
		<u>1,740,701</u>	<u>1,432,910</u>
Current assets			
Cash at bank and in hand	10	192	-
		<u>192</u>	<u>-</u>
Creditors: amounts falling due within one year	11	-	(298)
		<u>-</u>	<u>(298)</u>
Net current assets/(liabilities)		192	(298)
Total assets less current liabilities		<u>1,740,893</u>	<u>1,432,612</u>
Net assets		<u>1,740,893</u>	<u>1,432,612</u>
Capital and reserves			
Called up share capital	13	134,697	134,697
Share premium account	14	1,606,156	1,606,156
Profit and loss account	14	40	(308,241)
		<u>1,740,893</u>	<u>1,432,612</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 August 2019.



W K B Ward-Brew
Director

The notes on pages 7 to 16 form part of these financial statements.

ANGLO AUSTRALIA INVESTMENTS LIMITED

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

	Called up share capital \$000	Share premium account \$000	Profit and loss account \$000	Total equity \$000
At 1 January 2018	134,697	1,606,156	(308,241)	1,432,612
Comprehensive income for the year				
Profit for the year	-	-	1,031,781	1,031,781
Total comprehensive income for the year	-	-	1,031,781	1,031,781
Dividends: Equity capital	-	-	(723,500)	(723,500)
At 31 December 2018	134,697	1,606,156	40	1,740,893

Further details in respect of the dividend paid are disclosed in note 7.

ANGLO AUSTRALIA INVESTMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital	Share premium account	Profit and loss account	Total equity
	\$000	\$000	\$000	\$000
At 1 January 2017	134,697	1,606,156	(1,741,142)	(289)
Comprehensive income for the year				
Profit for the year	-	-	1,432,901	1,432,901
Total comprehensive income for the year	-	-	1,432,901	1,432,901
At 31 December 2017	134,697	1,606,156	(308,241)	1,432,612

ANGLO AUSTRALIA INVESTMENTS LIMITED

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

1. General information

Anglo Australia Investments Limited is a private company limited by shares, incorporated in Jersey and centrally managed and controlled from the United Kingdom.

The nature of the Company's operations and principal activities is set out in the Directors' report.

The address of the registered office is given on the Company Information page.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies (Jersey) Law 1991.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

ANGLO AUSTRALIA INVESTMENTS LIMITED

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

2. Accounting policies (continued)

2.3 Going concern

The directors have the current intention to liquidate the Company in the next year. The financial statements have been prepared on a basis other than that of a going concern. The basis other than that of a going concern includes, where appropriate, writing down the Company's assets to net realisable value. The financial statements do not include any provision for the future costs of terminating the business of the Company except to the extent that such costs were committed at the balance date. Anglo American Services (UK) Ltd have provided a letter of comfort to the Company confirming they intend to provide financial resources, where requested, so that the Company can settle its liabilities as they fall due.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is USD.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.5 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.6 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2.8 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

ANGLO AUSTRALIA INVESTMENTS LIMITED

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

2. Accounting policies (continued)

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.12 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

The Company classifies all of its financial assets as loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being

ANGLO AUSTRALIA INVESTMENTS LIMITED

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

2. Accounting policies (continued)

2.12 Financial instruments (continued)

recognised within administrative expenses in the Statement of comprehensive income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

The Company classifies all of its financial liabilities as liabilities at amortised cost.

At amortised cost

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Balance sheet.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

There are no critical judgments made by the directors in applying the Company's accounting policies other than assessing investments for impairment. There are no key sources of estimation uncertainty.

Impairment of investments in subsidiaries

Determining whether the Company's debt and equity investments in subsidiaries have been impaired requires estimations of the recoverable amount of the investments. Recoverable amount is the higher of fair value less costs of disposal and value in use. The value in use calculations require the Company to estimate the future cash flows expected to arise from the investments and suitable discount rates in order to calculate present values. If the recoverable amount of an investment is estimated to be less than its carrying amount, the carrying amount of the investment is reduced to its recoverable amount. An impairment loss is recognised in the Statement of comprehensive income. See Note 9 for further information.

4. Revenue

	2018 \$000	2017 \$000
Dividend revenue	724,000	-
	<u>724,000</u>	<u>-</u>

ANGLO AUSTRALIA INVESTMENTS LIMITED

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

5. Interest payable and similar expenses

	2018	2017
	\$000	\$000
Loans from group undertakings	12	11
	<u>12</u>	<u>11</u>

6. Taxation

The UK rate of corporation tax has been presented within the rate reconciliation below as the most applicable rate due to the Company being UK resident for tax purposes.

	2018	2017
	\$000	\$000
Total current tax	<u>-</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - *lower than*) the standard rate of corporation tax of 19% (2017 - 19.25%). The differences are explained below:

	2018	2017
	\$000	\$000
Profit on ordinary activities before tax	<u>1,031,781</u>	<u>1,432,901</u>
Profit on ordinary activities multiplied by standard rate of corporation tax of 19% (2017 - 19.25%)	196,038	275,833
Effects of:		
Income not taxable	(137,560)	-
Impairment of investments	(58,480)	(275,835)
Group relief surrendered for nil consideration	2	2
Total tax charge for the year	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

On 26 October 2015, the Finance (No. 2) Act 2015 was substantively enacted and provided for a reduction in the main rate of corporation tax from 20% to 19% effective from 1 April 2017 and a further 1% reduction to 18% from 1 April 2020. On 6 September 2016, the Finance Act 2016 was substantively enacted and provided for a reduction in the main rate of UK corporation tax to 17% from 1 April 2020.

ANGLO AUSTRALIA INVESTMENTS LIMITED

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

7. Dividends

	2018 \$000	2017 \$000
Dividends: Equity capital	723,500	-
	<u>723,500</u>	<u>-</u>

On 25 September 2018, the Company paid a dividend of \$723,500,000 (\$268.57 per share) to Anglo American Australia Investments Limited.

8. Exceptional items

	2018 \$000	2017 \$000
Impairment reversal	307,791	1,432,910
	<u>307,791</u>	<u>1,432,910</u>

After a review of the net asset value of the Company's investments as at 31 December 2018, the Company has recognised an impairment reversal of \$307,791,000 (2017 - impairment reversal of \$1,432,910,000) on its investment in Anglo American International B.V.

ANGLO AUSTRALIA INVESTMENTS LIMITED

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

9. Fixed asset investments

	Investments in subsidiary companies \$000
Cost or valuation	
At 1 January 2018	1,740,852
At 31 December 2018	<u>1,740,852</u>
Impairment	
At 1 January 2018	307,942
Reversal of impairment losses	(307,791)
At 31 December 2018	<u>151</u>
Net book value	
At 31 December 2018	<u><u>1,740,701</u></u>
At 31 December 2017	<u><u>1,432,910</u></u>

ANGLO AUSTRALIA INVESTMENTS LIMITED

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

9. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding	Principal activity
	20 Carlton House Terrace, London, SW1Y 5AN, United Kingdom			
Anglo American International B.V. (1)		Ordinary	100 %	Investment Holding Company

(1) Incorporated in the Netherlands.

Group financial statements are not presented as the Company is a wholly-owned subsidiary undertaking of Anglo American plc, which is registered in England and Wales. Accordingly, these financial statements present information about the Company as an individual undertaking and not about its group. Consolidated financial statements have not been prepared because there is no regulatory obligation to prepare consolidated financial statements in Jersey.

After a review of the net asset value of the Company's investments as at 31 December 2018, the Company has recognised an impairment reversal of \$307,791,000 (2017 - *impairment reversal of \$1,432,910,000*) on its investment in Anglo American International B.V.

10. Cash and cash equivalents

	2018	2017
	\$000	\$000
Cash at bank and in hand	192	-
	192	-

11. Creditors: Amounts falling due within one year

	2018	2017
	\$000	\$000
Amounts owed to group undertakings	-	298
	-	298

ANGLO AUSTRALIA INVESTMENTS LIMITED

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

12. Financial instruments

	2018 \$000	2017 \$000
Financial assets		
Cash	<u>192</u>	<u>-</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>-</u>	<u>(298)</u>

Financial assets that are debt instruments measured at amortised cost comprise amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise amounts owed to group undertakings.

13. Share capital

	2018 \$000	2017 \$000
Shares classified as equity		
Authorised share capital		
10,000,000 Ordinary shares of \$50 each	<u>500,000</u>	<u>500,000</u>
Allotted, called up and fully paid		
2,693,932 Ordinary shares of \$50 each	<u>134,697</u>	<u>134,697</u>

14. Reserves

Share premium account

Share premium represents the excess of the issue price over the par value on shares issued less transaction costs arising on issue.

Profit and loss account

Profit and loss account reserve represents accumulated retained earning or losses.

ANGLO AUSTRALIA INVESTMENTS LIMITED

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

15. Post balance sheet events

On 28 March 2019, the Company received a dividend of \$427,102,833 from its subsidiary Anglo American International B.V.

On 28 March 2019, the Company paid a dividend of \$427,102,833 to its parent company, Anglo American Australia Investments Limited.

16. Ultimate parent undertaking and controlling party

The immediate parent company is Anglo American Australia Investments Limited, a company incorporated in the United Kingdom and registered in England and Wales.

The ultimate parent company and controlling entity is Anglo American plc, a company incorporated in the United Kingdom and registered in England and Wales. Anglo American plc is the parent undertaking of the largest and smallest group which includes the Company and for which group financial statements are prepared. The financial statements of both the immediate and ultimate parent companies may be obtained from the Company Secretary, 20 Carlton House Terrace, London SW1Y 5AN, the registered office of both companies.