
ANGLO AMERICAN FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

ANGLO AMERICAN FOUNDATION
(A company limited by guarantee)

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ANGLO AMERICAN FOUNDATION
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE FOUNDATION, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Trustees	N B Mbazima Y Mfolo A Michaud-Ahmed J Samuel D G Wanblad
Company registered number	05452659
Charity registered number	1111719
Registered office	17 Charterhouse Street London United Kingdom EC1N 6RA
Company secretary	Anglo American Corporate Secretary Limited
Independent auditors	PricewaterhouseCoopers Statutory Auditor 1 Embankment Place London United Kingdom WC2N 6RH
Bankers	Barclays Bank PLC 1 Churchill Place Canary Wharf London E14 5HP

ANGLO AMERICAN FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees (who are also directors of the charity for the purposes of the Companies Act 2006) present their report together with the audited financial statements of Anglo American Foundation (the "Foundation") for the year ended 31 December 2020. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and audited financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

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.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

ANGLO AMERICAN FOUNDATION
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Objectives and activities (continued)

b. Trustees

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

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

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

c. Giving structure

The Foundation seeks to develop continuing relationships with a select number of charitable organisations which contribute to its identified funding priorities and therefore mostly does not accept unsolicited funding applications. Through internal and external engagement, the Foundation identifies funding opportunities and develops joint solutions to foster sustainable socio-economic development (SED) in host communities. Resources are also allocated by way of matching funds raised for charities by employees who work in the Anglo American London office and through the employee volunteering programme Ambassadors for Good.

d. 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 and evaluates the applications and puts forward proposals to the Trustees.

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

Achievements and performance

a. Key performance indicators

During the year, the Foundation awarded grants totalling £4,355,414 compared to £2,296,886 in 2019. As at 31 December 2020 the Foundation had total funds of £417,516 compared to £309,679 in the prior year. The financial position of the Foundation has improved compared to the prior year due to an increase in the donations received from AA Services during the year, partially offset by an increase in awards granted in 2020.

ANGLO AMERICAN FOUNDATION
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and performance (continued)

b. Review of activities

The following is a selection of the more significant grants approved by the Trustees for the year ended 31 December 2020:

£700,000 - 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.

£534,679 - Pyxera Global

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

£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.

£101,125 - CARE International

CARE International is a global confederation working together to save lives, defeat poverty and achieve social justice. CARE promotes the protection of humanitarian space, providing assistance on the basis of need, regardless of race, creed or nationality addressing the rights of vulnerable groups, particularly women and girls. Support from the Foundation in collaboration with Anglo American Ecuador and CARE International Ecuador addressed the immediate needs of vulnerable families in the Province of Cotopaxi as a result of the Covid-19 pandemic. Approximately 2,000 families (primarily female headed households) received support, through multipurpose cash deliveries to cover food, safe accommodation and hygiene over three months.

£68,051 - Global Matched Giving

In response to the Covid-19 pandemic, Anglo American set up a global initiative to support employees' personal Covid-19 response efforts. The Foundation pledged to match voluntary donations to selected global and local charities for up to £1,000 per employee. This programme helped to address the immediate needs of the crisis as well as support the sustainability of our host communities, building resilience and recovery in the wake of the global Covid-19 pandemic.

The amounts disclosed are for the total grants approved during the year and the grants generally consist of annual payments for durations of up to 3 years over the period from 2020 to 2023.

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

ANGLO AMERICAN FOUNDATION
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Financial review

a. Going concern

The Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The Foundation's ability to operate as a going concern is assessed in conjunction with Anglo American plc and its subsidiaries (together the "Group") as its viability is dependent upon the ability of the Group companies to make donations to the Foundation. The Foundation's cash flow forecasts for the period to the end of December 2022, with considerations given to the uncertainty of the impact of Covid-19 pandemic on the wider macroeconomic environment and trading performance of the Group, show that the Foundation maintains sufficient liquidity throughout the period of assessment without the use of mitigating actions.

AA Services has committed to making annual donations of £4,500,000 for 2021. This funding, together with existing funds will enable the Foundation to meet its committed donations of £2,459,758 for 2021 and £764,032 for 2022. On 19 March 2021, the Foundation received £4,500,000 from AA Services representing the annual donation for 2021.

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 2020 were £417,516 (2019 - £309,679).

c. 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.

d. Principal funding

AA Services makes donations to the Foundation from its available cash balances. It is envisaged that this is likely to remain the major source of income in the future. As at 30 June 2021 the charity had received post year end payments from AA Services totalling £4,500,000.

Structure, governance and management

a. Constitution

Anglo American 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.

ANGLO AMERICAN FOUNDATION
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Structure, governance and management (continued)

b. Methods 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 current or former senior AA plc Group managers or appropriate external independent candidates. 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 financial statements; and
- minutes of recent trustee meetings.

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

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

d. Financial 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 Foundation.

ANGLO AMERICAN FOUNDATION
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the 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).

Company law requires the Trustees to prepare financial statements for each financial . 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 Foundation and of its incoming resources and application of resources, including its income and expenditure, 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 (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Foundation will continue in business.

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

Disclosure of information to auditors

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 charity's auditors are 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 auditors are aware of that information.

Auditors

At the 2020 Annual General Meeting of AA plc, PricewaterhouseCoopers LLP were appointed as external auditor to the AA plc group of companies.

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers 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 financial statements with the registrar, whichever is earlier.

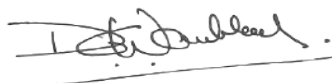
ANGLO AMERICAN FOUNDATION
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Approved by order of the members of the board of Trustees on 30 June 2021 and signed on their behalf by:



J Samuel
Trustee



D G Wanblad
Trustee

Independent auditors' report to the members of Anglo American Foundation

Report on the audit of the financial statements

Opinion

In our opinion, Anglo American Foundation's financial statements (the "financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report (the "Annual Report"), which comprise: the balance sheet as at 31 December 2020; the statement of financial activities (incorporating income and expenditure account), the statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the charitable company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Trustees' Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Trustees' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Trustees' Report. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Trustees' responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the charitable company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011 and anti-bribery and corruption laws, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries. Audit procedures performed included:

- Review of Board minutes, discussions with management, internal audit and the legal function, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Evaluation of management's controls designed to prevent and detect fraudulent financial reporting; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations or through collusion.

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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the trustees were not entitled to: take advantage of the small companies exemption from preparing a Strategic Report. We have no exceptions to report arising from this responsibility.



Alex Lazarus (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
30 June 2021

ANGLO AMERICAN FOUNDATION
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations	4	4,000,000	406,792	4,406,792	2,503,422
Investments	5	3,698	-	3,698	13,459
Other income	6	10,000	-	10,000	7,307
Total income		4,013,698	406,792	4,420,490	2,524,188
Expenditure on:					
Charitable activities		3,958,622	406,792	4,365,414	2,304,193
Total expenditure		3,958,622	406,792	4,365,414	2,304,193
Net income before net gains on investments		55,076	-	55,076	219,995
Net gains on investments		52,761	-	52,761	48,320
Net movement in funds		107,837	-	107,837	268,315
Reconciliation of funds:					
Total funds brought forward		309,679	-	309,679	41,364
Net movement in funds		107,837	-	107,837	268,315
Total funds carried forward		417,516	-	417,516	309,679

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 15 to 24 form part of these financial statements.

ANGLO AMERICAN FOUNDATION
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REGISTERED NUMBER: 05452659

BALANCE SHEET
AS AT 31 DECEMBER 2020

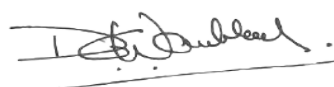
	Note	2020 £	2019 £
Current assets			
Cash at bank and in hand		4,102,234	3,068,488
		<u>4,102,234</u>	<u>3,068,488</u>
Creditors: amounts falling due within one year	12	<u>(2,459,758)</u>	<u>(2,367,367)</u>
Net current assets		1,642,476	701,121
Total assets less current liabilities		1,642,476	701,121
Creditors: amounts falling due after more than one year	13	<u>(1,224,960)</u>	<u>(391,442)</u>
Total net assets		417,516	309,679
Charity funds			
Unrestricted funds		417,516	309,679
Total funds		417,516	309,679

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 30 June 2021 and signed on their behalf by:



J Samuel
Trustee



D G Wanblad
Trustee

The notes on pages 15 to 24 form part of these financial statements.

ANGLO AMERICAN FOUNDATION
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
Cash flows from operating activities		
Net cash generated from operating activities	1,033,746	983,411
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	1,033,746	983,411
Cash and cash equivalents at the beginning of the year	3,068,488	2,085,077
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	4,102,234	3,068,488
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The notes on pages 15 to 24 form part of these financial statements

ANGLO AMERICAN FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

Anglo American Foundation is a charitable company limited by guarantee, incorporated in the United Kingdom and registered in England and Wales.

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

The address of the registered office is given on the Reference and administrative details page.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

Anglo American 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.

2.2 Going concern

The Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The Foundation's ability to operate as a going concern is assessed in conjunction with Anglo American plc and its subsidiaries (together the "Group") as its viability is dependent upon the ability of the Group companies to make donations to the Foundation. The Foundation's cash flow forecasts for the period to the end of December 2022, with considerations given to the uncertainty of the impact of Covid-19 pandemic on the wider macroeconomic environment and trading performance of the Group, show that the Foundation maintains sufficient liquidity throughout the period of assessment without the use of mitigating actions.

AA Services has committed to making annual donations of £4,500,000 for 2021. This funding, together with existing funds will enable the Foundation to meet its committed donations of £2,459,758 for 2021 and £764,032 for 2022. On 19 March 2021, the Foundation received £4,500,000 from AA Services representing the annual donation for 2021.

ANGLO AMERICAN FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.3 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.

Investment income, gains and losses are allocated to the appropriate fund.

2.4 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.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Foundation's objectives, as well as any associated support costs.

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.

All expenditure is inclusive of irrecoverable VAT.

2.6 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 institution with whom the funds are deposited.

ANGLO AMERICAN FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.7 Foreign currencies

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

2.8 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.

2.9 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 in the Statement of financial activities as a finance cost.

2.10 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.

3. 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.

Critical accounting estimates and assumptions:

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

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4. Income from donations and legacies

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Donations	4,000,000	406,792	4,406,792
	<u> </u>	<u> </u>	<u> </u>
	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Donations	2,500,000	3,422	2,503,422
	<u> </u>	<u> </u>	<u> </u>

5. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Investment income - local cash	3,698	3,698
	<u> </u>	<u> </u>
	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Investment income - local cash	13,459	13,459
	<u> </u>	<u> </u>

6. Other income

	Unrestricted funds 2020 £	Total funds 2020 £
Gifts in kind	10,000	10,000
	<u> </u>	<u> </u>

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6. Other income (continued)

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

The audit fee payable to the Foundation's auditors for the audit of the Foundation's annual financial statements, of £10,000 (2019 - £7,307), has been borne by AA Services and treated as a gift in kind.

7. Analysis of grants

	Grants to Institutions 2020 £	Total funds 2020 £
Grants, Education and training	1,665,522	1,665,522
Grants, Health and welfare	557,435	557,435
Grants, Other social investments	10,109	10,109
Grants, Community development - other	1,636,155	1,636,155
Grants, Employee matched funding	486,193	486,193
	<u>4,355,414</u>	<u>4,355,414</u>

	<i>Grants to Institutions 2019 £</i>	<i>Total funds 2019 £</i>
Grants, Education and training	356,934	356,934
Grants, Health and welfare	250,007	250,007
Grants, Other social investments	813,059	813,059
Grants, Community development - other	776,417	776,417
Grants, Environmental	76,640	76,640
Grants, Employee matched funding	23,829	23,829
	<u>2,296,886</u>	<u>2,296,886</u>

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8. Analysis of expenditure by activities

	Grant funding of activities 2020 £	Support costs 2020 £	Total funds 2020 £
Education and training	1,665,522	-	1,665,522
Health and welfare	557,435	-	557,435
Other social investments	10,109	-	10,109
Community development - other	1,636,155	-	1,636,155
Employee matched funding	486,193	10,000	496,193
	<u>4,355,414</u>	<u>10,000</u>	<u>4,365,414</u>

	<i>Grant funding of activities 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Education and training	356,934	-	356,934
Health and welfare	250,007	-	250,007
Other social investments	813,059	-	813,059
Community development - other	776,417	-	776,417
Environmental	76,640	-	76,640
Employee matched funding	23,829	7,307	31,136
	<u>2,296,886</u>	<u>7,307</u>	<u>2,304,193</u>

9. Auditors' remuneration

	2020 £	2019 £
Fees payable to the Foundation's auditors for the audit of the Foundation's annual financial statements	<u>10,000</u>	<u>7,307</u>

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10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 December 2020, no Trustee expenses have been incurred (2019 - £NIL).

11. Taxation

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 or preceding year.

12. Creditors: Amounts falling due within one year

	2020 £	2019 £
Grant liabilities	<u>2,459,758</u>	<u>2,367,367</u>

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

13. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Grant liabilities	<u>1,224,960</u>	<u>391,442</u>

Of the creditors falling due after more than one year, £764,032 is due in 2022 and £460,928 in 2023. In 2019, £294,510 was due in 2021 and £96,932 in 2022.

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

14. Financial instruments

	2020 £	2019 £
Financial assets		
Cash	<u>4,102,234</u>	<u>3,068,488</u>

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15. Summary of funds

Summary of funds - current year

	Balance at 1 January 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2020 £
General funds	309,679	4,013,698	(3,958,622)	52,761	417,516
Restricted funds	-	406,792	(406,792)	-	-
	<u>309,679</u>	<u>4,420,490</u>	<u>(4,365,414)</u>	<u>52,761</u>	<u>417,516</u>

Summary of funds - prior year

	Balance at 1 January 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2019 £
General funds	41,364	2,520,766	(2,300,771)	48,320	309,679
Restricted funds	-	3,422	(3,422)	-	-
	<u>41,364</u>	<u>2,524,188</u>	<u>(2,304,193)</u>	<u>48,320</u>	<u>309,679</u>

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2020 £	Total funds 2020 £
Current assets	4,102,234	4,102,234
Creditors due within one year	(2,459,758)	(2,459,758)
Creditors due in more than one year	(1,224,960)	(1,224,960)
Total	<u>417,516</u>	<u>417,516</u>

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16. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

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

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net income for the period (as per Statement of Financial Activities)	<u>107,837</u>	<u>268,315</u>
Adjustments for:		
Decrease in debtors	-	1,676,640
Increase/(decrease) in creditors	<u>925,909</u>	<u>(961,544)</u>
Net cash provided by operating activities	<u>1,033,746</u>	<u>983,411</u>

18. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	<u>4,102,234</u>	<u>3,068,488</u>
Total cash and cash equivalents	<u>4,102,234</u>	<u>3,068,488</u>

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19. Analysis of changes in net debt

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	3,068,488	1,033,746	4,102,234
	<u>3,068,488</u>	<u>1,033,746</u>	<u>4,102,234</u>

20. Related party transactions

In the year, donations of £4,000,000 were received from AA Services (2019 - £2,500,000). The Trustees are all employed by AA Services or other subsidiaries of Anglo American plc.

The audit fee payable to the Foundation's auditors for the audit of the Foundation's annual financial statements, of £10,000 (2019 - £7,307) has been borne by AA Services.

There were no other related party transactions.

21. Post balance sheet events

On 26 April 2021, the Foundation changed its registered address from 20 Carlton House Terrace, London, SW1Y 5AN to 17 Charterhouse Street, London, EC1N 6RA.

There have been no other significant events affecting the Foundation since the year end.