

Registered number: 03734784

ANGLO AMERICAN HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018



ANGLO AMERICAN HOLDINGS LIMITED

COMPANY INFORMATION

Directors	M T S Walker (appointed 12 March 2019) J M Mills (resigned 5 April 2018) D Smailes C W Miller (resigned 29 March 2019) A C MacPherson R Price (appointed 1 May 2018)
Company secretary	Anglo American Corporate Secretary Limited
Registered number	03734784
Registered office	20 Carlton House Terrace London United Kingdom SW1Y 5AN
Independent auditor	Deloitte LLP Statutory Auditor Hill House 1 Little New St London United Kingdom EC4A 3TR
Bankers	Barclays Bank PLC 1 Churchill Place Canary Wharf London E14 5HP

ANGLO AMERICAN HOLDINGS LIMITED

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ANGLO AMERICAN HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Introduction

The Company is a holding company, which holds investments in Jersey, Mauritius, Ireland and Bermuda. The future performance depends on the trading results of its principal subsidiaries.

Business review

As shown in the Company's Profit and loss account, the Company has a loss for the year of \$165,511,000 compared to a loss of \$165,555,000 in the prior year. The Balance sheet shows that the Company's financial position at the year end is, in net asset terms, broadly consistent with the prior year.

Principal risks and uncertainties and financial risk management policies

The directors consider the risks attached to the Company's financial instruments which principally comprise loans to other group companies. The directors have taken a prudent approach in their consideration of the various risks attached to the financial instruments of the Company. The Company'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 the Company's debtor balances are due from other companies within the Anglo American Group.

Key performance indicators

The directors consider the Company's key performance indicator to be the financial performance of its subsidiaries. The performance of these subsidiaries is monitored by the directors by way of management reports.

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



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

ANGLO AMERICAN HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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

Principal activity

The Company holds investments in subsidiaries incorporated in Jersey, Bermuda, Mauritius and Ireland. Future performance depends largely on the trading results of its subsidiaries which the directors believe to be satisfactory. The Company also pays a fixed dividend on its 8% preference shares and 8.3% preference shares. There have not been any significant changes in the Company's principal activities in the year under review.

Results and dividends

On 30 September 2018, the directors declared and paid a dividend to the holder of the Company's Class B shares of \$30,300,000 (2017 - \$nil).

The loss for the year, after taxation, amounted to \$165,511,000 (2017 - \$165,555,000).

Directors

The directors who served during the year were:

J M Mills (resigned 5 April 2018)
D Smailes
C W Miller (resigned 29 March 2019)
A C MacPherson
R Price (appointed 1 May 2018)

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements. Further details regarding the adoption of the going concern basis can be found in Note 2 of the financial statements.

Principal risks and uncertainties and financial risk management policies

The principal risks and uncertainties of the Company are disclosed in the Strategic Report.

Future developments

The directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

Disclosure of information to auditor

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.
- this confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

ANGLO AMERICAN HOLDINGS LIMITED

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

Post balance sheet events

On 2 May 2019, the directors declared and paid a dividend of \$96,543,458 to holders of the Company's Preference shares, in respect of the period from September 2018 to March 2019. In addition, the directors also declared and paid a dividend of \$8,300,000 to the holder of the Company's Class B shares.

On 29 April 2019, the Company undertook a share premium reduction of \$500,000,000, with the amount being credited to retained earnings.

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 board on 30 May 2019 and signed on its behalf.



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

ANGLO AMERICAN HOLDINGS 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 annual financial statements for each financial year. Under that law the directors have elected to prepare the annual financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the annual financial statements unless they are satisfied that they 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, 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 Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. 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 AMERICAN HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANGLO AMERICAN HOLDINGS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Anglo American Holdings Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its loss for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework" and
- have been properly prepared in accordance with the Companies Act 2006.

We have audited the financial statements of the Company which comprise:

- the Statement of comprehensive income;
- the Balance sheet;
- the Statement of changes in equity; and
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (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 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 directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual 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.

ANGLO AMERICAN HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANGLO AMERICAN HOLDINGS LIMITED

Other information (continued)

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 directors

As explained more fully in the directors' responsibilities statement, the directors 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 directors 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 directors are responsible for assessing the 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 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 Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic report or the the Directors' report.

ANGLO AMERICAN HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANGLO AMERICAN HOLDINGS LIMITED

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 directors' remuneration specified by law are not made; and
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the 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 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Barnett

Paul Barnett (Senior statutory auditor)

for and on behalf of

Deloitte LLP

Statutory Auditor

London
United Kingdom

Hill House
1 Little New St
London
United Kingdom
EC4A 3TR
30 May 2019

ANGLO AMERICAN HOLDINGS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$000	2017 \$000
Interest payable and expenses	6	(165,503)	(165,503)
Loss before tax		(165,503)	(165,503)
Tax on loss	7	(8)	(52)
Loss for the financial year		(165,511)	(165,555)
 Total comprehensive loss for the year		 (165,511)	 (165,555)

The notes on pages 12 to 22 form part of these financial statements.

The results relate to continuing operations of the Company.

ANGLO AMERICAN HOLDINGS LIMITED
REGISTERED NUMBER:03734784

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 \$000	2017 \$000
Fixed assets			
Investments in subsidiaries	9	8,296,478	8,296,478
		<u>8,296,478</u>	<u>8,296,478</u>
Current assets			
Debtors: amounts falling due within one year	10	307,609	515,039
		<u>307,609</u>	<u>515,039</u>
Creditors: amounts falling due within one year	11	(269,938)	(281,557)
		<u>(269,938)</u>	<u>(281,557)</u>
Net current assets		<u>37,671</u>	<u>233,482</u>
Total assets less current liabilities		<u>8,334,149</u>	<u>8,529,960</u>
Creditors: amounts falling due after more than one year	12	(2,063,054)	(2,063,054)
		<u>(2,063,054)</u>	<u>(2,063,054)</u>
		<u>6,271,095</u>	<u>6,466,906</u>
Net assets		<u>6,271,095</u>	<u>6,466,906</u>
Capital and reserves			
Called up share capital	14	167,971	167,971
Share premium account	15	6,126,011	6,126,011
Profit and loss account	15	(22,887)	172,924
		<u>6,271,095</u>	<u>6,466,906</u>

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

D. Smailes

D Smailes
Director

The notes on pages 12 to 22 form part of these financial statements.

ANGLO AMERICAN HOLDINGS LIMITED

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

	Called up share capital	Share premium account	Profit and loss account	Total equity
	\$000	\$000	\$000	\$000
At 1 January 2018	167,971	6,126,011	172,924	6,466,906
Comprehensive income for the year				
Loss for the year	-	-	(165,511)	(165,511)
Total comprehensive income for the year	-	-	(165,511)	(165,511)
Dividends: Equity capital	-	-	(30,300)	(30,300)
At 31 December 2018	167,971	6,126,011	(22,887)	6,271,095

The notes on pages 12 to 22 form part of these financial statements.

Further details in respect of the dividend paid are disclosed in note 8.

ANGLO AMERICAN HOLDINGS LIMITED

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

	Called up share capital \$000	Share premium account \$000	Profit and loss account \$000	Total equity \$000
At 1 January 2017	167,971	6,626,011	(161,521)	6,632,461
Comprehensive income for the year				
Loss for the year	-	-	(165,555)	(165,555)
Total comprehensive income for the year	-	-	(165,555)	(165,555)
Shares redeemed during the year (see note 14)	-	(500,000)	-	(500,000)
Transfer to/from profit and loss account	-	-	500,000	500,000
At 31 December 2017	167,971	6,126,011	172,924	6,466,906

ANGLO AMERICAN HOLDINGS LIMITED

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

1. General information

Anglo American Holdings Limited is a private company limited by shares, incorporated in the United Kingdom and registered in England and Wales.

The nature of the Company's operations and principal activities is set out in the Strategic 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 Act 2006.

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 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 Company may take FRS 101 exemptions as it is a member of a group where the parent prepares publicly available consolidated financial statements which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss and the Company is included in that consolidation.

ANGLO AMERICAN HOLDINGS LIMITED

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

2. Accounting policies (continued)

2.3 Going concern

The Company'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 settle their intercompany balances with the Company and to provide funds for working capital needs. Anglo American Services (UK) Ltd have confirmed that they intend to provide financial resources, where requested, for at least 12 months from the date of signing these financial statements, whilst the Company remains a subsidiary of Anglo American plc.

The directors of the Company therefore feel that the Company will have sufficient funds, taking account of possible changes in trading performance and amounts owed by other Group companies, to conclude that the Company can adopt the going concern basis for the foreseeable future.

2.4 Foreign currency translation

Functional and presentation currency

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

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 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

ANGLO AMERICAN HOLDINGS LIMITED

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

2. Accounting policies (continued)

2.8 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.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 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.

2.11 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 recognised within administrative expenses in the Statement of comprehensive income. On

ANGLO AMERICAN HOLDINGS LIMITED

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

2. Accounting policies (continued)

2.11 Financial instruments (continued)

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.

Preference shares

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the Statement of comprehensive income as interest expense.

2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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 and determining recoverability of loans. 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 8 for further information.

Determining recoverability of loans

The Company assesses the recoverability of loans to group undertakings and makes provision in the event that full recovery is not expected. The recoverability of loans is assessed by review of the net asset position of the group undertaking.

ANGLO AMERICAN HOLDINGS LIMITED

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

4. Operating profit

During the year, amounts incurred associated with auditor's remuneration, of \$10,228 (2017 - \$9,656) was paid on behalf of the Company by Anglo American Services (UK) Ltd.

5. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2017 - \$NIL).

6. Interest payable and similar expenses

	2018 \$000	2017 \$000
Preference share dividends	165,503	165,503
	<u>165,503</u>	<u>165,503</u>

On 30 May 2018, the directors declared and paid a dividend to holders of the Company's Preference shares of \$41,375,676 due for the period January to March 2018.

On 30 September 2018, the directors declared and paid a dividend to holders of the Company's Preference shares of \$68,959,613 due for the period April to August 2018. On this date, the directors also declared and paid a dividend to holder of the Company's Class B share of \$30,300,000.

As at 31 December 2018, a dividend of \$55,167,690 is payable to holders of the Company's Preference shares due for the September to December 2018 period. See note 11 for dividend payable.

7. Taxation

	2018 \$000	2017 \$000
Corporation tax		
Current tax on profits for the year	43	88
Adjustments in respect of prior years	(35)	(36)
Total current tax	<u>8</u>	<u>52</u>

ANGLO AMERICAN HOLDINGS LIMITED

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

7. Taxation (continued)

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 in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 \$000	2017 \$000
Loss before tax	(165,503)	(165,503)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	(31,446)	(31,859)
Effects of:		
Adjustments in respect of prior years	(35)	(36)
Amounts chargeable on controlled foreign companies	43	86
Preference share dividends reclassified as interest	31,446	31,859
Foreign exchange	-	2
Total tax charge for the year	8	52

Factors that may affect future tax charges

On 26 October 2015, the Finance 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.

8. Dividends

	2018 \$000	2017 \$000
Dividends: Equity capital	30,300	-
	30,300	-

On 20 September 2018, the Company paid a dividend on its class B ordinary share of \$30,300,000 (\$30,300,000 per share) to Anglo American Prefco Limited.

ANGLO AMERICAN HOLDINGS 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	8,296,478
At 31 December 2018	<u>8,296,478</u>
Net book value	
At 31 December 2018	<u>8,296,478</u>
At 31 December 2017	<u>8,296,478</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Anglo American International Limited	Class B Ordinary	100 %	Holding Company
Anglo American Overseas Limited	Repurchaseable Class A Ordinary	100 %	Holding Company
Coromin Insurance (Ireland) Limited	Ordinary	100 %	Insurance Company
Coromin Limited	Ordinary	100 %	Insurance Company

Group financial statements are not presented as the Company is a wholly owned subsidiary undertaking of Anglo American plc, a company incorporated in the United Kingdom and 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 the Company is exempt under s400 of the Companies Act 2006.

ANGLO AMERICAN HOLDINGS LIMITED

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

9. Fixed asset investments (continued)

Name	Registered office
Anglo American International Limited	C/o AXIS Fiduciary Ltd, 2nd Floor, The AXIS, 26 Bank Street Cybercity Ebene, 72201, Mauritius
Anglo American Overseas Limited	3rd floor, 44 Esplanade, St Helier, JE4 9WG, Jersey
Coromin Insurance (Ireland) Limited	Fourth Floor 25/28, Adelaide Road, Dublin, Ireland
Coromin Limited	Clarendon House, 2 Church Street, Hamilton, Bermuda

10. Debtors

	2018 \$000	2017 \$000
Amounts owed by group undertakings	307,562	515,039
Corporation tax	47	-
	<u>307,609</u>	<u>515,039</u>

The Company has facility agreements with affiliated undertakings of which \$307,562,000 had been advanced at year end. The balance bears interest at a market related rate. The classification of the amounts owed is based on the repayment terms.

11. Creditors: Amounts falling due within one year

	2018 \$000	2017 \$000
Amounts owed to group undertakings	214,770	214,725
Dividends payable to group undertakings	55,168	66,818
Corporation tax	-	14
	<u>269,938</u>	<u>281,557</u>

The Company has facility agreements with affiliated undertakings of which \$214,770,000 had been drawn at year end. The balance bears interest at a market related rate. The classification of the amounts owed is based on the repayment terms.

ANGLO AMERICAN HOLDINGS LIMITED

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

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

	2018 \$000	2017 \$000
Share capital treated as debt	2,063,054	2,063,054
	<u>2,063,054</u>	<u>2,063,054</u>

Disclosure of the terms and conditions attached to the non-equity shares is made in note 14.

13. Financial instruments

	2018 \$000	2017 \$000
Financial assets		
Loans and receivables measured at amortised cost	<u>307,562</u>	<u>515,039</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(2,332,991)</u>	<u>(2,344,598)</u>

Loans and receivables measured at amortised cost comprise amounts owed by group undertakings.

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

ANGLO AMERICAN HOLDINGS LIMITED

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

14. Share capital

	2018 \$000	2017 \$000
Shares classified as equity		
Authorised		
10,000,000,000 ordinary shares of £1.00 each	15,567,739	15,567,739
100,000,000 ordinary shares of \$1.00 each	100,000	100,000
1,000 Class B ordinary shares of \$1.00 each	1	1
	15,667,740	15,667,740
Allotted, called up and fully paid		
107,842,439 ordinary shares of £1.00 each	167,933	167,933
38,001 ordinary shares of \$1.00 each	38	38
1 Class B ordinary share of \$1.00	-	-
	167,971	167,971

The Company has three classes of ordinary shares which carry no right to fixed income.

	2018 \$000	2017 \$000
Shares classified as debt		
Authorised		
10,000,000,000 (2017 - 10,000,000,000) 8% preference shares of 0.50 each	5,000,000	5,000,000
1,000,000,000 (2017 - 1,000,000,000) 8.3% preference shares of 0.50 each	500,000	500,000
	5,500,000	5,500,000
Allotted, called up and fully paid		
3,820,302,015 8% preference shares of \$0.50 each	1,910,151	1,910,151
305,806,970 8.3% preference shares of \$0.50 each	152,903	152,903
	2,063,054	2,063,054

ANGLO AMERICAN HOLDINGS LIMITED

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

14. Share capital (continued)

The 8% and 8.3% preference shares of \$0.50 each entitle the holders to receive a cumulative preferential dividend at the rate of 8% and 8.3% respectively, on the paid up capital. On a return of capital on winding up, the holders of preference shares have the right to the repayment of a sum equal to the nominal capital and any premiums paid up or credited as paid up on the preference shares held by them and accruals, if any, of the preferential dividend whether accrued or not up to the date of commencement of winding up.

Preference shares have been classified as a combination of debt and equity under IFRS 7 (refer to note 14). The preference shares do not entitle the holders to any further right of participation in the assets of the Company nor do they carry any voting rights.

15. 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 earnings or losses.

16. Post balance sheet events

On 2 May 2019, the directors declared and paid a dividend of \$96,543,458 to holders of the Company's Preference shares, in respect of the period from September 2018 to March 2019. In addition, the directors also declared and paid a dividend of \$8,300,000 to the holder of the Company's Class B shares.

On 29 April 2019, the Company undertook a share premium reduction of \$500,000,000, with the amount being credited to retained earnings.

17. Ultimate parent undertaking and controlling party

The immediate parent company is Anglo American Investments (UK) 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.