
ANGLO AMERICAN OVERSEAS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

ANGLO AMERICAN OVERSEAS LIMITED

COMPANY INFORMATION

DIRECTORS	A C MacPherson C W Miller (resigned 29 March 2019) D Smailes (resigned 31 July 2019) E Klonarides Z Quattrocchi (appointed 2 September 2019) M T S Walker (appointed 27 February 2019)
COMPANY SECRETARY	Anglo American Corporate Secretary Limited Intertrust Corporate Services (Jersey) Limited Ogier Global Company Secretary (Jersey) Limited
REGISTERED NUMBER	125053
REGISTERED OFFICE	3rd Floor 44 Esplanade St Helier Jersey JE4 9WG
ADMINISTRATION OFFICE	20 Carlton House Terrace London United Kingdom SW1Y 5AN
INDEPENDENT AUDITOR	Deloitte LLP 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 OVERSEAS LIMITED

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ANGLO AMERICAN OVERSEAS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

INTRODUCTION

The Company is a wholly owned subsidiary of Anglo American plc.

The Company is an intermediate holding company, which holds investments in the United Kingdom, Canada, Jersey, Singapore, Switzerland, Italy, Mauritius, Indonesia, Peru and Colombia. Future performance depends on the trading results of its subsidiaries which the directors believe will be satisfactory.

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.

BUSINESS REVIEW

As shown in the Statement of Comprehensive Income, the Company's profit after tax is \$2,653,782,000 compared to a profit of \$837,261,000 in 2018. This increase in profit is primarily as a result of a significant increase in the value of dividends received from subsidiaries during the year, partially offset by an increase in the impairment charge recognised on the Company's investments.

The balance sheet shows that the Company is in a net asset position of \$16,354,959,000 (2018 - \$19,088,127,000).

PRINCIPAL RISKS AND UNCERTAINTIES AND FINANCIAL RISK MANAGEMENT POLICIES

The directors consider, on an ongoing basis, the risks related to the Company's financial instruments.

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.

SECTION 172(1) STATEMENT

The Anglo American Overseas Limited Board is cognisant of its legal duty to act in good faith and to promote the success of the Company for the benefit of its shareholders and with regard to the interests of stakeholders and other factors. These include the likely consequences of any decisions we make in the long term; the need to foster the relationships we have with all our stakeholders; the interests of our employees; the impact our operations have on the environment and local communities; and the desire to maintain a reputation for high standards of business conduct.

The Board received an update on the Companies (Miscellaneous Reporting) Regulations 2018 amongst other things.

Stakeholder considerations are integral to discussions at Board meetings and the decisions we make take into account any potential impacts on them and the environment. Like any business, we are aware that some of the decisions we make may have an adverse impact on certain stakeholders.

By listening to, understanding and engaging with our stakeholders, the Board endeavours to live up to their expectations, by staying true to the Purpose and making decisions in accordance with our Values.

ANGLO AMERICAN OVERSEAS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

OUR PURPOSE AND VALUES

The Board recognises the role of the Company business in society and within the Anglo American Group. The Group's purpose is summarised as 'to re-imagine mining to improve people's lives', and the Company is focused on contributing to the achievement of this purpose.

The Group's Values: Safety; Care and Respect; Integrity; Accountability; Collaboration; and Innovation guide our behaviour and shape our culture, and are fundamental to creating enduring benefit for all our employees, shareholders, and stakeholders in a way that demonstrably improves people's lives.

ENGAGING OUR STAKEHOLDERS

Healthy stakeholder relationships help us to better communicate how our business decisions, activities and performance are likely to affect or be of significant interest to our stakeholders, and provide the opportunity to co-create effective and lasting solutions to business and other challenges.

The Company's stakeholders include our host communities, governments, industry peers and broader civil society in addition to our shareholders.

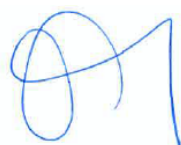
LONG TERM DECISION MAKING

The Board took a range of factors and stakeholder considerations into account when making decisions in the year. Decisions are made within the context of the long term factors that may impact the Company and its stakeholders.

RELATIONSHIPS WITH SUPPLIERS AND CUSTOMERS

The Company aims to be a valued and trusted partner to all members of the industry. This includes the suppliers and customers that we operate with.

This report was approved by the board on 15 April 2020 and signed on its behalf.



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

ANGLO AMERICAN OVERSEAS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and the audited financial statements for the year ended 31 December 2019.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to \$2,653,782,000 (2018 - \$837,261,000).

In 2019, the Company paid a cash dividend of \$5,386,950,250 (2018 - \$1,081,439,437) to its ultimate parent company Anglo American plc.

DIRECTORS

The directors who served during the year and up to the date of this report were:

A C MacPherson
C W Miller (resigned 29 March 2019)
D Smailes (resigned 31 July 2019)
E Klouarides
Z Quattrocchi (appointed 2 September 2019)
M T S Walker (appointed 27 February 2019)

PRINCIPAL RISKS AND UNCERTAINTIES AND FINANCIAL RISK MANAGEMENT POLICIES

The financial risk management policies 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.

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 (including specifically the potential impact of COVID-19 on the cash flows of the Company, Anglo American Services (UK) Ltd and Anglo American plc) and amounts owed by other Group companies, to conclude that the Company can adopt the going concern basis for the foreseeable future.

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.

ANGLO AMERICAN OVERSEAS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

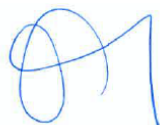
POST BALANCE SHEET EVENTS

Following the end of 2019 the novel coronavirus (COVID-19) has been declared a pandemic by the World Health Organisation. The emergence of COVID-19 is considered a non-adjusting post balance sheet event as defined in IAS 10 Events after the reporting period since it represents a set of conditions which only arose after the balance sheet date. The impact of COVID-19 on the world economy and the Company's future financial performance remains uncertain. Depending on the extent and severity of the pandemic, there may be a material impact on the Company's accounting estimates in future periods.

AUDITOR

Deloitte LLP will not be seeking re-appointment as auditor of the Company at the conclusion of their current term of office. Accordingly, the directors intend to appoint PricewaterhouseCoopers LLP as external auditor to the Company for 2020. This follows the impending appointment of PricewaterhouseCoopers LLP as external auditor to the Group at the 2020 Annual General Meeting of Anglo American plc, the Company's ultimate parent company. There are no circumstances connected with the resignation of Deloitte LLP as external auditor which should be brought to the attention of members or creditors of the Company.

This report was approved by the board on 15 April 2020 and signed on its behalf.



Claire Murphy

For and on behalf of
Anglo American Corporate Secretary Limited
Secretary

ANGLO AMERICAN OVERSEAS LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors are responsible for preparing the Strategic report, the Directors' report and the audited 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors 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 Company and of the profit or loss of the Company for that period.

In preparing these audited 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 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 AMERICAN OVERSEAS LIMITED

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

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit 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 requirements of the Companies (Jersey) Law 1991.

We have audited the financial statements which comprise:

- the Statement of comprehensive income;
- the Balance sheet;
- the Statement of changes in equity; and
- the related notes 1 to 20.

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 we do not express any form of assurance conclusion thereon.

ANGLO AMERICAN OVERSEAS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANGLO AMERICAN OVERSEAS 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 statement of directors' responsibilities, 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

Matters on which we are required to report by exception

Under the Companies (Jersey) Law 1991 we are required to report in respect of the following matters if, in our opinion:

- proper accounting records have not been kept, or proper 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
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

ANGLO AMERICAN OVERSEAS LIMITED

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. 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 FCA

for and on behalf of

Deloitte LLP

Statutory Auditor

London
United Kingdom

1 New Street Square
1 Little New St
London
United Kingdom
EC4A 3TR
16 April 2020

ANGLO AMERICAN OVERSEAS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 \$000	2018 \$000
Revenue	4	5,401,558	1,034,286
GROSS PROFIT		5,401,558	1,034,286
Administrative expenses		(191)	(109)
Exceptional administrative expenses	11	(2,732,095)	(190,929)
OPERATING PROFIT	5	2,669,272	843,248
Interest receivable and similar income	7	9	6
Interest payable and expenses	8	(15,499)	(5,983)
PROFIT BEFORE TAX		2,653,782	837,271
Tax on profit	9	-	(10)
PROFIT FOR THE FINANCIAL YEAR		2,653,782	837,261
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,653,782	837,261

The notes on pages 13 to 28 form part of these financial statements.

The results relate to continuing operations of the Company.

ANGLO AMERICAN OVERSEAS LIMITED
REGISTERED NUMBER: 125053

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 \$000	2018 \$000
FIXED ASSETS			
Investments	12	16,696,105	19,395,142
		16,696,105	19,395,142
CURRENT ASSETS			
Debtors: amounts falling due within one year	13	107	440
Cash at bank and in hand	14	4	297
		111	737
Creditors: amounts falling due within one year	15	(341,257)	(307,752)
NET CURRENT LIABILITIES		(341,146)	(307,015)
TOTAL ASSETS LESS CURRENT LIABILITIES		16,354,959	19,088,127
NET ASSETS		16,354,959	19,088,127
CAPITAL AND RESERVES			
Called up share capital	17	1,341	1,341
Share premium account	18	13,254,005	13,254,005
Other reserves	18	-	2,648,529
Profit and loss account	18	3,099,613	3,184,252
SHAREHOLDERS' FUNDS		16,354,959	19,088,127

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 April 2020.

Zahira Quattrocchi

Z Quattrocchi
 Director

The notes on pages 13 to 28 form part of these financial statements.

ANGLO AMERICAN OVERSEAS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital \$000	Share premium account \$000	Other reserves \$000	Profit and loss account \$000	Total equity \$000
At 1 January 2019	1,341	13,254,005	2,648,529	3,184,252	19,088,127
COMPREHENSIVE INCOME FOR THE YEAR					
Profit for the year	-	-	-	2,653,782	2,653,782
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	2,653,782	2,653,782
Dividends: Equity capital	-	-	-	(5,386,950)	(5,386,950)
Transfer to profit and loss account	-	-	(2,648,529)	2,648,529	-
TOTAL TRANSACTIONS WITH OWNERS	-	-	(2,648,529)	(2,738,421)	(5,386,950)
AT 31 DECEMBER 2019	1,341	13,254,005	-	3,099,613	16,354,959

Further details in respect of the dividend paid are disclosed in note 10.

Further details in respect of the transfer from other reserves to the profit and loss account are disclosed in note 18.

ANGLO AMERICAN OVERSEAS LIMITED

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

	Called up share capital \$000	Share premium account \$000	Other reserves \$000	Profit and loss account \$000	Total equity \$000
At 1 January 2018	1,341	13,254,005	2,648,529	3,428,430	19,332,305
COMPREHENSIVE INCOME FOR THE YEAR					
Profit for the year	-	-	-	837,261	837,261
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	837,261	837,261
Dividends: Equity capital	-	-	-	(1,081,439)	(1,081,439)
TOTAL TRANSACTIONS WITH OWNERS	-	-	-	(1,081,439)	(1,081,439)
AT 31 DECEMBER 2018	1,341	13,254,005	2,648,529	3,184,252	19,088,127

ANGLO AMERICAN OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION

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 Companies (Jersey) Law 1991.

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.

2.3 IMPACT OF NEW INTERNATIONAL REPORTING STANDARDS, AMENDMENTS AND INTERPRETATIONS

IFRS 16

There are no material adjustments required to be made to the Company's financial statements as a result of the application of IFRS 16.

The Company has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019.

ANGLO AMERICAN OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. ACCOUNTING POLICIES (CONTINUED)

2.4 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 (including specifically the potential impact of COVID-19 on the cash flows of the Company, Anglo American Services (UK) Ltd and Anglo American plc) and amounts owed by other Group companies, to conclude that the Company can adopt the going concern basis for the foreseeable future.

2.5 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is USD as this is the currency in which the Company primarily transacts, invests and earns income.

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.

2.6 INTEREST INCOME

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

2.7 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.

ANGLO AMERICAN OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. ACCOUNTING POLICIES (CONTINUED)

2.8 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.

2.9 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.

2.10 INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

2.11 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.

2.12 ASSOCIATES AND JOINT VENTURES

Associates and Joint Ventures are held at cost less impairment.

2.13 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.

2.14 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.

ANGLO AMERICAN OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. ACCOUNTING POLICIES (CONTINUED)

2.15 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.

2.16 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 and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Fair value through profit or loss

All of the Company's financial assets other than those which meet the criteria to be measured at amortised cost are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Debt instruments at amortised cost

Debt instruments are subsequently measured at amortised cost where they are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Amortised cost is calculated using the effective interest method and represents the amount measured at initial recognition less repayments of principal plus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised or at FVOCI. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL

ANGLO AMERICAN OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. ACCOUNTING POLICIES (CONTINUED)

2.16 FINANCIAL INSTRUMENTS (continued)

represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Financial liabilities

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

2.17 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.

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 11 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 OVERSEAS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. REVENUE

	2019	<i>2018</i>
	\$000	<i>\$000</i>
Dividend revenue	5,401,558	<i>1,034,286</i>
	5,401,558	<i>1,034,286</i>

During the year, the Company received dividends from Ammin Coal Holdings Limited of \$88,566,744 (2018 - \$214,874,225).

During the year, the Company received dividends from Anglo American International Limited of \$2,414,475,485 (2018 - \$801,390,716).

During the year, the Company received dividends from Anglo American 2005 of \$2,883,908,021 (2018 - \$NIL).

During the year, the Company received dividends from Samancor Marketing Pte Ltd of \$12,000,000 (2018 - \$14,000,000).

During the year, the Company received dividends from Samancor AG of \$2,608,193 (2018 - \$4,020,704).

5. OPERATING PROFIT

Audit fees for the audit of these financial statements of \$16,905 (2018 - \$17,265) in respect of the current financial year were borne centrally by Anglo American Services (UK) Ltd.

6. EMPLOYEES

The Company has no employees other than the directors, who did not receive any remuneration (2018 - \$NIL).

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2019	<i>2018</i>
	\$000	<i>\$000</i>
Other interest receivable	9	<i>6</i>
	9	<i>6</i>

ANGLO AMERICAN OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	<i>2018</i>
	\$000	<i>\$000</i>
Interest payable on loans from group undertakings	15,499	<i>5,983</i>
	15,499	<i>5,983</i>

9. 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.

	2019	<i>2018</i>
	\$000	<i>\$000</i>
CORPORATION TAX		
Foreign tax on income for the year	-	<i>10</i>
TOTAL CURRENT TAX	-	<i>10</i>

ANGLO AMERICAN OVERSEAS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2018 - *lower than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019	<i>2018</i>
	\$000	<i>\$000</i>
Profit before tax	2,653,782	<i>837,271</i>
Profit multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	504,219	<i>159,081</i>
EFFECTS OF:		
Impairment charge	519,098	<i>36,277</i>
Non-taxable income	(1,026,296)	<i>(196,514)</i>
Interest deductible accrued in prior period	-	<i>(118)</i>
Group relief claimed for nil consideration	2,979	<i>1,274</i>
Foreign tax suffered	-	<i>10</i>
TOTAL TAX CHARGE/(CREDIT) FOR THE YEAR	-	<i>10</i>

FACTORS THAT MAY AFFECT FUTURE TAX EXPENSES

On 6 September 2016, the Finance Act 2016 was substantively enacted and provided for a reduction in the main rate of UK corporation tax from 19% to 17% from 1 April 2020. Deferred tax has therefore been recognised at the 17% rate where appropriate.

On 17th March 2020, a Budget resolution was passed which substantively enacted an increase in the rate of UK corporation tax to 19% from 1 April 2020.

10. DIVIDENDS

	2019	<i>2018</i>
	\$000	<i>\$000</i>
Dividends paid on equity capital	5,386,950	<i>1,081,439</i>
	5,386,950	<i>1,081,439</i>

In 2019, the Company paid dividends totalling \$5,386,950,250 equivalent to \$134,674 per Class B ordinary share (2018 - \$1,081,439,437 equivalent to \$27,036 per Class B ordinary share) to its ultimate parent company Anglo American plc.

ANGLO AMERICAN OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

11. EXCEPTIONAL ITEMS

	2019 \$000	2018 \$000
Impairment charge	2,732,095	190,929
	<u>2,732,095</u>	<u>190,929</u>

After a review of the net asset value of the Company's investments as at 31 December 2019, the Company has recognised charges on its investments as follows:

- Anglo American International Limited - impairment reversal of \$866,273,895 (2018 - impairment charge of \$11,023,000)
- Anglo American Exploration (Canada) Limited - impairment charge of \$4,200,000 (2018 - \$6,500,000)
- Anglo Coal International Limited - impairment charge of \$3,811,282 (2018 - \$2,333,570)
- Anglo American Exploration Overseas Holdings Limited - impairment charge of \$25,046,163 (2018 - \$22,203,221)
- Anglo American 2005 Limited - impairment charge of \$2,816,382,845 (2018 - \$145,173,761)
- Samancor AG - impairment charge of \$2,603,037 (2018 - \$3,397,000)
- PT Anglo American Indonesia - impairment charge of \$NIL (2018 - \$1,200)
- Anglo American Italy S.R.L. - impairment charge of \$NIL (2018 - \$10,922)
- Anglo American London - impairment charge of \$746,325,332 (2018 - \$NIL)

The impairment charge recognised on the Company's investment in Anglo American 2005 Limited followed the payment of dividends totalling \$2,883,908,021 by that company in order to clear down its net asset position.

The impairment reversal recognised on the Company's investment in Anglo American International Limited followed an increase in the underlying value of that company's investment in Anglo American South Africa Limited.

ANGLO AMERICAN OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

12. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies \$000	Investments in Joint ventures and associates \$000	Loans to subsidiaries \$000	Total \$000
COST OR VALUATION				
At 1 January 2019	22,786,197	46,848	34,906	22,867,951
Additions	797,050	-	29,246	826,296
Disposals	(669,997)	(32,448)	-	(702,445)
At 31 December 2019	<u>22,913,250</u>	<u>14,400</u>	<u>64,152</u>	<u>22,991,802</u>
IMPAIRMENT				
At 1 January 2019	3,408,060	29,845	34,904	3,472,809
Charge for the period	2,700,246	2,603	29,246	2,732,095
Disposals	123,241	(32,448)	-	90,793
At 31 December 2019	<u>6,231,547</u>	<u>-</u>	<u>64,150</u>	<u>6,295,697</u>
NET BOOK VALUE				
At 31 December 2019	<u>16,681,703</u>	<u>14,400</u>	<u>2</u>	<u>16,696,105</u>
<i>At 31 December 2018</i>	<u>19,378,137</u>	<u>17,003</u>	<u>2</u>	<u>19,395,142</u>

ANGLO AMERICAN OVERSEAS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. FIXED ASSET INVESTMENTS (CONTINUED)

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Ammin Coal Holdings Limited	3rd Floor, 44 Esplanade, St Helier, Jersey, JE4 9WG	Holding Company	Ordinary	100.00%
Anglo American (London)	20 Carlton House Terrace, London, SW1Y 5AN, United Kingdom	In liquidation	Ordinary	88.73%
Anglo American 2005 Limited	20 Carlton House Terrace, London, SW1Y 5AN, United Kingdom	In liquidation	US\$ Ordinary £ Ordinary	71.72%
Anglo American Exploration (Canada) Limited	Suite 800 , 700 West Pender Street, Vancouver BC V6C 1G8, Canada	Holding Company	Common, Class B Preference & Class C Preference	100.00%
Anglo American Exploration Overseas Holdings Limited	3rd Floor, 44 Esplanade, St Helier, Jersey, JE4 9WG	Holding Company	Ordinary	100.00%
Anglo American International Limited (1)	C/o AXIS Fiduciary Ltd, 2nd Floor, The AXIS, 26 Bank Street, Cybercity Ebene, 72201, Mauritius	Holding Company	Normal Class A Ordinary Repurchaseable Class A Ordinary	100.00%
Anglo American Italy S.R.L.	Via Melchiorre Gioia, 8, 20124 Milano, Italy	Dormant Company	Ordinary	100.00%
Minorco Overseas Holdings Limited	3rd Floor, 44 Esplanade, St Helier, Jersey, JE4 9WG	Holding Company	Ordinary	100.00%

ANGLO AMERICAN OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

12. FIXED ASSET INVESTMENTS (CONTINUED)

SUBSIDIARY UNDERTAKINGS (CONTINUED)

(1) The Company's overall holding in Anglo American International Limited is 99.91%.

INVESTMENT IN SUBSIDIARIES

Additions

On 9 October 2019, the Company purchased an additional 75 ordinary shares in Anglo Coal International Limited for a total consideration of \$3,748,570.

On 30 October 2019, the Company purchased an additional 1 ordinary share in Anglo Coal International Limited for a total consideration of \$6,712.

During the year, the Company made advances for equity to Anglo American Exploration (Canada) Limited totalling \$4,200,000. These advances have been fully provided for, resulting in a corresponding impairment of \$4,200,000.

During the year, the Company made advances for equity to Anglo American Exploration (Overseas) Limited totalling \$25,046,163. These advances have been fully provided for, resulting in a corresponding impairment of \$25,046,163.

Disposals

On 27 December 2019, the Company completed the merger of its subsidiary company Anglo Coal International Limited.

On 27 December 2019, the Company completed the merger of Anglo American Finance Overseas Holdings Limited.

Impairments

After a review of the net asset value of the Company's investments as at 31 December 2019, the Company has recognised impairment charges on its investments as follows:

- Anglo American International Limited - impairment reversal of \$866,273,895 (2018 - impairment charge of \$11,023,000)
- Anglo American Exploration (Canada) Limited - impairment charge of \$4,200,000 (2018 - \$6,500,000)
- Anglo Coal International Limited - impairment charge of \$3,811,282 (2018 - \$2,333,570)
- Anglo American Exploration Overseas Holdings Limited - impairment charge of \$25,046,163 (2018 - \$22,203,221)
- Anglo American 2005 Limited - impairment charge of \$2,816,382,845 (2018 - \$145,173,761)
- Samancor AG - impairment charge of \$2,603,037 (2018 - \$3,397,000)
- PT Anglo American Indonesia - impairment charge of \$NIL (2018 - \$1,200)
- Anglo American Italy S.R.L. - impairment charge of \$NIL (2018 - \$10,922)
- Anglo American London - impairment charge of \$746,325,332 (2018 - \$NIL)

The impairment charge recognised on the Company's investment in Anglo American 2005 Limited followed the payment of dividends totalling \$2,883,908,021 by that company in order to clear down its net asset position.

The impairment reversal recognised on the Company's investment in Anglo American International Limited followed an increase in the underlying value of that company's investment in Anglo American South Africa Limited.

ANGLO AMERICAN OVERSEAS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. FIXED ASSET INVESTMENTS (CONTINUED)

PARTICIPATING INTERESTS

Impairments

After a review of the net asset value of the Company's investments as at 31 December 2019, the Company has recognised an impairment charge of \$2,603,037 on its investment in Samancor AG (2018 - \$3,396,963).

ASSOCIATES

The following were associates of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Samancor Marketing Pte Ltd	Industriestrasse 53, 6312, Steinhausen, Zug, Switzerland	Holding Company	Ordinary	40.00%
PT Anglo American Indonesia	Hadiputranto, Hadinoto & Partners, The Indonesia Stock Exchange Building Tower II, 21st Floor Sudirman Central Business District, Jl. Jendral Sudirman Kav 52-53, Jakarta, 12190, Indonesia	Holding Company	Ordinary	1.00%
Anglo American Servicios Peru S.A.	Calle Esquilache 39, San Isidro 15073, Peru	Dormant Company	Ordinary	0.01%
Anglo American Colombia Exploration S.A.	Avenida Carrera 9a Oficina 1702 Bogotá Colombia	Exploration Company	Ordinary	0.01%

INVESTMENT IN PARTICIPATING INTERESTS

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 accordance with IRFS 10.

ANGLO AMERICAN OVERSEAS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

13. DEBTORS

	2019	<i>2018</i>
	\$000	<i>\$000</i>
Trade debtors	107	<i>163</i>
Other debtors	-	<i>277</i>
	107	<i>440</i>

The Company has operating receivable balances with group undertakings of which \$107,000 was due at year end (*2018 - \$163,000*). These balances are non-interest bearing. The classification of the amounts owed is based on the payment terms.

14. CASH AND CASH EQUIVALENTS

	2019	<i>2018</i>
	\$000	<i>\$000</i>
Cash at bank and in hand	4	<i>297</i>
	4	<i>297</i>

15. CREDITORS: Amounts falling due within one year

	2019	<i>2018</i>
	\$000	<i>\$000</i>
Amounts owed to group undertakings	341,257	<i>307,647</i>
Other creditors	-	<i>105</i>
	341,257	<i>307,752</i>

The Company has facility agreements with affiliated undertakings of which \$341,257,000 had been drawn at year end. The balance bears interest at a market related rate and the amounts owed are repayable on demand and unsecured.

ANGLO AMERICAN OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

16. FINANCIAL INSTRUMENTS

	2019 \$000	2018 \$000
FINANCIAL ASSETS		
Cash	4	297
Loans and receivables measured at amortised cost	107	440
	<u>111</u>	<u>737</u>
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	<u>(341,257)</u>	<u>(307,752)</u>

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

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

17. SHARE CAPITAL

	2019 \$	2018 \$
Allotted, called up and fully paid		
134,043,748 repurchasable Class A ordinary shares of \$0.01 each	1,340,437	1,340,437
40,000 repurchasable Class B ordinary shares of \$0.01 each	400	400
13,200 repurchasable Class C ordinary shares of \$0.01 each	132	132
	<u>1,340,969</u>	<u>1,340,969</u>

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

ANGLO AMERICAN OVERSEAS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

18. 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.

Other reserves

These reserves are freely distributable.

On 9 April 2019, the Company transferred the entire balance of \$2,648,528,372 of its freely distributable other reserve to the profit and loss account.

Profit and loss account

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

19. POST BALANCE SHEET EVENTS

Following the end of 2019, the novel coronavirus (COVID-19) has been declared a pandemic by the World Health Organisation. The emergence of COVID-19 is considered a non-adjusting post balance sheet event as defined in IAS 10 Events after the reporting period since it represents a set of conditions which only arose after the balance sheet date.

The impact of COVID-19 on the world economy and the Company's future financial performance remains uncertain. Depending on the extent and severity of the pandemic, there may be a material impact on the Company's accounting estimates in future periods.

20. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent company is Anglo American Holdings 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.