

**Anglo American Capital plc**

Report and Financial Statements  
For the year ended 31 December 2023

Company Registration No. 04658814

**Anglo American Capital plc****Report and financial statements for the year ended 31 December 2023**

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# **Anglo American Capital plc**

## **Report and financial statements for the year ended 31 December 2023**

### **Officers and professional advisers**

#### **Directors**

A MacPherson  
P Morgan  
C Davage  
R Price  
J Wilson  
C Murphy  
K Burrows

#### **Secretary**

Anglo American Corporate Secretary Limited

#### **Registered office**

17 Charterhouse Street  
London EC1N 6RA

#### **Bankers**

Citibank Europe Plc UK Branch  
33 Canada Square  
Canary Wharf  
London E14 5LB  
UK

Barclays Bank PLC  
1 Churchill Place  
London E14 5HP  
UK

#### **Independent Auditors**

PricewaterhouseCoopers LLP  
1 Embankment Place  
London WC2N 6RH

# Anglo American Capital plc

## Strategic report

### Business review and principal activities

Anglo American Capital plc (the “Company”) is a wholly-owned subsidiary of Anglo American plc (“AA plc”) (the “ultimate parent company”).

The Company is a finance company participating in the finance arrangements of the Anglo American group of companies (the “Group”). The Company supports the Group, managing the Group cash and financing position through capital planning and debt issuances, cash pooling in various currencies across the Group entities, managing excess cash through liquidity funds and US Treasury funds and working with the Group to help manage cash flows around large capital expenditure requirements and dividend payments. There have not been any significant changes in the Company’s principal activities during the year and the directors do not envisage any significant changes in the Company’s activities in the foreseeable future.

As shown in note 4 on page 20, the Company’s net finance income increased to \$806 million (2022: \$567 million) as a result of increased interest rates.

The expected credit loss (“ECL”) recognised in the year included \$11 million (2022: \$13 million) charge in respect of the 12 month ECL allowance and a further \$447 million (2022: \$11 million) in respect of stage 3 ECL allowance from Group companies as the borrowers are not considered to have sufficient liquid assets to repay the loans on demand. The majority of the stage 3 ECL allowance recognised in the year relates to the impairment of one intercompany loan which the borrower is not expected to be able to repay on demand. There was \$nil (2022: \$619 million) reversal of prior year ECL allowance (refer to note 5).

The balance sheet shows that the Company is in a net asset position of \$6,905 million (2022: \$6,570 million) and a net current asset position of \$18,535 million (2022: \$16,678 million).

During the year, the Company issued the following 3 new bonds; one €500 million bond maturing in September 2028, one €500 million bond maturing in March 2031 and one \$900 million bond maturing in May 2033. Throughout the year the Company repaid a €750 million bond that matured in April 2023.

### Financial risks and uncertainties

The principal risks to the Company’s business are liquidity risk, changes in interest rates, movements in foreign exchange rates and credit risks. An explanation of these risks and how they are managed is included in note 11 on pages 32-36.

The Company is also exposed to intercompany credit risk as losses may be suffered should an intercompany counterparty be unable to service its debt obligations. This intercompany credit risk arises from a range of risks to which the rest of the Group is exposed. Group risks and the processes to manage them are discussed in the Group’s Integrated Annual Report, which does not form part of this report. The Group’s Integrated annual report is available from Anglo American plc as set out in note 15.

### Results and dividends

The profit after taxation for the year is \$336 million (2022: \$1,155 million profit). Dividends of \$nil (2022: \$nil) were paid to the ordinary shareholder during the year. A 3% preference dividend of \$1,823 (2022: \$1,661) was paid to the preference shareholder during the year.

### Section 172(1) statement

The Anglo American Capital plc 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 shareholder 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 and the desire to maintain a reputation for high standards of business conduct.

Stakeholder considerations are integral to discussions at Board meetings and the decisions made by the Directors take into account any potential impacts on them and the environment. Like any business, we are aware that some of the decisions the Board 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 its expectations, by staying true to the Company’s Purpose and making decisions in accordance with its values.

# Anglo American Capital plc

## Strategic report (continued)

### Our Purpose and Values

The Board recognises the role of the Company's 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, 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.

The purpose of the Company is to support the Group's financing activities as mentioned in the Strategic Report and is aligned to the Group's core Values.

### 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 Group companies, banks and credit institutions, in addition to our shareholder.

### 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 Group's industry. This includes the suppliers and customers that we operate with.

Approved by the Board of Directors on 01 March 2024 and signed on its behalf by:



Joanne Wilson  
Director  
01 March 2024

# Anglo American Capital plc

## Directors' report

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2023.

## Directors

The following served as directors throughout the year up to the date this report was approved:

A MacPherson  
 P Morgan (appointed 8<sup>th</sup> December 2023)  
 C Davage  
 S Pearce (resigned 1<sup>st</sup> December 2023)  
 R Price  
 A Field (resigned 8<sup>th</sup> September 2023)  
 Z Quattrocchi (resigned 1<sup>st</sup> August 2023)  
 C Fish (resigned 1<sup>st</sup> August 2023)  
 C Murphy  
 C Kher (resigned 18<sup>th</sup> August 2023)  
 J Wilson (appointed 1<sup>st</sup> August 2023)  
 K Burrows (appointed 1<sup>st</sup> August 2023)

## Directors' interests

During the year none of the directors held any beneficial interests in the shares of the Company (2022: none).

## Results and dividends

The results and dividends can be found in the Strategic Report on page 2 and forms part of this report by cross-reference. No dividend was recommended for the year (2022: \$nil).

## Political and charitable donations

There have been no political or charitable donations during the year (2022: nil).

## Financial risk management and objectives

Details of financial risk management objectives and policies can be found in the Strategic Report and form part of this report by cross-reference.

## Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future for the period of at least 12 months from the date of approval of the financial statements. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The Company's ability to continue as a going concern is assessed in conjunction with the Group, as its viability is dependent on the ability of other Group companies to settle their intercompany balances. The directors have considered the Group's cash flow forecasts for the period to the end of December 2025 under base and downside scenarios with reference to the Group's principal risks as set out within the Group Viability Statement on pages 79 and 80 of the Group's Integrated Annual Report. In the downside scenario modelled (including pricing and production downsides, alongside a significant operational incident), the Company maintains sufficient liquidity throughout the period of assessment without the use of mitigating actions.

The directors have also received support from the ultimate parent company for use to the extent that it is necessary including but not limited to not seeking repayment of amounts advanced to the Company by the Parent and/or subsidiaries of the Anglo American Group unless alternative financing has been secured by the Company. This support will remain in place for the foreseeable future, at least 12 months from the date of approval of the financial statements. For this reason, the Company continues to adopt the going concern basis in preparing its financial statements.

# Anglo American Capital plc

## Directors' report (continued)

### Future developments

There have not been any significant changes in the Company's principal activities during the year and the directors do not envisage any significant changes in the Company's activities in the foreseeable future.

### Subsequent events

There was no significant event after the balance sheet date.

### Corporate governance

The description of the Company's internal control and risk management systems in relation to the financial reporting process are disclosed in the Group's Integrated Annual Report, which includes the Company.

Due to the nature of the debt issued, which is listed on the London Stock Exchange, the Company is exempt from the provisions of the UK Corporate Governance Code and the Disclosure and Transparency Rules (DTR) of the Financial Conduct Authority with the exception of DTR 7.2.5 which requires a description of the main features of the system of risk management and internal control over financial reporting. The key procedures, which the directors have established in respect of internal control are as follows;

- reporting of financial information to Group finance. Treasury management monitors the results throughout the financial year.
- significant emphasis on cash flow management. Bank balances and liquidity are reviewed on a daily basis.
- reporting to Group finance, the Board and/or the Group's Committees on specific matters including treasury management and interest exposure.

Any control weaknesses that these procedures identify are monitored and addressed in the normal course of business. No control weaknesses that are significant to the Company have been identified in the year ended 31 December 2023.

### Indemnities

To the extent permitted by law and the Articles, the Company has made qualifying third-party indemnity provisions for the benefit of its directors during the year, which remain in force at the date of this report. Copies of these indemnities are open for inspection at the Company's registered office.

### Independent Auditors

Resolutions to authorise the Board to re-appoint and determine the remuneration of PricewaterhouseCoopers LLP will be proposed at the Company's AGM on 01 March 2024.

Approved by the Board of Directors on 01 March 2024 and signed on its behalf by:



Joanne Wilson  
Director  
01 March 2024

## Anglo American Capital plc

### Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Report and Financial Statements for the year ended 31 December 2023 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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 financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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 enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the company's financial statements published on the ultimate parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Directors' confirmations

Each of the directors, whose names and functions are listed in the Directors' report confirm that, to the best of their knowledge:

- the Company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities, financial position, and profit of the company; and
- the Strategic report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that it faces.

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.



Joanne Wilson  
Director  
01 March 2024



# Independent auditors' report to the members of Anglo American Capital plc

## Report on the audit of the financial statements

### Opinion

In our opinion, Anglo American Capital plc's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", 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 Report and Financial Statements (the "Annual Report"), which comprise: the Balance sheet as at 31 December 2023; the Income statement and the Statement of changes in equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the directors.

### 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 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, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in note 3 to the financial statements, we have provided no non-audit services to the Company in the period under audit.

### Our audit approach

#### Overview

Audit scope

- The Company's principal activity is to conduct financing activities for the Anglo American Group (the "Group" which consists of Anglo American plc and its subsidiaries). Our detailed audit procedures are tailored to test material financial statement line items, together with the relevant financial statement disclosures.

Key audit matters

- Recognition and reversal of expected credit losses on amounts due from fellow Group undertakings.

Materiality

- Overall materiality: US\$315 million (2022: US\$65 million) based on approximately 1% of total assets (2022: based on 1% of net assets).
- Performance materiality: US\$235 million (2022: US\$49 million).

### The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

### Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matter below is consistent with last year.

Key audit matter	How our audit addressed the key audit matter
<p><i>Recognition and reversal of expected credit losses on amounts due from fellow Group undertakings.</i></p> <p>As a financing company, the Company participates in the financing arrangements of the Anglo American Group of companies. At 31 December 2023, the Company had gross amounts due from fellow Group companies of US\$28,738 million (2022: US\$33,845 million). The Company is exposed to credit risk should a Group undertaking not be able to service its debt obligations when they fall due. At 31 December 2023, the Company's expected credit loss increased by US\$459 million from US\$455 million to US\$914 million.</p> <p>In accordance with IFRS 9, management is required to assess the allowance for the Company's expected credit losses ('ECL') on financial assets through the use of the impairment requirements set forth in the standard. At each reporting date, the Company must recognise the amount of expected credit loss (or reversal) to adjust the loss allowance provision calculated. To determine the ECL, the consideration of default and probability of default is critical, as they impact the measurement period of the loss (whether it is twelve months, or the lifetime of the financial asset) and can be an indication of significant change in credit risk. There is judgement in determining whether a borrower has insufficient liquid assets to repay a loan on demand, in part or in full. As part of this assessment, management must determine the recoverable amount of each receivable based on an assessment of the financial position of the respective Group undertaking, consideration of past evidence of default and future company-specific and wider macroeconomic factors. Refer to notes 1, 5 and 8 of the financial statements.</p>	<p>We performed the following procedures to evaluate the ECL recorded against the Company's receivables from other Group companies:</p> <ul style="list-style-type: none"><li>- we understood and evaluated management's processes and controls in respect of identifying and assessing indicators of impairment and impairment reversal related to receivables from fellow Group undertakings;</li><li>- we evaluated and challenged management's assessment and judgements in respect of impairment and impairment reversal indicators, including ensuring consideration of events and conditions across the Group, such as whether broader non-financial asset impairments recorded in the Group financial statements had been considered in management's analysis and conclusions;</li><li>- we challenged management's assessment as to whether the counterparty had sufficient liquid net assets or the ability to repay the loan on demand and therefore if a loss allowance was required and the level of the allowance;</li><li>- where management had identified indicators of a change in credit risk, we examined and evaluated management's calculation of any associated credit loss; and</li><li>- where no indicators of a change in credit risk were identified, we reviewed management's expected credit loss assessment and assessed its appropriateness in the context of the broader Group and the expected manner of recovery and recovery period of the intercompany loan.</li></ul> <p>Based on the procedures performed, we noted no material issues arising from our work.</p>

### How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which it operates.

As part of designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we considered where the directors had made subjective accounting judgements and estimates.

### The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the Company's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. As the Company is the financing entity for the Anglo American Group, we considered the process undertaken by

management to assess the extent of the potential impact of climate change risks on the Group. Management has concluded that, for the Company, the financial statement area most impacted is intercompany receivables. In particular, this relates to the level of expected credit loss to be recorded against intercompany receivables, taking into account the potential impact of climate change risks on the ability of fellow Group companies to repay these balances.

### Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

<i>Overall company materiality</i>	US\$315 million (2022: US\$65 million).
<i>How we determined it</i>	Approximately 1% of total assets
<i>Rationale for benchmark applied</i>	We considered the nature of the business and activities of the Company (being a financing company participating in the financing arrangements of the Anglo American Group of companies) and determined that total assets is the most appropriate basis for the calculation of overall materiality. In the previous year we had concluded that net assets would be an appropriate benchmark but we have changed our assessment this year to what we believe is a more appropriate measure.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2022: 75%) of overall materiality, amounting to US\$235 million (2022: US\$49 million) for the Company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the directors that we would report to them misstatements identified during our audit above US\$16 million (2022: US\$3 million) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

### Conclusions relating to going concern

Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- As the Company is the financing entity for the Anglo American Group, the Company's ability to continue as a going concern is assessed in conjunction with the Group. We therefore assessed the appropriateness of this and evaluated the directors' assessment;
- We evaluated the base case forecast and downside scenario, including how the impact of operational disruption and the macroeconomic environment had been incorporated, and checked that the budget, which is subject to board review and approval, aligns with the approved Anglo American plc budget;
- We considered and validated the Company's available financing and debt maturity profile to assess management's forecast liquidity throughout the going concern period;
- We performed our own independent sensitivity analysis to understand the impact of changes in cash flow and net debt on the resources available to the Company;
- We assessed the reasonableness of planned or potential mitigation actions including obtaining and evaluating the letter of support provided by Anglo American plc; and
- We reviewed the disclosures included within the financial statements.

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 Company's ability to continue as a going concern for a period of at least twelve months from the financial statements authorisation date.

In auditing the financial statements, we have concluded that the directors' 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 Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors 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 directors 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.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

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.

### **Strategic report and Directors' report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

### **Responsibilities for the financial statements and the audit**

#### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors 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 directors 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 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.

#### **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 Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax regulations and the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. 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 and management bias included within significant accounting judgements and estimates. Audit procedures performed by the engagement team included:

- Understanding and evaluating the design and implementation of controls designed to prevent and detect irregularities and fraud;
- Inquiry of management, Internal Audit and the Company's legal advisors regarding their consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and

- Challenging assumptions and judgements made by management in respect of significant accounting judgements and estimates, and assessing these judgements and estimates for management bias.

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 the 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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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](http://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 Company'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 by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' 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.

#### Appointment

We were appointed by the directors on 27 February 2020 to audit the financial statements for the year ended 31 December 2020 and subsequent financial periods. The period of total uninterrupted engagement is four years, covering the years ended 31 December 2020 to 31 December 2023.



Alex Lazarus (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
1 March 2024

**Anglo American Capital plc**  
Company Registration No. 04658814

**Income statement**

For the year ended 31 December 2023

<b>US\$'000</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
Administrative expenses		(4,799)	(4,775)
<b>Operating loss</b>	<b>3</b>	<b>(4,799)</b>	<b>(4,775)</b>
Finance income	4	2,717,729	1,513,616
Finance expense	4	(1,911,658)	(947,078)
Net impairment (loss) / gain on financial assets	5	(458,675)	594,839
<b>Profit before taxation</b>		<b>342,597</b>	<b>1,156,602</b>
Tax on profit	6	(7,076)	(1,166)
<b>Profit for the financial year</b>		<b>335,521</b>	<b>1,155,436</b>

All results derive from continuing operations.

There are no recognised gains and losses for the year other than the gain shown above. Therefore, no separate Statement of comprehensive income has been presented.

**Anglo American Capital plc**  
Company Registration No. 04658814

**Balance sheet**

At 31 December 2023

US\$'000	Note(s)	2023	(Restated) <sup>(1)</sup> 2022
<b>Current assets</b>			
Derivative financial assets – due after more than one year	9,10	234,081	48,864
Derivative financial assets – due within one year	9,10	8,845	29,049
Receivables – due after more than one year	8	1,593,456	1,251,411
Receivables – due within one year	8	26,685,779	32,154,398
Cash and cash equivalents	10	3,124,564	4,414,205
		<b>31,646,725</b>	<b>37,897,927</b>
<b>Creditors: amounts falling due within one year</b>			
Derivative financial liabilities	9,10	(33,275)	(241,643)
Short-term borrowings	10	(13,070,918)	(20,972,166)
Other creditors		(7,754)	(6,519)
		<b>(13,111,947)</b>	<b>(21,220,328)</b>
<b>Net current assets</b>			
		<b>18,534,778</b>	<b>16,677,599</b>
<b>Total assets less current liabilities</b>			
		<b>18,534,778</b>	<b>16,677,599</b>
<b>Creditors: amounts falling due after more than one year</b>			
Derivative financial liabilities	9,10	(647,639)	(887,070)
Medium and long-term borrowings	10	(10,982,022)	(9,220,933)
		(11,629,661)	(10,108,003)
<b>Net assets</b>			
		<b>6,905,117</b>	<b>6,569,596</b>
<b>Capital and reserves</b>			
Called-up share capital	13	6	6
Share premium account		4,519,995	4,519,995
Capital contribution		1,000	1,000
Retained earnings		2,384,116	2,048,595
<b>Total shareholders' funds</b>			
		<b>6,905,117</b>	<b>6,569,596</b>

<sup>(1)</sup> Refer to note 1.

The financial statements of Anglo American Capital plc on pages 12-37 were approved by the Board of Directors and authorised for issue on 01 March 2024. They were signed on its behalf by:



Joanne Wilson  
Director

**Anglo American Capital plc**  
Company Registration No. 04658814

**Statement of changes in equity**

For the year ended 31 December 2023

<b>US\$'000</b>	<b>Called up share capital</b>	<b>Share premium</b>	<b>Capital contribution</b>	<b>Retained earnings</b>	<b>Total</b>
<b>Balance at 1 January 2022</b>	<b>6</b>	<b>4,519,995</b>	<b>1,000</b>	<b>893,159</b>	<b>5,414,160</b>
Profit for the year	-	-	-	1,155,436	1,155,436
<b>Balance at 31 December 2022</b>	<b>6</b>	<b>4,519,995</b>	<b>1,000</b>	<b>2,048,595</b>	<b>6,569,596</b>
Profit for the year	-	-	-	335,521	335,521
<b>Balance at 31 December 2023</b>	<b>6</b>	<b>4,519,995</b>	<b>1,000</b>	<b>2,384,116</b>	<b>6,905,117</b>



# Anglo American Capital plc

## Notes to the financial statements

For the year ended 31 December 2023

### 1. Accounting policies

The principal accounting policies are summarised below.

#### Basis of accounting

Anglo American Capital plc is a public company, limited by shares and a wholly-owned subsidiary of Anglo American plc. The Company is incorporated and domiciled in the United Kingdom and registered in England and Wales under the Companies Act 2006. The address of the registered office is given on page 1 of the Report of Financial statements. The nature of the Company's operations and its principal activities are set out in the Strategic report on page 2.

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council (FRC). These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the Companies Act 2006.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to the presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, presentation of third balance sheet, standards not yet effective and related party transactions. Where required, equivalent disclosures are given in the consolidated financial statements of Anglo American plc. The consolidated financial statements of Anglo American plc are available to the public and can be obtained as set out in note 15.

#### Changes in accounting policies and disclosures

The accounting policies applied are consistent with those adopted and disclosed in the financial statements for the year ended 31 December 2022.

#### Restatement of comparative balance sheet

Amounts due from fellow Group companies of \$1.3 billion which was previously presented as Receivables – due within one year as at 31 December 2022, have been reclassified to Receivables – due after more than one year in the comparatives based on the contractual terms of the agreement. There is no impact on the income statement or statement of changes in equity as a result of this restatement. In accordance with FRS 101, the Company has taken advantage of the disclosure exemption available under that standard and has not disclosed a restated balance sheet as at 1 January 2022.

#### Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future for the period of at least 12 months from the date of approval of the financial statements. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The Company's ability to continue as a going concern is assessed in conjunction with the Group, as its viability is dependent on the ability of other Group companies to settle their intercompany balances. The directors have considered the Group's cash flow forecasts for the period to the end of December 2025 under base and downside scenarios with reference to the Group's principal risks as set out within the Group Viability Statement on pages 79 and 80 of the Group's Integrated Annual Report. In the downside scenario modelled (including pricing and production downsides, alongside a significant operational incident), the Company maintains sufficient liquidity throughout the period of assessment without the use of mitigating actions.

The directors have also received support from the ultimate parent entity for use to the extent that it is necessary including but not limited to not seeking repayment of amounts advanced to the Company by the Parent and/or subsidiaries of the Anglo American Group unless alternative financing has been secured by the Company. This support will remain in place for the foreseeable future, at least 12 months from the date of approval of the financial statements. For this reason the Company continues to adopt the going concern basis in preparing its financial statements.

# Anglo American Capital plc

## Notes to the financial statements

For the year ended 31 December 2023

### 1. Accounting policies (continued)

#### Preference shares

Under IAS 32 "Financial Instruments: Presentation", where the terms of issuance require the issuer to redeem preference shares for a fixed or determinable amount at a fixed or determinable future date, or where the holder has the option of redemption, these shares are classified as liabilities and the dividends paid on these shares classified as a finance cost. When preference shares are non-redeemable, the appropriate classification is determined by the other rights that attach to them which are not at the discretion of the directors. The Company's preference shares entitle the holders to a fixed cumulative dividend of 3% per annum and these shares are, therefore, considered financial liabilities.

#### Foreign currency

The Company reports in US dollars, the currency in which its business is primarily conducted (US dollar functional currency). Transactions in currencies other than the functional currency during the year have been translated and included in the financial statements at the rates of exchange prevailing at the time those transactions were executed. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date have been translated at the rates of exchange prevailing at that date. Gains and losses arising on retranslation are included in the income statement for the period and are classified in the income statement according to the nature of the monetary item giving rise to them. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

#### Taxation

Current tax, including UK Corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date. The current tax payable is based on taxable profit for the year. Taxable profit differs from profit on ordinary activities before taxation as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

# Anglo American Capital plc

## Notes to the financial statements

For the year ended 31 December 2023

### 1. Accounting policies (continued)

#### Derivative financial instruments and hedge accounting

In order to hedge exposure to foreign exchange and interest rate risk for economic and fair value hedge relationships respectively, the Company enters into forward and swap contracts. The Company does not use derivative financial instruments for speculative purposes.

All derivatives are held at fair value through profit and loss in the balance sheet within 'Derivative financial assets' or 'Derivative financial liabilities'. Derivatives are classified as due within one year or due after more than one year depending on the contractual maturity of the derivative.

For an effective hedge of an exposure to changes in fair value, the hedged item is adjusted for changes in fair value attributable to the risk being hedged. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

The Company uses hedging instruments including interest rate swaps that have similar critical terms to the related debt instruments, such as payment dates, maturities and notional amounts. As all critical terms matched during the year, there was no material hedge ineffectiveness. The Company also uses cross currency swaps to manage foreign exchange risk associated with borrowings denominated in foreign currencies. These are not designated in an accounting hedge as there is a natural offset against foreign exchange movements on associated borrowings.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised, revoked, or no longer qualifies for hedge accounting.

Changes in the fair value of any derivative instruments that are not designated in a hedge relationship are recognised immediately in the income statement. All designated derivative instruments are in a fair value hedge relationship where changes in fair value of the derivatives are offset by changes in the fair value of the hedged item in the income statement.

#### Interest rate benchmark reform: amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments

The Company uses interest rate derivatives to swap the majority of its Euro, Sterling and US dollar bonds from fixed interest rates to floating interest rates. Any non-USD interest rate derivatives are swapped to USD SOFR using cross currency interest rate swaps which are not designated in accounting hedge relationships. The interest rate derivatives are designated into fair value hedges.

The Company transitioned all remaining trades referenced to the USD LIBOR rate to incorporate alternative risk-free rates with the principal benchmarks used being EURIBOR, SONIA, and SOFR. Refer to note 10 for an overview of the financial instruments transitioned to alternative benchmark risk-free rates.

Intercompany receivables and borrowings are contracted to a relevant market rate. The transition to SONIA and SOFR, depending on terms, has been completed during the year.

Refer to note 10 for a list of the Company's Euro, Sterling and US dollar bonds which in turn reflects the nominal amount of the hedging instruments for those bonds which have been hedged.

# Anglo American Capital plc

## Notes to the financial statements

For the year ended 31 December 2023

### 1. Accounting policies (continued)

#### Borrowings

Interest bearing borrowings and overdrafts are initially recognised at fair value, net of directly attributable transaction costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs are recognised in the income statement using the effective interest method. They are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Where interest or principal payments are linked to non-financial ESG targets, the best estimate of the future payment is included in the calculation of the effective interest rate at inception. If this best estimate changes in subsequent periods, the carrying value of the borrowing is adjusted to reflect the revised forecast, discounted using the effective interest rate determined at inception and any resulting gain or loss is recognised in the income statement.

#### Finance income and expense

Interest is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash flow through the expected life of the financial instruments to the initial carrying amount.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, together with short-term, highly liquid investments that are readily convertible to a known amount of cash and that are subject to an insignificant risk of changes in value. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet. Cash and cash equivalents are measured at amortised cost except for highly liquid money market fund investments which are held at fair value through profit and loss as they are redeemed through the sale of units in the funds and not solely through the recovery of principal and interest.

#### Financial assets and liabilities

Financial assets and liabilities are classified into the following measurement categories: receivables at amortised cost, debt (liabilities) at amortised cost, debt instruments at amortised cost fair valued for interest rate risks and derivatives at fair value through profit and loss. Financial assets are classified as at amortised cost only if the asset is held within a business model whose objective is to collect the contractual cash flows and the contractual terms of the asset give rise to cash flows that are solely payments of principal and interest.

At subsequent reporting dates, financial assets at amortised cost are measured at amortised cost less any loss allowances. The Company monitors all financial assets that are subject to loss allowance requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Company will measure the loss allowance based on lifetime rather than 12-month probability of default (PD). The Company has adopted the practical expedient that any financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Company computes the risk of a default occurring on the financial instrument at the reporting date based on the repayment terms of the instrument, changes in the country risk premium and any other factors which may indicate an increased probability of default.

# Anglo American Capital plc

## Notes to the financial statements

For the year ended 31 December 2023

### 1. Accounting policies (continued)

#### Critical accounting judgements and key sources of estimation uncertainty

In the course of preparing the financial statements, management necessarily makes judgements and estimates that can have a significant impact on the financial statements. The critical judgements and key sources of estimation uncertainty that affect the results for the year ended 31 December 2023 are set out below.

#### Loss allowance for financial assets (including receivables)

The Company recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost. 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 applies the expected credit loss model to assess any loss allowances on financial assets. The expected credit losses (ECL) on receivables are estimated by reference to past default experience and credit rating, adjusted for current observable data and forecasts of future economic conditions.

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and whether the loss allowance is based on 12 month or lifetime ECL. Default is a component of the probability of default (PD) which affects both the measurement of ECL and the indication of a significant increase in credit risk.

Judgement is therefore required to determine whether the borrower has insufficient liquid assets to repay the loan on demand either in part or in full and whether this constitutes an event of default.

Climate change may have various impacts on the Company. In respect of the Company, the Company has considered the climate risk assessment performed at the Group level and concluded that the financial statement area most impacted is intercompany receivables, in particular the level of expected credit loss to be recorded against the relevant intercompany receivables. The Company has considered climate-related risks and opportunities identified in the Group risk assessment when estimating the expected credit loss.

Financial assets measured at amortised cost include amounts due from Group companies (refer to note 8) of \$29 billion (2022: \$34 billion). Within this, amounts considered to have low credit risk totalled \$27 billion (2022: \$32 billion). A stage 1 ECL assessment was performed (being the 12 month ECL) which resulted in a loss of \$40 million (2022: \$29 million), which has been reflected in the balance sheet. If the probability of default used to calculate the ECL on stage 1 loans was increased by 10% this would result in an additional \$4 million (2022: \$3 million) loss.

In addition to the stage 1 ECL, a \$447 million stage 3 ECL (2022: \$11 million) was recognised as a result of borrowers not having sufficient liquid assets to repay their respective loans on demand. The majority of the stage 3 ECL allowance recognised in the year relates to the impairment of one intercompany loan which the borrower is not expected to be able to repay on demand. There was \$nil (2022: \$619 million) reversal of prior year loss allowance (refer to note 5).

#### Reporting currency

The Company reports in US dollars, the currency in which its business is primarily conducted (The Company has a US dollar functional currency).

#### Segmental reporting

The Company operates in one business sector and generates all income in the United Kingdom and there are no separate segments. The Board is the Company's chief operating decision maker (CODM) and regularly evaluate the Company's operations.

# Anglo American Capital plc

## Notes to the financial statements

For the year ended 31 December 2023

### 2. Information regarding directors and employees

The Company has no employees (2022: none). No directors received any remuneration for their services to the Company (2022: \$nil). All directors' remuneration was borne by another Group company, Anglo American Services (UK) Ltd. The directors do not believe it is practicable to apportion their total remuneration between their services as the directors of the Company and as directors of fellow Group companies.

### 3. Operating loss

Operating loss is stated after charging:

US\$'000	2023	2022
Management fees	(4,799)	(4,775)

Management fees for the year relates to recharges from another Group company, Anglo American Services (UK) Ltd.

The Company's audit fee totalling \$230,000 (2022: \$218,000) is borne by another Group company, Anglo American Services (UK) Ltd, and is not recharged to the entity.

Non-audit fees amount of \$287,000 (2022: \$274,000) in relation to other assurance services are borne by another Group company, Anglo American Services (UK) Ltd, and are not recharged to the entity.

### 4. Finance income/expense

US\$'000	2023	2022
<b>Finance income</b>		
Interest income on cash and cash equivalents	181,363	70,584
Interest income from Group companies		
Anglo American plc	154,567	23,357
Other Group companies	2,381,799	1,383,736
Net foreign exchange gains	-	19,238
Net fair value gains on derivatives and other movements	-	16,701
<b>Finance income</b>	<b>2,717,729</b>	<b>1,513,616</b>
<b>Finance expense</b>		
Interest and other finance expense	(869,875)	(442,014)
Interest expense for Group companies		
Anglo American plc	(2)	(2)
Other Group companies	(1,003,769)	(505,062)
Net foreign exchange losses	(6,836)	-
Net fair value losses on derivatives and other movements	(31,176)	-
<b>Finance expense</b>	<b>(1,911,658)</b>	<b>(947,078)</b>
<b>Net finance income</b>	<b>806,071</b>	<b>566,538</b>

Interest income from Group companies on financial assets at amortised cost is \$2,536 million (2022: \$1,407 million) and interest expense for Group companies on financial liabilities at amortised cost is \$1,004 million (2022: \$505 million). Interest income on cash and cash equivalents in 2023 includes \$181 million (2022: \$71 million) in respect of financial assets carried/recognised at fair value through profit and loss. The increase in interest income on cash and cash equivalents is mainly driven by an increase in interest rates on liquid money market fund investments.

# Anglo American Capital plc

## Notes to the financial statements

For the year ended 31 December 2023

### 5. Net impairment (loss) / gain on financial assets

The loss allowance for loans to other Group Companies at 31 December 2023 reconciles to the opening loss allowance for that provision as follows:

US\$'000	Stage 1 ECL	Stage 3 ECL	Total
Accumulated loss allowance at 1 January 2022	(15,486)	(1,034,549)	<b>(1,050,035)</b>
Impairment loss recognised in the income statement	(13,297)	(10,707)	<b>(24,004)</b>
Reversal of previous impairment losses	-	618,843	<b>618,843</b>
<b>Accumulated loss allowance at 31 December 2022</b>	<b>(28,783)</b>	<b>(426,413)</b>	<b>(455,196)</b>
Impairment loss recognised in the income statement	(11,232)	(447,443)	<b>(458,675)</b>
<b>Accumulated loss allowance at 31 December 2023</b>	<b>(40,015)</b>	<b>(873,856)</b>	<b>(913,871)</b>

As one of the Group's main financing entities, the Company provides funding to a large number of other Group companies. Assets of the Company are comprised of loans receivable from Group companies, highly liquid investments in liquidity funds and US Treasury funds (Cash and cash equivalents) and derivative positions (Other financial assets) at 31 December 2023. For the loan receivables from Group companies a review has been conducted to assess the borrower's ability to repay the debts due at 31 December 2023. The majority of the stage 3 ECL allowance recognised in the year relates to the impairment of one intercompany loan which the borrower is not expected to be able to repay on demand.

# Anglo American Capital plc

## Notes to the financial statements

For the year ended 31 December 2023

### 6. Tax on profit

#### 6(a). Tax charge on profit on ordinary activities

US\$'000	2023	2022
Current and Deferred tax		
Current tax charge on profit for the year	(7,076)	(1,166)
Deferred tax credit for the year	-	-
<b>Total tax charge on profit</b>	<b>(7,076)</b>	<b>(1,166)</b>

#### 6(b). Factors affecting tax charge for year

US\$'000	2023	2022
Profit before tax	342,597	1,156,602
Estimated amount of tax (calculated at standard rate of corporation tax in the UK of 23.52% (2022: 19.00%))	(80,581)	(219,754)
Effects of:		
Adjustments in respect of prior year	69	-
Expenses not deductible for tax purposes	(107,883)	-
Income not taxable	-	113,019
Transfer pricing adjustments	202	(552)
Effects of overseas tax rates	(69)	-
Group and other relief received for nil consideration	181,186	106,121
<b>Total tax charge for the year</b>	<b>(7,076)</b>	<b>(1,166)</b>

The Finance Act 2021 included measures to increase the standard rate of UK corporation tax to 25% with effect from 1 April 2023. The Finance Act 2021 was enacted in June 2021 and accordingly, this rate is applicable to the measurements of deferred tax balances at 31 December 2023.



# Anglo American Capital plc

## Notes to the financial statements

For the year ended 31 December 2023

### 7. Dividends

US\$'000	2023	2022
Dividends paid on equity capital	-	-

In 2023, the Company paid no dividends throughout the year.

### 8. Receivables

		(Restated) <sup>(1)</sup>
US\$'000	2023	2022
<b>Receivables – due within one year</b>		
Amounts due from fellow Group companies – due within one year	27,599,650	32,593,512 <sup>(1)</sup>
Accumulated loss allowance	(913,871)	(455,196)
Net receivable from Group companies	26,685,779	32,138,316
Interest receivable	-	16,082
<b>Total receivables – due within one year</b>	<b>26,685,779</b>	<b>32,154,398</b>
<b>Receivables – due after more than one year</b>		
Amounts due from fellow Group companies – due after more than one year	1,593,456	1,251,411
<b>Total receivables – due after more than one year</b>	<b>1,593,456</b>	<b>1,251,411</b>
<b>Total receivables</b>	<b>28,279,235</b>	<b>33,405,809</b>

<sup>(1)</sup> Refer to note 1.

Amounts due from fellow Group companies are unsecured and are entitled to a relevant market interest rate plus a margin calculated based on the credit rating of the counterparty and the terms of the current account or loan.

# Anglo American Capital plc

## Notes to the financial statements

For the year ended 31 December 2023

### 9. Derivative financial assets/(liabilities)

The Company utilises derivative instruments to manage certain market risk exposures. However, it may choose not to designate certain derivatives as hedges for accounting purposes. Such derivatives are classified as 'Derivatives not designated in hedge relationships and fair value movements are recorded in the income statement. The use of derivative instruments is subject to limits and the positions are regularly monitored and reported to senior management.

#### Fair value hedges

Interest rate swaps taken out to swap the majority of the Company's fixed rate borrowings to floating rate (in accordance with the Group's policy) have been designated into accounting fair value hedge relationships. The carrying value of the hedged debt is adjusted at each balance sheet date to reflect the impact on its fair value of changes in market interest rates. At 31 December 2023, this adjustment decreased the carrying value of borrowings by \$508 million (2022: \$787 million decrease). Changes in the fair value of the hedged debt are offset against the changes in the fair value of the interest rate swaps and recognised in the income statement. For the period ended 31 December 2023, a fair value loss on hedged items of \$279 million (2022: \$893 million gain) is offset by a fair value gain on hedging instruments of \$274 million (2022: \$906 million loss).

#### Derivatives not designated in hedge relationships

The Company has the option not to designate certain derivatives as hedges. This may occur where the Company is economically hedged but IFRS 9 hedge accounting cannot be achieved or where gains and losses on both the derivative and hedged item naturally offset in the income statement, as is the case for the cross currency swaps of non-US dollar debt. A fair value gain of \$149 million (2022: \$117 million loss) in respect of these cross currency swaps has been recognised in the income statement and is presented net of foreign exchange loss on the related borrowings of \$149 million (2022: \$122 million gain). The prior year amounts were re-presented to exclude the realised fair value gain/loss on matured cross currency interest rate swaps and the realised foreign exchange gain/loss on any matured borrowings, respectively.

#### Accounting policies

Refer to note 1 for the Company's accounting policies on derivative financial instruments and hedge accounting.

# Anglo American Capital plc

## Notes to the financial statements

For the year ended 31 December 2023

### 9. Derivative financial assets/liabilities (continued)

The fair values of the open derivative are as follows:

US\$'000	Asset 2023	Liability 2023	Asset 2022	Liability 2022
<b>Falling due within one year</b>				
Fair value hedge <sup>(1)</sup>				
Interest rate swaps	-	(10,757)	12,256	-
Derivatives not designated in hedge relationships <sup>(2)</sup>				
Cross currency swaps	-	-	-	(237,678)
Foreign currency forwards	8,845	(22,518)	16,793	(3,965)
<b>Total derivatives falling due within one year</b>	<b>8,845</b>	<b>(33,275)</b>	<b>29,049</b>	<b>(241,643)</b>
<b>Falling due after more than one year</b>				
Fair value hedge <sup>(1)</sup>				
Interest rate swaps	115,233	(557,943)	-	(737,445)
Derivatives not designated in hedge relationships <sup>(2)</sup>				
Cross currency swaps <sup>(3)</sup>	118,848	(89,696)	48,864	(149,625)
<b>Total derivatives falling due after more than one year</b>	<b>234,081</b>	<b>(647,639)</b>	<b>48,864</b>	<b>(887,070)</b>

<sup>(1)</sup> Recognised in the income statement is a loss on fair value hedged items of \$279 million (2022: \$893 million gain), offset by a gain on fair value hedging instruments of \$274 million (2022: \$906 million loss).

<sup>(2)</sup> Recognised in the income statement is a net loss on derivatives hedging net debt and fair value and currency movements on the related borrowings of \$31 million (2022: \$17 million loss) (refer to note 4).

<sup>(3)</sup> Included within the fair value of the derivative assets and liabilities above are the credit and debit valuation adjustments recorded to reflect in the fair value of financial assets and liabilities, the effect of the Company's counterparty's credit quality and the Group's credit quality respectively based on observed credit spreads. These adjustments are calculated in total for each counterparty based on the net expected exposure. In many cases this includes exposures on a number of different types of derivative instruments. At 31 December 2023 the debit valuation adjustment was a \$3 million gain (2022: \$29 million gain) which is reflected in the income statement. A \$26 million loss (2022: \$24m gain) was recognised in the income statement for the period ended 31 December 2023.

# Anglo American Capital plc

## Notes to the financial statements

For the year ended 31 December 2023

### 10. Financial Instruments

#### Overview

For financial assets and liabilities which are traded on an active market, fair value is determined by reference to market value. For non-traded financial assets and liabilities, the fair value is calculated using discounted cash flows, considered to be reasonable and consistent with those that would be used by a market participant, and based on observable market data where available (for example forward exchange or interest rate curve), unless carrying value is considered to approximate fair value. The Company has transitioned to alternative interest risk-free rates in the year as a result of interest rate benchmark reform.

The values of financial instruments for the year ended 31 December 2023 are as follows:

US\$'000	At fair value through profit and loss	Financial assets at amortised cost	Designated into hedges	Financial liabilities at amortised cost	Total
<b>Financial assets</b>					
Derivative financial assets	127,693	-	115,233	-	242,926
Receivables	-	28,279,235	-	-	28,279,235
Cash and cash equivalents	3,016,252	108,312	-	-	3,124,564
	<b>3,143,945</b>	<b>28,387,547</b>	<b>115,233</b>	<b>-</b>	<b>31,646,725</b>
<b>Financial liabilities</b>					
Derivative financial liabilities	(112,214)	-	(568,700)	-	(680,914)
Borrowings	-	-	(11,509,027)	(12,543,913)	(24,052,940)
Other creditors	-	-	-	(7,754)	(7,754)
	<b>(112,214)</b>	<b>-</b>	<b>(12,077,727)</b>	<b>(12,551,667)</b>	<b>(24,741,608)</b>
Net financial assets/(liabilities)	<b>3,031,731</b>	<b>28,387,547</b>	<b>(11,962,494)</b>	<b>(12,551,667)</b>	<b>6,905,117</b>

# Anglo American Capital plc

## Notes to the financial statements

For the year ended 31 December 2023

### 10. Financial Instruments (continued)

The values of financial instruments for the year ended 31 December 2022 were as follows:

US\$'000	At fair value through profit and loss	Financial assets at amortised cost	Designated into hedges	Financial liabilities at amortised cost	Total	Not presently transitioned to alternative benchmark risk-free rate
<b>Financial assets</b>						
Derivative financial assets	65,657	-	12,256	-	77,913	-
Receivables	16,082	33,389,727	-	-	33,405,809	33,405,809 <sup>(2)</sup>
Cash and cash equivalents	4,329,715	84,490	-	-	4,414,205	-
	<b>4,411,454</b>	<b>33,474,217</b>	<b>12,256</b>	<b>-</b>	<b>37,897,927</b>	<b>33,405,809</b>
<b>Financial liabilities</b>						
Derivative financial liabilities	(391,268)	-	(737,445)	-	(1,128,713)	(904,648) <sup>(1)</sup>
Borrowings	-	-	(8,681,856)	(21,511,243)	(30,193,099)	(20,037,459) <sup>(3)</sup>
Other creditors	-	-	-	(6,519)	(6,519)	-
	<b>(391,268)</b>	<b>-</b>	<b>(9,419,301)</b>	<b>(21,517,762)</b>	<b>(31,328,331)</b>	<b>(20,942,107)</b>
Net financial assets/(liabilities)	<b>4,020,186</b>	<b>33,474,217</b>	<b>(9,407,045)</b>	<b>(21,517,762)</b>	<b>6,569,596</b>	<b>12,463,702</b>

<sup>(1)</sup> The Company is continuing its transition of the derivatives portfolio that are referenced to USD LIBOR to incorporate alternative risk-free rates

<sup>(2)</sup> The Receivables amount not presently transitioned to alternative benchmark risk-free rate relates principally to intercompany loans referenced to USD LIBOR and includes an amount of £434 million (\$526 million USD equivalent) referenced to synthetic GBP LIBOR.

<sup>(3)</sup> The Borrowings amount not presently transitioned to alternative benchmark risk-free rate excludes bonds held at fixed rate of \$1,434 million, and relates principally to intercompany loans referenced to USD LIBOR and includes an amount of £3 million (\$3 million USD equivalent) referenced to synthetic GBP LIBOR.

In 2023 the Company completed the transition of its financial derivatives benchmarked from USD LIBOR to SOFR alternative risk-free rates.

Cash and cash equivalents includes cash held in the Company's bank accounts and cash equivalents held in short-term liquidity and Treasury funds. These funds are selected to ensure compliance with the minimum credit rating requirements and counterparty exposure limits set out in the Company's Treasury policy.

# Anglo American Capital plc

## Notes to the financial statements

For the year ended 31 December 2023

### 10. Financial Instruments (continued)

The Company borrows mostly in the capital markets through bonds issued in the US markets and under the Euro Medium Term Note (EMTN) programme. The Company uses interest rate and cross currency swaps to ensure that the majority of the Company's borrowings are exposed to floating rate US dollar interest rates. The bonds and other borrowings outstanding for the year ended 31 December 2023 are as follows:

US\$'000	Short term borrowings	Medium and Long term borrowings	Total borrowings	Contractual repayments at hedged rates
Bonds issued under EMTN Programme				
1.625% €600m bond due September 2025	-	636,776	636,776	713,760
1.625% €500m bond due March 2026	-	523,420	523,420	565,750
4.5% €500m bond due Sep 2028	-	570,040	570,040	528,300
3.375% £300m bond due March 2029	-	340,603	340,603	394,680
5.0% €500m bond due March 2031	-	577,122	577,122	528,460
4.75% €745m sustainability linked bond due September 2032	-	824,608	824,608	745,423
US Bonds				
3.625% \$650m bond due September 2024	634,691	-	634,691	650,000
5.375% \$193m bond due April 2025	-	192,589	192,589	192,777
4.875% \$339m bond due May 2025	-	327,155	327,155	338,744
4.75% \$700m bond due April 2027	-	664,295	664,295	700,000
4% \$650m bond due September 2027	-	608,578	608,578	650,000
2.25% \$500m bond due March 2028	-	447,588	447,588	500,000
4.5% \$650m bond due March 2028	-	622,212	622,212	650,000
3.875% \$500m bond due March 2029	-	463,531	463,531	500,000
5.625% \$750m bond due April 2030	-	753,342	753,342	750,000
2.625% \$1bn bond due September 2030	-	810,858	810,858	1,000,000
2.875% \$500m bond due March 2031	-	430,400	430,400	500,000
5.5% \$900m bond due May 2033	-	875,185	875,185	900,000
3.95% \$500m bond due September 2050	-	498,947	498,947	500,000
4.75% \$750m bond due March 2052	-	748,694	748,694	750,000
Bank Sustainability linked loan	-	66,000	66,000	66,000
Interest payable	153,668	-	153,668	153,668
Borrowings from capital markets and loan	788,359	10,981,943	11,770,302	12,277,562
Borrowings from Group Companies	12,282,559	-	12,282,559	12,282,559
<b>Total Borrowings</b>	<b>13,070,918</b>	<b>10,981,943</b>	<b>24,052,861</b>	<b>24,560,121</b>

# Anglo American Capital plc

## Notes to the financial statements

For the year ended 31 December 2023

### 10. Financial Instruments (continued)

The bonds and other borrowings outstanding for the year ended 31 December 2022 were as follows:

US\$'000	Short term borrowings	Medium and Long term borrowings	Total borrowings	Contractual repayments at hedged rates
Bonds issued under EMTN Programme				
3.25% €750m bond due April 2023	800,081	-	800,081	1,032,900
1.625% €600m bond due September 2025	-	595,002	595,002	713,760
1.625% €500m bond due March 2026	-	485,042	485,042	565,750
3.375% £300m bond due March 2029	-	306,103	306,103	394,680
4.75% €745m sustainability linked bond due September 2032	-	749,228	749,228	745,423
US Bonds				
3.625% \$650m bond due September 2024	-	618,523	618,523	650,000
5.375% \$193m bond due April 2025	-	192,438	192,438	192,777
4.875% \$339m bond due May 2025	-	319,987	319,987	338,744
4.75% \$700m bond due April 2027	-	650,865	650,865	700,000
4% \$650m bond due September 2027	-	594,979	594,979	650,000
2.25% \$500m bond due March 2028	-	433,178	433,178	500,000
4.5% \$650m bond due March 2028	-	612,212	612,212	650,000
3.875% \$500m bond due March 2029	-	453,707	453,707	500,000
5.625% \$750m bond due April 2030	-	748,001	748,001	750,000
2.625% \$1bn bond due September 2030	-	780,445	780,445	1,000,000
2.875% \$500m bond due March 2031	-	419,027	419,027	500,000
3.95% \$500m bond due September 2050	-	490,022	490,022	500,000
4.75% \$750m bond due March 2052	-	732,174	732,174	750,000
Bank sustainability linked loan		40,000	40,000	40,000
Interest payable	134,626	-	134,626	134,626
Borrowings from capital markets and loan	934,707	9,220,933	10,155,640	11,308,660
Borrowings from Group Companies	20,037,459	-	20,037,459	20,037,459
<b>Total Borrowings</b>	<b>20,972,166</b>	<b>9,220,933</b>	<b>30,193,099</b>	<b>31,346,119</b>

# Anglo American Capital plc

## Notes to the financial statements

For the year ended 31 December 2023

### 10. Financial Instruments (continued)

Valuation techniques and assumptions applied for the purposes of measuring fair value.

The fair values of financial assets and financial liabilities are determined as follows:

- Cash equivalents held in short-term treasury and liquidity funds are classified as level 1 in the fair value hierarchy and are valued using unadjusted quoted prices in active markets for identical financial instruments.
- The fair values of derivative instruments are classified as level 2 in the fair value hierarchy and are valued using techniques based significantly on observable market data. Derivatives instruments are traded in an active market but the nature of the derivative contracts are unique and between two counterparties for which quoted prices are not continuously available.
- Borrowings designated in fair value hedges represent listed debt which is held at amortised cost, adjusted for the fair value of the hedged interest rate risk. The carrying value of these bonds at 31 December 2023 was \$11,509 million (2022: \$8,682 million) and the fair value of these borrowings is \$11,395 million (2022: \$8,846 million), which is measured using quoted indicative broker prices and consequently categorised as level 2 in the fair value hierarchy. The carrying value of the remaining borrowings at amortised cost includes bonds which are not designated into hedge relationships. The carrying value of these bonds at 31 December 2023 was \$195 million (2022: \$1,434 million) and the fair value is \$193 million (2022: \$1,209 million).

#### *Offsetting of financial assets and liabilities*

The Company offsets financial assets and liabilities and presents them on a net basis in the balance sheet only where there is a currently legally enforceable right to offset the recognised amounts, and the Company intends to either settle the recognised amounts on a net basis or to realise the asset and settle the liability simultaneously.

At 31 December 2023, no over-the-counter derivatives entered into by the Company and recognised at fair value through profit and loss meet the requirements of IAS 32 Financial Instruments: Presentation, and therefore there was no offsetting.

If certain credit events (such as default) were to occur additional derivative instruments would be settled on a net basis under International Swaps and Derivatives Association (ISDA) agreements. Interest rate and cross currency interest rate swaps in an asset position totalling \$243 million (2022: \$78 million) of which \$131 million (2022: \$78 million) would be offset against those in a liability position totalling \$681 million (2022: \$1,129 million). In addition, certain intercompany loans are also subject to netting arrangements in certain credit events. Intercompany balances in an asset position totalling \$1,627 million (2022: \$1,271 million) would be offset against those in liability position totalling \$1,908 million (2022: \$20,039 million). These are however presented on a gross basis in the balance sheet as the Company does not have a legally enforceable right to offset the amounts in the absence of a credit event occurring.



# Anglo American Capital plc

## Notes to the financial statements

For the year ended 31 December 2023

### 10. Financial Instruments (continued)

The following table shows the effect of offsetting in the balance sheet due to financial instruments subject to enforceable netting arrangements at 31 December 2023:

US\$'000	Note	Gross amount	Gross amount offset in the balance sheet	Net amount presented in the balance sheet	Amount subject to netting agreement	Net amount
<b>Financial assets</b>						
Derivative financial assets	11	242,926	-	242,926	(131,121)	111,805
Receivables	8	28,279,235	-	28,279,235	(1,627,158)	26,652,077
Cash and cash equivalents	11	3,124,564	-	3,124,564	-	3,124,564
		<b>31,646,725</b>	<b>-</b>	<b>31,646,725</b>	<b>(1,758,279)</b>	<b>29,888,446</b>
<b>Financial liabilities</b>						
Derivative financial liabilities	11	(680,914)	-	(680,914)	131,121	(549,793)
Borrowings	11	(24,052,940)	-	(24,052,940)	1,627,158	(22,425,782)
Other creditors		(7,754)	-	(7,754)	-	(7,754)
		<b>(24,741,608)</b>	<b>-</b>	<b>(24,741,608)</b>	<b>1,758,279</b>	<b>(22,983,329)</b>

The following table shows the effect of offsetting in the balance sheet due to financial instruments subject to enforceable netting arrangements at 31 December 2022:

US\$'000	Note	Gross amount	Gross amount offset in the balance sheet	Net amount presented in the balance sheet	Amount subject to netting agreement	Net amount
<b>Financial assets</b>						
Derivative financial assets	11	77,913	-	77,913	(77,913)	-
Receivables	8	33,405,809	-	33,405,809	(1,271,000)	32,134,809
Cash and cash equivalents	11	4,414,205	-	4,414,205	-	4,414,205
		<b>37,897,927</b>	<b>-</b>	<b>37,897,927</b>	<b>(1,348,913)</b>	<b>36,549,014</b>
<b>Financial liabilities</b>						
Derivative financial liabilities	11	(1,128,713)	-	(1,128,713)	77,913	(1,050,800)
Borrowings	11	(30,193,099)	-	(30,193,099)	1,271,000	(28,922,099)
Other creditors		(6,519)	-	(6,519)	-	(6,519)
		<b>(31,328,331)</b>	<b>-</b>	<b>(31,328,331)</b>	<b>1,348,913</b>	<b>(29,979,418)</b>

# Anglo American Capital plc

## Notes to the financial statements

For the year ended 31 December 2023

### 11. Financial risk management

#### Overview

The Anglo American plc Board of Directors approves and monitors the risk management processes, including documented treasury policies, counterparty limits and controlling and reporting structures. The types of risk exposure, the way in which such exposure is managed and quantification of the level of exposure in the balance sheet at 31 December 2023 is as follows:

#### A. Liquidity risk

The Company ensures that there are sufficient committed loan facilities (including refinancing, where necessary) to meet short-term business requirements, after taking into account its cash and cash equivalents.

The expected undiscounted cash flows of the Company's related debt and other financial liabilities, by remaining contractual maturity, based on conditions existing at the balance sheet date, are as follows:

US\$'000	Within 1 year or on demand	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	After 5 years	Total
<b>At 31 December 2023</b>							
Borrowings	(650,000)	(1,195,361)	(553,200)	(1,350,000)	(1,703,200)	(6,725,368)	(12,177,129)
Borrowings from Group companies <sup>(1)</sup>	(12,282,559)	-	-	-	-	-	(12,282,559)
Expected future interest payments	(486,453)	(449,413)	(425,188)	(399,573)	(336,685)	(1,952,507)	(4,049,819)
Derivatives hedging debt – net settled	(257,145)	(121,561)	(73,257)	(66,527)	(45,184)	(60,998)	(624,672)
Derivatives hedging debt – gross settled							
- Gross inflows	495,960	721,357	577,710	19,615	19,386	386,792	2,220,820
- Gross outflows	(560,445)	(800,880)	(594,692)	(22,007)	(22,175)	(400,290)	(2,400,489)
Other financial liabilities	-	-	-	-	-	(79)	(79)
<b>Total</b>	<b>(13,740,642)</b>	<b>(1,845,858)</b>	<b>(1,068,627)</b>	<b>(1,818,492)</b>	<b>(2,087,858)</b>	<b>(8,752,450)</b>	<b>(29,313,927)</b>

US\$'000	Within 1 year or on demand	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	After 5 years	Total
<b>At 31 December 2022</b>							
Borrowings	(802,200)	(650,000)	(1,173,281)	(534,800)	(1,350,000)	(6,350,002)	(10,860,283)
Borrowings from Group companies <sup>(1)</sup>	(20,037,459)	-	-	-	-	-	(20,037,459)
Expected future interest payments	(405,632)	(379,589)	(342,568)	(318,701)	(293,386)	(1,836,181)	(3,576,057)
Derivatives hedging debt – net settled	(237,502)	(197,358)	(126,282)	(87,190)	(79,246)	(115,350)	(842,928)
Derivatives hedging debt – gross settled							
- Gross inflows	1,043,787	80,481	708,946	562,574	21,250	388,490	2,805,528
- Gross outflows	(1,337,767)	(103,907)	(795,900)	(595,236)	(22,473)	(422,678)	(3,277,961)
Other financial liabilities	-	-	-	-	-	(79)	(79)
<b>Total</b>	<b>(21,776,773)</b>	<b>(1,250,373)</b>	<b>(1,729,085)</b>	<b>(973,353)</b>	<b>(1,723,855)</b>	<b>(8,335,800)</b>	<b>(35,789,239)</b>

<sup>(1)</sup> Where there are non-USD denominated borrowings from companies within the Group, foreign currency forwards are entered into to reduce the currency risk. The foreign currency forward derivative liability balance at 31 December 2023 is \$23 million (2022: \$4 million), and all instruments are due to mature within one year.

# Anglo American Capital plc

## Notes to the financial statements

For the year ended 31 December 2023

### 11. Financial risk management (continued)

#### A. Liquidity risk (continued)

During the year, the company refinanced its \$4.7 billion revolving credit facility maturing in March 2025, and entered into 2 new facility agreements, one \$3.7 billion facility maturing in November 2028 and one \$1.0 billion facility maturing in November 2024. Both facilities were undrawn at 31 December 2023.

The company has outstanding lending committed facilities with Group companies of \$2.7 billion (2022: \$2.7 billion). The amount drawn at 31 December 2023 is \$1.6 billion (2022: \$1.3 billion).

#### B. Credit risk

Credit risk is the risk that a counterparty to a financial instrument will cause a loss to the Company by failing to pay its obligation.

The Company's principal financial assets are cash and cash equivalents, receivables, and derivative financial instruments. The Company's maximum exposure to credit risk primarily arises from these financial assets and is as follows:

US\$'000	2023	2022
Cash and cash equivalents	3,124,564	4,414,205
Receivables	28,279,235	33,405,809
Derivative financial assets	242,926	77,913
<b>Total</b>	<b>31,646,725</b>	<b>37,897,927</b>

The Company limits credit risk on liquid funds and derivative financial instruments through diversification of exposures with a range of financial institutions approved by the Board. Counterparty limits are set for each financial institution with reference to credit ratings assigned by Standard & Poor's, Moody's and Fitch Ratings, shareholder equity (in case of relationship banks) and fund size (in case of asset managers). The Company's intercompany receivables are the primary driver of the Company's exposure to credit risk.

#### C. Foreign exchange and interest rate risk

Interest rate risk arises due to fluctuations in interest rates which impact on the value of short-term investments and financing activities. The Company's policy is to be exposed to floating rates of interest. The Company uses interest rate contracts to convert the majority of borrowings to floating rates of interest and manage its exposure to interest rate movements on its debt, given the link with economic output and therefore the correlation over the longer term with commodity prices.

In respect of financial assets, the Company's policy is to invest cash at floating rates of interest and to maintain cash reserves in short-term investments to maintain liquidity.

As stated in Note 1, the Company transitioned all remaining trades reference to the USD LIBOR benchmark to the alternative SOFR risk free rate in 2023. This transition had no impact on the Company's derivative financial liabilities. Intercompany GBP loan agreements have been transitioned to SONIA in January 2023.

# Anglo American Capital plc

## Notes to the financial statements

For the year ended 31 December 2023

### 11. Financial risk management (continued)

The exposure of the Company to interest rate and currency risk is in respect of financial assets as follows:

#### Floating rate financial assets

US\$'000	2023	2022
Cash and cash equivalents - US dollar	3,069,663	4,355,134
Cash and cash equivalents – Sterling	54,901	59,071
<b>Total (excluding derivatives)</b>	<b>3,124,564</b>	<b>4,414,205</b>
Derivatives	242,926	77,913
<b>Total financial assets (excluding receivables)</b>	<b>3,367,490</b>	<b>4,492,118</b>

The effect of derivatives used to hedge interest and currency risk is displayed in the below table. The table shows the carrying value of external borrowings together with the fair value at the balance sheet date of the associated swaps; the maturity of which is analysed to match the maturity of the underlying bonds:

US\$'000	Within 1 year or on demand	Between 1-2 years	Between 2-5 years	After 5 years	Total
<b>At 31 December 2023</b>					
Total borrowings <sup>(1)</sup>	(785,673)	(963,931)	(3,436,133)	(6,323,290)	<b>(11,509,027)</b>
Interest rate swaps	(10,757)	(60,353)	(123,599)	(258,759)	<b>(453,468)</b>
Currency derivatives	-	(74,977)	20,331	83,799	<b>29,153</b>
<b>Total hedged borrowings</b>	<b>(796,430)</b>	<b>(1,099,261)</b>	<b>(3,539,401)</b>	<b>(6,498,250)</b>	<b>(11,933,342)</b>
<b>At 31 December 2022</b>					
Total borrowings <sup>(1)</sup>	(915,557)	(618,523)	(2,645,875)	(4,501,901)	<b>(8,681,856)</b>
Interest rate swaps	12,253	(25,861)	(198,184)	(513,971)	<b>(725,763)</b>
Currency derivatives	(237,678)	-	(115,823)	15,636	<b>(337,865)</b>
<b>Total hedged borrowings</b>	<b>(1,140,982)</b>	<b>(644,384)</b>	<b>(2,959,882)</b>	<b>(5,000,236)</b>	<b>(9,745,484)</b>

<sup>(1)</sup> Excludes an amount of \$195 million (2022: \$1,434 million) of borrowings held at fixed rate and a loan of \$66 million (2022: \$40 million).

# Anglo American Capital plc

## Notes to the financial statements

For the year ended 31 December 2023

### 11. Financial risk management (continued)

The Company uses cross currency interest rate swaps to swap foreign currency debt issued in US dollars. The exposure of the Company to interest rate and currency risk with respect to financial liabilities is as follows:

US\$'000	Total	Floating rate borrowings	Fixed rate borrowings	Effective interest rate %	Weighted average for which rate is fixed in years
<b>At 31 December 2023</b>					
US dollar	(8,236,620)	(66,087)	(8,170,533)	4.24	8.47
Sterling	(351,027)	-	(351,027)	3.38	5.20
Euro	(3,182,655)	-	(3,182,655)	3.60	5.22
<b>Gross borrowings<sup>(1)</sup> (excluding hedges)</b>	<b>(11,770,302)</b>	<b>(66,087)</b>	<b>(11,704,215)</b>	<b>4.04</b>	<b>7.49</b>
Impact of Interest Rate Swaps <sup>(2) (3)</sup>	-	(11,509,027)	11,509,027		
<b>Gross borrowings (after hedges)</b>	<b>(11,770,302)</b>	<b>(11,575,114)</b>	<b>(195,188)</b>		
Borrowings from Group companies & Other creditors	(12,282,638)				
<b>Total Borrowings</b>	<b>(24,052,940)</b>				
Derivatives	(680,914)				
<b>Total financial liabilities</b>	<b>(24,733,854)</b>				

US\$'000	Total	Floating rate borrowings	Fixed rate borrowings	Effective interest rate %	Weighted average for which rate is fixed in years
<b>At 31 December 2022</b>					
US dollar	(7,170,042)	(40,062)	(7,129,980)	4.06	9.37
Sterling	(316,043)	-	(316,043)	3.38	6.20
Euro	(2,669,477)	-	(2,669,477)	3.01	4.05
<b>Gross borrowings<sup>(1)</sup> (excluding hedges)</b>	<b>(10,155,562)</b>	<b>(40,062)</b>	<b>(10,115,500)</b>	<b>3.77</b>	<b>7.87</b>
Impact of Interest Rate Swaps <sup>(2) (3)</sup>	-	(8,681,856)	8,681,856		
<b>Gross borrowings (after hedges)</b>	<b>(10,155,562)</b>	<b>(8,721,918)</b>	<b>(1,433,644)</b>		
Borrowings from Group companies & Other creditors	(20,037,538)				
<b>Total Borrowings</b>	<b>(30,193,100)</b>				
Derivatives	(1,128,713)				
<b>Total financial liabilities</b>	<b>(31,321,813)</b>				

# Anglo American Capital plc

## Notes to the financial statements

For the year ended 31 December 2023

### 11. Financial risk management (continued)

<sup>(1)</sup> At 31 December 2023, US\$193 million 5.375% bond due Apr 2025 was retained as a fixed rate exposure. At 31 December 2022, the Company retained \$1,443 million of its bonds at fixed rate.

<sup>(2)</sup> The Company's policy is to be exposed to floating rates of interest. The majority of the borrowings are converted to floating rates of interest using interest rate contracts. Intercompany interest is predominantly based on floating rates in line with the benchmark rate on the Company's borrowings.

<sup>(3)</sup> At 31 December 2023, all derivatives had been transitioned from USD Libor to the alternative risk free rate.

Amounts payable to fellow Group companies are unsecured and are entitled to a relevant market rate, including a margin based on the weighted average of the Group's return on cash investments.

There is minimal exposure to currency risk as external borrowings are retained or converted to USD using cross currency swaps. Intercompany balances are predominately in USD.

Based on the interest rate exposures and net foreign currency detailed above, and considering the effects of the hedging arrangements in place and offsetting impact of intercompany receivable, management considers that earnings and equity are not materially sensitive to reasonable foreign exchange or interest rate movements in respect of the financial instruments held at 31 December 2023 or 31 December 2022.

### 12. Preference shares

US\$'000	2023	2022
Authorised:		
50,000 3% cumulative preference shares of £1 each	79	79
Called up, allotted and fully paid:		
50,000 3% cumulative preference shares of £1 each	79	79

The 3% preference shares of £1 each entitle the holders to receive a cumulative preferential dividend at the rate of 3% per annum, 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.

# Anglo American Capital plc

## Notes to the financial statements

For the year ended 31 December 2023

### 13. Called-up share capital

US\$'000	2023	2022
Authorised:		
1,000,000,000 ordinary shares of US\$1 each	1,000,000	1,000,000
	<b>1,000,000</b>	<b>1,000,000</b>
Called up, allotted and fully paid:		
5,700 ordinary shares of US\$1 each	6	6
	<b>6</b>	<b>6</b>

### 14. Related party transactions

At 31 December 2023, as identified in note 15, Anglo American plc is the Company's ultimate parent company.

The Company has taken advantage of the exemption granted by Financial Reporting Standard 101 not to disclose transactions or balances between entities where 100% of the voting rights are controlled by the Group.

Related party transactions with members of the Group that are not wholly owned are predominantly intercompany loans and are disclosed below:

US\$'000	2023	2022
Transactions with related parties:		
Interest income	101,124	33,226
Interest expense	(236,630)	(84,867)
Balances with related parties:		
Receivables from related parties	1,627,158	1,271,159
Payables to related parties	(3,732,775)	(4,968,794)

Prior year related party transactions with members of the Group that are not wholly owned were not previously disclosed but have been included above for comparative purposes.

### 15. Ultimate parent company

The immediate and 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 head of the largest and smallest group of companies of which the Company is a member, and for which consolidated financial statements are prepared.

Copies of the consolidated financial statements of Anglo American plc, which include the results of the Company, are available from Anglo American plc at 17 Charterhouse St, London EC1N 6RA and on the Group website.

### 16. Events occurring after end of year

No significant events after the end of year.