Registered number: 11352289

ANGLO AMERICAN TECHNICAL & SUSTAINABILITY SERVICES LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

COMPANY INFORMATION

Directors	K J Burrows (appointed 1 August 2023) R Davidson (appointed 15 February 2024) E Douglas (appointed 15 February 2024) P Ficara (appointed 15 February 2024) C Fish (resigned 4 September 2023) C Kher (resigned 18 August 2023) C Murphy (resigned 8 January 2024) A C S Noronha (resigned 4 September 2023) A S Oates C A O'Donnell Z Quattrocchi (resigned 4 September 2023) J Wilson S Zariffis (appointed 15 February 2024)
Company secretary	Anglo American Corporate Secretary Limited
Registered number	11352289
Registered office	17 Charterhouse Street United Kingdom EC1N 6RA
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London United Kingdom WC2N 6RH
Bankers	Citibank N.A. Canada Square Canary Wharf London E14 5LB
	Barclays Bank plc 1 Churchill Place Canary Wharf London E14 5HP

ANGLO AMERICAN TECHNICAL & SUSTAINABILITY SERVICES LTD

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

Introduction

Anglo American Technical & Sustainability Services Ltd (the "Company") provides management, technical and consultancy services to companies in the Anglo American Group (the "Group"). The directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

Business review

As reported in the Company's Statement of comprehensive income, the Company has incurred a loss after tax for the year of $346,180,000 compared to a loss of $493,441,000 in the prior year. The decrease in the loss is as a result of a cost reduction programme and a scaling back of certain activities. Certain activities, largely relating to exploration, research and development, are not recharged to the rest of the Group and largely account for the loss in the Company.

The Balance sheet shows that the Company is in a net liability position of $205,041,000 for the year compared to a net asset position of $107,727,000 in the prior year.

Principal risks and uncertainties and financial risk management policies

The directors considered the risks attached to the Company's investments in group companies and financial instruments, which principally comprise loans to and from other group companies. The directors have taken a prudent approach in their consideration of the risks. Due to the nature of the Company's activities, the Company's exposure to price risk, liquidity risk and cash flow risk is not material for the assessment of assets, liabilities and the financial statements. Credit risk is not considered to be material on the basis that the Company's debtor balances are due from other companies within the Anglo American Group and those companies are considered to have sufficient liquidity or financial support to be able to settle amounts owed to the Company.

Understanding our employees and helping our people thrive

The employees being referred to in this section are employed by the group of companies headed by the Company in capacity of Parent Company.

The Company knows that our people are critical to everything we do. We create safe, inclusive and diverse working environments that encourage and support high performance and innovative thinking. The Company acknowledges that to get the best from our people there is a need to understand their viewpoints and address any concerns that may be raised.

To deliver our strategic business objectives, we rely on a capable and engaged workforce that behaves ethically and responsibly, consistent with Anglo American's Values and Code of Conduct; essential for us to maintain our social licence to operate. We aim to foster a purpose-led high performance, inclusive culture, through an organisational structure that is fit for purpose, resourcing this structure by attracting and retaining the best talent and empowering leadership to deliver the desired outcomes.

As the Company consider workforce engagement to be a priority for every leader at Anglo American, regular surveys are run to identify areas where more must be done to ensure colleagues feel cared for and respected. The Group has established a Global Workforce Advisory Panel made up of employee representatives and chaired by a senior independent director, with the intention of giving employees more of a voice in the boardroom so that their views can be better understood and considered when decisions are being made about the future of the business.

Relationships with Suppliers and Customers

The Company engages with suppliers through several channels, in line with the Group's sustainable and responsible supplier progress. The Company also engages with customers through direct personal engagement and via business and industry forums.

Key performance indicators

The directors consider the Company's key performance indicators to be the control of and cost effective spend on management and technical services for the benefit of certain companies in the Group. This performance is monitored by the directors by way of management reports.

The employees of the Company work in partnership with Businesses and other Group functions to deliver the Group's goals on its seven pillars of value: Safety & Health, Environment, Socio-Political, People, Production, Cost and Financial. The performance and tracking of key initiatives are monitored and discussed on a monthly basis with the Technical Leadership team, and our Balanced Scorecard is presented quarterly at the Technical Townhalls. The directors consider the Company's key performance indicators to be the following:

- Operating Costs - control of and cost effective spend on management and technical services for the benefit of certain companies in the Group. This performance is monitored by the directors by way of management reports. The operating costs have decreased from $475,454,000 in 2022 to $324,703,000 in 2023 mainly as a result of reduced expenditure relating to research and development costs and recharges from related undertakings.

- Revenue - 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 via the provision of services to the Businesses. The Company's Revenue represents recharges to the Businesses for those services provided (in compliance with Organisation for Economic Co-operation and Development (OECD) specific guidelines) and is monitored by the Technical Leadership team on a quarterly basis. Revenue has decreased form $282,916,000 in 2022 to $231,198,000 in 2023 as a result of lower management, technical and consultancy services charged to other Group companies within the United Kingdom and other geographical areas.

Section 172(1) statement

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

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

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

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 and shape our culture, and are fundamental to creating enduring benefit for all our employees, shareholders, and stakeholders in a way that demonstrably improves people's lives.

Engaging our stakeholders

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

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

Long Term Decision Making

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

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

This report was approved by the board on 19 September 2024 and signed by its order.

J Callaway
For and on behalf of
Anglo American Corporate Secretary Limited
Secretary

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

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

Statement of directors' responsibilities in respect of the financial statements

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

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 the 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..

Directors' confirmations

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 in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Principal activities

The Company provides management, technical and consultancy services to certain companies in the Anglo American Group (the "Group"). The directors have the present intention of maintaining the business in its current form for the foreseeable future.

Branches of the Company are established in Australia, Chile, Portugal and South Africa. The Australia branch has recognised a profit before tax for the year of $5,544,000 *(2022 - profit of $6,206,000)*, Chile branch has recognised a profit of $3,686,000 *(2022 - profit of $4,501,000)* and the Portugal branch has recognised a loss of $504,000 (*2022 - loss of $207,000*). The South Africa branch is not yet active.

Results and dividends

The loss for the year, after taxation, amounted to $346,180,000 *(2022 - $493,441,000)*.

The directors do not recommend the payment of a dividend *(2022 - $NIL)*.

Directors

The directors who served during the year and up to the date of signing the financial statements were:

K J Burrows (appointed 1 August 2023)
R Davidson (appointed 15 February 2024)
E Douglas (appointed 15 February 2024)
P Ficara (appointed 15 February 2024)
C Fish (resigned 4 September 2023)
C Kher (resigned 18 August 2023)
C Murphy (resigned 8 January 2024)
A C S Noronha (resigned 4 September 2023)
A S Oates
C A O'Donnell
Z Quattrocchi (resigned 4 September 2023)
J Wilson
S Zariffis (appointed 15 February 2024)

Principal risks and uncertainties and financial risk management policies

The financial risk management policies of the Company are disclosed in the Strategic Report.

Future developments

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

Going concern

The 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 a year 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 operate as a going concern is assessed in conjunction with the Group as it is dependent upon the ability of the Group companies to settle their intercompany balances with the Company and to provide funds for working capital and other needs.

The directors have also received a commitment of financial support from Anglo American plc 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 Group unless alternative financing has been secured by the Company and advancing further amounts to the Company as required. This support will remain in place for the foreseeable future, including the period of at least a year from authorisation of the Company's financial statements. In performing their going concern assessment, the directors have considered the ability of the Group to provide such financial support, and have satisfied themselves as to the adequacy of the commitment of financial support.

Engagement with employees

To deliver our strategic business objectives, we rely on a capable and engaged workforce that behaves ethically and responsibly, consistent with Anglo American's Values and Code of Conduct; essential for us to maintain our social licence to operate. We aim to foster a purpose-led high performance, inclusive culture, through an organisational structure that is fit for purpose, resourcing this structure by attracting and retaining the best talent and empowering leadership to deliver the desired outcomes. As the Company consider workforce engagement to be a priority for every leader at Anglo American, regular surveys are run to identify areas where more must be done to ensure colleagues feel cared for and respected, The Group has established a Global Workforce Advisory Panel made up of employee representatives and chaired by a senior independent director, with the intention of giving employees more of a voice in the boardroom so that their views can be better understood and considered when decisions are being made about the future of the business.

Our first and most important value as a Company is to Put Safety First, firmly believing that no asset or goal is worth as much as a human life.

To encourage the involvement of employees in the Company's performance, UK employees are eligible to participate in the Group's Save As You Earn (SAYE) scheme and Share Incentive Plan (SIP).

All UK employees are eligible to participate in the SAYE scheme, which encourages employee share ownership and the opportunity to share in the value created in the Group.

All UK employees who have been in employment for three months or more are eligible to participate in the SIP scheme of partnership and matching shares and all UK employees who have been in employment for five months or more are eligible to participate in the SIP free shares scheme. The Group matches the number of partnership shares bought on a 1:1 basis and at the discretion of the Anglo American plc Remuneration Committee, awards free shares up to the maximum permissible within an HMRC approved SIP scheme.

To achieve a common awareness of all employees in relation to the financial and economic factors that affect the performance of the Company, employees are kept informed on matters affecting their working lives and the performance of the Group through CEO briefing updates, announcements on the Company's intranet, formal and informal meetings at local level and direct written communications.

Disabled employees

The Company's policy is that people with disabilities should have full and fair consideration for all vacancies.

Employment of disabled people is considered on merit and with regard only to the ability of any applicant to carry out the role. The Company endeavours to retain the employment of, and arrange suitable retraining for, any employees in the workforce who become disabled during their employment. Where possible the Company will adjust a person's working environment to enable them to stay in employment.

Post balance sheet events

On 15 April 2024, the Company issued an additional 100 ordinary shares for a total consideration of $10,000,000.

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 through its ultimate parent company, which remain in force at the date of this report.

Independent auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

This report was approved by the board on 19 September 2024 and signed by its order.

JCallaway

J Callaway
For and on behalf of
Anglo American Corporate Secretary Limited
Secretary

Independent auditors' report to the members of Anglo American Technical & Sustainability Services Ltd

Report on the audit of the financial statements

Opinion

In our opinion, Anglo American Technical & Sustainability Services Ltd'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 loss 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 Annual Report, which comprise: the balance sheet as at 31 December 2023; the statement of comprehensive income 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.

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, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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 the Companies Act 2006 and applicable tax legislation, 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 inappropriate journal entries and management bias in significant accounting judgements and estimates. Audit procedures performed by the engagement team included:

- Understanding and evaluating the design and implementation of controls designed and detect irregularities and fraud;
- Reviewing minutes of meetings of those charged with governance;
- Inquiry of management regarding its consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Identifying and testing journal entries, in particular and journal entries posted with unusual account combinations; and
- Challenging assumptions and judgements made by management in respect of critical accounting judgements and significant accounting 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the 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.

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 $000	2022 $000
Revenue	4	**231,198**	*282,916*
Gross profit		**231,198**	*282,916*
Restructuring costs	5	**(15,415)**	-
Other operating income	6	**11,000**	*11,267*
Administrative expenses	7	**(551,486)**	*(769,637)*
Operating loss		**(324,703)**	*(475,454)*
Interest receivable and similar income	9	**1,127**	*881*
Interest payable and similar expenses	10	**(17,765)**	*(12,433)*
Loss before tax		**(341,341)**	*(487,006)*
Tax on loss	11	**(4,839)**	*(6,435)*
Loss for the financial year		**(346,180)**	*(493,441)*
Other comprehensive loss:			
Items that will not be reclassified to profit or loss:			
Actuarial loss on unfunded pension scheme		**(545)**	*(2,438)*
Movements of deferred tax relating to pension deficit		**147**	*658*
Total other comprehensive loss		**(398)**	*(1,780)*
Total comprehensive loss for the year		**(346,578)**	*(495,221)*

The notes on pages 17 to 40 form part of these financial statements.

The results relate to continuing operations of the Company.

BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note		2023 $000		*2022 $000*
Fixed assets					
Intangible assets	12		**191,580**		*155,391*
Tangible assets	13		**10**		*35*
Investments	14		**-**		*8,500*
			191,590		*163,926*
Current assets					
Debtors: amounts falling due after more than one year	15	**2,975**		*2,717*	
Debtors - Due within one year	15	**257,165**		*245,946*	
Deferred Taxation	20	**8,098**		*10,020*	
Cash at bank and in hand	16	**2,791**		*12,084*	
		271,029		*270,767*	
Creditors: amounts falling due within one year	17	**(658,064)**		*(317,004)*	
Net current liabilities			**(387,035)**		*(46,237)*
Total assets less current liabilities			**(195,445)**		*117,689*
Creditors: amounts falling due after more than one year	18		**(1,156)**		*(1,255)*
Net liabilities excluding pension liability			**(196,601)**		*116,434*
Pension liabilities	21		**(8,440)**		*(8,707)*
Net (liabilities)/assets			**(205,041)**		*107,727*
Capital and reserves					
Called up share capital	22		**1,002**		*1,002*
Share premium account	23		**48,998**		*48,998*
Other reserves	23		**56,116**		*38,114*
(Accumulated losses)/Retained earnings	23		**(311,157)**		*19,613*
Total Shareholders' equity			**(205,041)**		*107,727*

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2023

The financial statements on page 10 to 40 were approved and authorised for issue by the board and were signed on its behalf on 19 September 2024.

A S Oates
Director

The notes on pages 17 to 40 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Called up share capital	Share premium account	Capital contribution reserve	(Accumulated losses)/Retained earnings	Total equity
	$000	$000	$000	$000	$000
At 1 January 2023	**1,002**	**48,998**	**38,114**	**19,613**	**107,727**
Comprehensive loss for the year					
Loss for the year	**-**	**-**	**-**	**(346,180)**	**(346,180)**
Actuarial losses on unfunded pension scheme	**-**	**-**	**-**	**(545)**	**(545)**
Deferred tax on unfunded pension scheme	**-**	**-**	**-**	**147**	**147**
Total other comprehensive loss for the year	**-**	**-**	**-**	**(398)**	**(398)**
Total comprehensive loss for the year	**-**	**-**	**-**	**(346,578)**	**(346,578)**
Transfer to/from profit and loss account	**-**	**-**	**(15,808)**	**15,808**	**-**
Share-based payments charge	**-**	**-**	**33,810**	**-**	**33,810**
Total transactions with owners	**-**	**-**	**18,002**	**15,808**	**33,810**
At 31 December 2023	**1,002**	**48,998**	**56,116**	**(311,157)**	**(205,041)**

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Share premium account	Capital contribution reserve	Profit and loss account	Total equity
	$000	$000	$000	$000	$000
At 1 January 2022	**2**	**149,998**	**18,426**	**(585,166)**	**(416,740)**
Comprehensive loss for the year					
Loss for the year	-	-	-	**(493,441)**	**(493,441)**
Actuarial losses on unfunded pension scheme	-	-	-	**(2,438)**	**(2,438)**
Deferred tax on unfunded pension scheme	-	-	-	**658**	**658**
Other comprehensive loss for the year	-	-	-	**(1,780)**	**(1,780)**
Total comprehensive loss for the year	-	-	-	**(495,221)**	**(495,221)**
Shares issued during the year	**1,000**	**999,000**	-	-	**1,000,000**
Share premium reduction	-	**(1,100,000)**	-	**1,100,000**	-
Share-based payments charge	-	-	**19,688**	-	**19,688**
Total transactions with owners	**1,000**	**(101,000)**	**19,688**	**1,100,000**	**1,019,688**
At 31 December 2022	**1,002**	**48,998**	**38,114**	**19,613**	**107,727**

The notes on pages 17 to 40 form part of these financial statements.

Further details in respect of the movements in the capital contribution reserve are disclosed in note 23.

Further details in respect of the actuarial losses on pension scheme are disclosed in note 21.

1. General information

Anglo American Technical & Sustainability Services Ltd is a private company limited by shares, incorporated in the United Kingdom and registered in England and Wales. Branches of the Company are established in Australia, Chile, Portugal and South Africa. The activities of the branches include management, technical and consultancy services.

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

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

2. Material accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006 as applicable to companies using FRS 101.

Group financial statements are not presented as the Company is directly a wholly owned subsidiary undertaking of Anglo American plc, a company incorporated in the United Kingdom and registered in England and Wales. Accordingly, these financial statements present information about the Company as an individual undertaking and not about its group. Consolidated financial statements have not been prepared because the Company is exempt under s400 of the Companies Act 2006 as applicable to companies using FRS 101.

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

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.

2. Material accounting policies (continued)

2.2 Financial reporting standard 101 - reduced disclosure exemptions

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

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

2.3 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 a year 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 operate as a going concern is assessed in conjunction with the Group as it is dependent upon the ability of the Group companies to settle their intercompany balances with the Company and to provide funds for working capital and other needs.

The directors have also received a commitment of financial support from Anglo American plc 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 Group unless alternative financing has been secured by the Company and advancing further amounts to the Company as required. This support will remain in place for the foreseeable future, including the period of at least a year from authorisation of the Company's financial statements. In performing their going concern assessment, the directors have considered the ability of the Group to provide such financial support, and have satisfied themselves as to the adequacy of the commitment of financial support.

2. Material accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentation currency is United States Dollars (USD) as this is the currency of the primary economic environment in which the Company operates.

Transactions and balances

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

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

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from providing services is recognised in the accounting period in which the services are rendered.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Finance costs

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

2. Material accounting policies (continued)

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

Defined benefit pension scheme

The Company operates a defined benefit pension scheme for which full actuarial valuations are carried out at least every three years using the projected unit credit method and updates are performed for each financial year end. The average discount rate for the plans' liabilities is based on AA rated corporate bonds of a suitable duration and currency or, where there is no deep market for such bonds, is based on government bonds.

Remeasurements comprising actuarial gains and losses are recognised immediately in the Statement of changes in equity and are not recycled to profit or loss. Any increase in the present value of plan liabilities expected to arise from employee service during the year is charged to operating profit. The net interest cost on the net defined benefit liability is included in interest expense.

Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise amortised on a straight line basis over the average period until the benefits vest. The retirement benefit obligation recognised on the balance sheet represents the present value of the deficit of the defined benefit plans.

2.9 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

When the share awards vest, the cumulative amount recognised over the vesting period is transferred from the capital contribution reserve to the profit and loss account.

2. Material accounting policies (continued)

2.10 Taxation

Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted by the balance sheet date.

2.11 Intangible assets

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

The estimated useful lives range as follows:

Software	-	5	years

Capital work in progress is not amortised.

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2. Material accounting policies (continued)

2.12 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery - 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.13 Debtors

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

2.14 Cash and cash equivalents

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

2.15 Creditors

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

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

2.16 Amounts owed by group undertakings

Amounts owed by group undertakings are measured initially at fair value, plus any directly attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

2. Material accounting policies (continued)

2.17 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and that the Company will comply with all attached conditions.

Government grants relating to costs are recognised in the Statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

During the year, the Company has claimed Research and Development expenditure credit (RDEC) in respect of pre-tax costs incurred on research and development projects. See note 6 for further details.

2.18 Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

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

Debt instruments at amortised cost

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

Impairment of financial assets

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

The Company 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.

2. Material accounting policies (continued)

2.18 Financial instruments (continued)

Financial liabilities

At amortised cost

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

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

The Company has identified a critical judgement relating to a key source of estimation regarding recoverability of loans and impairment of intangible assets.

Determining recoverability of loans

The Company assesses the recoverability of loans to group undertakings and makes provision in the event that full recovery is not expected. The recoverability of loans is assessed by application of the expected credit loss model along with a qualitative assessment. The expected credit losses on receivables are estimated by reference to past default experience and credit rating, adjusted for current observable data.

Impairment of intangible assets

At each balance sheet date, management assesses whether there is any indication that the intangible assets may be impaired. In assessing whether there is any indication that the intangible assets may be impaired, management uses judgement and takes into account several external and internal sources of information. The directors have considered all relevant sources of information and concluded that there are no indicators that the intangible assets may be impaired.

4. Revenue

An analysis of revenue by country of destination is as follows:

	2023 $000	*2022 $000*
Chile	**49,938**	*66,276*
United Kingdom	**114,692**	*159,332*
Australia	**43,022**	*49,189*
Other	**23,546**	*8,119*
	231,198	*282,916*

Revenue comprises management, technical and consultancy services charged to other Group companies within the United Kingdom and other geographical areas.

5. Restructuring costs

	2023 $000	*2022 $000*
Restructuring costs	**15,415**	-
	15,415	-

During the year, the Company undertook an organizational change programme which resulted in restructuring costs of $15,415,000 (*2022 - $NIL*).

6. Other operating income

	2023 $000	*2022 $000*
Other operating income	**11,000**	*11,267*
	11,000	*11,267*

The Company has recognised other operating income of $11,000,000 (*2022 - $11,267,000*) in respect of Research and Development expenditure credit (RDEC) that has been claimed during the year from HM Revenue and Customs (HMRC) on qualifying research and development projects.

7. Administrative expenses

The operating loss is stated after charging/(crediting):

	2023 **$000**	*2022* *$000*
Recharges from related undertakings	**108,689**	*122,714*
Legal and professional fees	**132,640**	*178,455*
Research and development costs	**28,527**	*128,246*
Exploration and research	**697**	*1,795*
Amortisation of intangible assets	**6,807**	*1,622*
Depreciation of intangible assets	**25**	*25*
Sundry expenses (i.e central cost, other operation expenses, sponsorship, training)	**49,786**	*83,573*
Employment costs	**224,892**	*254,080*
Exchange differences	**(577)**	*(837)*

Audit fees for the audit of these financial statements of $55,064 *(2022 - $50,832)* have been borne by Anglo American Services (UK) Ltd.

8. Employees

Staff costs were as follows:

	2023 $000	2022 $000
Wages and salaries	**124,156**	*133,437*
Social security costs	**6,995**	*23,443*
Share-based payments	**32,629**	*27,593*
Other pension costs	**6,584**	*6,500*
Termination payments	**15,684**	-
	186,048	*190,973*

The average monthly number of employees, including the directors, during the year was as follows:

	2023 No.	2022 No.
Asset Strategy & Reliability	**12**	*13*
Business Improvement	**9**	*9*
Carbon Neutrality	**11**	*6*
Data Analytics	**53**	*45*
Discovery	**68**	*65*
Global IM	**80**	*80*
Group Security	**1**	*7*
Mining	**62**	*55*
nuGen	**-**	*11*
Processing	**20**	*3*
Projects, Studies & Infrastructure	**20**	*12*
Safety	**18**	*20*
Supply Chain	**176**	*155*
T&S - Commercial Finance	**3**	*9*
T&S Leadership	**3**	*5*
T&S Office & Sustainable Development	**21**	*95*
Technology Development	**17**	*10*
Corp Comms	**1**	-
Group Strategy & BD	**1**	-
Crop Nutrients	**2**	-
	578	*600*

9. Interest receivable and similar income

	2023 $000	2022 $000
Interest receivable from group companies	111	784
Bank and other interest receivable	1,016	97
	1,127	881

10. Interest payable and similar expenses

	2023 $000	2022 $000
Interest payable on loans from group undertakings	14,558	9,368
Other interest payable	364	328
Interest payable on pension liability	1,150	557
Foreign exchange losses	1,693	2,180
	17,765	12,433

11. Tax on loss

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

	2023 $000	2022 $000
Corporation tax		
Foreign tax	**2,711**	*8,557*
Adjustments in respect of previous periods	**60**	*68*
	2,771	*8,625*
Total current tax	**2,771**	*8,625*
Deferred tax		
Current year	**2,124**	*(2,144)*
Adjustments in respect of previous periods	**(56)**	*(46)*
Total deferred tax	**2,068**	*(2,190)*
Taxation on loss	**4,839**	*6,435*

11. Tax on loss (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than *(2022 - higher than)* the standard rate of corporation tax in the UK of 23.52% *(2022 - 19%)*. The differences are explained below:

	2023 $000	*2022 $000*
Loss before tax	**(341,341)**	*(487,006)*
Loss before tax multiplied by standard rate of corporation tax in the UK of 23.52% (2022 - 19%)	**(80,285)**	*(92,531)*
Effects of:		
Expenses not deductible	**2,756**	*676*
Share option relief	**(2,893)**	*(2,585)*
Transfer pricing adjustments	**40,705**	*45,786*
RDEC credit	**(632)**	*-*
Adjustments to tax charge in respect of prior periods	**4**	*22*
Effects of overseas tax rates	**2,205**	*4,394*
Amounts not recognised	**172**	*(96)*
Group relief surrendered for nil consideration	**42,807**	*50,769*
Total tax charge for the year	**4,839**	*6,435*

Factors that may affect future tax charges

The Finance Act 2021 included measures to increase the standard rate of UK corporation tax to 25% with effect from 1 April 2023. This rate is applicable to the measurement of deferred tax balances at 31 December 2023.

On 23 March 2023, HM Treasury released draft legislation for the Global Minimum Tax (‘Pillar 2’) rules in the UK which was substantively enacted on 20 June 2023. These rules will apply to the full Anglo American Group from the financial year ended 31 December 2024 onwards. Further information regarding the group's Pillar Two position is detailed in the consolidated financial statements of Anglo American plc. The Company has applied the mandatory temporary exception under IAS 12 in relation to the accounting for deferred taxes arising from the implementation of the Pillar 2 rules.

12. Intangible assets

	Software $000	Capital work in progress $000	Total $000
Cost			
At 1 January 2023	**71,227**	**87,149**	**158,376**
Additions	**-**	**42,996**	**42,996**
Transfers between classes	**4,082**	**(4,082)**	**-**
At 31 December 2023	**75,309**	**126,063**	**201,372**
Amortisation			
At 1 January 2023	**2,985**	**-**	**2,985**
Charge for the year on owned assets	**6,807**	**-**	**6,807**
At 31 December 2023	**9,792**	**-**	**9,792**
Net book value			
At 31 December 2023	**65,517**	**126,063**	**191,580**
At 31 December 2022	*68,242*	*87,149*	*155,391*

13. Tangible assets

	Plant and machinery $000
Cost or valuation	
At 1 January 2023	**121**
At 31 December 2023	**121**
Accumulated depreciation	
At 1 January 2023	**86**
Charge for the year on owned assets	**25**
At 31 December 2023	**111**
Net book value	
At 31 December 2023	**10**
At 31 December 2022	*35*

14. Investments

	Investments $000
At 1 January 2023	**8,500**
Disposals	**(8,500)**
At 31 December 2023	**-**
Net book value	
At 31 December 2023	**-**
At 31 December 2022	*8,500*

On 5 January 2023, the Company disposed of its investment in First Mode Holdings Inc to Anglo American Technical & Sustainability Limited for total consideration of $8,500,000.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

15. Debtors

	2023 $000	2022 $000
Due after more than one year		
Other debtors	**2,975**	*2,717*
	2,975	*2,717*
Due within one year		
Amounts owed by group undertakings	**191,331**	*214,743*
Other debtors	**21,652**	*12,337*
Prepayments and accrued income	**11,535**	*5,737*
Corporation tax receivable	**32,647**	*13,129*
	257,165	*245,946*

All receivables are unsecured. Amounts owed by group undertakings are considered to be due within one year based on being repayable on demand.

16. Cash at bank and in hand

	2023 $000	2022 $000
Bank and cash balances	**2,791**	*12,084*
	2,791	*12,084*

17. Creditors: Amounts falling due within one year

	2023 $000	2022 $000
Trade creditors	**36,216**	*36,724*
Amounts owed to group undertakings	**530,717**	*145,281*
Other creditors	**16,883**	*17,938*
Accruals	**74,248**	*117,061*
	658,064	*317,004*

All liabilities are unsecured. Amounts owed to group undertakings are considered to be due within one year based on being repayable on demand.

The Company has balances due to Anglo American Capital plc of $431,332,000 as at 31 December 2023 (*2022 - $226,000*). The Company and the Chile branch have USD borrowing facilities with Anglo American Capital plc. The Australia branch has an AUD borrowing facility with Anglo American Capital plc.

During the year, the Company completed the transition of its facility agreement from LIBOR to the Secured Overnight Financing Rate (SOFR). Interest is charged on the USD balances at the three month Term SOFR plus 199 basis points and on the AUD balance at the three month Australian Bank Bill Swap Reference Rate plus 300 basis points.

The remaining amounts owed to group undertakings relate to operating payable balances in respect of labour costs and other technical services charged by other group companies to the Company. The balances are non-interest bearing and repayable on demand.

18. Creditors: amounts falling due after more than one year

	2023 $000	2022 $000
Other creditors	**1,156**	*1,255*
	1,156	*1,255*

19. Financial instruments

	2023 $000	2022 $000
Financial assets		
Financial assets measured at amortised cost	**215,080**	*229,797*
Cash	**2,791**	*12,084*
	217,871	*241,881*
Financial liabilities		
Financial liabilities measured at amortised cost	**(658,323)**	*(318,259)*

Financial assets measured at amortised cost comprise amounts owed by group undertakings and other debtors.

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

20. Deferred taxation

	2023 $000	2022 $000
At beginning of year	**10,020**	*7,425*
Charged to profit or loss	**(2,068)**	*2,190*
Charged to other comprehensive income	**147**	*658*
Foreign exchange movements	**(1)**	*(253)*
At end of year	**8,098**	*10,020*

20. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2023 $000	*2022* *$000*
Foreign branches deferred tax	**8,098**	*10,020*
	8,098	*10,020*

At 31 December 2023, the Company had unutilised tax losses carried forward of $643,121,000 (*2022 - $187,464,000*) for which no deferred tax asset has been recognised. In addition, the Company has potential deferred tax assets of $161,000 (*2022: $161,000*) on fixed asset and other temporary differences in the UK which have not been recognised. This is on the basis that it is not probable that there will be sufficient and suitable taxable profits arising in future years against which to utilise them.

21. Pension liabilities

The Company participates in a defined contribution pension scheme, the assets of which are held separately from those of the Company in independently administered funds. The pension cost charge represents contributions payable by the Company to the funds and amounted to $3,287,000 (*2022 - $3,407,000*).

The Australia branch of the Company participates in government legislated superannuation funds. The pension cost charge represents contributions payable by the Australian branch of the Company to these funds and amounted to $3,289,000 (*2022 - $3,093,000*).

The Chile branch of the Company participates in a multi-employer unfunded pension scheme.

Independent qualified actuaries carry out a valuation every year using the projected unit credit method. The actuaries have updated the valuations to 31 December 2023 using assumptions suitable for IAS 19. Assumptions are set after consultation with the qualified actuaries.

Reconciliation of present value of plan liabilities:

	2023 $000	*2022* *$000*
Reconciliation of present value of plan liabilities		
At the beginning of the year	**8,707**	*8,558*
Current service cost	**882**	*919*
Interest income	**562**	*557*
Benefits paid	**(2,075)**	*(3,667)*
Actuarial loss	**545**	*2,438*
Foreign exchange gains	**(181)**	*(98)*
At the end of the year	**8,440**	*8,707*

21. Pension liabilities (continued)

	2023 **$000**	*2022* *$000*
Present value of plan liabilities	**(8,440)**	*(8,707)*
Net pension scheme liability	**(8,440)**	*(8,707)*

The amounts recognised in profit or loss are as follows:

	2023 **$000**	*2022* *$000*
Interest on pension scheme liabilities	**(562)**	*(557)*
Current service costs	**(882)**	*(919)*
Total	**(1,444)**	*(1,476)*

The cumulative amount of actuarial losses recognised in the Statement of comprehensive income was $3,540,000 (*2022 - $2,995,000*). The actuarial loss recognised in the Statement of comprehensive income for the year ended 31 December 2023 was $545,000 (*2022 - $2,438,000*).

The Company expects to contribute $NIL to its participates in a multi-employer unfunded pension scheme in 2024.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2023 **%**	*2022* *%*
Discount rate - nominal	**5.91**	*6.69*
Dicount rate - real	**2.07**	*2.70*
Future pension increases -real	**1.00**	*1.00*
Inflation assumption	**3.76**	*3.88*

21. Pension liabilities (continued)

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2023 $000	*2022* *$000*
Unfunded pension obligation	**(8,440)**	*(8,707)*
Deficit	**(8,440)**	*(8,707)*

Sensitivity analysis

The significant assumptions used in determining staff benefits are discount rates, inflation and mortality. The sensitivity analysis has been provided by the actuaries on a rough basis based on changes in year-end assumptions assuming that all such assumptions remain constant.

The detail of these sensitivities on the provision for benefit to personnel is as follows:

Income fee

	Effect on the provision of benefits to staff	
	2023	*2023*
0.5% discount	**269,772**	*345,309*
	269,772	*345,309*

Inflation rate

	2023	*2022*
0.5% increase (and salary increase)	**273,065**	*349,490*
	273,065	*349,490*

21. Pension liabilities (continued)

Life expectancy

	2023	*2022*
1 year increase in life expectancy for a member aged 60 as at 31 December	**16,219**	*6,302*
	16,219	*6,302*

22. Called up share capital

	2023 $000	*2022 $000*
Allotted, called up and fully paid		
1 *(2022 - 1)* 1 ordinary share of £1 each share of $1	**-**	*-*
1,001,500 *(2022 - 1,001,500)* Ordinary shares of $1 each	**1,002**	*1,002*
	1,002	*1,002*

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

23. Reserves

Share premium account

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

Capital contribution reserve

Capital contribution reserve represents the share based payments charge in respect of Anglo American plc shares awarded to employees of the Company. During the year a share based payments charge of $32,629,000 *(2022 - $27,593,000)* was recognised by the Company.

Accumulated losses/retained earnings

Accumulated losses/retained earnings reserve represents accumulated retained earnings or losses.

24. Share based payments

During the year ended 31 December 2023, the Company had six share-based payment arrangements with employees. All of the Group's schemes are equity settled, either by award of options to acquire Anglo American plc ordinary shares of 54 86/91 US cents (the "Ordinary Shares") (SAYE) or award of Ordinary Shares (BSP, LTIP, TIP, NCA and SIP).

The fair values of options granted under the SAYE schemes were calculated using a Black Scholes model. The fair value of Ordinary Shares awarded under the BSP and LTIP – ROCE was calculated using a Black Scholes model. The fair value of Ordinary Shares awarded under the LTIP – TSR scheme was calculated using a Monte Carlo model.

All options outstanding at 31 December 2023 with an exercise date on or prior to 31 December 2023 are deemed exercisable. Options were exercised regularly during the year and the weighted average share price for the year ended 31 December 2023 was $30.76 *(2022 - $40.11)*.

25. Post balance sheet events

On 15 April 2024, the Company issued an additional 100 ordinary shares for a total consideration of $10,000,000.

26. Ultimate Parent Undertaking and Controlling party

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

The ultimate parent company and controlling entity is Anglo American plc, a company incorporated in the United Kingdom and registered in England and Wales. Anglo American plc is the parent undertaking of the largest and smallest group which includes the Company and for which group financial statements are prepared.

The financial statements of both the immediate and ultimate parent companies may be obtained from the Company Secretary, 17 Charterhouse Street, London, EC1N 6RA, the registered office of both companies.