Registered number 00460473

RIO TINTO LONDON LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

RIO TINTO LONDON LIMITED

COMPANY INFORMATION

DIRECTORS	D S Larsen B J S Mathews U Quellman J C Juggins (appointed 2 July 2012)
COMPANY SECRETARY	A D C Westley
COMPANY NUMBER	00460473
REGISTERED OFFICE	2 Eastbourne Terrace London W2 6LG
AUDITORS	Grant Thornton UK LLP Statutory Auditor, Chartered Accountants Grant Thornton House Melton Street Euston Square London NW1 2EP

RIO TINTO LONDON LIMITED

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RIO TINTO LONDON LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011

The directors present their report and the financial statements for the year ended 31 December 2011

PRINCIPAL ACTIVITIES

Rio Tinto London Limited (the "Company") continues to provide management services to fellow members of the Rio Tinto Group (the "Group") The Company is also an investment holding company

BUSINESS REVIEW

The Company's directors are of the opinion that there are no meaningful financial or non-financial key performance indicators that would be necessary or appropriate for an understanding of the development, performance or position of the Company's activities

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £437,000 (2010 - £11,694,000)

No interim dividend was paid during the year (2010 - nil) and the directors do not recommend the payment of a final dividend (2010 - nil)

DIRECTORS

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

D S Larsen
B J S Mathews
U Quellman
J C Juggins (appointed 2 July 2012)

No director had a material interest in any contract or arrangement during the year to which the Company or any subsidiary is or was a party

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's principal risks and uncertainties are integrated with those of the Group and are not managed separately The principal risks and uncertainties of the Group are discussed in its 2011 Annual Report, which does not form part of this report

FUTURE DEVELOPMENTS

The Company's future developments are integrated with those of the Group which are discussed in its 2011 Annual Report which does not form part of this report

POLITICAL AND CHARITABLE CONTRIBUTIONS

The contributions made by the Company during the year for charitable purposes amounted to £409,000 (2010 - £176,000)

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

COMPANY'S POLICY FOR PAYMENT OF CREDITORS

It is the policy of the Company to abide by terms of payment agreed with suppliers At 31 December 2011, there were 50 days (2010 - 50 days) purchases outstanding in respect of the Company, based on the total amount invoiced by suppliers during the year

EMPLOYMENT POLICIES

The Company complies with the Group's employment policies which are set out in its statement of business practice, *The way we work* The Company employs on the basis of job requirements and does not discriminate on grounds of age, ethnic or social origin, politics, religion or disability

The Company employs disabled people and accepts the need to maintain and develop their careers If an employee becomes disabled whilst in employment and, as a result, is unable to perform his or her current duties, every effort is make to offer suitable alternative employment and to assist with retraining

The Company provides clear and timely communication with its employees concerning business performance and corporate developments It endeavours to maintain effective channels of communication through an internal communication team, which manages the release of information to employees Information is released through a number of forums, including electronic and paper newsletters and bulletins, video, employee briefings and the Group's intranet

INDEMNITIES AND INSURANCE

The Group has purchased directors' and officers' insurance during the year to indemnify individual directors' and officers' personal legal liability and costs for claims arising out of actions taken in connection with the Group's business

PROVISION OF INFORMATION TO AUDITORS

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

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

AUDITORS

Under section 487(2) of the Companies Act 2006, Grant Thornton UK 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 accounts with the registrar, whichever is earlier

This report was approved by the board and signed on its behalf

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A D C Westley
Secretary

Date 7 September 2012

2 Eastbourne Terrace
London
W2 6LG

RIO TINTO LONDON LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RIO TINTO LONDON LIMITED

We have audited the financial statements of Rio Tinto London Limited for the year ended 31 December 2011, which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at www frc org uk/apb/scope/private cfm

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RIO TINTO LONDON LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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

Grant Thornton UK LLP

David Miller (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

7 September 2012

RIO TINTO LONDON LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 £000	2010 £000
TURNOVER	1	308,663	258,569
Administrative expenses		(294,922)	(240,839)
OPERATING PROFIT	2	13,741	17,730
Income from other fixed asset investments		15	-
Interest receivable and similar income		1,954	3
Interest payable and similar charges	7	(654)	(238)
Other finance charges	6	(2,532)	(5,791)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		12,524	11,704
Tax on profit on ordinary activities	8	(12,087)	(10)
PROFIT FOR THE FINANCIAL YEAR	20	437	11,694

All amounts relate to continuing operations

The notes on pages 9 to 38 form part of these financial statements

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 £000	2010 £000
PROFIT FOR THE FINANCIAL YEAR		437	11,694
Actuarial (loss)/gain related to pension schemes	18	(28,898)	56,827
Deferred tax attributable to actuarial gain/(loss)	18	7,701	(15,674)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		(20,760)	52,847

The notes on pages 9 to 38 form part of these financial statements

RIO TINTO LONDON LIMITED
REGISTERED NUMBER 00460473

BALANCE SHEET
AS AT 31 DECEMBER 2011

	Note	£000	2011 £000	£000	2010 £000
FIXED ASSETS					
Tangible assets	9		53,667		40,222
Investments	10		43,395		18,514
			97,062		58,736
CURRENT ASSETS					
Debtors	12	208,064		349,896	
Cash at bank	13	60		10	
		208,124		349,906	
CREDITORS. amounts falling due within one year	14	(149,756)		(250,784)	
NET CURRENT ASSETS			58,368		99,122
TOTAL ASSETS LESS CURRENT LIABILITIES			155,430		157,858
CREDITORS amounts falling due after more than one year	15		(19,714)		(21,617)
PROVISIONS FOR LIABILITIES					
Other provisions	17		(4,139)		(4,669)
NET ASSETS EXCLUDING PENSION SCHEME NET LIABILITIES			131,577		131,572
Defined benefit pension scheme liability	18		(65,627)		(57,899)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			65,950		73,673
CAPITAL AND RESERVES					
Called up share capital	19		4,800		4,800
Profit and loss account	20		61,150		68,873
SHAREHOLDERS' FUNDS	21		65,950		73,673

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

D S Larsen
Director

Date 7 September 2012

The notes on pages 9 to 38 form part of these financial statements

RIO TINTO LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES

1 1 Basis of preparation of financial statements

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK accounting standards The directors have reviewed the Company's existing accounting policies and consider that they are suitable The principle accouning policies have been consistently applied

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006 These financial statements therefore present information about the Company as an individual undertaking and not about its group

1.2 Cash flow

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

1.3 Turnover

Turnover for the year represents the value of management services provided to fellow group undertakings, together with commissions, guarantee fees and similar income receivable from fellow group undertakings No analysis of segmental revenue by region has been provided as the Company is not managed on such a basis This type of analysis is not meaningful to the users of the financial statements

In 2011, the Company recharged £65,583,000 for activities as an agent (2010 - £82,336,000)

1 4 Investment income

Income from investments in subsidiary/associate undertakings is recognised when the right to receive payment is established

1 5 Investments

Investments held as fixed assets are shown at cost less provision for impairment Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable When a review for impairment is conducted, the recoverable amount is assessed by reference to the net present value of expected future cash flows of the relevant cash generating unit or disposal value if higher The discount rate applied is based upon the Company's weighted average cost of capital, with appropriate adjustment for the risks associated with the relevant unit

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased If such indications exist, the recoverable amount is estimated A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised If that is the case, the carrying amount of the asset is increased to its recoverable amount That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years Such reversal is recognised in profit or loss After such a reversal, the depreciation charge is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation Depreciation is not charged on freehold land Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases

(i) Freehold properties

Depreciation is provided on a straight-line basis on freehold buildings on the basis of estimated life, subject to a maximum of 50 years Freehold improvements are depreciated on completion of the construction work, at which point the related cost is transferred to freehold property

(ii) Leasehold properties

These are amortised in equal instalments over the unexpired period of the lease Premiums are written down to net realisable value when a building is no longer in use

(iii) Fixtures, fittings and equipment

Depreciation is provided on a straight-line basis over estimated lives, with annual rates varying between 10% and 33%

(iv) Capitalised software

Directly attributable costs are capitalised where there is a specific defined project, costs include salaries and directly attributable third party costs Depreciation is provided on a straight-line basis over estimated lives, once the assets have come into use with annual rates varying between 10% and 33%

1.7 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term

1.8 Currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

1.9 Restructuring provisions

Restructuring provisions are provided for in the accounting period when the obligation arising from the restructuring occurs A provision for future rental obligations is recognised in respect of properties not occupied by the Company where future rental costs exceed the expected economic benefits to be received The provision reflects the value of expected future cash flows or, if lower, the estimated cost of terminating the lease Restructuring provisions are not discounted

1. ACCOUNTING POLICIES (continued)

1 10 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

Deferred tax is recognised in respect of the retained earnings of an overseas subsidiary, associate or joint venture only to the extent that there is a commitment to remit the earnings

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.11 Post retirement benefits

The Company participates in a Group pension scheme in the UK For members who joined before 1 April 2005 the scheme is of the defined benefit type Members who joined on or after 1 April 2005 participate in a defined contribution section under the Group scheme Pension costs are assessed in accordance with the advice of qualified independent actuaries

Financial Reporting Standard ("FRS") 17 'Post-retirement benefits' was adopted in 2005 However, the contributions to the Rio Tinto Pension Fund are accounted for as if the scheme was a defined contribution scheme as the Company's contributions are set at a common level rather than reflecting the characteristics of the Company's workforce and the Company is unable to identify its share of the assets and liabilities of the scheme on a consistent and reasonable basis

Contributions to the scheme are charged to the profit and loss account as they are incurred

The Company also operates an unfunded unapproved pension arrangement in the UK and post-retirement medical plans in the UK FRS 17 'Post-retirement benefits' is applied, under which both the unfunded unapproved pension arrangement and the post-retirement medical plan are accounted for as defined benefit schemes Values attributed to scheme liabilities are assessed in accordance with the advice of qualified independent actuaries

The defined benefit schemes are funded directly by the Company For defined benefit post-employment plans, the present value of the plan liabilities is recognised as a liability on the balance sheet There are no plan assets within either scheme, with the exception of the Rio Tinto 2009 Pension Fund Actuarial gains and losses arising in the year are taken to the Statement of Recognised Gains and Losses ("STRGL") For this purpose, actuarial gains and losses comprise both the effects of changes in actuarial assumptions and experience, and adjustments arising because of differences between the previous actuarial assumptions and what have actually occurred

Pension scheme liabilities have been measured using the projected unit method Other movements in the deficit are recognised in the income statement, including the current service cost, any past service cost and the effect of any curtailment or settlements The interest cost is also charged to the profit and loss

1. ACCOUNTING POLICIES (continued)

1 12 Share based payments

The Company operates a number of equity-settled share based compensation plans The fair value of the options granted in exchange for employee services is recognised as an expense The total amount to be expensed over the appropriate service period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, earnings per share) Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable At each balance sheet date, the Company revises its estimates of the number of options that are expected to become exercisable It recognises the impact of the revision of original estimates, if any, in the profit and loss account, with a corresponding adjustment to equity

Until 15 July 2010 the ultimate parent company operated a cash-settled share based plan The fair value of the cash-settled share plan was recognised as a liability over the vesting period of the awards Movements in that liability between accounting dates were recognised as an expense The grant date fair value of the awards was taken to be the market value of the shares at the date of the award reduced by a factor for anticipated relative Total Shareholder Return ('TSR') performance Fair values were subsequently re-measured at each accounting date to reflect the number of awards expected to vest based on the current and anticipated TSR performance If any awards were ultimately settled in shares, the liability was transferred direct to equity as the consideration of the equity instruments issued

Where employees of the Company are also eligible for share based payment schemes operated by other companies within the Group who have neither a direct nor indirect ownership interest in the Company, provision is made for the fair value of awards at the grant date The difference between the fair value at the grant date and any amount subsequently recharged to the Company is recognised directly in the profit and loss reserve

The fair value of the share plans is recognised as an expense over the expected vesting period with a corresponding entry to other reserves

2 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2011 £000	2010 £000
Depreciation of tangible fixed assets		
- owned by the company	4,237	3,622
Difference on foreign exchange	12,991	(6,305)
Research and development expenditure written off	-	564
Employment costs (see note 4)	144,481	106,982
Operating lease rentals - properties	6,739	7,122
Operating lease rentals - plant and machinery	661	719

3. AUDITORS' REMUNERATION

	2011 £000	2010 £000
Fees payable to the company's auditor for the audit of the company's annual accounts	33	33

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2011 £000	2010 £000
Wages and salaries	124,518	91,415
Social security costs	9,298	8,943
Other pension costs - see Note 18(e)	10,665	6,624
	144,481	106,982

Included in wages and salaries are share based payments of £31,705,000 (2010 - £22,234,000)

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

	2011	2010
Employees	612	455

Post retirement benefits

The Company participates in a Group pension scheme in the UK In addition, the Company provides unfunded pensions and post retirement healthcare benefits to eligible employees It also reimburses fellow Group companies for the pension cost of foreign employees seconded to it

Refer to Note 18 - Post retirement benefits for further details

Share based payments

The Company's employees are entitled to participate in the Rio Tinto Employee Share Ownership Plan (the "ESOP") The trustee of the ESOP is HSBC Trustee (C I) Limited, (the "Trustee"), which is an independent professional trust company resident in the Island of Jersey

The ESOP provides for the issue of shares to the Company's employees (including directors and officers) in connection with the Group incentive plan arrangements, which are described in the Rio Tinto Group's 2011 Full financial statements Charges to the Company arising in connection with the ESOP are spread over the employees' period of service in respect of which the shares are granted Costs relating to the administration of the ESOP are absorbed by the Company in the year that they are incurred The shares held by the Trustee at the year-end represent shares to be awarded to employees in future periods During the period prior to allocations, dividends are attributable to the ESOP Fund

The compensation cost that has been recognised in the profit and loss account for Rio Tinto's share based compensation plans, and related liability, is set out in the table below

	Charge/(credit) recognised for the year		Liability at the end of the year	
	2011 £000	2010 £000	2011 £000	2010 £000
Equity-settled plans	31,705	22,234	-	-

Lattice-based option valuation model

The fair value of share options is estimated as at the date of grant using a lattice-based options valuation model The significant assumptions used in the valuation model are disclosed in the Rio Tinto Group's 2011 Full financial statements

a) Share Plans

Share Savings Plans

Awards under these plans are settled in equity and accounted for accordingly The fair value of each award on the day of grant was estimated using a lattice-based option valuation model, includng allowance for the exercise price being at a discount to market price

Share Option Plans

The Group has a policy of settling these awards in equity, although the directors at their discretion can offer a cash alternative The awards are accounted for in accordance with the requirements applying to equity-settled, share based payment transactions The performance conditions in relation to Total Shareholder Return ('TSR') have been incorporated in the measurement of fair value for these awards by modelling the correlation between Rio Tinto's TSR and that of the index The relationship between Rio Tinto's TSR and the index was simulated many thousands of times to derive a distribution which, in conjunction with the lattice-based option valuation model, was used to determine the fair value of the options The key assumptions are noted in the Rio Tinto Group's 2011 Full financial statements

Share Ownership Plan

The fair values of awards of Matching and Free Shares made by Rio Tinto are taken to be the market value of the shares on the date of purchase These awards are settled in equity The total fair value of shares awarded during the year was £853,000 (2010 - £888,000)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

a) Share Plans (continued)

Summary of options outstanding

	Number	Weighted average exercise price per option £/A$	Weighted average remaining contractual life Years	Aggregate intrinsic value 2011 US$
Options outstanding at 31 December 2011				
Rio Tinto plc Share Savings Plan (£17 - £32)	105,943	25 94	2 3	84,921
Rio Tinto Limited Share Savings Plan (A$40 - A$67)	-	53 78	2 8	-
Rio Tinto plc Share Option Plan (£10 - £43)	1,858,914	21 61	5 6	-
Rio Tinto Limited Share Option Plan (A$17 - A$82)	96,156	42 91	5 6	-
	2,061,013			84,921

As at 31 December 2010, there were 2,065,864 options outstanding with an aggregate intrinsic value of US$77,294,790

	Number	Weighted average exercise price per option £/A$	Weighted average remaining contractual life Years	Aggregate intrinsic value 2011 US$
Options exercisable at 31 December 2011				
Rio Tinto plc Share Option Plan (£10 - £43)	1,031,601	14 84	2 5	27,583,164
Rio Tinto Limited Share Option Plan (A$17 - A$82)	26,045	37 00	2 9	978,023
Total	1,057,646			28,561,187

b) Performance Share Plan (formerly the Mining Companies Comparative Plan)

Prior to 2010, the Remuneration Committee gave the Plan's participants the option to receive their awards in cash or as shares This option resulted in the Plan being classified as a cash-settled share-based payment transaction and it was accounted for accordingly

In 2010 the Group's policy for settling these awards changed Since 2010, participants have been assigned shares in settlement of their awards with no option to receive a direct cash alternative As a result of this, and with effect from 1 July 2010, the Plan has been accounted for in accordance with the requirements applying to equity-settled share-based payment transactions

The change in settlement policy has been accounted for under IFRS 2 as a modification Accordingly, the fair values of the awards granted prior to this change were re-measured at 1 July 2010 and from that date treated as equity-settled awards The incremental fair value as a result of this modification was nil This re-measurement was calculated using a Monte Carlo simulation model The fair value of awards granted after July 2010 are measured at date of grant

For the purpose of the disclosures below, the grant date fair values of the awards made prior to 2008 were calculated as the market value of the shares at the date of award reduced by 50 per cent for anticipated relative TSR performance The grant date fair value of the awards made since 2008 were calculated using a Monte Carlo simulation model In each case fair values were adjusted for non receipt of dividends between measurement date and date of vesting (excluding awards for executive directors and product group CEOs) Forfeitures are assumed prior to vesting at three per cent per annum of outstanding awards (except for the 2009 awards which applied to senior executives only with no allowance for forfeitures)

	2011 Number	Weighted average fair value at grant date 2011 £	2010 Number	Weighted average fair value at grant date 2010 £
Rio Tinto plc				
Non-vested shares at 1 January	972,145	27 37	1,315,124	14 98
Transfers	3,065	27 37	(222,989)	-
Awarded	269,380	31 28	324,567	36 35
Forfeited	-	32 37	-	20 33
Failed performance conditions	(187,131)	10 49	(215,968)	7 49
Vested	(178,882)	10 35	(228,589)	7 41
Non-vested shares at 31 December	878,577	33 67	972,145	27 37

	2011 Number	Weighted average share price 2011 £	2010 Number	Weighted average share price 2010 £
Shares issued in respect of vested awards during the year	178,882	43 27	228,589	32 06

b) Performance Share Plan (formerly the Mining Companies Comparative Plan) (continued)

	2011 Number	Weighted average fair value at grant date 2011 A$	2010 Number	Weighted average fair value at grant date 2010 A$
Rio Tinto Limited				
Non-vested shares at 1 January	112,200	57 09	262,762	31 97
Transfers	51,387	57 09	(59,601)	31 97
Awarded	17,256	62 26	11,939	75 81
Forfeited	-	69 76	-	37 49
Failed performance conditions	(37,283)	28 96	(51,209)	19 61
Vested	(35,158)	28 64	(51,691)	19 42
Non-vested shares at 31 December	108,402	71 24	112,200	57 09

	2011 Number	Weighted average share price 2011 A$	2010 Number	Weighted average share price 2010 A$
Shares issued in respect of vested awards during the year	35,158	87 81	51,691	71 94

c) Management Share Plan and Bonus Deferral Plan

The Management Share Plan was introduced during 2007 to provide conditional share-based awards to management The vesting of these awards is dependent on service and/or performance based conditions being met The awards will be settled in equity including the dividends accumulated from date of award to vesting The awards are accounted for in accordance with the requirements applying to equity-settled share based payment transactions The fair value of each award on the day of grant is equal to share price on the day of grant less a small adjustment for the timing of dividends vesting Forfeitures are assumed prior to vesting at five per cent per annum of outstanding awards

The Bonus Deferral Plan was introduced during 2009 and is made up of two parts the Bonus Deferral Award and the Company Contributed Award The Bonus Deferral Award was established for the mandatory deferral of 100 per cent of the 2008 Bonus for executive directors and product group executives and 50 per cent of the 2008 Bonus for other executives In addition, in order to enhance retention of key employees the Company Contributed Award was made in respect of 25 per cent of the gross annual basic salary for other executives

Additional Bonus Deferral Awards were made in 2010 for the mandatory deferral of 50 per cent of the 2010 Bonus for executive directors and product group executives and 10 per cent of the 2010 Bonus for other executives, on the same terms as the 2008 Bonus Deferral Awards

The vesting of these awards is dependent only on service conditions being met The awards will be settled in equity including the dividend accumulated from date of award to vesting The awards are accounted for in accordance with the requirements applying to equity-settled share based payment transactions The fair value of each award on the day of grant is equal to the share price on the day of grant less a small adjustment for the timing of dividends vesting Forfeitures are assumed prior to vesting at three per cent per annum of outstanding awards

	2011 Number	Weighted average fair value at grant date 2011 £	2010 Number	Weighted average fair value at grant date 2010 £
Rio Tinto plc				
Non-vested awards at 1 January	511,004	27 58	755,340	22 76
Transfers	6,477	27 58	(218,532)	22 76
Awarded	193,125	39 83	133,031	36 34
Forfeited	(25,325)	30 92	(18,776)	24 29
Expired	-	46 13	-	-
Vested	(169,621)	31 29	(140,059)	22 63
Non-vested awards at 31 December	515,660	30 05	511,004	27 58

c) Management Share Plan and Bonus Deferral Plan (continued)

	2011 Number	Weighted average share price 2011 £	2010 Number	Weighted average share price 2010 £
Shares issued in respect of vested awards during the year (including dividend shares applied on vesting)				
Management Share Plan	76,226	42 88	91,883	34 69
Bonus Deferral Plan	98,755	32 65	54,098	42 74

	2011 Number	Weighted average fair value at grant date 2011 A$	2010 Number	Weighted average fair value at grant date 2010 A$
Rio Tinto Limited				
Non-vested awards at 1 January	55,274	62 46	160,286	55 81
Transfers	16,333	62 46	(97,721)	55 81
Awarded	17,928	79 60	12,495	75 71
Forfeited	-	61 31	(4,976)	57 81
Expired	-	-	-	-
Vested	(15,571)	75 81	(14,810)	59 60
Non-vested awards at 31 December	73,964	65 23	55,274	62 46

	2011 Number	Weighted average share price 2011 A$	2010 Number	Weighted average share price 2010 A$
Shares issued in respect of vested awards during the year (including dividend shares applied on vesting)				
Management Share Plan	5,559	80 28	8,146	73 59
Bonus Deferral Plan	1,820	65 66	7,084	86 37

5. DIRECTORS' REMUNERATION

	2011 £000	2010 £000
Emoluments	1,439	1,557
Amounts receivable under long-term incentive schemes	-	318
Company pension contributions to defined contribution pension schemes	39	40

During the year retirement benefits were accruing to 2 directors (2010 - 2) in respect of defined contribution pension schemes

The highest paid director received remuneration of £534,000 (2010 - £840,000)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £12,000 (2010 - £NIL)

The total accrued pension provision of the highest paid director at 31 December 2011 amounted to £109,000 (2010 - £42,000)

The amount of the accrued lump sum in respect of the highest paid director at 31 December 2010 amounted to £37,000 (2010 - £333,000)

No director exercised share options during the year (2010 - one)

6 OTHER FINANCE CHARGES

	2011 £000	2010 £000
Post retirement benefits - other finance costs - note 18 (e)	(2,532)	(5,791)

7 INTEREST PAYABLE

	2011 £000	2010 £000
On other loans	32	-
On loans from group undertakings	622	238
	654	238

8. TAXATION

	2011 £000	2010 £000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax credit on profit for the year	(1,162)	(14,185)
Deferred tax		
Origination and reversal of timing differences	9,783	12,017
Effect of increased tax rate on opening liability	3,466	2,178
Total deferred tax	13,249	14,195
Tax charge/(credit) on profit on ordinary activities	12,087	10

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2010 - lower than) the standard rate of corporation tax in the UK of 26 5% (2010 - 28%) The differences are explained below

	2011 £000	2010 £000
Profit on ordinary activities before tax	12,524	11,704
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26 5% (2010 - 28%)	3,319	3,277
Effects of		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	229	370
Capital allowances for year in excess of depreciation	295	160
Higher rate taxes on overseas earnings	84	46
Non-taxable income	(61)	-
Changes in provisions leading to a decrease in the tax charge	(8,457)	(9,065)
Tax increase/(deduction) arising from exercise of employee options	3,201	(8,924)
Other differences leading to an increase/(decrease) in the tax charge	228	(49)
Current tax credit for the year	(1,162)	(14,185)

Factors that may affect future tax charges

Legislation was enacted in March 2012 to reduce the UK statutory corporation tax rate to 24% from 1 April 2012

The March 2012 Budget Statement announced further reductions to the UK statutory corporation tax rate 23% effective 1 April 2013 and 22% effective 1 April 2014 These changes will have no impact on the financial statements prepared to 31 December 2011

9. TANGIBLE FIXED ASSETS

	Land and Buildings £000	Fixtures, Fittings & Equipment £000	Capitalised Software £000	Total £000
Cost				
At 1 January 2011	38,868	6,581	7,379	52,828
Additions	16,102	-	1,583	17,685
Disposals	-	(662)	-	(662)
At 31 December 2011	54,970	5,919	8,962	69,851
Depreciation				
At 1 January 2011	6,347	3,245	3,014	12,606
Charge for the year	1,277	784	2,176	4,237
On disposals	-	(659)	-	(659)
At 31 December 2011	7,624	3,370	5,190	16,184
Net book value				
At 31 December 2011	47,346	2,549	3,772	53,667
At 31 December 2010	32,521	3,336	4,365	40,222

The net book value of land and buildings (including refurbishment costs) comprises

	2011 £000	2010 £000
Freehold land & buildings	28,283	16,935
Leasehold land & buildings - all less than 50 years	19,063	15,586
	47,346	32,521

Freehold land and buildings mainly comprise the cost of a central London office building purchased in 1975 and the adjacent property purchased in 2006, less depreciation The directors have not commissioned a valuation in use of the buildings, but are confident that the market value is substantially greater than the net book value These buildings are currently in the process of being redeveloped and no depreciation was charged in 2011 (2010 - Nil) Leasehold land and buildings relate to improvements undertaken to new, short lease offices

10. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £000	Listed investments £000	Total £000
Cost or valuation			
At 1 January 2011	215	18,299	18,514
Additions	-	55,577	55,577
Disposals	(115)	(30,481)	(30,596)
At 31 December 2011	100	43,395	43,495
Impairment			
At 1 January 2011	-	-	-
Charge for the year	100	-	100
At 31 December 2011	100	-	100
Net book value			
At 31 December 2011	-	43,395	43,395
At 31 December 2010	215	18,299	18,514

The principal subsidiaries are listed in Note 11

Other listed investments

Other listed investments comprise 1,378,883 (2010 - 506,360) ordinary shares of Rio Tinto plc held under the Employee Share Ownership Plan The market value of this investment was £43,090,000 (2010 - £22,718,000) and nominal value of £137,888 (2010 - £50,636)

11 PRINCIPAL SUBSIDIARIES

Company name	Country of incorporation	Percentage Shareholding	Description
Rio Tinto Marketing Services Limited	England and Wales	100	Group services - Ordinary shares of £1 each
Rio Tinto Overseas Services Limited	England and Wales	100	Group services - Ordinary shares of £1 each
Rio Tinto Uranium Services Limited	England and Wales	100	Dormant - Ordinary shares of £1 each

Rio Tinto Technical Services Limited was struck off the Register of Companies following an application by the directors on 28 June 2011

12. DEBTORS

	2011 £000	2010 £000
Amounts owed by Group undertakings	187,652	313,813
Corporation tax	-	14,231
Other debtors	4,472	1,035
Prepayments	1,715	1,827
Corporation tax	1,246	-
Deferred tax asset (see note 16)	12,979	18,990
	208,064	349,896

The above amounts are non-interest bearing and repayable on demand

13. CASH AT BANK AND IN HAND

Cash at bank includes £60,000 (2010 - £10,000) for which there are restrictions on remittances

14. CREDITORS
Amounts falling due within one year

	2011 £000	2010 £000
Bank loans and overdrafts	573	131
Amounts owed to Group undertakings	94,177	207,843
Other creditors	30,930	20,390
Accruals	24,076	22,420
	149,756	250,784

Of the amounts owed to Group undertakings, an amount of £22,000,000 (2010 - £111,845,000) is interest bearing at GBP 1 month LIBOR plus 10 basis points All other amounts falling due within one year are non-interest bearing

15. CREDITORS
Amounts falling due after more than one year

	2011 £000	2010 £000
Accruals	19,714	21,617

Included in accruals are £12,031,000 (2010 - £13,868,000) of social security liabilities in relation to long term incentives granted and accruals due to an operating lease having an initial rent free period of £7,683,000 (2010 - £7,749,000)

16. DEFERRED TAX ASSET

	2011 £000	2010 £000
At beginning of year	18,990	13,333
(Charge for)/released during year	(6,011)	5,657
At end of year	12,979	18,990

The deferred tax asset is made up as follows

	2011 £000	2010 £000
Accelerated capital allowances	979	1,009
Short term timing differences	(22)	(28)
Pension spreading	(5,948)	(9,635)
Other timing differences - Share based payments	(7,988)	(10,336)
	(12,979)	(18,990)

17 PROVISIONS

	Restructuring provision £000
At 1 January 2011	4,669
Utilised during the year	(530)
At 31 December 2011	4,139

Restructuring provision

This provision relates to the closure of an office and includes mainly net rental costs that fall due over a period in excess of over five years

18. POST RETIREMENT BENEFITS

a) UK funded pension scheme

The Company participates in a group pension arrangement in the UK, the Rio Tinto Pension Fund ("the Fund") Members who joined the Fund before 1 April 2005 participate on a defined benefit basis Members who join the Fund on or after 1 April 2005 participate on a defined contribution basis The assets of the Fund are held under trust

The contributions paid by the Company are accounted as if the Fund were a defined contribution arrangement, as the Company is unable to identify its share of the underlying assets and liabilities in the Fund

The cost of contributions to the Fund amount to £4,144,000 (2010 - £3,049,000)

The last trustee funding actuarial review was conducted with an effective date of 31 March 2009 The requirement for the company to pay contributions is reviewed on a quarterly basis

An annual valuation of the fund was carried out by independent qualified actuaries on 31 December 2011 under International Accounting Standards 19 "Employee Benefits" and on this basis the Fund had a surplus of US$74 0 million (2010 - US$92 5 million) The existence of this surplus does not affect the rate at which the Company pays contributions as this is determined by the normal Trustee funding actuarial valuation

b) UK Unfunded pension arrangement

The Company operates an unfunded unapproved pension arrangement in the UK A full actuarial valuation was carried out at 31 December 2011 by a qualified independent actuary The major assumptions used by the actuary were

	2011	2010
Assumptions		
Retail Price Index "RPI" inflation	3 0%	3 4%
Discount rate	4 7%	5 4%
Pension increases in payments	3 0%	3 4%
General salary increases	5 0%	5 4%
Life expectancy of male aged 65 at the valuation date	21 6 years	21 8 years
Life expectancy of male aged 65 in 20 years time	23 4 years	23 7 years

	2011 £000	2010 £000
Present value of defined benefit obligation	(38,574)	(33,272)
Fair value of scheme assets	-	-
Deficit in the scheme	(38,574)	(33,272)

	2011 £000	2010 £000
Gross pension liability	(38,574)	(33,272)
Related deferred tax asset at 25% (2010 - 27%)	9,643	8,983
Net pension liability	(28,931)	(24,289)

Analysis of amounts charged to operating profit

	2011 £000	2010 £000
Employer's part of current service cost	(2,370)	(2,480)

Analysis of amounts charged to other finance charges

	2011 £000	2010 £000
Interest on pension scheme liability	(1,836)	(1,729)

b) UK Unfunded pension arrangement (continued)

Analysis of amounts recognised in STRGL

	2011 £000	2010 £000
Actuarial (losses)/gains	(1,997)	777

Reconciliation of present value of defined benefit obligation

	2011 £000	2010 £000
Deficit in the scheme at the beginning of the year	(33,272)	(30,581)
Movement in year		
Employer's part of current service costs	(2,370)	(2,480)
Benefits paid	901	741
Net finance charge	(1,836)	(1,729)
Actuarial (losses)/gains recognised in STRGL	(1,997)	777
Deficit in scheme at the end of the year	(38,574)	(33,272)

History of experience gains and losses

	2011 £000	2010 £000	2009 £000	2008 £000	2007 £000
Present value of defined benefit obligation	(38,574)	(33,272)	(30,581)	(21,292)	(20,135)
Fair value of scheme assets	-	-	-	-	-
Deficit	(38,574)	(33,272)	(30,581)	(21,292)	(20,135)

Experience adjustments on defined benefit obligation

	2011 £000	2010 £000	2009 £000	2008 £000	2007 £000
Amount of (loss)/gain	(375)	887	448	1,215	378
Percentage of scheme liabilities	1%	(1%)	(1%)	(6%)	(2%)

c) UK Post Retirement Healthcare Plan

The Company operates a post retirement medical plan in the UK A full actuarial valuation was carried out at 31 December 2011 by a qualified independent actuary The major assumptions used by the actuary were

	2011	2010
Assumptions		
RPI inflation	3 0%	3 4%
Discount rate	4 7%	5 4%
Real medical trend inflation in the short term	2 5%	3 4%
Real medical trend inflation in the long term	2 5%	5 4%
Life expectancy of male aged 65 at the valuation date	21 6 years	21 8 years
Life expectancy of male aged 65 in 20 years time	23 4 years	23 7 years

	2011 £000	2010 £000
Present value of defined obligation	(13,011)	(11,291)
Fair value of scheme assets	-	-
Deficit in the scheme	(13,011)	(11,291)

	2011 £000	2010 £000
Gross pension liability	(13,011)	(11,291)
Related deferred tax asset at 25% (2010 - 27%)	3,253	3,048
Net pension liability	(9,758)	(8,243)

Analysis of amounts charged to other finance charges

	2011 £000	2010 £000
Interest on pension scheme liability	(591)	(650)

c) UK Post Retirement Healthcare Plan (continued)

Analysis of amounts recognised in STRGL

	2011 £000	2010 £000
Actuarial (losses)/gains	(1,836)	815

Reconciliation of present value of defined benefit obligation

	2011 £000	2010 £000
Deficit in the scheme at the beginning of the year	(11,291)	(12,183)
Movement in the year		
Employer's part of current service costs	-	-
Benefits paid	707	727
Net finance charge	(591)	(650)
Actuarial (losses)/gains recognised in the STRGL	(1,836)	815
Deficit in the scheme at the end of the year	(13,011)	(11,291)

History of experience gains and losses

	2011 £000	2010 £000	2009 £000	2008 £000	2007 £000
Present value of defined benefit obligation	(13,011)	(11,291)	(12,183)	(10,783)	(8,693)
Fair value of scheme assets	-	-	-	-	-
Deficit	(13,011)	(11,291)	(12,183)	(10,783)	(8,693)

Experience adjustments on defined benefit obligation

	2011 £000	2010 £000	2009 £000	2008 £000	2007 £000
Amount of (loss)/gain	(2,156)	815	692	(244)	729
Percentage of scheme liabilities	16%	(7%)	(6%)	2%	(8%)

Sensitivity of results to medical expense inflation assumption

An increase of one per cent in the assumed medical cost trend rates would increase the benefit obligation for these plans by £1 4 million (2010 - £1 5 million) A decrease of one percent in the assumed medical cost rates would decrease the benefit obligation for these plans by £1 2 million (2010 - £1 2 million)

d) Rio Tinto 2009 Pension Fund

In December 2009, the Company established an additional fund known as the Rio Tinto 2009 Pension Fund (the "2009 Fund") to accommodate all former pensioners of the Alcan Packaging Pension Plan ("APP") All former employees with deferred pensions in the APP and former employees of the Beauty Packaging division who are now employed by Rio Tinto London Limited and are active members of the 2009 Fund

The assets of the 2009 Fund are held under trust

Rio Tinto London Limited is the only employer in the Fund and it therefore accounts for the Fund in accordance with FRS 17

An annual valuation of the Fund was carried out by independent qualified actuaries on 31 December 2011 under FRS 17 and on this basis the 2009 Fund had a surplus of £26,938,000 (2010 - £25,366,000) which is reflected in the balance sheet

Amounts recognised in the balance sheet are determined as follows

	2011 £000	2010 £000
Present value of funded obligations	(650,032)	(602,039)
Fair value of plan assets	614,114	567,291
Deficit in the scheme	(35,918)	(34,748)
Related deferred tax asset at 25% (2010 - 27%)	8,980	9,382
Net pension liability	(26,938)	(25,366)

Analysis of amounts charged to operating profit

	2011 £000	2010 £000
Current service cost	-	(34)

Analysis of amounts charged to other finance charges

	2011 £000	2010 £000
Interest on pension scheme liabilities	(31,567)	(33,075)
Expected return on plan assets	31,462	29,663
Total other finance charges	(105)	(3,412)

d) Rio Tinto 2009 Pension Fund (continued)

Analysis of amounts recognised in STRGL

	2011 £000	2010 £000
Actuarial (losses)/gains	(25,065)	55,235

The movement in the defined benefits obligations during the year is as follows

	2011 £000	2010 £000
Benefit obligation at the beginning of the year	(602,039)	(618,189)
Current service costs	-	(34)
Interest cost	(31,567)	(33,075)
Plan participants' contributions	-	(9)
Actuarial (losses)/gains	(51,353)	15,563
Benefits paid	34,927	33,705
Benefit obligation at the end of the year	(650,032)	(602,039)

The movement in the fair value of plan assets during the year is as follows

	2011 £000	2010 £000
Fair value of plan assets at the beginning of the year	567,291	457,601
Expected return on plan assets	31,462	29,663
Actuarial gains/(losses)	26,288	39,672
Employer contributions	24,000	74,051
Member contributions	-	9
Benefits paid	(34,927)	(33,705)
Fair value of plan assets at the end of the year	614,114	567,291

d) Rio Tinto 2009 Pension Fund (continued)

Plan assets comprise the following·

	Expected rate of return 2011	Plan assets as a percentage of total scheme assets 2011	Expected rate of return 2010	Plan assets as a percentage of total scheme assets 2010
Equity	7 1%	30%	7 8%	39%
Properties	4 7%	6%	6%	6%
Corporate bonds	5 0%	20%	5 4%	18%
Gilts, cash and other	2 8%	44%	4%	37%

To develop the expected long term rate of return on assets, the Company considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each investment class The expected return for each asset was then weighted based on the actual asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio

The actual return on plan assets was £67,750,000 (2010 - £69,335,000)

Assumptions

	2011 £000	2010 £000
The principal actuarial assumptions used to determine benefit obligations were as follows		
Discount rate	4 7%	5 4%
The principal actuarial assumptions used to determine net pension cost were as follows		
Discount rate	5 4%	5 5%
Expected long term return on plan assets	5 6%	5 9%
Rate of compensation increase	-	4 5%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory Mortality assumptions are based on S1NA tables and CMI 2010 projections (2010 - based on the standard mortality table "PA92 medium cohort", weighted by 125% to reflect the result of an investigation into the mortality experience of the Packaging Plan's pensioners)

These tables translate into an average life expectancy in years of a pensioner retiring at age 65 of

	2011 Male	2010 Male	2011 Female	2010 Female
Member aged 65 (current life expectancy)	22 4	20 8	24 0	23 6
Member age 45 (life expectancy at age 65)	24 2	22 6	26 0	25 5

d) Rio Tinto 2009 Pension Fund (continued)

Three year history from inception

	2011 £000	2010 £000	2009 £000
Present value of defined benefit obligation	(650,032)	(602,039)	(618,190)
Fair value of scheme assets	614,114	567,291	457,601
Deficit	(35,918)	(34,748)	(160,589)
Difference between actual and expected return on scheme assets	26,288	39,672	(7,794)
Percentage of scheme assets	4%	7%	(2%)
Total amount recognised in STRGL	(25,065)	55,235	(28,833)
Percentage of scheme liabilities	(4%)	9%	(5%)

Over the year to 31 December 2011, the company contributed normal contributions of 19 7% (2010 - 19 7%) of members' pensionable earnings and an additional £24 million (2010 - £74 million) The company expects to contribute £2 million monthly during 2012

e) Post Retirement benefit summary

Summary of post retirement benefit - Other finance costs	2011 £000	2010 £000
Uk unfunded pension - other finance costs	(1,836)	(1,729)
UK Post Retirement Healthcare Plan - other finance costs	(591)	(650)
Rio Tinto 2009 Pension Fund - Interest cost	(31,567)	(33,075)
Rio Tinto 2009 Pension Fund - Expected return on plan assets	31,462	29,663
Total post retirement benefit - other finance costs (note 6)	(2,532)	(5,791)

Summary of post retirement benefit - Pension costs	2011 £000	2010 £000
UK funded pension - note 18 (a)	(4,144)	(3,049)
UK unfunded pension - current service cost - note 18 (b)	(2,370)	(2,480)
UK Post Retirement Healthcare Plan - current service cost - note 18 (c)	-	-
Rio Tinto 2009 Pension Fund - current service cost - note 18 (d)	-	(34)
Other pension costs	(4,151)	(1,061)
Total post retirement benefit - Other pension costs (note 4)	(10,665)	(6,624)

e) Post Retirement benefit summary (continued)

Summary of post retirement benefit - Balance sheet liability	2011 £000	2010 £000
UK unfunded pension arrangement - note 18 (b)	(38,574)	(33,272)
UK Post Retirement Healthcare Plan - note 18 (c)	(13,011)	(11,291)
Rio Tinto 2009 Pension Fund - note 18 (d)	(35,918)	(34,748)
less deferred tax (below)	21,876	21,412
Net post retirement benefit liability	(65,627)	(57,899)

Movement in deferred tax asset on post retirement benefits	2011 £000	2010 £000
At 1 January	21,412	56,939
Deferred tax credit/(charge) in profit and loss account	(7,237)	(19,853)
Deferred tax credit/(charge) in profit and loss reserve	7,701	(15,674)
At 31 December	21,876	21,412

19 SHARE CAPITAL

	2011 £000	2010 £000
Allotted, called up and fully paid		
4,800,000 Ordinary shares of £1 each	4,800	4,800

20 RESERVES

	Profit and loss account £000
At 1 January 2011	68,873
Profit for the year	437
Pension reserve movement - net of deferred tax	(21,197)
Share based payments movement	13,037
At 31 December 2011	61,150

21 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011 £000	2010 £000
Opening shareholders' funds/(deficit)	73,673	(6,842)
Profit for the year	437	11,694
Pension reserve movement net of deferred tax	(21,197)	41,153
Share based payments movement	13,037	27,668
Closing shareholders' funds	65,950	73,673

22. CAPITAL COMMITMENTS

At 31 December 2011 the Company had capital commitments as follows

	2011 £000	2010 £000
Commitment relating to the re-development of freehold property (Note 9)	63,000	80,000

23. OPERATING LEASE COMMITMENTS

At 31 December 2011 the Company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Plant and equipment	
	2011 £000	2010 £000	2011 £000	2010 £000
Expiry date				
Within 1 year	535	450	47	12
Between 2 and 5 years	-	-	336	189
After more than 5 years	6,535	4,954	-	-
Total	7,070	5,404	383	201

24 RELATED PARTY TRANSACTIONS

The Company is exempt under FRS 8 from disclosing related party transactions between two or more members of a group, for subsidiaries which are party to the transaction are wholly owned by the Group

Under the terms of the Rio Tinto Pension Fund Trust Deed, a fee is charged to Rio Tinto Pension Fund in respect of the provision of services During the year £4,525,000 (2010 - £5,187,000) was charged A refund in respect of previous years fees charged was granted during the year for £7,150,000 (2010 Nil) At the end of the year £1,606,000 was outstanding from the Rio Tinto Pension fund (2010 £539,000)

Under arrangements made as part of the sale and purchase agreement on 04 January 2011 Rio Tinto London Limited agreed to support Constellium (formerly Omega Holdco BV) and it's subsidiaries in their IT infrastructure The Company charged £5,844,000 in 2011 of which £950,000 was outstanding at 31 December 2011 (2010 - nil)

25 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is Rio Tinto European Holdings Limited The ultimate parent undertaking and controlling party is Rio Tinto plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements Copies of Rio Tinto plc consolidated financial statements can be obtained from 2 Eastbourne Terrace, London, W2 6LG, or from the Rio Tinto website at www riotinto com