

Registration number: 03075230

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**RIO TINTO MARKETING SERVICES LIMITED**

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



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## **RIO TINTO MARKETING SERVICES LIMITED**

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### **CONTENTS**

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	<b>Pages</b>
Company information	1
Strategic report	2
Directors' report	3 to 4
Independent auditors' report	5 to 7
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11 to 16

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## **RIO TINTO MARKETING SERVICES LIMITED**

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### **COMPANY INFORMATION**

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<b>DIRECTORS</b>	A K Chirgwin A W Hodges J P Kiddle
<b>COMPANY SECRETARY</b>	Rio Tinto Secretariat Limited
<b>REGISTRATION NUMBER</b>	03075230
<b>REGISTERED OFFICE</b>	6 St James's Square London United Kingdom SW1Y 4AD
<b>INDEPENDENT AUDITORS</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London United Kingdom WC2N 6RH

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## RIO TINTO MARKETING SERVICES LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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The directors present their Strategic report on Rio Tinto Marketing Services Limited (the "Company") for the year ended 31 December 2018.

#### Introduction

The Company was incorporated, domiciled and registered in England and Wales under the Companies Act 2006 and is a private company limited by shares. The Company's ultimate parent undertaking and controlling party is Rio Tinto plc, which together with Rio Tinto Limited and their respective subsidiaries form the Rio Tinto Group (the "Group").

#### Business review

The Company provides marketing services to Kennecott Molybdenum Company for which it receives a commission. It also incurs salary and service costs charged from other Group undertakings.

#### Principal risks and uncertainties

The Company's principal risks and uncertainties, such as financial, operational and compliance risks, are integrated with those of the Group and are not managed separately.

Assessment of the potential economic and non-economic consequences of risks is undertaken by the Group's business units and functions using the framework defined by the Group's Risk policy and standard. Once identified, each principal risk and uncertainty is reviewed and monitored by the relevant internal experts and by the Risk Management Committee, the relevant board committees and the board. Full details of the Group's risk factors and policies for financial risk management are discussed in its 2018 Annual Report which does not form part of this report.

#### Key performance indicators

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.

The report was approved by the board and signed on its behalf by:

  
.....  
J P Kiddie  
Director

Date: 30 SEPTEMBER 2019

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## RIO TINTO MARKETING SERVICES LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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

#### Results and dividends

The profit for the financial year, after taxation, amounted to £1,444,000 (2017: £644,000).

No interim dividend was paid during the year (2017: £nil). The directors do not recommend the payment of a final dividend (2017: £nil).

#### Directors

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

A K Chirgwin

A W Hodges (appointed 30 November 2018)

J P Kiddle (appointed 19 April 2019)

R C Bellhouse (appointed 15 August 2018 and resigned 30 November 2018)

M P Bossick (appointed 15 August 2018 and resigned 19 April 2019)

E Model (resigned 2 June 2018)

The directors had no material interest in any contract or arrangement during the year to which the Company or any subsidiary is, or was, a party.

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

The directors are responsible for preparing the Annual Report and 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 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 the financial statements, the directors are required to:

- select suitable accounting policies and 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 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.

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.

#### Principal activity

The Company provides marketing services to other members of the Group.

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## RIO TINTO MARKETING SERVICES LIMITED

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

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**Indemnities and insurance**

In accordance with section 233 of the Companies Act 2006 the Company has purchased and maintains insurance against liabilities arising from claims against directors' and officers' actions taken in connection with the Group's business.

**Future developments**

The Company's future developments are integrated with those of the Group which are discussed in the Group's 2018 Annual Report, which does not form part of this report.

**Financial risk management**

Please refer to the Strategic report, principal risks and uncertainties section.

**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

**Disclosure 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 relevant audit information and to establish that the Company's auditors are aware of that information.

**Independent auditors**

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed by order of the board.

  
Director, for and on behalf of Rio Tinto Secretariat Limited  
Company secretary

ANDY HODGES

Date: 30 SEPTEMBER 2019

6 St James's Square  
London  
United Kingdom  
SW1Y 4AD

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## **RIO TINTO MARKETING SERVICES LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RIO TINTO MARKETING SERVICES LIMITED**

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#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion, Rio Tinto Marketing Services Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising 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 and Financial Statements (the "Annual Report"), which comprise: the Balance sheet as at 31 December 2018; the Statement of comprehensive income and the Statement of changes in equity for the year then ended; and the Notes to the financial statements, which include a description of the significant accounting policies.

##### **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**

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the Company's trade, customers, suppliers, and the wider economy.

##### **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.

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## RIO TINTO MARKETING SERVICES LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RIO TINTO MARKETING SERVICES LIMITED (CONTINUED)

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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 the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require 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 2018 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 set out on page 3, 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.

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

##### *Use of this report*

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



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## RIO TINTO MARKETING SERVICES LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RIO TINTO MARKETING SERVICES LIMITED (CONTINUED)

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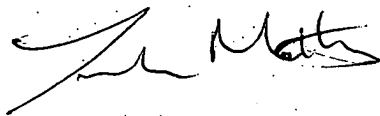
#### Other required reporting

##### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received 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.



Jonathan Matthews (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

Date: 30/09/2019

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**RIO TINTO MARKETING SERVICES LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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	Note	2018 £'000	2017 £'000
Revenue	3	3,040	2,012
Employee benefits expense	4	(595)	(451)
Other operating expenses	5	(859)	(601)
Net exchange losses		(211)	(332)
Finance income	6	69	16
<b>Profit before taxation</b>		<b>1,444</b>	<b>644</b>
Taxation	8	-	-
<b>Profit for the financial year</b>		<b>1,444</b>	<b>644</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>1,444</b>	<b>644</b>

# RIO TINTO MARKETING SERVICES LIMITED

(REGISTRATION NUMBER: 03075230)  
BALANCE SHEET AS AT 31 DECEMBER 2018

	Note	2018 £'000	2017 £'000
<b>ASSETS</b>			
<b>Current assets</b>			
Trade and other receivables	9	12,825	12,533
<b>Total assets</b>		<u>12,825</u>	<u>12,533</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	10	(337)	(1,489)
<b>Total liabilities</b>		<u>(337)</u>	<u>(1,489)</u>
<b>Net assets</b>		<u>12,488</u>	<u>11,044</u>
<b>EQUITY</b>			
Share capital	11	-	-
Retained earnings		12,488	11,044
<b>Total equity</b>		<u>12,488</u>	<u>11,044</u>

These financial statements were approved and authorised by the board and were signed on its behalf by:

  
J P Kiddle  
Director

Date: 30 SEPTEMBER 2019

# **RIO TINTO MARKETING SERVICES LIMITED**

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

	<b>Share capital £'000</b>	<b>Retained earnings £'000</b>	<b>Total equity £'000</b>
At 1 January 2018	-	11,044	11,044
<b>Comprehensive income:</b>			
Profit for the financial year	-	1,444	1,444
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>1,444</b>	<b>1,444</b>
<b>At 31 December 2018</b>	<b>-</b>	<b>12,488</b>	<b>12,488</b>

	<b>Share capital £'000</b>	<b>Retained earnings £'000</b>	<b>Total equity £'000</b>
At 1 January 2017	-	10,400	10,400
<b>Comprehensive income:</b>			
Profit for the financial year	-	644	644
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>644</b>	<b>644</b>
<b>At 31 December 2017</b>	<b>-</b>	<b>11,044</b>	<b>11,044</b>

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## RIO TINTO MARKETING SERVICES LIMITED

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

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#### 1 Accounting policies

This note provides a list of all significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared using the historical cost convention, and in accordance with the Companies Act 2006, as applicable to companies using Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

The financial statements are presented in Pound sterling (£) and all amounts are rounded to the nearest thousand ('000) unless otherwise stated.

##### 1.2 Financial Reporting Standard 101 - Reduced disclosure exemptions

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

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures; and
- 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.

Where required, equivalent disclosures are given in the consolidated financial statements which can be obtained as set out in note 13.

##### 1.3 Changes in accounting policy

The Company has applied the following interpretations, standards and amendments for the first time in their annual reporting period commencing 1 January 2018:

- IFRS 9 Financial Instruments;
- IFRS 15 Revenue from Contracts with Customers;
- IFRIC 22 Foreign Currency Transactions and Advance Consideration; and
- A number of minor amendments to existing standards.

The adoption of IFRS 9 Financial Instruments resulted in changes to accounting policies but did not have a material impact on the financial statements. The standard replaced the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities; de-recognition of financial instruments; impairment of financial assets; and hedge accounting. The new accounting policies for financial assets and financial liabilities are detailed in notes 1.10 and 1.12 below.

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## RIO TINTO MARKETING SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

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#### 1.4 Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

#### 1.5 Foreign currency translation

##### (a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). These financial statements are presented in Pound sterling (£), which is the Company's functional and presentation currency.

##### (b) Transactions and balances

Transactions denominated in other currencies are converted to the functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at year-end exchange rates. 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 translated using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

#### 1.6 Revenue recognition

The Company recognises sales revenue related to the transfer of promised goods or services when control of the goods or services passes to the customer. The amount of revenue recognised reflects the consideration to which the Group is or expects to be entitled in exchange for those goods or services.

#### 1.7 Finance income

Finance income includes interest income. Interest income is recognised on a time proportionate basis using the effective interest method.

#### 1.8 Taxation

Current tax, including UK corporation tax and overseas tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Except as otherwise required by IAS 12 ("Income Taxes"), deferred tax is provided in full on temporary differences at the balance sheet date.

#### 1.9 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Trade and other receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current.

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## RIO TINTO MARKETING SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

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#### 1.10 Financial assets

##### **Classification and measurement**

The Company classifies its financial assets in the following categories:

- financial assets held at amortised cost
- financial assets held at fair value through other comprehensive income ('FVOCI')
- financial assets held at fair value through profit or loss ('FVPL')

Classification depends on the business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of financial assets at initial recognition. Generally, the Company does not acquire financial assets for the purpose of selling in the short term. The Company's business model is primarily that of 'Hold to collect' (where assets are held in order to collect contractual cash flows). When the Company enters into derivative contracts, these transactions are designed to reduce exposures relating to assets and liabilities, firm commitments or anticipated transactions.

Accounting policies for the categories which the Company holds financial assets are set out below.

##### **Financial assets held at amortised cost**

This classification applies to debt instruments which are held under a hold to collect business model and which have cash flows that meet the "Solely payments of principal and interest" (SPPI) criteria.

At initial recognition, trade receivables that do not have a significant financing component, are recognised at their transaction price. Other financial assets are initially recognised at fair value plus related transaction costs; they are subsequently measured at amortised cost using the effective interest method. Any gain or loss on de-recognition or modification of a financial asset held at amortised cost is recognised in profit or loss.

##### **Impairment**

A forward looking expected credit loss (ECL) review is required for; debt instruments measured at amortised cost or held at fair value through other comprehensive income; loan commitments and financial guarantees not measured at fair value through profit or loss; lease receivables and trade receivables that give rise to an unconditional right to consideration.

As permitted by IFRS 9, the Company applies the 'simplified approach' to trade receivable balances and the 'general approach' to all other financial assets. The general approach incorporates a review for any significant increase in counterparty credit risk since inception. The ECL reviews include assumptions about the risk of default and expected loss rates. For trade receivables, the assessment takes into account the use of credit enhancements, for example, letters of credit. Impairments for undrawn loan commitments are reflected as a provision.

#### 1.11 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid.

The amounts are unsecured and are usually paid within 45 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

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## RIO TINTO MARKETING SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

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#### 1.12 Financial liabilities

Borrowings and other financial liabilities (including trade payables but excluding derivative liabilities) are recognised initially at fair value, net of transaction costs incurred, and are subsequently measured at amortised cost.

#### 1.13 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### 2 Critical accounting estimates and judgements

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. These judgements and assumptions are based on management's best knowledge of the facts and circumstances, but actual results may differ materially from the amounts included in the financial statements. The estimates and assumptions that could have a significant impact on the results of the Company are set out below.

#### Impairment of financial assets

The Company makes an estimate of the recoverable value of trade and other receivables. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the aging profile of receivables and historical experience.

#### 3 Revenue

The analysis of the Company's revenue for the year from continuing operations is as follows:

	2018 £'000	2017 £'000
North America	3,040	2,012

#### 4 Employee benefit expenses

The aggregate payroll costs were as follows:

	2018 £'000	2017 £'000
Wages and salaries	443	320
Social security costs	52	53
Other pension costs	75	48
Other benefits	25	30
	595	451

- (a) No emoluments were paid or payable to directors during the year in respect of their services to the Company (2017: £nil)
- (b) The average monthly number of persons employed during the year, excluding directors, was four (2017: five).



## RIO TINTO MARKETING SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

#### 5 Other operating expenses

	2018 £'000	2017 £'000
Internal services	751	565
Travel, accommodation and entertainment	93	32
Other expenses	15	4
	<u>859</u>	<u>601</u>

#### 6 Finance income

	2018 £'000	2017 £'000
Interest receivable from Group companies	69	16
	<u>69</u>	<u>16</u>

#### 7 Auditors' remuneration

The audit fee of £5,424 (2017: £5,479) is borne by another Group company.

#### 8 Taxation

	2018 £'000	2017 £'000
<b>Total tax charge for the year</b>	<u>-</u>	<u>-</u>

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK of 19% for the year ended 31 December 2018 (2017: 19.25%).

The differences are reconciled below:

	2018 £'000	2017 £'000
Profit before taxation	<u>1,444</u>	<u>644</u>
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.25%)	274	124
<b>Effects of:</b>		
Expenses not deductible for tax purposes	9	10
Group relief claimed for nil consideration	(283)	(133)
Other	-	(1)
<b>Total tax charge for the year</b>	<u>-</u>	<u>-</u>

Legislation to reduce the main rate of UK corporation tax from 19% to 17% from 1 April 2020 was enacted on 15 September 2016. Any deferred tax balances have been calculated at the reduced rate.

## RIO TINTO MARKETING SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

#### 9 Trade and other receivables

	2018 £'000	2017 £'000
Amounts owed by Group undertakings	12,825	12,533
	<u>12,825</u>	<u>12,533</u>

Included within amounts owed by Group undertakings is £12,463,000 (2017: £8,122,000) of interest bearing balances. Interest is earned on these balances based on USD LIBOR plus a margin and are repayable on demand. The residual balance is trading in nature and attracts no interest.

#### 10 Trade and other payables

	2018 £'000	2017 £'000
Amounts owed to Group undertakings	336	1,417
Other payables	1	2
Accruals	-	70
	<u>337</u>	<u>1,489</u>

Amounts owed to Group undertakings are payable on demand and bear no interest.

#### 11 Share capital

##### Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
Ordinary share capital of £1.00 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

#### 12 Related party transactions

The Company has taken advantage of the exemption contained within paragraph 8(k) of FRS 101 and has not disclosed transactions entered into with wholly-owned group entities.

#### 13 Parent and ultimate parent undertaking

The immediate parent undertaking is Rio Tinto London 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 the Rio Tinto plc consolidated financial statements can be obtained from the registered office at 6 St James's Square, London, SW1Y 4AD or from the Rio Tinto website at [www.riotinto.com](http://www.riotinto.com).

#### 14 Post balance sheet events

There have been no significant events affecting the Company since the year end.