

Registered number 05524741

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**RIO TINTO VOSTOK LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

TUESDAY



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**RIO TINTO VOSTOK LIMITED**

**COMPANY INFORMATION**

**DIRECTORS**

D S Larsen  
B J S Mathews  
U Quellmann  
A K Zur

**COMPANY SECRETARY**

G J C Aldridge

**REGISTERED NUMBER**

05524741

**REGISTERED OFFICE**

2 Eastbourne Terrace  
London  
W2 6LG

**AUDITOR**

Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Grant Thornton House  
Melton Street  
Euston Square  
London  
NW1 2EP

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**RIO TINTO VOSTOK LIMITED**

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## **RIO TINTO VOSTOK 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 Vostok Limited (the "Company") is a wholly owned subsidiary of Rio Tinto Minerals Development Limited and a member of the Rio Tinto Group (the "Group"). The Company continues to provide services to other members of the Group.

#### **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 \$15,000 (2010 - \$17,000)

No interim dividend was paid during the year (2010 - nil). 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 this report were

D S Larsen  
B J S Mathews  
U Quellmann  
A K Zur

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 Group's risk factors and policies for financial risk management are also discussed in its 2011 Annual Report which does not form part of this report.

## **RIO TINTO VOSTOK LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011**

#### **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.

#### **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.

#### **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.

**RIO TINTO VOSTOK LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2011**

**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

  
.....  
**G J C Aldridge**  
Secretary

Date 2 August 2012

2 Eastbourne Terrace  
London  
W2 6LG

## **RIO TINTO VOSTOK LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RIO TINTO VOSTOK LIMITED**

We have audited the financial statements of Rio Tinto Vostok Limited for the year ended 31 December 2011, which comprise the profit and loss account, 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 in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 (APB'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](http://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.

**RIO TINTO VOSTOK LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RIO TINTO VOSTOK 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*

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

2 August 2012



**RIO TINTO VOSTOK LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	2011 \$000	2010 \$000
<b>TURNOVER</b>	2	225	245
Operating costs		(210)	(228)
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		15	17
Tax on profit on ordinary activities	6	-	-
		<hr/>	<hr/>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	11	15	17
		<hr/>	<hr/>

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the profit and loss account

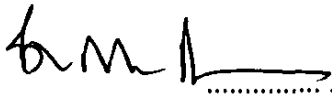
The notes on pages 8 to 12 form part of these financial statements

**RIO TINTO VOSTOK LIMITED**  
**REGISTERED NUMBER 05524741**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2011**

	Note	\$000	2011 \$000	2010 \$000
<b>FIXED ASSETS</b>				
Tangible assets	7		-	2
<b>CURRENT ASSETS</b>				
Debtors	8	23	-	
Cash at bank		1,017	1,115	
		<u>1,040</u>	<u>1,115</u>	
<b>CREDITORS</b> amounts falling due within one year	9	(834)	(926)	
<b>NET CURRENT ASSETS</b>			206	189
<b>NET ASSETS</b>			<u>206</u>	<u>191</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	10		-	-
Profit and loss account	11		206	191
<b>SHAREHOLDERS' FUNDS</b>	12		<u>206</u>	<u>191</u>

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



**B J S Mathews**  
Director

Date 2 August 2012

The notes on pages 8 to 12 form part of these financial statements

## **RIO TINTO VOSTOK 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 principal accounting policies have been consistently applied.

The ultimate parent has confirmed that it has been its practice to ensure that wholly owned subsidiaries are in a position to meet debts as they fall due, and hence the directors consider it appropriate to prepare the financial statements on a going concern basis.

##### **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 comprises revenue recognised by the Company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

##### **1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives, with annual rates varying between 20% and 25%.

##### **1.5 Taxation**

The Company pays for any group relief received only where it is justified by commercial circumstances.

##### **1.6 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.

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.

##### **1.7 Presentation currency**

The principal currency affecting the Company's operations is the US dollar, and all financing provided to and by the Company is denominated in the US dollar. Accordingly, the directors regard the US dollar as the principal currency affecting the Company's own cashflows. As a result, the financial statements are presented in US dollars. The year end exchange rate was US\$1.54 : £1 (2010 - US\$1.55 : £1).

# RIO TINTO VOSTOK LIMITED

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

### 1 ACCOUNTING POLICIES (continued)

#### 1.8 Currency translation

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

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

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

### 2. TURNOVER

All turnover arose outside the UK (2010 - outside the UK)

### 3. PROFIT

The auditor's remuneration of \$10,469 (2010 - \$10,538) is borne by a fellow group undertaking

The profit is stated after charging

	2011 \$000	2010 \$000
Depreciation of tangible fixed assets		
- owned by the company	2	10
Difference on foreign exchange	29	13
	<u>          </u>	<u>          </u>

### 4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2011 \$000	2010 \$000
Wages and salaries	118	139
Social security costs	18	10
	<u>          </u>	<u>          </u>
	136	149
	<u>          </u>	<u>          </u>

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

	2011 No	2010 No
Administration	1	1
	<u>          </u>	<u>          </u>

The staff cost includes recharges from a fellow group company for an employee working on behalf of the Company. All employees work outside the United Kingdom

# **RIO TINTO VOSTOK LIMITED**

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

### **5. DIRECTORS' REMUNERATION**

	2011 \$000	2010 \$000
Emoluments	55	92

During the year, retirement benefits were accruing to 1 director (2010 - 1) in respect of defined benefit pension schemes

The director did not exercise share options during the year (2010 - nil)

### **6 TAXATION**

	2011 \$000	2010 \$000
UK corporation tax charge on profit for the year	-	-

#### **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	15	17
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.5% (2010 - 28%)	4	5
<b>Effects of</b>		
Group relief received for nil consideration	(4)	(5)
<b>Current tax charge for the year</b>	-	-

#### **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

# RIO TINTO VOSTOK LIMITED

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

### 7 TANGIBLE FIXED ASSETS

	Motor vehicles \$000	Office equipment \$000	Total \$000
<b>Cost</b>			
At 1 January 2011 and 31 December 2011	57	7	64
<b>Depreciation</b>			
At 1 January 2011	56	6	62
Charge for the year	1	1	2
At 31 December 2011	57	7	64
<b>Net book value</b>			
At 31 December 2011	-	-	-
At 31 December 2010	1	1	2

### 8. DEBTORS

	2011 \$000	2010 \$000
Other debtors	23	-

The above amounts are interest-free and are repayable on demand

### 9. CREDITORS

Amounts falling due within one year

	2011 \$000	2010 \$000
Amounts owed to group undertakings	834	926

The above amounts do not attract interest and are payable on demand

### 10. SHARE CAPITAL

	2011 \$000	2010 \$000
<b>Allotted, called up and fully paid</b>		
2 Ordinary shares of \$1 each	-	-

# **RIO TINTO VOSTOK LIMITED**

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

### **11 RESERVES**

	Profit and loss account \$000
At 1 January 2011	191
Profit for the year	15
	<hr/>
At 31 December 2011	206
	<hr/>

### **12 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2011 \$000	2010 \$000
Opening shareholders' funds	191	174
Profit for the year	15	17
	<hr/>	<hr/>
Closing shareholders' funds	206	191
	<hr/>	<hr/>

### **13 RELATED PARTY TRANSACTIONS**

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

### **14. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The immediate parent undertaking is Rio Tinto Minerals Development 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](http://www.riotinto.com)