

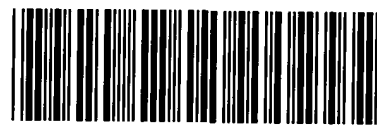
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**RIO TINTO VOSTOK LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

THURSDAY



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**RIO TINTO VOSTOK LIMITED**

**COMPANY INFORMATION**

<b>DIRECTORS</b>	M D Andrewes K M Tainton
<b>COMPANY SECRETARY</b>	H C Day
<b>REGISTERED NUMBER</b>	05524741
<b>REGISTERED OFFICE</b>	6 St James's Square London United Kingdom SW1Y 4AD
<b>INDEPENDENT AUDITORS</b>	PricewaterhouseCoopers LLP Statutory Auditors 1 Embankment Place London United Kingdom WC2N 6RH

## **RIO TINTO VOSTOK LIMITED**

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## **RIO TINTO VOSTOK LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2015**

The directors present their Strategic report on Rio Tinto Vostok Limited (the "Company") for the year ended 31 December 2015

#### **INTRODUCTION**

Rio Tinto Vostok Limited 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. The Company is incorporated and domiciled in the United Kingdom and is a company limited by shares.

#### **BUSINESS REVIEW**

The Company is the representative office in Moscow and incurs employee related costs. All costs are recovered from another group company.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

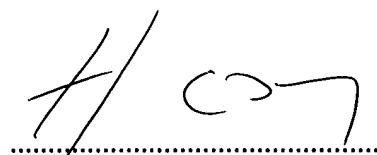
The Company's principal risks and uncertainties, such as Financial, Operational and Compliance risks, are integrated with those of the Group and are not managed separately.

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 2015 Annual Report which does not form part of this report.

#### **FINANCIAL KEY PERFORMANCE INDICATORS**

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

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



.....  
**H C Day**  
Secretary

Date: 13 September 2016

## **RIO TINTO VOSTOK LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015**

The directors present their report and the audited financial statements for the year ended 31 December 2015.

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

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

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have elected to prepare the audited financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the audited financial statements unless 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 audited financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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;
- notify the Company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- prepare the audited 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 audited 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.

#### **RESULTS AND DIVIDENDS**

The profit for the financial year, after taxation, amounted to \$8,000 (2014 - \$13,000).

No interim dividend was paid during the year (2014 – nil) and the directors do not recommend the payment of a final dividend (2014 - nil).

#### **DIRECTORS**

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

M D Andrewes  
E B Evans (resigned 19 August 2016)  
A K Zur (resigned 27 May 2015)  
K M Tainton

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.

**RIO TINTO VOSTOK LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

**INDEMNITIES AND INSURANCE**

The Articles of Association of the Company's ultimate parent, Rio Tinto plc, provides for it to indemnify, to the extent permitted by law, its officers and officers of wholly owned subsidiaries against liabilities arising from the conduct of the Rio Tinto Group's business. The directors and the company secretary of Rio Tinto plc and certain employees serving as directors of certain subsidiaries, at the Group's request, have been indemnified in accordance with these provisions. Ms Evans was indemnified by Rio Tinto plc in September 2013 by virtue of her office as secretary. Mr Andrewes was indemnified by Rio Tinto plc in June 2014. No amount has been paid under any of these indemnities during the year.

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.

**FUTURE DEVELOPMENTS**

The Company's future developments are integrated with those of the Group which are discussed in its 2015 Annual Report which does not form part of this report.

**DISCLOSURE OF INFORMATION TO AUDITORS**

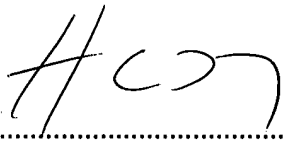
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- 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**

Following the resignation of Grant Thornton UK LLP as auditor on 17 November 2015, PricewaterhouseCoopers LLP were appointed as auditors to the Company. 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 on its behalf.



.....  
**H C Day**  
Secretary

Date: 13 September 2016

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

# ***Independent auditors' report to the members of Rio Tinto Vostok Limited***

## **Report on the financial statements**

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### **Our opinion**

In our opinion, Rio Tinto Vostok Limited's ("the Company") financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 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.
- 

### **What we have audited**

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the balance sheet as at 31 December 2015;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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## **Opinion on other matter prescribed by the Companies Act 2006**

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

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## **Other matters on which we are required to report by exception**

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### **Adequacy of accounting records and information and explanations received**

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, 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.

We have no exceptions to report arising from this responsibility.

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### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

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## Responsibilities for the financial statements and the audit

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### Our responsibilities and those of the directors

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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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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### What an audit of financial statements involves

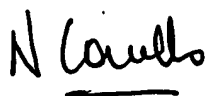
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Nigel Comello (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
13 September 2016



**RIO TINTO VOSTOK LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2015**

		2015	As restated 2014
	Note	\$000	\$000
Revenue	2	139	183
Administrative expenses		(131)	(170)
		<u>8</u>	<u>13</u>
<b>Operating profit</b>	3	8	13
Tax on profit on ordinary activities	6	-	-
		<u>8</u>	<u>13</u>
<b>Profit for the financial year</b>		8	13
<b>Other comprehensive income</b>		-	-
		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u><u>8</u></u>	<u><u>13</u></u>

The notes on pages 9 to 14 form part of these financial statements.


An amount included within administrative expenses in the Statement of comprehensive income and within creditors in the Balance sheet has been restated in the prior year. This has resulted in an associated adjustment to revenue and debtors with a net \$720 increase to profit in 2014.

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

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2015**

	Note	2015 \$000	As restated 2014 \$000
<b>Current assets</b>			
Debtors	7	325	187
Cash at bank and in hand	8	459	599
		<u>784</u>	<u>786</u>
Creditors: Amounts falling due within one year	9	(505)	(515)
		<u>279</u>	<u>271</u>
<b>Net current assets</b>		<u>279</u>	<u>271</u>
<b>Net assets</b>		<u>279</u>	<u>271</u>
<b>Capital and reserves</b>			
Called up share capital	10	-	-
Profit and loss account		279	271
		<u>279</u>	<u>271</u>
<b>Total shareholders' funds</b>		<u>279</u>	<u>271</u>

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

  
 .....  
**K M Tainton**  
 Director

Date: 13 September 2016

The notes on pages 9 to 14 form part of these financial statements.

An amount included within administrative expenses in the Statement of comprehensive income and within creditors in the Balance sheet has been restated in the prior year. This has resulted in an associated adjustment to revenue and debtors with a net \$720 increase to profit in 2014.

**RIO TINTO VOSTOK LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Called up share capital \$000	Profit and loss account \$000	Total shareholders' funds \$000
At 1 January 2015	-	271	271
<b>Comprehensive income for the year</b>			
Profit for the financial year	-	8	8
	<u>-</u>	<u>8</u>	<u>8</u>
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>8</u>	<u>8</u>
<b>At 31 December 2015</b>	<u>-</u>	<u>279</u>	<u>279</u>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Called up share capital \$000	Restated Profit and loss account \$000	Restated Total shareholders' funds \$000
At 1 January 2014	-	258	258
<b>Comprehensive income for the year</b>			
Profit for the financial year	-	13	13
	<u>-</u>	<u>13</u>	<u>13</u>
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>13</u>	<u>13</u>
<b>At 31 December 2014</b>	<u>-</u>	<u>271</u>	<u>271</u>

The notes on pages 9 to 14 form part of these financial statements.

## **RIO TINTO VOSTOK LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015**

#### **1. ACCOUNTING POLICIES**

##### **1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Company has transitioned from the previously extant UK Generally Accepted Accounting Practice ("UK GAAP") to Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101"), for all periods presented. There were no measurement or recognition adjustments for the Company on the adoption of FRS 101.

The financial statements have been prepared using the historical cost convention, and in accordance with the Companies Act 2006, as applicable to companies using FRS 101. The financial statements have been prepared on a going concern basis.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The financial statements are presented in US Dollars 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
- 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

##### **1.3 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.

##### **1.4 REVENUE**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

## **RIO TINTO VOSTOK LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015**

#### **1. ACCOUNTING POLICIES (continued)**

##### **1.5 DEBTORS**

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

##### **1.6 CASH AT BANK AND IN HAND**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

##### **1.7 CREDITORS**

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

##### **1.8 FOREIGN CURRENCY TRANSLATION**

###### **Functional and presentation currency**

The Company's functional and presentational currency is US dollar.

###### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the average exchange rate for the period.

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

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.

##### **1.9 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 IAS12 "Income Taxes", deferred tax is provided in full on temporary differences at the balance sheet date.

#### **2. ANALYSIS OF TURNOVER**

All revenue arose inside the UK (2014 - UK).

**RIO TINTO VOSTOK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**3. OPERATING PROFIT**

The operating profit is stated after charging:

	2015 \$000	2014 \$000
Exchange differences	<u>18</u>	<u>33</u>

During the year, none of the directors received emoluments in respect of their services to the Company (2014 - \$7,000).

**4. AUDITORS' REMUNERATION**

The audit fee of \$13,267 (2014 - \$10,631) is borne by a fellow group undertaking.

**5. EMPLOYEES**

Staff costs were as follows:

	2015 \$000	2014 \$000
Wages and salaries	39	67
Social security costs	61	53
	<u>100</u>	<u>120</u>

The average monthly number of employees, including the directors, during the year was 1 (2014 - 1). The sole employee works outside the United Kingdom. Social security costs include amounts in respect of an employee of another Group company.

# RIO TINTO VOSTOK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

### 6. TAXATION

	2015 \$000	2014 \$000
Current tax on profits for the year	-	-
<b>Total current tax</b>	-	-
<b>Tax on profit on ordinary activities</b>	-	-

### FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 20.25% (2014 - 21.50%). The differences are explained below:

	2015 \$000	2014 \$000
Profit on ordinary activities before tax	8	13
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.50%)	2	3
<b>Effects of:</b>		
Group relief	(2)	1
Movement in unrecognised deferred tax	-	(4)
<b>Total tax charge for the year</b>	-	-

### FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The UK corporation tax rate was reduced from 21% to 20% with effect from 1 April 2015. In the 2015 Summer Finance Bill, the government announced a reduction in the rate to 19% from 1 April 2017, and a further reduction to 18% from 1 April 2020. These rates were substantively enacted on 26 October 2015.

**RIO TINTO VOSTOK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**7. DEBTORS**

	2015 \$000	2014 \$000
<b>Due within one year</b>		
Amounts owed by group undertakings	325	187
	<u>325</u>	<u>187</u>

Amounts owed by group undertakings are repayable on demand and receive no interest.

**8. CASH AT BANK AND IN HAND**

	2015 \$000	2014 \$000
Cash at bank and in hand	459	599
	<u>459</u>	<u>599</u>

**9. CREDITORS: Amounts falling due within one year**

	2015 \$000	2014 \$000
Amounts owed to group undertakings	504	504
Other creditors	1	11
	<u>505</u>	<u>515</u>

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

**10. CALLED UP SHARE CAPITAL**

	2015 \$000	2014 \$000
<b>Allotted, called up and fully paid</b>		
2 (2014: 2) Ordinary shares of \$1 each	<u>-</u>	<u>-</u>



## **RIO TINTO VOSTOK LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015**

#### **11. 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 companies.

During 2015, while Andrei Zur was a director of the Company, an amount of \$26,000 (2014: \$57,000) was paid by the Company on his behalf. These amounts related to local taxes and were fully reimbursed during the years in which they were paid.

#### **12. 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 6 St James's Square, London, SW1Y 4AD, or from the Rio Tinto website at [www.riotinto.com](http://www.riotinto.com).