

COMPANY No FC 023912 - England and Wales

TINTO JERSEY LIMITED
(Incorporated in Jersey, Channel Islands)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

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Company Information

DIRECTORS	B J S Mathews U Quellmann
SECRETARY	M J Whyte
REGISTERED OFFICE	La Motte Chambers St Helier Jersey Channel Islands JE1 1BJ
INCORPORATED IN JERSEY CHANNEL ISLANDS	No 61346
REGISTERED IN ENGLAND AND WALES	No FC 023912
BRANCH REGISTRATION	No BR 006579
BRANCH OFFICE	2 Eastbourne Terrace London W2 6LG

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Note	<u>2009</u> \$000	<u>2008</u> \$000
Income from shares in subsidiary undertakings		<u>1,242,000</u>	<u>790,000</u>
Total operating income		<u>1,242,000</u>	<u>790,000</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,242,000	790,000
Taxation	4	-	-
PROFIT FOR THE YEAR		<u>1,242,000</u>	<u>790,000</u>

The Company has no recognised gains and losses other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented

All items dealt with in the above profit and loss account relate to continuing operations

The notes on pages 5 to 9 form part of these financial statements

**BALANCE SHEET
AS AT 31 DECEMBER 2009**

	Note	<u>2009</u> \$000	<u>2008</u> \$000
FIXED ASSETS			
Investments in subsidiary companies	5	<u>37,309</u>	<u>37,309</u>
CURRENT ASSETS			
Debtors	6	<u>73</u>	<u>73</u>
NET CURRENT ASSETS		<u>73</u>	<u>73</u>
NET ASSETS		<u>37,382</u>	<u>37,382</u>
CAPITAL AND RESERVES			
Called up share capital	7	41	41
Share premium amount	8	36,546	36,546
Other reserve	8	725	725
Profit and loss account	8	70	70
EQUITY SHAREHOLDER'S FUNDS		<u>37,382</u>	<u>37,382</u>

The financial statements on pages 3 to 9 were approved by the Board of Directors on 30 September 2010 and were signed on its behalf by



U Quellmann
Director

The notes on pages 5 to 9 form part of these financial statements

NOTES TO THE 2009 FINANCIAL STATEMENTS**1 INFORMATION**

Tinto Jersey Limited ("the Company") was incorporated on 9 March 1995 under the laws of Jersey, Channel Islands and is a member of the Rio Tinto Group ("the Group"). It holds a 100% interest in Tinto Channel Islands Limited, a holding company for the Group.

2 ACCOUNTING POLICIES**a) Basis of accounting**

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 United Kingdom accounting standards. The directors have reviewed the Company's existing accounting policies and consider that they are suitable. The principle accounting policies have been applied consistently.

b) Reporting currency

The principal currency affecting the Group's international operations is the US dollar, and all financing provided to/by the Company has been denominated into the US dollar. Accordingly, the directors regard the US dollar, as the principal currency affecting the Company's own cash flows. As a result, the financial statements are presented in US dollars. At 31 December 2008, the exchange rate was £1 US\$1.61 (31 December 2008 £1 US\$1.44).

c) Investment income

Income from investments is recognised when a right to receive payment is established.

d) Taxation

The company pays or receives payment for United Kingdom group relief claimed or surrendered only where it is justified by commercial circumstances.

e) Deferred tax

Full provision is made for deferred taxation on all timing differences that have arisen but not reversed at the balance sheet date, except that deferred tax assets are only recognised to the extent that it is more likely than not that they will be recovered. Deferred tax is recognised on an undiscounted basis.

f) Investments

Fixed asset investments are valued at cost less impairment provisions. 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 income 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.

NOTES TO THE 2009 FINANCIAL STATEMENTS continued**2 ACCOUNTING POLICIES (continued)**

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 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 any previously recognised impairment losses. Such reversal is recognised in profit or loss.

g) Group financial statements

Group financial statements have not been prepared as the Company is itself a wholly owned subsidiary of another company incorporated in England and Wales. In the opinion of the directors the aggregate value of the assets consisting of shares in, and amounts owing from, its joint ventures is not less than the aggregate amount at which those assets are included in the balance sheet.

h) Currency translation

Transactions denominated in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the financial year. Exchange differences, except where they relate to share capital, are dealt with in the profit and loss account.

3 OPERATING COSTS

- a) The average number of persons employed during the year, excluding directors, was nil (2008 nil)
- b) No emoluments were paid to any of the directors in respect of their services to the Company (2008 nil)

NOTES TO THE 2009 FINANCIAL STATEMENTS continued

4 TAXATION

	<u>2009</u> \$000	<u>2008</u> \$000
Current tax:		
Tax on profit on ordinary activities	-	-
The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 28% (2008 28.5%) The differences are explained below		
	<u>2009</u> \$000	<u>2008</u> \$000
Profit on ordinary activities before tax	1,242,000	790,000
Profit on ordinary activities multiplied by standard rate of tax in the UK of 28% (2008 28.5%)	347,760	225,150
Effects of Income not chargeable to UK tax	(347,760)	(225,150)
Current tax charge for the year	-	-

Legislation was enacted in 2009 which exempts dividends, received on ordinary shares from controlled subsidiaries, from the charge to UK corporation tax, effective 1 July 2009

The June 2010 Budget Statement announced reductions to the UK statutory corporation tax rate from the current rate of 28%. The new rates expected are 27% effective 1 April 2011, 26% effective 1 April 2012, 25% effective 1 April 2013 and 24% effective 1 April 2014. These changes will have no impact on the financial statements prepared for the year ended 31 December 2009.

5 INVESTMENTS IN GROUP UNDERTAKINGS

	<u>2009</u> \$000	<u>2008</u> \$000
Investments in subsidiary undertakings	37,309	37,309

The following information relates to the Company's subsidiary at 31 December 2009

Company	Country of incorporation	Class of shares held	% held	Principal activities
Tinto Channel Islands Limited	Jersey	Ordinary US\$1 shares	100%	Holding company

At 31 December 2009, through its wholly owned subsidiary Tinto Channel Islands Limited, the Company held a beneficial interest of 28.2% (2008 37.45%) in Rio Tinto Limited (RTL), a company incorporated in Australia. This interest comprised 171,072,520 (2008 171,072,520) shares, which are listed on the Australian Stock Exchange with a market value of A\$74.89 per share (2008 A\$38) at 31 December 2009.

NOTES TO THE 2009 FINANCIAL STATEMENTS continued

5 INVESTMENTS IN GROUP UNDERTAKINGS (continued)

The Group subsidiary holding the shares of RTL did not take up its rights under the rights issue announced by RTL on 15 June 2009 and as a result the Company's indirect beneficial interest in RTL was reduced to 28.2% on 9 July 2009.

A buy-back and cancellation of 150,437,365 Ordinary shares completed by RTL on 27 August 2010 led to a further reduction in the Company's indirect beneficial interest in RTL to 4.521%. On 21 September 2010 a buy-back and cancellation of the remainder of the shares left the Company's interest in RTL at nil.

6 DEBTORS

	<u>2009</u> \$000	<u>2008</u> \$000
Amounts due from parent undertaking and fellow subsidiaries	<u>73</u>	<u>73</u>

7 CALLED UP SHARE CAPITAL

	<u>2009</u> \$	<u>2008</u> \$
Authorised 45,000 ordinary shares of US\$1.00 each	<u>45,000</u>	<u>45,000</u>
Issued, called up and fully paid 40,902 ordinary shares of US\$1.00 each	<u>40,902</u>	<u>40,902</u>

8 RECONCILIATION IN MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>Share capital</u> \$000	<u>Share premium</u> \$000	<u>Other reserves</u> \$000	<u>Profit and loss account</u> \$000	<u>Total</u> \$000
At 1 Jan 2009	41	36,546	725	70	37,382
Profit for the year	-	-	-	1,242,000	1,242,000
Dividends	-	-	-	(1,242,000)	(1,242,000)
At 31 Dec 2009	<u>41</u>	<u>36,546</u>	<u>725</u>	<u>70</u>	<u>37,382</u>

9 DISCLOSURE EXEMPTIONS

The financial statements have been prepared in accordance with the Companies Act 1985 applicable to overseas companies.

The Company has taken advantage of the modifications and exemptions from disclosure that are set out in the Overseas Companies (Accounts) (Modifications and Exemptions) Order 1990.

NOTES TO THE 2009 FINANCIAL STATEMENTS continued**10 CASH FLOW STATEMENT AND RELATED PARTY DISCLOSURES**

The financial statements do not include a cash flow statement because the Company is a wholly owned subsidiary and the conditions of Financial Reporting Standard No 1 exempting inclusion are satisfied. The Company is also exempt under the terms of Financial Reporting Standard No 8 from disclosing related party transactions with entities that are part of the Group or investees of the Group.

11 ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Rio Tinto Australian 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. The Group's consolidated financial statements can be obtained from 2 Eastbourne Terrace, London W2 6LG, or from the Group's website at www.riotinto.com.