Registration number: 00460473

RIO TINTO LONDON LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

RIO TINTO LONDON LIMITED

CONTENTS

RIO TINTO LONDON LIMITED

COMPANY INFORMATION

Directors	J P Kiddle M Cox A W Hodges
Company secretary	Rio Tinto Secretariat Limited
Registration number	00460473
Registered office	6 St James's Square London United Kingdom SW1Y 4AD
Independent auditor	KPMG LLP, Statutory Auditor Chartered Accountants 15 Canada Square London, E14 5GL

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their Strategic report on Rio Tinto London Limited (the "Company") for the year ended 31 December 2022.

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 level of services performed, measured by revenue received, has increased compared with the prior year. Increase in revenue is mainly due to higher consultancy cost of Safe Production System deployment amounting to £23,000,000, while employee costs are higher by £24,000,000 mainly due to increase in headcount. External services have increased by £8,000,000 mainly due to Project Voyager and higher intragroup recharges true up of £12,000,000 in 2022.

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 the "Principal risks and uncertainties" section of the Rio Tinto 2022 Annual Report, which does not form part of this report.

Section 172(1) statement

Section 172 of the Companies Act 2006 requires the directors of a company to act in the way they consider, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this, section 172 also requires the directors to have regard, amongst other matters, to the interests of wider stakeholders; including, for example, employees, suppliers, customers and others. In discharging their section 172 duties, the directors do this.

The views of and the impact of the Company's activities on its stakeholders are an important consideration for the directors when making relevant decisions specific to the Company. More generally however, the size and spread of both our stakeholders and the Rio Tinto Group means, in practice, that stakeholder engagement best takes place at an operational or group level. For further details on how the Group engages with stakeholders, please see the "Our stakeholders" section of the Rio Tinto 2022 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:

Andy Hodges

....

A W Hodges
Director

Date: 12 January 2024

RIO TINTO LONDON LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the audited financial statements for the year ended 31 December 2022.

Principal activities

The principal activity of the Company is to perform services on behalf of other Group companies and to be a sponsoring employer for a number of UK pension schemes.

The Company continues to provide certain management services to fellow members of the Group, for which it charges on an arm's length basis.

Results and dividends

The profit for the financial year, after taxation, amounted to £93,000 (2021: £37,862,000).

No interim dividend was paid during the year (2021: £nil). The directors do not recommend the payment of a final dividend (2021: £nil).

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

J P Kiddle

M Cox

S P Allen (resigned 1 October 2023)

The following director was appointed after the year end:

A W Hodges (appointed 1 October 2023)

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 Annual Report and the Financial Statements

The directors are responsible for preparing the Annual 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 judgements 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Statement of directors' responsibilities in respect of the Annual Report and the Financial Statements (continued)

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 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Future developments

The Company's future developments are integrated with those of the Group which are discussed in the Rio Tinto 2022 Annual Report, which does not form part of this report.

Financial risk management

The Company's capital risk and financial risks and uncertainties including the exposure to price, credit risk, liquidity risk and cash flow risks, are integrated with those of the Group and are not managed separately. The Group's objectives, policies and processes for managing capital, and principal risks and uncertainties are discussed in the financial instrument and risk management policies of the Rio Tinto 2022 Annual Report, which does not form part of this report.

Matters subsequent to the end of the financial year

The Trustee of Rio Tinto Pension Plan 2009 (RT09) entered into an insurance contract (a "buy-in" contract) with Rothesay Life ("Insurer") at the inception date of 5 October 2023 for a cost of £1.4bn. The transaction is made up of the in-specie asset transfer of some gilt holdings, cash transactions and a deferred cash premium (the deferred cash premium is £54m and has been arranged as there are some illiquid holdings that have not yet been realised). The contract is a Fund asset which provides an income to the RT09 which matches the pensions paid out by the Fund. No formal decision to progress to buy-out and winding up of the RT09 can be made until such time as the Company and trustee agree on a number of key areas, including use of any residual surplus.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected the Company's operations, results or state of affairs, or may do so in future years.

Going concern

In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the Company can continue in operational existence for the foreseeable future.

The directors have determined that there are no foreseeable circumstances which would indicate that the Company could not continue to operate as a going concern for at least twelve months from the issuance of the financial statements.

Employee involvement

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 the grounds of age, ethnic or social origin, politics, religion or disability.

The Group provides clear and timely communication with its employees concerning business performance and corporate developments. It endeavors 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.

Employment of disabled persons

The Company employs people with disabilities and make considerable efforts to offer suitable alternative employment and retraining to employees who become disabled and can no longer perform their regular duties.

Environmental matters

The Company recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by its activities. The Company operates in accordance with the policies described in the Rio Tinto 2022 Annual Report, which does not form part of this report.

Engagement with suppliers, customers and other relationships

The directors of the Company are required to act in the way they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole, and to have regard for the interests of wider stakeholders; including suppliers, customers and others.

The views of and the impact of the Company's activities on its stakeholders are an important consideration for the directors when making relevant decisions specific to the Company. More generally however, the size and spread of both our stakeholders and the Rio Tinto Group means, in practice, that stakeholder engagement best takes place at an operational or group level. For further details on how the Group engages with stakeholders, please see the "Our stakeholders" section of the Rio Tinto 2022 Annual Report, which does not form part of this report.

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.

Disclosure of information to auditor

Each of the persons who were 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 auditor is 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 auditor is aware of that information.

Independent auditor

The Company's auditor, KPMG 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.

Andy Hodges

....
Director
A W Hodges

Date: 12 January 2024

6 St James's Square
London SW1Y 4AD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RIO TINTO LONDON LIMITED

Opinion

We have audited the financial statements of Rio Tinto London Limited ("the Company") for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and management as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected, or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

Communication of fraud risk

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements. On this audit we do not believe there is a fraud risk related to revenue recognition as the only source of revenue is in relation to intercompany balances. We did not identify any additional fraud risks.

Procedures to address fraud risks

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of some of the Company-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included, for example, those posted by senior finance management or those containing unusual journal descriptions.
- Assessing whether the judgments made in making accounting estimates are indicators of a potential bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

Risk assessment

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements through the following:

- Our general commercial and sector experience
- Through discussion with the directors and other management (as required by auditing standards),
- From inspection of the Company's regulatory and legal correspondence; and
- Discussions with the directors and other management about the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed noncompliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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; or

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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 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.

Andrew Royle (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London, E14 5GL
12 January 2024

RIO TINTO LONDON LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £'000	2021 £'000 Restated*
Revenue	4	252,379	185,221
Staff costs	5	(123,104)	(65,402)
Service fees		(91,689)	(49,649)
Other expenses	10	(35,500)	(32,591)
Depreciation and amortisation expense	10	(8,543)	(10,627)
Impairment reversal on ROU	16	-	30,226
Impairment reversal/(charge) on lease investments	13	960	(7,845)
Net foreign exchange losses		(2,034)	(313)
Finance income	8	15,368	7,260
Finance costs	9	(6,625)	(6,856)
Gain/(loss) on disposal of property, plant and equipment		1	(229)
Profit before taxation		**1,213**	**49,195**
Taxation	11	**(1,120)**	**(11,333)**
Profit for the financial year		**93**	**37,862**
Other comprehensive expense			
Items that will not be reclassified to profit or loss:			
Actuarial (loss)/gain on defined benefit pension schemes	19	(177,317)	149,001
Movements in deferred tax relating to defined benefit pension schemes		56,224	(58,779)
Total other comprehensive (expense)/income		**(121,093)**	**90,222**
Total comprehensive (expense)/income for the financial year		**(121,000)**	**128,084**

*See note 24 for an explanation of prior year restatement.

The notes on pages 15 to 49 form an integral part of these financial statements.

RIO TINTO LONDON LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2022

	Note	2022 £'000	2021 £'000 Restated*
ASSETS			
Non-current assets			
Trade and other receivables	13	7,360	7,083
Property, plant and equipment	14	26,460	22,466
Intangible assets	15	408	266
Pension assets	19	465,023	616,338
Deferred tax assets	12	9,986	-
Right of use assets	16	73,290	75,458
		582,527	**721,611**
Current assets			
Cash and cash equivalents		698	536
Trade and other receivables	13	443,432	454,196
Total assets		1,026,657	1,176,343
LIABILITIES			
Current liabilities			
Trade and other payables	17	(187,544)	(198,279)
Tax liabilities		(7,427)	-
Provisions	18	(14,007)	(11,157)
Loans and borrowings		(1)	(284)
Lease liabilities	16	(11,482)	(10,958)
		(220,461)	**(220,678)**
Non-current liabilities			
Provisions	18	(14,011)	(11,612)
Deferred tax liabilities	12	(121,014)	(176,863)
Lease liabilities	16	(104,789)	(116,276)
Pension Liabilities	19	(53,016)	-
Total liabilities		**(513,291)**	**(525,429)**
Net assets		**513,366**	**650,914**
EQUITY			
Share capital	20	4,800	4,800
Capital reserve		136,400	136,400
Retained earnings		372,166	509,714
Total equity		**513,366**	**650,914**

*See note 24 for an explanation of prior year restatement.

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

Andy Hodges

A W Hodges
Director
Date: 12 January 2024
Company registered number: 00460473

The notes on pages 15 to 49 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital £'000	Capital reserve £'000	Retained earnings £'000	Total equity £'000
At 1 January 2022 (Restated)	4,800	136,400	509,714	650,914
Comprehensive expense for the year:				
Profit for the financial year	-	-	93	93
Items that will not be reclassified to profit or loss				
Actuarial loss on defined benefit pension schemes	-	-	(177,317)	(177,317)
Movements in deferred tax relating to defined benefit pension schemes	-	-	56,224	56,224
Total other comprehensive expense	**-**	**-**	**(121,093)**	**(121,093)**
Total comprehensive expense for the financial year	**-**	**-**	**(121,000)**	**(121,000)**
Transactions with owners:				
Share based payment transactions	-	-	(21,417)	(21,417)
Current tax movement through equity	-	-	2,523	2,523
Deferred tax movement through equity	-	-	2,346	2,346
At 31 December 2022	**4,800**	**136,400**	**372,166**	**513,366**

The notes on pages 15 to 49 form an integral part of these financial statements.

RIO TINTO LONDON LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

	Share capital £'000	Capital reserve £'000	Retained earnings £'000 Restated*	Total equity £'000
At 1 January 2021	4,800	136,400	409,226	550,426
Comprehensive expense for the year:				
Profit for the financial year	-	-	37,862	37,862
Items that will not be reclassified to profit or loss				
Actuarial loss on defined benefit pension schemes	-	-	149,001	149,001
Movements in deferred tax relating to defined benefit pension schemes	-	-	(58,779)	(58,779)
Total other comprehensive expense	**-**	**-**	**90,222**	**90,222**
Total comprehensive expense for the financial year	-	-	128,084	128,084
Transactions with owners:				
Share based payment transactions	-	-	(29,299)	(29,299)
Current tax movement through equity	-	-	2,630	2,630
Deferred tax movement through equity	-	-	(927)	(927)
At 31 December 2021	**4,800**	**136,400**	**509,714**	**650,914**

*See note 24 for an explanation of prior year restatement.

1 General information

The primary activity of Rio Tinto London Limited (the "Company") is to perform services on behalf of other Group companies and to be a sponsoring employer for a number of UK pension schemes.

The Company continues to provide certain management services to fellow members of the Group, for which it charges on an arm's length basis.

The Company is a private limited company limited by share capital, incorporated and domiciled in England and Wales. The address of its registered office is 6 St James's Square, London, SW1Y 4AD and information on the Company's ultimate parent is presented in note 21.

2 Significant 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.

2.1 Basis of preparation of the financial statements

These financial statements have been prepared using the historical cost convention, and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

The Company is a wholly-owned subsidiary of its ultimate parent Rio Tinto plc and is included in the consolidated financial statements of the Rio Tinto Group, which are publicly available. Therefore, the Company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated financial statements. The consolidated financial statements of the Rio Tinto Group can be obtained as set out in note 21. These financial statements are therefore separate financial statements.

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

2.2 Financial Reporting Standard 101 - Reduced disclosure exemptions

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

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 *Share-Based Payments*;
- 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;
  - paragraph 73(e)of IAS 16 *Property, Plant and Equipment*; and
  - paragraph 118(e)of IAS 38 *Intangible Assets*.

2 Significant accounting policies (continued)

2.2 Financial Reporting Standard 101 - Reduced disclosure exemptions (continued)

- 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 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.
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 *Impairment of Assets*;
- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 *Share-based payment*;
- the requirements of IAS 7 *Statement of Cash Flows*;

Where required, equivalent disclosures are given in the consolidated financial statements of the Rio Tinto Group which can be obtained as set out in note 21.

2.3 Changes in accounting policy

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2022:

- Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16;
- Reference to the Conceptual Framework – Amendments to IFRS 3;
- Onerous Contracts; Cost of Fulfilling a Contract – Amendments to IAS 37;
- Annual Improvements to IFRS Standards 2018-2020 - Amendments to IFRS 1, IFRS 9 and IFRS 16; COVID-19-Related Rent Concessions beyond 30 June 2021 - Amendments to IFRS 16.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Company. These standards, amendments or interpretations are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

2.4 Going concern

In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the Company can continue in operational existence for the foreseeable future.

The directors have determined that there are no foreseeable circumstances which would indicate that the Company could not continue to operate as a going concern for at least twelve months from the issuance of the financial statements.

2 Significant accounting policies (continued)

2.5 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, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

2.6 Revenue

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. 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 Company is or expects to be entitled in exchange for those goods or services.

Management fees and other recoveries

Management fees are charges to related parties for corporate services, global business services, people and organisational support, and technology and innovation. Recoveries comprise charges to related and external parties for the rendering of administration and general services.

Dividend income

Dividend income is recognised when the right to receive payment is established.

2.7 Finance income and costs

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

Finance costs includes interest expense and similar charges. Interest expense is recognised on a time proportionate basis using the effective interest method.

2 Significant accounting policies (continued)

2.8 Share-based payments

The Company operates a number of equity-settled share-based compensations plans. The fair value of the options granted in exchange for employee services is recognised as an expense over the expected vesting period. 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 statement of comprehensive income, with a corresponding adjustment to equity.

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

The Company does not operate any plans as cash-settled. However, the Performance Share Plan can, at the discretion of the directors, offer employees an equivalent amount in cash. This is not standard practice.

2.9 National insurance on share options

To the extent that the share price at the balance sheet date is greater than the exercise price on options granted under unapproved schemes, provision for any National Insurance contributions has been made based on the prevailing rate of National Insurance. The provision is accrued over the performance period attaching to the award.

2.10 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax, including UK corporation tax and overseas tax, is the tax expected to be payable on the taxable income for the year calculated using rates that have been enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Where the amount of tax payable or recoverable is uncertain, the Company establishes provisions based on either: the Company's judgement of the most likely amount of the liability or recovery; or, when there is a wide range of possible outcomes, a probability weighted average approach.

Except as otherwise required by IAS 12 ("Income Taxes"), deferred tax is provided in full on temporary differences at the balance sheet date.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply in the periods when the asset is realised or the liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax assets have been recognised to the extent that their recovery is probable, having regard to the availability of sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, the projected future taxable income of the entity and the wider UK group, after taking account of specific risk factors that are expected to affect the recovery of these assets.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2 Significant accounting policies (continued)

2.11 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.12 Property, plant and equipment

Property plant and equipment under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. Land is not depreciated. The estimated useful life ranges are as follows:

Asset class	**Useful life**
Land and buildings	15 - 20 Years
Furniture, fittings and equipment	5 - 10 Years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the statement of comprehensive income.

2.13 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. Intangibles are amortised over their estimated useful lives on a straight line basis.

Amortisation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful life range for software is 3-5 years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

2 Significant accounting policies (continued)

2.14 *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 allowances.

Trade and other receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. 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. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

2.15 Financial assets

Classification and measurement

The Company classifies its financial assets in the following categories:

- financial assets at amortised cost;
- financial assets at fair value through other comprehensive income ("FVOCI");
- financial assets at fair value through the 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 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.

2 Significant accounting policies (continued)

2.15 Financial assets (continued)

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 raise to an unconditional right to consideration.

As permitted by IFRS 9, the Company applies the "simplified approach" to external 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.

2.16 Trade and other payables

Trade and other payables 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.

2.17 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.

2.18 Provisions

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions for legal claims, service warranties and make good obligations are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on incremental costs necessary to fulfil the obligation under the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

2 Significant accounting policies (continued)

2.19 Pensions

The Company operates four pension schemes and one healthcare scheme which provide lump sums, pensions, medical benefits and life insurance to retirees. In accordance with IAS 19, for post-employment defined benefit scheme, the difference between the fair value of any scheme assets and the present value of the scheme obligations is recognised as an asset or liability in the balance sheet.

Where appropriate, the recognition of assets may be restricted to the present value of any amounts the Company expects to recover by way of refunds from the scheme or reductions in future contributions.

The most significant assumptions used in accounting for pension schemes are the discount rate, the inflation rate and mortality rates. The discount rate is used to determine the net present value of the obligations, the interest cost on the obligations and the interest income on scheme assets. The discount rate used is the yield on high-quality corporate bonds with maturities and terms that match those of the post-employment obligations as closely as possible. Where there is no developed corporate bond market in a currency, the rate on government bonds is used. The inflation rate is used to project increases in future benefit payments for those schemes that have benefits linked to inflation. The mortality rates are used to project the period over which benefits will be paid, which is then discounted to arrive at the net present value of the obligations.

The current service cost, any past service cost and the effect of any curtailment or settlements are recognised in the statement of comprehensive income. The interest cost less interest income on assets held in the schemes is also charged to the statement of comprehensive income.

Actuarial gains and losses arising in the year are credited/charged to the statement of comprehensive income and comprise the effects of changes in actuarial assumptions and experience adjustments due to differences between the previous actuarial assumptions and what has actually occurred. In particular, the difference between the interest income and the actual return on scheme assets is recognised in the statement of comprehensive income.

The Company participates in four pension schemes and one healthcare scheme. The cash contributions to the funds are made through reference to a percentage of base salary contribution per defined benefit employee as determined by the funds' actuaries, advised by the fund trustees and applied to those defined benefit employees of the fund. The Company is the sponsoring employer of the Rio Tinto Pension Fund and the Rio Tinto International Pension Fund. The sponsoring employer discloses the defined benefit surplus/deficit and recognises any associated charges in the statement of comprehensive income. Other entities account for the scheme as if it were defined contribution in nature.

2 Significant accounting policies (continued)

2.20 Leases

IFRS 16 'Leases' applies to the recognition, measurement, presentation and disclosure of leases. Certain leases are exempt from the standard. The Company does not apply IFRS 16 to arrangements which fall within the scope of IAS 38 'Intangible Assets'.

The Company recognises all lease liabilities and corresponding right of use assets, with the exception of short-term (12 months or fewer) and low value leases, on the balance sheet. Lease liabilities are recorded at the present value of: fixed payments; variable lease payments that depend on an index or rate; amounts payable under residual value guarantees; and extension options expected to be exercised. Where a lease contains an extension option which the Company can exercise without negotiation, lease payments for the extension period are included in the liability if the Company is reasonably certain that it will exercise the option. Variable lease payments not dependent on an index or rate are excluded from the calculation of lease liabilities. Payments are discounted at the incremental borrowing rate of the lessee, unless the interest rate implicit in the lease can be readily determined.

The right-of-use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, lease incentives received, the Company's initial direct costs (e.g. commissions) and an estimate of restoration, removal and dismantling costs.

The Company initially recognises a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term. The lease liability is measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments, purchase options at exercise price (where payment is reasonably certain), expected amount of residual value guarantees, termination option penalties (where payment is considered reasonably certain) and variable lease payments that depend on an index or rate.

The right-of-use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, lease incentives received, the Company's initial direct costs (e.g., commissions) and an estimate of restoration, removal and dismantling costs.

Short term and low value leases

The Company has made an accounting policy election, by class of underlying asset, not to recognise lease assets and lease liabilities for leases with a lease term of 12 months or less (i.e. short-term leases). The Company has also made an accounting policy election on a lease-by-lease basis, not to recognise lease assets on leases for which the underlying asset is of low value.

Lease payments on short term and low value leases are accounted for on a straight line basis over the term of the lease or other systematic basis if considered more appropriate. Short term and low value lease payments are included in operating expenses in the income statements.

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

2 Significant accounting policies (continued)

2.21 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.

3 Critical accounting judgements and key sources of estimation uncertainty

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.

Defined benefit pension schemes
The value of the Company's obligations for post-retirement benefits is dependent on a number of assumptions about salary increases, life expectancy, inflation and asset valuations.

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

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount exceeds its recoverable amount. The assessment of the recoverable amount often requires estimates of future cash flows and foreign exchange rates.

Useful economic life of property, plant and equipment
Property, plant and equipment are depreciated over their useful lives taking into account residual values, where appropriate. The useful economic life of an asset is assessed by reference to a number of underlying assumptions, including the useful life of similar assets. Revisions of useful lives may be made upon assessment of changes in the operating environment or the condition of the asset itself.

Group pension schemes

Certain employees participate in Group defined benefit pension schemes. In the judgement of the directors, it has been determined that the Company is the sponsoring employer and the Company financial statements for the entire plan as a defined benefit scheme.

4 Revenue

The analysis of the Company's revenue for the year by class of business is as follows:

	2022 £'000	2021 £'000
Rendering of services	251,345	185,341
Other revenue	1,034	(120)
	252,379	**185,221**

The analysis of the Company's revenue for the year by market is as follows:

	2022 £'000	2021 £'000
United Kingdom	243,156	177,957
Rest of world	9,223	7,264
	252,379	**185,221**

5 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2022 £'000	2021 £'000 Restated*
Wages and salaries	69,196	56,699
Social security costs	14,683	1,751
Pension and other post-employment benefit costs	39,225	5,673
Redundancy costs	-	1,279
	123,104	**65,402**

During the period additional obligations of £34,200,000 relating to equalisation and other items were identified for the RT09 scheme. This resulted in an increase to the defined benefit obligation and staff costs in the current period.

5 *Staff costs (continued)*

The average monthly number of persons employed by the Company (including directors) during the year, analysed by category was as follows:

	2022 No.	2021 No.
Company secretarial and legal services	20	18
Administration, strategy and finance	75	55
Corporate and investor relations	16	19
Executive and senior management	48	43
Payroll and human resources	20	16
	179	**151**

*See note 24 for an explanation of prior year restatement.

6 Directors' remuneration

The directors' remuneration for the year was as follows:

	2022 £'000	2021 £'000
Remuneration	1,157	1,158
Company pensions contributions to defined contribution schemes	13	13
	1,170	**1,171**

The number of directors receiving benefits and share incentives during the year was as follows:

	2022 No.	2021 No.
Received or were entitled to receive shares under long term incentive schemes	3	3
Accruing benefits under defined benefit pension scheme	1	1
Accruing benefits under defined contribution pension scheme	1	1

In respect of the highest paid director:

	2022 £'000	2021 £'000
Remuneration	544	569
	544	**569**

During the year the highest paid director received or was entitled to receive shares under a long term incentive scheme.

7 Share-based payments

Rio Tinto plc and Rio Tinto Limited have a number of share-based payment plans, which are described in detail in the 2022 Rio Tinto Annual Report. Some of the Company's employees are eligible to participate in these plans. The plans have been accounted for in accordance with the fair value recognition provisions of IFRS 2 Share-based payments.

The charge that has been recognised in the income statement for share-based incentive plans, and the related liability (for cash settled plans), is set out in the table below.

	Charge/(credit) recognised for the year		Liability at the end of the year	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Equity settled plans	10,752	10,651	-	-
Cash settled plans	2,213	(688)	-	-
	12,965	**9,963**	**-**	**-**

The main Rio Tinto plc and Rio Tinto Limited plans are as follows:

UK Share Plan

The fair values of Matching and Free Shares made by Rio Tinto plc are taken to be the market value of the shares on the date of purchase. These awards are settled in equity.

Performance Share Awards

Participants are generally assigned shares in settlement of their PSA on vesting and therefore the awards are accounted for in accordance with the requirements applying to equity-settled share-based payment transactions, including the dividends accumulated from date of award to vesting.

For the parts of awards with Total Shareholder Return (TSR) performance conditions, the fair value of the awards is calculated using a Monte Carlo simulation model taking into account the TSR performance conditions. One third of the awards granted up to 2017 (inclusive) are subject to an earnings margin performance target relative to ten global mining comparators. As this is a non-market related performance condition, under IFRS 2, the fair value recognised is reviewed at each accounting date based on the directors' expectations for the proportion vesting. Forfeitures prior to vesting are assumed at 5% per annum of outstanding awards (2021: 5% per annum).

For grants made from 2018, the earnings margin performance target applying to the PSA was removed and instead all of the awards are subject to the TSR performance conditions.

Management Share Awards

The vesting of these awards is dependent on service conditions being met; no performance conditions apply. In general, the awards will be settled in equity, including the dividends accumulated from date of award to vesting and therefore 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. Forfeitures prior to vesting are assumed at 7% per annum of outstanding awards (2021: 7% per annum).

7 Share-based payments (continued)

Bonus Deferral Awards

Bonus Deferral Awards (BDA) provide for the mandatory deferral of 50% of the bonuses for executive directors and Executive Committee members and 25% of the bonuses for other executives.

The vesting of these awards is dependent only on service conditions being met. In general, the awards will be settled in equity including the dividends accumulated from date of award to vesting and therefore 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. Forfeitures prior to vesting are assumed at 3% per annum of outstanding awards (2021: 3% per annum).

Global Employee Share Plan

The Global Employee Share Plans were introduced in 2012. Under these Plans, the companies provide a matching share award for each investment share purchased by a participant. The vesting of these matching awards is dependent on service conditions being met and the continued holding of investment shares by the participant until vesting. These awards are settled in equity including the dividends accumulated from date of award to vesting. The fair value of each matching share on the day of grant is equal to the share price on the date of purchase less a deduction of 15% for cancellations (caused by employees electing to withdraw their investment shares before vesting of their matching shares). Forfeitures prior to vesting are assumed at 5% per annum of outstanding awards (2021: 5% per annum).

7.1 Performance Share Plan - Rio Tinto plc awards

	2022	2021
Weighted average exercise price (£)	24.35	26.8
Number of share options outstanding	1,792,149	2,191,309
Expected weighted average remaining life (years)	1.93	1.64

7.2 Performance Share Plan - Rio Tinto Limited awards

	2022	2021
Weighted average exercise price (A$)	50.75	26.22
Number of share options outstanding	25,902	20,437
Expected weighted average remaining life (years)	1.76	1.16

7.3 Management Share Awards, Bonus Deferral Awards, Global Employee Share Plan and UK Share Plan (Combined) - Rio Tinto plc awards

	2022	2021
Weighted average exercise price (£)	46.46	41.87
Number of share options outstanding	406,820	390,386
Expected weighted average remaining life (years)	0.96	0.85

7 Share-based payments (continued)

7.3 Management Share Awards, Bonus Deferral Awards, Global Employee Share Plan and UK Share Plan (Combined) - Rio Tinto plc awards (continued)

The above awards outstanding at the end of the year as broken down as follows:

	2022 Number	2022 Weighted average FV £	2021 Number	2021 Weighted average FV £
Management Share Awards	204,306	49.67	173,755	44.00
Bonus Deferral Awards	180,711	43.20	195,145	40.32
Global Employee Share Plan	7,828	51.02	7,503	48.19
UK Share Plan	13,975	39.07	13,983	33.74
	406,820		**390,386**	

7.4 Management Share Awards, Bonus Deferral Awards and Global Employee Share Plan (Combined) - Rio Tinto Limited awards

	2022	2021
Weighted average exercise price (A$)	100.54	53.23
Number of share options outstanding	20,800	12,082
Expected weighted average remaining life (years)	1.03	0.96

The above awards outstanding at the end of the year as broken down as follows:

	2022 Number	2022 Weighted average FV A$	2021 Number	2021 Weighted average FV A$
Management Share Awards	16,202	101.42	9,573	51.30
Bonus Deferral Awards	3,097	93.02	1,878	47.45
Global Employee Share Plan	1,501	106.64	631	99.69
	20,800		**12,082**	

In addition to the equity-settled awards shown above, there were nil Rio Tinto Limited cash-settled awards outstanding at 31 December 2022 (2021: nil). The total liability for these awards at 31 December 2022 was £nil (2021: £nil).

8 Finance income

	2022 £'000	2021 £'000
Interest income from lease investments	253	1,378
Interest on Pension Assets, net	11,682	5,604
Interest income from group undertakings	3,433	278
	15,368	**7,260**

9 Finance costs

	2022 £'000	2021 £'000
Interest expense on leases - Land & buildings	6,265	6,792
Other finance costs	360	64
	6,625	**6,856**

10 Profit before taxation

Profit before income tax includes the following specific expenses:

	2022 £'000	2021 £'000
Depreciation and amortisation expense		
Depreciation expense	2,776	2,785
Amortisation expense	64	26
Depreciation on right of use assets - Vehicles	32	64
Depreciation on right of use assets - Land and buildings	5,671	7,752
	8,543	**10,627**
Other expenses		
Audit and other accounting fees	10,527	7,932
Donations and Scholarships	4	2,456
Travel expenses	7,488	2,554
Other expenses	15,339	13,105
Professional costs	2,142	6,544
	35,500	**32,591**

(a) The Company paid £130,000 (2021: £56,254) to its auditors in respect of the audit of these financial statements.

10 Profit before taxation (continued)

(b) Audit and other accounting fees include £9,794,413 (2021: £7,685,834) paid to KPMG LLP in respect of the audit of other group companies.

11 Taxation

	2022 £'000	2021 £'000
Current tax		
Current tax for the year	4,042	9,055
Current tax adjustment in respect of prior periods	4,339	6,714
Foreign tax		
Foreign tax on income for the year	4	-
Total current tax	**8,385**	**15,769**
Deferred tax		
Origination and reversal of temporary differences	(3,106)	536
Impact of change in tax rate	(3,608)	(4,119)
Deferred tax adjustment in respect of prior periods	(551)	(853)
Total deferred taxation	**(7,265)**	**(4,436)**
Tax charge in statement of comprehensive income	**1,120**	**11,333**

Tax included in other comprehensive expense

			2022			2021
	Before tax £'000	Taxation £'000	Net of tax £'000	Before tax £'000	Taxation £'000	Net of tax £'000
Remeasurements of post employment benefit obligations	**(177,317)**	**56,224**	**(121,093)**	**149,001**	**(58,779)**	**90,222**

The tax assessed for the year is higher than (2021: higher than) the standard rate of corporation tax in the UK of 19% for the year ended 31 December 2022 (2021: 19%).

11 Taxation (continued)

The differences are reconciled below:

	2022 £'000	2021 £'000
Profit before taxation	1,213	49,195
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	230	9,347
Increase in current tax from adjustment for prior periods	4,339	6,714
Increase from effect of expenses not deductible in determining taxable profit	678	1,449
Tax decrease from utilisation of tax losses	-	(1,562)
Increase arising from group relief tax reconciliation	32	357
Deferred tax credit arising from adjustments for prior periods	(551)	(853)
Deferred tax credit relating to changes in tax rates or laws	(3,608)	(4,119)
Total tax charge for the financial year	**1,120**	**11,333**

An increase to the main rate of UK corporation tax to 25% (from 19%) with effect from 1 April 2023 was substantively enacted on 24 May 2021 (and received Royal Assent on 10 June 2021). Any deferred tax balances have been calculated at 25%.

12 Deferred taxation

	2022 £'000	2021 £'000
Deferred tax assets	26,549	26,319
Deferred tax liabilities	(137,577)	(203,182)
	(111,028)	**(176,863)**

There was a total of £26,549,000 of deferred tax assets and a total of £137,577,000 of deferred tax liabilities as of 31 December 2022.

£16,562,000 of the deferred tax liabilities amount can be set off against deferred tax assets. As such, there is a deferred tax asset amount of £9,986,000 presented on the Balance Sheet in accordance with IAS 12.74.

£121,014,000 of the deferred tax liabilities amount cannot be set off against deferred tax assets. The amount of £121,014,000 is presented on its own line on the Balance Sheet in accordance with IAS 12.74.

12 Deferred taxation (continued)

Deferred tax movement during the year:

	At 1 January 2022 £'000	Recognised in the income statement £'000	Recognised in OCI £'000	Recognised in equity £'000	At 31 December 2022 £'000
Pension benefit obligations	(203,182)	9,381	56,224	-	(137,577)
Share-based payment	20,799	(3,022)	-	2,346	20,123
Other items	3,805	708	-	-	4,513
Accelerated tax depreciation	1,715	198	-	-	1,913
Net tax assets/(liabilities)	**(176,863)**	**7,265**	**56,224**	**2,346**	**(111,028)**

Deferred tax movement during the prior year:

	At 1 January 2021 £'000	Recognised in the income *statement* £'000	Recognised in OCI £'000	Recognised in equity £'000	At 31 December 2021 £'000
Pension benefit obligations	(144,020)	(383)	(58,779)	-	(203,182)
Share-based payment	18,472	3,254	-	(927)	20,799
Other items	3,216	589	-	-	3,805
Accelerated tax depreciation	739	976	-	-	1,715
Net tax assets/(liabilities)	**(121,593)**	**4,436**	**(58,779)**	**(927)**	**(176,863)**

13 Trade and other receivables

	2022 £'000	2021 £'000 Restated*
Current		
Trade receivables	5,072	1,917
Receivables from related parties (a)	421,895	436,744
Intercompany group relief receivable	4,744	-
Prepayments	6,312	5,367
Other receivables	4,854	3,763
Lease investments (b)	555	6,405
	443,432	**454,196**

13 Trade and other receivables (continued)

Non-current		
Lease investments (b)	2,733	2,369
Receivables from related parties (c)	4,627	4,714
	7,360	**7,083**

*See note 24 for an explanation of prior year restatement.

(a) Of the amounts due from group undertakings, £309,669,000 (2021: £346,470,000) receives interest based on SONIA plus a margin and is repayable on demand. All other amounts are non-interest bearing and repayable on demand.

(b) An expected credit loss of £960,000 (2021: £7,845,000 recognised) was reversed on lease investments during the current year majorly due to upgrade in credit ratings of sub lessee of 2, Kingdom Street.

(c) Receivable from Rio Tinto plc in relation to the employee share trusts which acquire and distribute Rio Tinto plc shares for the benefit of members of several Group share schemes; Rio Tinto plc is the sponsoring company. At 31 December 2022, the employee share trust held 67,420 (2021: 67,420) ordinary shares and 49,777 (2021: 46,977) ADR shares of Rio Tinto plc.

The details of amount receivable from Rio Tinto plc during the year is as follows:

	2021 £'000	**2021 £'000**
At 1 January	4,714	6,341
Payment made during the year	4,183	85,432
Shares purchased during the year	(4,270)	(87,059)
At 31 December	**4,627**	**4,714**

14 Property, plant and equipment

	Land and buildings £'000	Furniture, fittings and equipment £'000	Construction in progress £'000	Total £'000
Cost				
At 1 January 2022	11,371	23,485	362	35,218
Additions	-	-	6,810	6,810
Transfers	-	104	(144)	(40)
At 31 December 2022	**11,371**	**23,589**	**7,028**	**41,988**
Accumulated depreciation				
At 1 January 2022	(2,052)	(10,700)	-	(12,752)
Charge for the year	(976)	(1,800)	-	(2,776)
At 31 December 2022	**(3,028)**	**(12,500)**	**-**	**(15,528)**
Net book value				
At 31 December 2022	**8,343**	**11,089**	**7,028**	**26,460**
At 31 December 2021	**9,319**	**12,785**	**362**	**22,466**

15 Intangible assets

	Software £'000	Total £'000
Cost		
At 1 January 2022	9,362	9,362
Additions	166	166
Transfer from asset under construction	40	40
At 31 December 2022	**9,568**	**9,568**
Accumulated amortisation		
At 1 January 2022	(9,096)	(9,096)
Amortisation charge	(64)	(64)
At 31 December 2022	**(9,160)**	**(9,160)**
Net book value		
At 31 December 2022	**408**	**408**
At 31 December 2021	**266**	**266**

16 Leases

(a) Amounts recognised in the balance sheet

Right-of-use assets	Land and buildings £'000	Vehicles £'000	Total £'000
Cost			
At 1 January 2022	115,113	171	115,284
Additions	3,591	-	3,591
Modification/Termination of Leases	-	(92)	(92)
At 31 December 2022	**118,704**	**79**	**118,783**
Depreciation			
At 1 January 2022	(39,757)	(69)	(39,826)
Charge for the year	(5,671)	(32)	(5,703)
Modification/termination of leases	-	36	36
At 31 December 2022	**(45,428)**	**(65)**	**(45,493)**
Net book value			
At 31 December 2022	**73,276**	**14**	**73,290**
At 31 December 2021	**75,356**	**102**	**75,458**

16 Leases (continued)

Lease liabilities

	2022 £'000	2021 £'000
Lease liabilities - current	11,482	10,958
Lease liabilities - non current	104,789	116,276
	116,271	**127,234**

Lease liabilities maturity analysis

A maturity analysis of lease liabilities based on undiscounted gross cash flow is reported in the table below:

	2022 £'000	2021 £'000
Less than one year	17,165	17,165
Between 2-5 years	62,669	68,321
Between 6-10 years	51,723	52,712
Greater than 10 years	18,416	28,939
	149,973	**167,137**

Lease investments

	2022 £'000	2021 £'000
Lease investments - current	555	6,405
Lease investments- non current	2,733	2,369
	3,288	**8,774**

The Company has sub-leased right-of-use assets in cases where the assets are no longer required for the Company's use. The lease investment amount above relates to the discounted value of cash expected to be received from assets leased out.

During the year, the Company recognised sub-lease income of £253,000 (2021: £1,378,000) . This represents the income received in the year relating to assets subject to operating leases.

Rio Tinto Group Property has been engaged since 2016 to manage the sub-leased assets and any risk associated with these assets. An international real estate consultant firm has been appointed to help manage the risks, with their key responsibilities including (i) lease management (including rent collection and rent payment); (ii) frequent sub-tenant liaison and communication and (iii) regular inspections to ensure sublease compliance. They also regularly engage with landlords to ensure alignment, and additionally they communicate with landlords on an annual basis to identify opportunities for Rio Tinto to exit these legacy assets.

16 Leases (continued)

Lease investments maturity analysis

A maturity analysis of the net investment in leases based on undiscounted gross cash flow is reported in the table below:

	2022 £'000	2021 £'000
Within one year	7,623	7,623
Between 2-5 years	22,983	29,106
Greater than 5 years	-	1,500
	30,606	**38,229**

(b) Amounts recognised in the statement of comprehensive income

	2022 £'000	2021 £'000
Payments		
Interest	**6,265**	**6,792**

The total cash outflow for leases in 2022 was £17,554,000 (2021: £17,644,000).

Depreciation charge		
Depreciation on right of use assets - Land and buildings	5,671	7,752
Depreciation on right of use assets - Vehicles	32	64
	5,703	**7,816**
Impairment reversal		
Impairment reversal on right-of-use assets	-	(30,226)
Allowance for expected credit losses on lease investments	(960)	7,845
	(960)	**(22,381)**

a) The impairment reversal is £nil for current year as compared to £30,226,000 which was related to ROU of 6 St. James's Square mainly due to self occupation and sublease of vacant floors.

17 Trade and other payables

	2022 £'000	2021 £'000
Current		
Trade payables	21,124	16,961
Accruals and deferred income	12,449	16,387
Amounts due to group undertakings (a)	84,473	95,331
Other payables	69,498	57,616
Intercompany group relief payable	-	11,984
	187,544	**198,279**

(a) Amounts due to group undertakings are interest free and payable on demand.

18 *Provisions*

	Dilapidations provisions £'000	N.I. on share schemes £'000	Total £'000
At 1 January 2022	5,422	17,347	22,769
Increase in existing provisions	3,628	1,621	5,249
At 31 December 2022	**9,050**	**18,968**	**28,018**

	2022 £ 000	2021 £ 000
Provisions - Non-current	14,011	11,612
Provisions - Current	14,007	11,157
	28,018	**22,769**

Dilapidations provision
The operating lease contracts held by the Company for office space requires the occupied space to be restored to its original condition at the end of the lease term. The Company therefore has recognised a make good provision on the balance sheet relating to the estimated costs of removing leasehold improvements.

National Insurance on share schemes
To the extent that the share price at the balance sheet date is greater than the exercise price on options granted under unapproved schemes, a provision for any National Insurance contributions has been made based on the prevailing rate of National Insurance.

19 Pension commitments

Defined benefit pension schemes
The Company operates four pension schemes and one post retirement healthcare scheme for its employees.

The Company participates in the Rio Tinto Pension Fund and the Rio Tinto International Pension Fund with other Group companies. These schemes have defined benefit sections for which the arrangements are linked to final pay and are closed to new members. Employees who joined the Rio Tinto Pension Fund after 31 March 2005, and the Rio Tinto International Pension Fund after 30 September 2007, are admitted to defined contribution sections. The participating companies share actuarial risks associated with all employees and former employees. The Company is the sponsoring employer for these schemes.

The Rio Tinto 2009 Pension Fund was established to accommodate members of the Alcan Packaging Pension Scheme whose employment was transferred to the Company after the disposal of a Group business. Subsequently, retired and deferred members of the British Alcan Pension Scheme were also transferred to the Fund. Arrangements are linked to final pay and closed to new members.

The Rio Tinto Pension Fund, Rio Tinto International Pension Fund and the Rio Tinto 2009 Pension Fund are subject to the regulatory requirements that apply to UK pension plans. Trustees are responsible for ensuring that the schemes operate in a manner that is compliant with UK regulations. The trustee board has a number of directors appointed by the sponsor and a number appointed by the scheme participants, there is also an independent trustee director.

The Company also operates an unfunded pension plan arrangement which is unregistered and thus is not subject to the regulatory requirements that apply to registered UK pension plans and in particular doesn't have a trustee board.

Funding policy and contributions to schemes
The contributions to defined benefit pension schemes are kept under regular review and actual contributions will be determined in line with the Group's wider financing strategy, taking into account relevant minimum funding requirements which are determined through triennial actuarial valuations undertaken by Trustees. These actuarial valuations are prepared using the principles set out in the UK pension legislation. This differs from the IAS19 Employee benefits valuation, which is used for deriving the income statement and Balance Sheet positions and uses a best-estimate approach overall. The different purpose and principles lead to different assumptions being used, and therefore a different estimate for the liabilities and funding levels.

The most recent funding valuation was 31 March 2021 for all three registered pension schemes. In each case there was a technical provisions surplus (£404m in total, 115% overall funding ratio for the 3 schemes) and so no contributions are currently payable. For the unfunded pension and healthcare schemes the Company's contributions are expected to be similar to the amounts paid in 2022.

Post-retirement healthcare schemes
The Company provides post retirement medical benefits to certain retired employees. This arrangement is unfunded and is included in the figures below.

Risks

The Company participates in four pension schemes and one post-retirement healthcare scheme. Some of these schemes are defined contribution and some are defined benefit, with assets held in separate trusts.

19 Pension commitments (continued)

Defined benefit pension and post-retirement healthcare schemes expose the Company to a number of risks such as:

Uncertainty in benefit payments

The value of the Company's liabilities for post-retirement benefits will ultimately depend on the amount of benefits paid out. This in turn will depend on the level of future pay increases, the level of inflation (for those benefits that are subject to some form of inflation protection) and how long individuals live.

Volatility in asset values

The Company is exposed to future movements in the values of assets held in pension plans to meet future benefit payments.

Uncertainty in cash funding

Movements in the values of the obligations or assets may result in the Company being required to provide higher levels of cash funding, although changes in the level of cash required can often be spread over a number of years. Control over the rate of cash funding or over the investment policy for pension assets might rest to some extent with a trustee body that is not under the Company's direct control. In addition, the Company is also exposed to adverse changes in pension regulation.

Monitoring of the Company's exposure to risks associated with the defined benefit pension and post-retirement healthcare schemes is performed at a Group level and not managed separately.

The assets of the pension plans are invested predominantly in a diversified range of equities and bonds. Consequently, the funding level of the pension schemes is affected by movements in the level of equity markets and also by movements in interest rates. The Group monitors its exposure to changes in interest rates and equity markets and also measures its balance sheet pension risk using a value at risk approach. These measures are considered when deciding whether significant changes in investment strategy are required. Asset-liability studies are conducted on a periodic basis for the main pension schemes to determine the optimal investment mix bearing in mind the Group's tolerance for risk, the risk tolerance of the local sponsor companies and the views of the Pension Committees and trustee boards who are legally responsible for the investments of the funds.

The defined benefit sections of the UK arrangements are linked to final pay. New employees are admitted to defined contribution sections. The plans are subject to the regulatory requirements that apply to UK pension schemes. Trustees are responsible for ensuring that the schemes operate in a manner that is compliant with UK regulation. The trustee board governing the main UK schemes has a number of directors appointed by the sponsor, a number appointed by the scheme participants and an independent trustee director.

Reconciliation of surplus shown on the balance sheet

	2022 £'000	2021 £'000
Fair value of scheme assets	2,674,487	3,855,004
Present value of scheme liabilities	(2,262,480)	(3,238,666)
Defined benefit pension scheme surplus	**412,007**	**616,338**

19 Pension commitments (continued)

Represented by:

Net defined benefit asset of schemes in surplus position	465,023	616,338
Net defined benefit liability of schemes in deficit position*	(53,016)	-
	412,007	**616,338**

* This represents the unfunded scheme which is in a net liability position. In 2021,on the face of the Balance Sheet and within this note, this scheme (liability of £76,854,000 at 31 December 2021) was presented net, along with the other schemes in a surplus position, in the Pension assets line. In 2022, it has been determined it is appropriate to present these gross on the Balance Sheet.

Pension obligations

Changes in the present value of pension scheme obligations are as follows:

	2022 £'000	2021 £'000
Present value at start of year	(3,238,666)	(3,575,857)
Current service cost	(1,464)	(2,131)
Past service cost	(34,200)	-
Actuarial gains and losses arising from changes in demographic assumptions	10,532	6,700
Actuarial gains and losses arising from changes in financial assumptions	1,035,004	159,625
Actuarial gains and losses arising from experience adjustments	(130,093)	51,138
Interest cost	(60,047)	(41,926)
Benefits paid	156,480	163,840
Contributions by scheme participants	(26)	(55)
Present value of obligation at end of the year	**(2,262,480)**	**(3,238,666)**

Scheme assets

Changes in the fair value of pension scheme assets are as follows:

	2022 £'000	2021 £'000
Fair value at start of the year	3,855,004	4,042,633
Interest income on assets	71,729	47,530
Contributions by the Company	(394)	65
Contributions by scheme participants	26	55
Non-investment expenses	(2,638)	(2,977)
Benefits paid	(156,480)	(163,840)
Return on scheme assets (net of interest on assets) gain	(1,092,760)	(68,462)
Fair value of scheme assets at end of the year	**2,674,487**	**3,855,004**

The assets of the schemes are managed on a day-to-day basis by external specialist fund managers.

19 Pension commitments (continued)

Analysis of assets

The major categories of pension scheme assets are as follows:

	2022 %	2021 %
Bonds - government fixed income	20	14
Bonds - government inflation linked	16	27
Bonds - corporate and other quoted	27	25
Bonds - private	7	5
Property - quoted funds	3	1
Property	-	4
Cash and other	4	3
Qualifying insurance policies	23	21
	100	**100**

The assets of the plans are managed on a day-to-day basis by external specialist fund managers. These managers may invest in the Group's securities subject to limits imposed by the relevant fiduciary committees and local legislation. The approximate total holding of Group securities within the plans is £nil (2021: £100,000).

Amounts recognised in the income statement

	2022 £'000	2021 £'000
Current service cost	(1,464)	(2,131)
Past service cost*	(34,200)	-
Net interest on obligation/asset	11,682	5,604
Non-investment expenses paid from the plans	(2,638)	(2,977)
Total recognised in the income statement	**(26,620)**	**496**

* During the period additional obligations of £34,200,000 relating to equalisation and other items were identified for the RT09 scheme. This resulted in an increase to the defined benefit obligation and staff costs in the current period.

Amounts recognised in Other comprehensive expense before tax

	2022 £'000	2021 £'000
Actuarial gains	1,045,536	166,325
Return on scheme assets and experience loss obligation	(1,222,853)	(17,324)
Total recognised in other comprehensive expense before tax	**(177,317)**	**149,001**

19 Pension commitments (continued)

Change in the net defined benefit asset	**2022**	**2021**
	£'000	**£'000**
Net defined benefit asset at the start of the year	616,338	466,776
Amounts recognised in profit or loss	(26,620)	496
Amounts recognised in other comprehensive income	(177,317)	149,001
Contributions by the Company	(394)	65
Net defined benefit asset at the end of the year	**412,007**	**616,338**

Principal actuarial assumptions at the balance sheet date (rates per annum):

Key estimate - Estimation of obligations for post-employment costs

The value of the Company's obligations for post-employment benefits is dependent on the amount of benefits that are expected to be paid out, discounted to the balance sheet date. The most significant assumptions used in accounting for pension plans are:

The discount rate - used to determine the net present value of the obligations, the interest cost on the obligations and the interest income on plan assets. We use the yield from high-quality corporate bonds with maturities and terms that match those of the post-employment obligations as closely as possible.

The long-term inflation rate - used to project increases in future benefit payments for those plans that have benefits linked to inflation. The assumption regarding future inflation is based on market yields on inflation linked instruments, where possible, combined with consensus views.

The mortality rates - used to project the period over which benefits will be paid, which is then discounted to arrive at the net present value of the obligations. The Company reviews the actual mortality rates of retirees in its major pension plans on a regular basis and uses these rates to set its current mortality assumptions. It also uses its judgment with respect to allowances for future improvements in longevity having regard to standard improvement scales and after taking external actuarial advice.

The weighted-average assumptions used for the valuation at year end are summarised below:

	2022	**2021**
	%	**%**
Discount rate	4.90	1.90
Future salary increases	4.20	4.20
Future pension increases	3.30	3.30
Inflation rate	3.20	3.20

Post retirement mortality assumptions

The mortality tables are generally based upon the latest standard tables, adjusted appropriately to reflect the actual mortality experience of the plan participants where credible data is available. Adjustments have been made to some of our plans within the demographic assumptions for the impact of the Covid-19 pandemic based on the 2021 and 2020 experience.

19 Pension commitments (continued)

Average life expectancy in years of a pensioner retiring at aged 60:

	2022	2021
- For a man aged 60 now	27.00	27.00
- At 60 for a man aged 40 now	28.00	28.00

Sensitivity analysis

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below:

	2022 + 0.5% £'000	2022 - 0.5% £'000	2021 + 0.1% £'000	2021 - 0.1% £'000
Discount rate	109,328	(114,948)	219,696	(235,680)
Inflation	(102,842)	98,278	(209,525)	196,722
Demographic – allowance for future improvements in longevity	71,159	(71,159)	149,671	(31,656)

Maturity analysis of benefit payments

	2022 Pensions	2022 Other benefits	2022 Total	2021 Total
Proportion relating to current employees	1%	0%	1%	1%
Proportion relating to former employees not yet retired	23%	0%	23%	27%
Proportion relating to retirees	76%	100%	76%	72%
			100%	100%
Average duration of obligation (years)			10.49	14.32

20 Share capital

Allotted, called up and fully paid shares

	2022 No. 000	2022 £ 000	2021 No. 000	2021 £ 000
Ordinary shares of £1 each	4,800	4,800	4,800	4,800

20 Share capital (continued)

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

21 Parent and ultimate parent undertaking

The Company's immediate parent undertaking is Rio Tinto European Holdings Limited. The 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. Copies of the Rio Tinto Group 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.

22 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.

Expenditure with and payables to other related parties

	2022 £'000	2021 £'000
Rendering of services	(101)	(199)
Amounts payable to related parties	(3)	(11)

Expenses / payables	Transactions 2022 £'000	Balance 2022 £'000	Transactions 2021 £'000	Balance 2021 £'000
Energy Resources of Australia Ltd	-	-	-	-
Oyu Tolgoi LLC	-	-	(100)	-
QIT Madagascar Minerals SA	(38)	(3)	(84)	(11)
Richards Bay Titanium (Proprietary) Limited	(63)	-	(15)	-
Richards Bay Mining (Proprietary) Limited	-	-	-	-
Simfer S.A.	-	-	-	-
	(101)	**(3)**	**(199)**	**(11)**

22 Related party transactions (continued)

Income and receivables from other related parties

	2022 £'000	2021 £'000
Receipt of services	6,991	6,459
Amounts receivable from related parties	2,178	3,440

Income / receivables	Transactions 2022 £'000	Balance 2022 £'000	Transactions 2021 £'000	Balance 2021 £'000
Energy Resources Australia Ltd	-	-	-	-
Dampier Salt Ltd	17	-	1	-
Chlor Alkali Unit Pte Ltd	12	-	10	-
Resolution Copper Mining LLC	-	-	124	-
Oyu Tolgoi LLC	2,974	298	1,559	203
QIT Madagascar Minerals SA	532	76	877	670
Richards Bay Titanium (Proprietary) Limited	1,381	914	1,251	1,251
Richards Bay Mining (Proprietary) Limited	1,151	889	1,249	1,250
Iron Ore Company of Canada	879	-	1,299	62
Sohar Aluminium Co. LLC	-	-	7	1
New Zealand Aluminium Smelters Ltd	5	-	82	-
Diavik Joint Venture	-	-	-	-
Aluminium & Chemie Rotterdam B.V.	-	1	-	3
CanPacific Potash Inc.	40	-	-	-
	6,991	**2,178**	**6,459**	**3,440**

23 Related undertakings

In accordance with section 409 of the Companies Act 2006, disclosed below is a full list of related undertakings of the Company. Related undertakings include "subsidiaries", "associated undertakings" and "significant holdings in undertakings other than subsidiary companies". The registered office address, country of incorporation, classes of shares and the effective percentage of equity owned by the Company calculated by reference to voting rights, is disclosed as at 31 December 2022.

Details of the related undertakings as at 31 December 2022 are as follows:

Name of undertaking	Country	Registered office	Share class	Direct holding %	Indirect holding %
Rio Tinto Marketing Services Limited	United Kingdom	6 St James's Square, London, SW1Y 4AD, United Kingdom	£1.00 Ordinary shares	100	-
Rio Tinto Medical Plan Trustees Limited	United Kingdom	6 St James's Square, London, SW1Y 4AD, United Kingdom	£1.00 Ordinary shares	100	-
Rio Tinto Nominees Limited	United Kingdom	6 St James's Square, London, SW1Y 4AD, United Kingdom	£1.00 Ordinary shares	100	-
Rio Tinto Secretariat Limited	United Kingdom	6 St James's Square, London, SW1Y 4AD, United Kingdom	£1.00 Ordinary shares	100	-
Jadar Free Zone Management Company DOO Beograd - Novi Beograd	Serbia	Bulevar Milutina Milankovica 1i, 5th Floor, Novi Beograd, 11070, Serbia	RSD1.00 Ordinary shares	-	100
Rio Sava Exploration DOO*	Serbia	Bulevar Milutina Milankovića 1i, 11070 Novi Beograd, Serbia	US$ Founder's shares	-	30

* Ownership is held through an interest in capital. The entity has no classes of shares.

The investments in subsidiary undertakings have been fully impaired by the Company and have a carrying value of £nil (2021: £nil)

24 Comparative information

24.1 During the year, the Company has reclassified the Investments in employee share trust and presented it as receivables from related parties under Trade and other receivables to better reflect the nature of transactions in the statement of financial position, since Rio Tinto Plc is the sponsor of the employee share trust .

24.2 Share based payment reserve has been merged into retained earnings as permitted by IFRS in the statement of financial position.

24 Comparative information (continued)

	Note	As previously reported 2021 £'000	As re-presented 2021 £'000
Current assets			
Investment in employee share trust		4,714	-
Non-current assets			
Trade and other receivables	13	2,369	7,083
Equity			
Share based payment reserve		228,971	
Retained earnings		280,743	509,714

The above changes did not have any effect on Net assets or statement of comprehensive Income.

24.3 Management have reconsidered their accounting in relation to share based payment recharges. The recharges previously recognised as an expense under staff costs (Note 5) in the statement of comprehensive income have been reclassified as deduction from retained earnings. This change was applied retrospectively and is a better reflection of the nature of the transaction and aligned best practice.

	Note	As previously reported 2021 £'000	As re-stated 2021 £'000
Statement of comprehensive income			
Staff costs	5	(105,352)	(65,402)

The above restatement did not have any effect on the statement of financial position but increased profit for the prior period by GBP 39,950,000.

25 Events after the reporting period

The Trustee of Rio Tinto Pension Plan 2009 (RT09) entered into an insurance contract (a "buy-in" contract) with Rothesay Life ("Insurer") at the inception date of 5 October 2023 for a cost of £1.4bn. The transaction is made up of the in-specie asset transfer of some gilt holdings, cash transactions and a deferred cash premium (the deferred cash premium is £54m and has been arranged as there are some illiquid holdings that have not yet been realised). The contract is a Fund asset which provides an income to the RT09 which matches the pensions paid out by the Fund. No formal decision to progress to buy-out and winding up of the RT09 can be made until such time as the Company and trustee agree on a number of key areas, including use of any residual surplus.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected the Company's operations, results or state of affairs, or may do so in future years.