Registration number: 00358901

RIO TINTO FINANCE PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

RIO TINTO FINANCE PLC

CONTENTS

RIO TINTO FINANCE PLC

COMPANY INFORMATION

Directors	M J Cox J P Kiddle A W Hodges
Company secretary	Rio Tinto Secretariat Limited
Registration number	00358901
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 2023

The directors present their Strategic report on Rio Tinto Finance plc (the "Company") for the year ended 31 December 2023.

Introduction

The Company was incorporated, domiciled and registered in England and Wales under the Companies Act 2006 and is a public 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

In previous years, the Company issued debt under the Group's US$10,000 million (2022: US$10,000 million) European Debt Issuance Programme ("EDIP") against which the cumulative amount utilised was US$1,101 million at 31 December 2023 (2022: US$1,047 million) in aggregate. The carrying value of these bonds after hedge accounting adjustments amounted to US$1,063 million (2022: US$982 million) in aggregate. The debt issued under this programme is guaranteed by Rio Tinto plc and Rio Tinto Limited. The EDIP programme has no expiry date, provided the relevant companies comply with their respective renewal obligations. The bonds are listed on the Luxembourg Stock Exchange.

At the year end, the Company held US$7,615 million of cash, cash equivalents and short-term deposits (2022: US$4,720 million).

The Company made a loss before tax for the year of US$5 million (2022: US$244 million). The result for 2023 reflects net interest income of US$125 million (2022: US$23 million), impairment charged on amounts due from group undertakings of US$40 million (2022: net impairment reversal on amounts due from group undertakings of US$2 million), other expenses of US$5 million (2022: US$15 million) and net foreign exchange losses of US$85 million (2022: US$254 million).

All of the Company's interest payable and receivable is charged or credited at commercial rates, which reflects the standing of the Company or its borrowers.

The Company jointly has access to a US$7,500 million undrawn credit facility with Rio Tinto Finance Limited which was entered into in November 2021. The facility comprises one tranche of five-year multi-currency revolving credit facility with two 1-year extension options. The second one year extension was exercised in October 2023. The facility now matures in November 2028.

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 managed within the Group risk management framework.

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 are discussed in the "Principal risks and uncertainties" section of the Rio Tinto 2023 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 2023 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: 31 May 2024

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their report and the audited financial statements for the year ended 31 December 2023.

Principal activities

The principal activity of the Company is to play a major role in the treasury activities of the Group, including arrangement of external funding, the management of surplus cash and management of the Group's foreign exchange and interest rate exposures.

Results and dividends

The loss for the financial year, after taxation, amounted to US$26 million (2022: US$198 million).

No interim dividend was paid during the year (2022: US$nil). The directors do not recommend the payment of a final dividend (2022: US$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:

M J Cox

J P Kiddle

A W Hodges (appointed 1 October 2023)

S P Allen (resigned 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.

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.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 31 December 2023 that has significantly affected the Company's operations, results or state of affairs, or may do so in future years.

Future developments

The Company's future developments are integrated with those of the Group which are discussed in the Rio Tinto 2023 Annual Report, which does not form part of this report.

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.

As the principal activity for the Company is to conduct financing activities for the benefit of fellow group undertakings, its ability to continue as a going concern is dependent on the operational performance of the Group, its ongoing access to US$7,500 million of undrawn facilities and the guarantee of its external debt by Rio Tinto plc and Rio Tinto Limited. The directors have also assessed the ability of these guarantors to re-pay the external borrowings as well as meet the service terms for at least 12 months from the date of approval of these financial statements. The directors' analysis has indicated that, taking account of reasonably possible downsides, the Company will have sufficient funds, through the guarantee of its debt by Rio Tinto plc and Rio Tinto Limited, to meet its liabilities as they fall due for that period.

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.

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 2023 Annual Report which does not form part of this report.

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 2023 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 2023 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.

Auditor

The Company's auditor, KPMG LLP, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

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

Andy Hodges
....
A W Hodges
Director

Date: 31 May 2024

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

KPMG

Independent auditor's report

to the members of Rio Tinto Finance plc

1. Our opinion is unmodified

We have audited the financial statements of Rio Tinto Finance plc ("the Company") for the year ended 31 December 2023 which comprise the Balance sheet as at 31 December 2023, and the Income statement, Statement of comprehensive income and the Statement of changes in equity for the year then ended , and the 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 2023 and of its financial result 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 as applied to listed entities. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Overview		
Materiality: financial statements as a whole	$278m (2022:$163m) 1% (2022: 0.5%) of total assets	
Key audit matters		**vs 2022**
Recurring risks	Assessing the recoverability of current assets - Amounts owed by group undertakings	◄►

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matters was as follows:

	The risk	Our response
Assessing the recoverability of current assets – Amounts owed by group undertakings $19,052,629,000 (2022: $25,614,647,000) *Refer to note 11 in the financial statements.*	**Low risk, high value** The company has receivables owed by group undertakings across the Rio Tinto Group which account for 69% of the total assets of the Company at 31 December 2023. The recoverability of the amounts owed by group undertakings is a Key Audit Matter due to their overall materiality to total assets and the overall financial statements.	We performed the tests below rather than seeking to rely on any of the Company's controls because the nature of the balance meant that detailed testing is inherently the most effective means of obtaining audit evidence. Our procedures included: — Agreeing a sample of the amounts owed by group undertakings to the relevant supporting documents and terms of the agreements; and — Assessing the recoverability of the amounts owed by group undertakings to determine appropriateness of reversals and impairments by obtaining the financial position of each respective entity with a material balance at 31 December 2023.

We continue to perform procedures over appropriateness of the presentation of amounts owed to group undertakings. However, given that there were no changes in the borrowings' maturity dates for existing bonds and there is low complexity in assessing key terms of the new bonds in the current year, we have not assessed this as one of the most significant risks in our current year audit and, therefore, it is not separately identified in our report this year.

3. Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at $278 million (2022: $163 million), determined with reference to a benchmark of total assets, of which it represents 1% (2022: 0.5%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole. Performance materiality was set at 65% (2022: 65%) of materiality for the financial statements as a whole, which equates to $180 million (2022: $105 million). We applied this percentage in our determination of performance materiality based on:

- The level of audit differences (adjusted and unadjusted) identified during our previous audit; and
- Our expectation of control risk at the start of the audit and based on the findings of previous audits.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £13.9 million (2022: $8.1 million), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above and was performed by a single audit team.

Approach on controls

The scope of the audit work performed was predominately substantively as we placed limited reliance upon the Company's internal control over financial reporting.

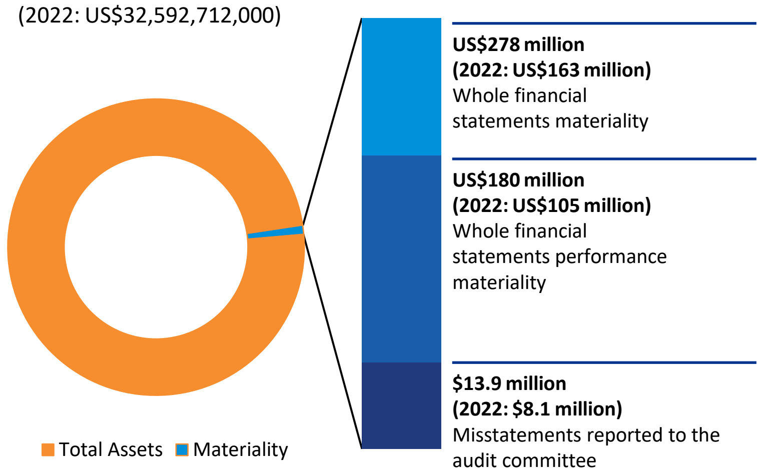
4. Going concern

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").

We used our knowledge of the Company, industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Company's financial resources or ability to continue operating over the going concern period. We also inspected the Company's access to the Rolling Credit Facility.

Total assets
US$27,804,445,000
(2022: US$32,592,712,000)

Materiality



The risk we consider as most relevant is the Company's ability to re-pay external borrowings, which is ultimately dependent on the financial performance of the Rio Tinto Group.

Since the Company's ability to continue as a going concern is dependent on the financial performance of the Rio Tinto Group, and the guarantee of its debt by Rio Tinto plc and Rio Tinto Limited, we assessed the risk that this support would not be available. We inspected the agreement of guarantee from Rio Tinto plc and Rio Tinto Limited and examined Rio Tinto plc's financial statements and Rio Tinto Limited's financial information to assess their ability to re-pay the external borrowings. We further assessed the terms of the revolving credit facility which Rio Tinto Finance plc has access to.

We considered whether the going concern disclosure in note 2.4 to the financial statements gives a full and accurate description of the directors' assessment of going concern, including the identified risks and dependencies.

We assessed the completeness of the going concern disclosure.

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; and
- we found the going concern disclosure in note 2.4 to be acceptable.

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.

5. Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

Risk assessment

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 include:

- Inquiries with management including obtaining and reviewing supporting documentation concerning the Company’s policies and procedures relating to detecting and responding to the risks of fraud and internal controls established to mitigate risks related to fraud;
- Inquiries of management as to whether they had knowledge of any actual, suspected or alleged fraud;
- Evaluating the selection and application of relevant accounting policies;
- Reading Board minutes;
- Discussions amongst the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. The engagement team includes audit partners and staff who have extensive experience. The discussions also involved our own forensic specialists to assist us in identifying fraud risks based on discussions of the circumstances of the Company and participated in the initial fraud risk assessment discussions;
- Using analytical procedures to identify any unusual or unexpected transactions

Fraud risks

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 given the lack of complexity and ability to manipulate revenue, as the only source of income is in relation to interest income primarily generated on intercompany loans.

We did not identify any additional fraud risks.

Communication of fraud risks

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

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.

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.

Direct laws context and link to 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), and taxation legislation (direct and indirect). We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Most significant indirect law/ regulation areas

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: anti-bribery, fraud and corruption and general data protection regulation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evidence from relevant correspondence, an audit will not detect that breach.

Communication of identified laws and regulations

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

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 non-compliance 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.

6. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information 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 other information.

Strategic report and directors' report

Based solely on our work on the other information:

— 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.

7. We have nothing to report on the other 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 by the Company, 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.

We have nothing to report in these respects.

8. Respective responsibilities

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 including 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.

9. 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.

Jonathan Downer

Jonathan Downer

(Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square, London, E14 5GL, United Kingdom

31 May 2024

KPMG

RIO TINTO FINANCE PLC

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 $ 000	2022 $ 000
Finance income	4	**1,901,641**	754,365
Finance costs	5	**(1,776,257)**	(731,134)
Net foreign exchange losses	6	**(84,676)**	(254,083)
Other expenses	7	**(4,887)**	(14,637)
(Impairment)/ net impairment reversal	8	**(40,483)**	1,662
Loss before tax		**(4,662)**	(243,827)
Taxation	9	**(21,301)**	46,095
Loss for the financial year		**(25,963)**	(197,732)

The notes on pages 17 to 37 form an integral part of these financial statements.

RIO TINTO FINANCE PLC

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 $ 000	2022 $ 000
Loss for the financial year	**(25,963)**	(197,732)
Other comprehensive (loss)/income		
Net cash flow hedge (gains)/losses transferred to income statement	**(5,198)**	15,153
Cost of hedging deferred to reserves during the year	**4,515**	4,645
Total other comprehensive (loss)/income	**(683)**	19,798
Total comprehensive loss for the financial year, net of tax	**(26,646)**	(177,934)

The notes on pages 17 to 37 form an integral part of these financial statements.

RIO TINTO FINANCE PLC

BALANCE SHEET AS AT 31 DECEMBER 2023

	Note	2023 $ 000	2022 $ 000
ASSETS			
Non-current assets			
Financial assets	11	**155,821**	134,309
Deferred tax assets	10	**23**	29
Other receivables	14	**3,679**	4,290
		159,523	138,628
Current assets			
Financial assets	11	**20,027,573**	27,673,659
Cash and cash equivalents	12	**7,615,469**	4,720,173
Tax receivables	13	**-**	58,320
Other receivables	14	**1,880**	1,932
		27,644,922	32,454,084
Total assets		**27,804,445**	32,592,712
LIABILITIES			
Current liabilities			
Financial liabilities	15	**22,197,955**	28,065,043
Other payables		**1,025**	3,094
Withholding tax payables	13	**7,908**	4,795
Intercompany group relief payable	13	**7,235**	-
		22,214,123	28,072,932
Non-current liabilities			
Financial liabilities	15	**3,810,628**	2,713,440
Total liabilities		**26,024,751**	30,786,372
Net assets		**1,779,694**	1,806,340
EQUITY			
Share capital	17	**1,788,807**	1,788,807
Cost of hedging reserve		**(11,912)**	(16,427)
Cash flow hedging reserve		**8,803**	14,001
Other reserves		**252**	252
Retained earnings		**(6,256)**	19,707
Total equity		**1,779,694**	1,806,340

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

Andy Hodges
....
A W Hodges
Director

Date: 31 May 2024

Company registered number: 358901

The notes on pages 17 to 37 form an integral part of these financial statements.

RIO TINTO FINANCE PLC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital $ 000	Cost of hedging reserve $ 000	Cash flow hedging reserve $ 000	Other reserves $ 000	Retained earnings $ 000	Total $ 000
At 1 January 2023	**1,788,807**	**(16,427)**	**14,001**	**252**	**19,707**	**1,806,340**
Comprehensive loss for the year:						
Loss for the financial year	-	-	-	-	(25,963)	(25,963)
Items that have been/may be subsequently reclassified to income statement:						
Cost of hedging deferred to reserves during the year	-	4,515	-	-	-	4,515
Net cash flow hedge gains transferred to income statement	-	-	(5,198)	-	-	(5,198)
Other comprehensive income/(loss) for the financial year	-	4,515	(5,198)	-	-	(683)
Total comprehensive income/(loss) for the financial year	-	4,515	(5,198)	-	(25,963)	(26,646)
At 31 December 2023	1,788,807	(11,912)	8,803	252	(6,256)	1,779,694

The notes on pages 17 to 37 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

	Share capital $ 000	Cost of hedging reserve $ 000	Cash flow hedging reserve $ 000	Other reserves $ 000	Retained earnings $ 000	Total $ 000
At 1 January 2022	1,788,807	(21,072)	(1,152)	252	217,439	1,984,274
Comprehensive loss for the year:						
Loss for the financial year	-	-	-	-	(197,732)	(197,732)
Items that have been/may be subsequently reclassified to the income statement:						
Net cash flow hedge losses transferred to the income statement	-	-	15,153	-	-	15,153
Cost of hedging deferred to reserves during the year	-	4,645	-	-	-	4,645
Other comprehensive income for the financial year	-	4,645	15,153	-	-	19,798
Total comprehensive income/(loss) for the financial year	-	4,645	15,153	-	(197,732)	(177,934)
At 31 December 2022	1,788,807	(16,427)	14,001	252	19,707	1,806,340

The notes on pages 17 to 37 form an integral part of these financial statements.

1 General information

Rio Tinto Finance plc (the "Company") is involved in operating the treasury activities of the Group, including arrangement of external funding, the management of surplus cash and management of the Group's foreign exchange and interest rate exposures.

The Company is a public 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 20.

2 Material 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 financial statements

These financial statements have been prepared using the historical cost convention, except certain financial assets and financial liabilities (including derivatives) measured at fair value, 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 UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006 ("UK-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 financial statements are presented in US Dollars ($) 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 requirement in paragraph 38 of IAS 1 *Presentation of Financial Statements* to present comparative information in respect of paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 *Presentation of Financial Statements*;
- the requirements of IAS 7 *Statement of Cash Flows*;
- the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*;
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 *Impairment of Assets*;
- the requirements of paragraph 17 of IAS 24 *Related Party Disclosures*; and
- the requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Where required, equivalent disclosures are given in the consolidated financial statements of the Rio Tinto Group which can be obtained as set out in note 20.

2 Material accounting policies (continued)

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 2023:

- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts
- Disclosure of accounting policies - Amendments to IAS 1 "Presentation of Financial statement" and IFRS practice Statement 2
- Definition of Accounting Estimates - Amendments to IAS 8
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12
- International Tax Reform-Pillar Two Model Rules - Amendments to IAS 12

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to materially 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 2023 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.

As the principal activity for the Company is to conduct financing activities for the benefit of fellow group undertakings, its ability to continue as a going concern is dependent on the operational performance of the Group, its ongoing access to US$7,500 million of undrawn facilities and the guarantee of its external debt by Rio Tinto plc and Rio Tinto Limited. The directors have also assessed the ability of these guarantors to re-pay the external borrowings as well as meet the service terms for at least 12 months from the date of approval of these financial statements. The directors' analysis has indicated that, taking account of reasonably possible downsides, the Company will have sufficient funds, through the guarantee of its debt by Rio Tinto plc and Rio Tinto Limited, to meet its liabilities as they fall due for that period.

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.

2.5 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 US Dollars ($), which is the Company's functional and presentation currency and all amounts are rounded to the nearest thousand ('000) unless otherwise stated.

2 Material accounting policies (continued)

2.5 Foreign currency translation (continued)

(b) Transactions and balances

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate ruling at year end. All differences are taken to the income statement. Non-monetary items that are measured in terms of historical costs in foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using exchange rates as at the date the fair value was determined.

2.6 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 include interest expense and similar charges. Interest expense is recognised on a time proportionate basis using the effective interest method.

2.7 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 provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date. 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.

2.8 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held with financial institutions, reverse repurchase agreements and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Bank overdrafts are shown as current liabilities in the balance sheet.

2 Material accounting policies (continued)

2.9 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, 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 the profit or loss.

Financial assets at fair value through other comprehensive income ("FVOCI")

This classification applies to the following financial assets:

• Debt instruments that are held under a business model where they are held for the collection of contractual cash flows and also for sale ("Collect and sell") and which have cash flows that meet the SPPI criteria.

• Equity investments where the Company has irrevocably elected to present fair value gains and losses on revaluation in other comprehensive income. The election can be made for each individual investment; however it is not applicable to equity investments held for trading.

All movements in the fair value of these financial assets are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue (including transaction costs by applying the effective interest method), gains or losses arising on derecognition and foreign exchange gains and losses which are recognised in the income statement. When the financial asset is derecognised, the cumulative fair value gain or loss previously recognised in other comprehensive income is reclassified to the income statement.

Fair value gains or losses on revaluation of such equity investments, including any foreign exchange component, are recognised in other comprehensive income. When the equity investment is derecognised, there is no reclassification of fair value gains or losses previously recognised in other comprehensive income to the income statement. Dividends are recognised in the income statement when the right to receive payment is established.

2 Material accounting policies (continued)

2.9 Financial assets (continued)

Financial assets at fair value through profit or loss ("FVPL")

This classification applies to the following financial assets. In all cases, transaction costs are immediately expensed to profit or loss:

- Debt instruments that do not meet the criteria of amortised cost or FVOCI;
- Equity Investments which are held for trading or where the FVOCI election has not been applied;
- Derivatives which are not designated as a hedging instrument.

The assets are carried on the balance sheet at fair value, with all subsequent fair value gains or losses and related dividend income being recognised in profit or loss.

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where Rio Tinto Finance plc currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

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.

The Company's financial assets include amounts due from group undertakings involved in the early stages of mining and exploration projects. The work undertaken by these companies is exploratory in nature, with a high degree of uncertainty as to the commercial viability of the relevant projects. Given this uncertainty, an impairment provision is recognised for amounts due from group undertakings involved in exploration activities.

Subsequent recoveries for amounts that relate to a previous impairment provision are credited to the income statement.

2.10 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 Material accounting policies (continued)

2.11 Derivatives and hedge accounting

The Company applies the hedge accounting requirements under IFRS 9 and its hedging activities are discussed in note 15. Where applicable, the Company may defer the costs of hedging including currency basis spreads, forward points and the time value of options.

Derivatives are initially recognised at their fair value on the date the derivative contract is entered into and transaction costs are expensed in the income statement. They are subsequently re-measured at their fair value at each balance sheet date. The method of recognising the resulting gain or loss depends on whether or not the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged. The Company designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges) or hedges of highly probable forecast transactions (cash flow hedges). Changes in the fair value of derivatives not designated as hedges are recorded in the income statement.

(a) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability or firm commitment that is attributable to the hedged risk. Where derivatives are held with different counterparties or with the same counterparty and management has no intention to settle the derivatives and the underlying asset or liability or firm commitment, on a net basis, the fair value of the derivative asset or liabilities and the hedged asset or liability or firm commitment are shown separately in the balance sheet as there is no legal right of offset and/or no intention to settle on a net basis. When the fair value interest rate hedging instrument expires or is sold, or when a fair value interest rate hedge no longer meets the criteria for hedge accounting, the fair value adjustments which have been made to the hedged item are amortised through the income statement over the remaining life of the hedged item or written off immediately where the hedged item is derecognised.

(b) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Sources of ineffectiveness include: differences in the timing of the cash flows between the hedged item and the hedging instrument, non-zero initial fair value of the hedging instrument and counterparty credit risk. Amounts accumulated in equity are recycled to the income statement in the year when the hedged items affect the income statement.

Where the cash flow hedge is of a forecast transaction that is still expected to occur and the hedging instrument expires or is sold, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss relating to the instrument which is held in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

2.12 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 estimates and judgements

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

Impairment of financial assets
The Company makes an estimate of the recoverable value of trade and other 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.

4 Finance income

	2023 $ 000	2022 $ 000
Interest income from parent and group undertakings	**1,453,895**	613,963
Interest income from Rio Tinto associate undertakings	**1,825**	1,825
Interest income on other investments	**70,236**	-
Interest income on cash and cash equivalents	**375,685**	138,577
	1,901,641	754,365

5 Finance costs

	2023 $ 000	2022 $ 000
Interest expense on bank overdrafts and borrowings	**1,141**	1,406
Interest expense and similar finance charges (a)	**138,829**	206,962
Interest paid to group undertakings	**1,636,287**	522,766
	1,776,257	731,134

(a) Interest expense and similar finance charges includes a fair value gain on cross currency interest rate swaps and interest rate swaps designated as hedges of US$114 million (2022: loss of US$127 million) and a fair value loss on bonds attributable to currency and interest rate risk of US$108 million (2022: gain of US$113 million). Interest expense and similar finance charges also includes a fair value gain on interest rate swaps not designated in hedging relationships of US$47 million (2022: US$110 million).

6 Net foreign exchange losses

	2023 $ 000	2022 $ 000
Net foreign exchange (loss)/gains transactions with group undertakings	**(29,040)**	177,513
Net foreign exchange losses - transactions with third parties (a)	**(55,636)**	(431,596)
	(84,676)	(254,083)

(a) Included within this balance are losses on foreign exchange forward contracts of US$56 million (2022: US$421 million). The remainder pertains to foreign exchange gains on non-USD bank accounts.

7 Other expenses

(a) Other expenses of US$5 million (2022: US$15 million) include service and commitment fees paid during the year. This also includes audit fees of US$268,714 (2022: US$241,070) of which US$201,536 (2022: US$180,802) pertains to Rio Tinto Finance Plc and US$67,178 (2022: US$60,268) was paid on behalf of other group companies.

(b) For the years ended 31 December 2023 and 31 December 2022, no remuneration was paid by the Company to the directors. All directors are remunerated by other Group companies in respect of their services to the Group as a whole. The directors holding office during the year consider their services to the Company to be incidental to their duties within the Group and accordingly no remuneration has been apportioned to the Company.

(c) The average number of persons employed during the year, excluding directors, was nil (2022: nil).

(d) Employees who are involved in the management and operation of the Company have contracts of service with other Group entities and, therefore, their remuneration is included within those entities' financial statements.

8 Impairment/ (net impairment reversal)

	Note	2023 $ 000	2022 $ 000
Balance at 1 January		**74,949**	76,611
Additional impairment provision booked in the year		**40,483**	15,916
Recoveries of amounts against previously recorded impairment provision		**-**	(17,578)
Balance at 31 December	11	**115,432**	74,949

The additional impairment provision booked in the year includes US$8 million due from Rio Tinto Exploration Zambia Limited, US$17 million due from Mutamba Mineral Sands S.A and US$15 million Rio Tinto Minerals Development Limited (2022: US$11 million due from Rio Tinto Exploration Zambia Limited and US$5 million due from Mutamba Mineral Sands S.A.).

There are no recoveries of amounts against previously recorded impairment provision in 2023 (2022: US$17 million from Rio Tinto OT Management Limited and US$1 million from Rio Tinto Minera Peru Limitada SAC).

9 Taxation

	2023 $ 000	2022 $ 000
Current tax		
Current tax	**8,354**	(47,000)
Current tax adjustment in respect of prior periods	**12,000**	(88)
Double taxation relief	**(3,354)**	-
Foreign tax	**4,295**	975
Total current tax	**21,295**	(46,113)
Deferred tax		
Origination and reversal of temporary differences	**6**	4
Deferred tax adjustment in respect of prior periods	**-**	14
	6	18
Tax charge/(benefit) in statement of comprehensive income	**21,301**	(46,095)

The tax assessed for the year is higher than (2022: higher than) the standard rate of corporation tax in the UK of 23.52% for the year ended 31 December 2023 (2022: 19%).

The differences are reconciled below:

	2023	2022
Loss before taxation	**(4,662)**	(243,827)
Loss before taxation multiplied by the standard rate of corporation tax in the UK	**(1,096)**	(46,327)
Current tax adjustment in respect of prior periods	**12,000**	(88)
Increase/(decrease) from effect of expenses not deductible in determining taxable profit/(tax loss)	**9,781**	(150)
Decrease arising from group relief tax reconciliation	**(324)**	(333)
Decrease from transfer pricing adjustments	**(1)**	(1)
Decrease arising from overseas tax expensed	**-**	(185)
Increase from effects of double taxation relief	**941**	975
Deferred tax adjustment in respect of prior periods	**-**	14
Total tax charge/(benefit) for the financial year	**21,301**	(46,095)

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. Where relevant, the deferred tax balances have been calculated using the applicable blended tax rate based upon when these temporary differences are expected to unwind.

10 Deferred tax

	2023 $ 000	2022 $ 000
Deferred tax assets	**23**	29

A deferred tax asset has been recognised in the current year in respect of the impairment provision resulting from the application of the expected credit loss (ECL) model under IFRS 9.

11 Financial assets

	2023 $ 000	2022 $ 000
Non-current		
Amounts owed by group undertakings (a)	**84,402**	134,610
Derivative financial instruments	**71,720**	-
Provision for expected credit losses - undrawn facilities (b)	**(301)**	(301)
	155,821	134,309
Current		
Trade receivables	**279**	141
Amounts owed by group undertakings (a) (c)	**19,052,629**	25,614,647
Accrued interest	**95,984**	61,032
Other investments (d)	**876,825**	1,997,826
Derivative financial instruments	**1,856**	13
	20,027,573	27,673,659
	20,183,394	27,807,968

(a) Amounts owed by group undertakings represent interest rate swaps that were transacted with external counterparties and are back to back internally issued to Rio Tinto Alcan Inc., a fellow group subsidiary.

(b) A provision for expected credit losses has been recognised on the revolving credit facility that was made available to Minera Escondida Ltda, which has an expiry date of 8 September 2024. The total value of the credit facility is US$750 million, the Company's share being US$225 million. See note 19 for details.

(c) Amounts owed by group undertakings include US$19,052 million (2022: US$25,615 million) receivables which bear interest at relevant base rate (SOFR, BBSW, €STR, CDOR, SONIA, TONA, NZ Bank Bill, HKD HIBOR, SARON, JIBAR)) plus a margin calculated based on the credit rating of the counterparty and the terms of the current account or deposit. Also included in amounts owed by group undertakings are US$100 million (2022: US$75 million) receivables which bear no interest.

Amounts owed by group undertakings also includes provisions against receivables from fellow subsidiaries of US$115 million (2022: US$75 million).

(d) Other investments represent highly liquid financial assets held in managed investment funds classified as held for trading and are categorised as level 1 in the fair value hierarchy.

12 Cash and cash equivalents

	2023 $ 000	2022 $ 000
Cash on hand	**298,826**	252,751
Short-term deposits (a)	**4,825,000**	1,850,432
Money market funds	**2,491,643**	2,616,990
	7,615,469	4,720,173

(a) The Company purchased securities under resale agreements ("reverse repurchase agreements") amounting to US$2,775 million (2022: US$850 million) measured at amortised cost and reported within short-term deposits as they are highly liquid products maturing within three months.

13 Current tax receivables and payables

Current assets	2023 $ 000	2022 $ 000
Intercompany group relief receivable	**-**	47,000
Tax receivable owed by HMRC	**-**	11,320
	-	58,320
Current liabilities		
Withholding tax payables	**7,908**	4,795
Intercompany group relief payable	**7,235**	-
	15,143	4,795

14 Other receivables

	2023 $ 000	2022 $ 000
Non-current		
Prepayments	**3,679**	4,290
	3,679	4,290
Current		
Prepayments	**951**	1,469
Other receivables	**929**	463
	1,880	1,932

15 Financial liabilities

	2023 $ 000	2022 $ 000
Non-current		
Borrowings (a)	**612,096**	976,107
Derivative financial instruments	**178,936**	515,697
Amounts owed to group undertakings (b) (c)	**3,019,596**	1,221,636
	3,810,628	2,713,440
Current		
Derivative financial instruments	**202,328**	7,789
Amounts owed to group undertakings (d)	**21,493,061**	28,032,314
Accrued interest	**50,490**	24,940
Borrowings (a)	**452,076**	-
	22,197,955	28,065,043

(a) Under its European Debt Issuance Program, the Company has issued two Rio Tinto Finance plc bonds consisting of a €417 million 2.875% bond due 2024 and a GBP500 million 4.0% bond due 2029 (2022: two Rio Tinto Finance plc bonds consisting of a €417 million 2.875% bond due 2024 and a GBP500 million 4.0% bond due 2029).

The bonds are listed on the Luxembourg Stock Exchange. The Euro denominated bond was swapped as at the issue date using a cross currency interest rate swap to a US dollar floating rate bond. The GBP denominated bond was swapped using cross currency interest rate swaps to a US dollar fixed rate bond. Details of the cross currency interest rate swaps are disclosed in note 16.

(b) Included in amounts owed to group undertakings are back to back internally issued bonds with Rio Tinto Finance (USA) plc, consisting of a US$500 million 4.75% bond due 2042, a US$750 million 4.125% bond due 2042, a US$650 million 5.00% bond due 2033 and a US$1,100 million 5.125% bond due 2053. (2022: two bonds being a US$500 million 4.75% bond due 2042 and a US$750 million 4.125% bond due 2042).

The internally issued bonds have a carrying value of US$3,019 million (2022: US$1,222 million) with a fair value of US$2,989 million (2022: US$1,121 million) and are categorised as level 2 in the fair value hierarchy.

(c) Fair value hedge accounting has been applied to the full notional value of the internally issued bonds with Rio Tinto Finance (USA) plc. The bonds were hedged for a partial term until 2023 for the US$500 million 4.75% bond due 2042 and the US$750 million 4.125% bond due 2042. These are unhedged as at 31 December 2023. The US$1,100 million 5.125% bond due 2053 is fully hedged as at 31 December 2023.

(d) Current amounts owed to group undertakings include US$21,433 million (2022: US$28,001 million) payables which bear interest at relevant base rate (SOFR, BBSW, €STR, CDOR, SONIA, TONA, NZ Bank Bill, HKD HIBOR, SARON, JIBAR) plus a margin calculated based on the credit rating of the counterparty and the terms of the current account or loan.

(e) The Company jointly has access to a US$7,500 million credit facility with Rio Tinto Finance Limited which was entered into in November 2021. The facility comprises one tranche five-year multi-currency revolving credit facility with two 1-year extension options. The second one year extension was exercised in October 2023. The facility now matures in November 2028.

16 Financial instruments

Except where stated, the information given below relates to the financial instruments of the Company and the information is grouped into the following sections:

16.1 - Financial assets and financial liabilities by categories

16.2 - Capital and financial risk management

16.3 - Liquidity risk

16.4 - Fair value of derivative financial instruments

16.1 Financial assets and financial liabilities by categories

All instruments shown as being held at fair value have been classified as fair value through the profit and loss.

The classification of financial assets and financial liabilities, by category, for the year ended 31 December 2023 is given below:

Year ended 31 December 2023	Financial assets at amortised cost $ 000	Financial assets & liabilities at fair value $ 000	Financial liabilities at amortised cost $ 000	Total $ 000
Financial assets				
Derivative financial instruments (a)	-	73,576	-	73,576
Amounts owed by group undertakings	19,137,031	-	-	19,137,031
Provision for expected credit losses - undrawn facilities	(301)	-	-	(301)
Trade receivables	279	-	-	279
Accrued interest	95,984	-	-	95,984
Other investments	-	876,825	-	876,825
Cash and cash equivalents	5,123,826	2,491,643	-	7,615,469
	24,356,819	3,442,044	-	27,798,863
Financial liabilities				
Borrowings (c)	-	-	1,064,172	1,064,172
Derivative financial instruments (b)	-	381,264	-	381,264
Amounts owed to group undertakings	-	-	24,512,657	24,512,657
Accrued interest	-	-	50,490	50,490
	-	381,264	25,627,319	26,008,583

16 Financial instruments (continued)

16.1 Financial assets and financial liabilities by categories (continued)

The classification of financial assets and financial liabilities, by category, for the year ended 31 December 2022 was as follows:

Year ended 31 December 2022	Financial assets at amortised cost $ 000	Financial assets & liabilities at fair value $ 000	Financial liabilities at amortised cost $ 000	Total $ 000
Financial assets				
Derivative financial instruments (a)	-	13	-	13
Amounts owed by group undertakings	25,749,257	-	-	25,749,257
Provision for expected credit losses - undrawn facilities	(301)	-	-	(301)
Trade receivables	141	-	-	141
Accrued interest	61,032	-	-	61,032
Other investments	-	1,997,826	-	1,997,826
Cash and cash equivalents	2,103,183	2,616,990	-	4,720,173
	27,913,312	4,614,829	-	32,528,141
Financial liabilities				
Borrowings (c)	-	-	976,107	976,107
Derivative financial instruments (b)	-	523,486	-	523,486
Amounts owed to group undertakings	-	-	29,253,950	29,253,950
Accrued interest	-	-	24,940	24,940
	-	523,486	30,254,997	30,778,483

(a) Derivative financial instruments include the fair value of interest rate swaps of US$72 million (2022: US$Nil).

(b) Derivative financial instruments include the fair value of interest rate swaps of US$114 million (2022: US$190 million) and the fair value of the cross currency interest rate swaps of US$266 million (2022: US$334 million).

(c) The carrying amount of all financial assets and financial liabilities is a reasonable approximation of the fair value except for the borrowings. The carrying value of the bonds after hedge accounting adjustments amounted to US$1,063 million (2022: US$982 million) relate to listed bonds with a fair value of US$1,088 million (2022: US$1,019 million) and are categorised as level 1 in the fair value hierarchy.

16.2 Capital and 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 Group's 2023 Annual Report which does not form part of this report.

16 Financial instruments (continued)

16.2 Capital and financial risk management (continued)

Foreign exchange sensitivities

The estimated retranslation effect on financial assets and financial liabilities of a ten percent strengthening in the closing exchange rate of the US dollar against significant currencies would be broadly equal and opposite to the sensitivity associated with a ten percent weakening of the US dollar against these currencies.

The impact is expressed in terms of the strengthening of the US dollar and the effect on the income statement (excluding tax), assuming that each exchange rate moves in isolation. The sensitivities based on financial assets and financial liabilities held at 31 December 2023 where balances are not denominated in the functional currency of the Company are as follows; US dollar/Euro: US$79 million gain (2022: US$78 million gain), US dollar/Sterling: US$58 million gain (2022: US$59 million gain); and US dollar/Australian dollar: US$95 million gain (2022: US$103 million gain).

The table below summarises, by currency, our net debt and balances with group undertakings after taking into account relevant cross currency interest rate swaps and foreign exchange contracts:

	2023 US$ 000	2022 US$ 000
Australian Dollar (AUD)	**(857,465)**	(924,733)
British Pound (GBP)	**(521,262)**	(529,654)
Canadian Dollar (CAD)	**(18,824)**	11,248
Euro (EUR)	**(708,153)**	(703,372)
Japanese Yen (JPY)	**2,086**	2,043
New Zealand Dollar (NZD)	**(252,313)**	(198,766)
South African Rand (ZAR)	**5**	7
Chinese Yuan (CNY)	**-**	39,924
Other (non-USD)	**2,134**	331

Hedging strategy

The Company reviews its currency exposure on a regular basis and will undertake hedging if deemed appropriate. Cross-currency interest rate swaps (CCIRS) are used to convert non-US dollar denominated borrowings to either fixed or floating US dollar borrowings.

Interest rate sensitivities

Based on the Company's net financial assets and financial liabilities as at 31 December 2023, the effect on the income statement of a one percentage point increase in US dollar SOFR interest rates, with all other variables held constant would be a debit of US$42 million (2022: credit of US$2 million).

The Company has an exposure to interest rate volatility within shareholder's equity arising from fair value movements on derivatives in the cash flow hedge reserve. These derivatives have an underlying exposure to Sterling and the US dollar. With all factors remaining constant and based on the composition of derivatives impacting the cash flow hedge reserve at 31 December 2023, the sensitivity of a 100 basis point increase in interest rates in each currency in isolation would impact equity, before tax, by US$33 million charge (2022: US$35 million charge) for Sterling and US$42 million credit (2022: US$48 million credit) for US dollars. A 100 basis point decrease would have broadly the same impact in the opposite direction.

These balances are not constant throughout 2023, and therefore this information should be used with care.

16 Financial instruments (continued)

16.2 Capital and financial risk management (continued)

Hedging strategy

Since 2012, the Company has also held cross-currency interest rate swaps to convert the principal and annual interest coupons of the £500m Sterling Bond to a US dollar notional with fixed US dollar annual interest coupons. Cash flow hedge accounting has been applied to this relationship to limit the US dollar cash flow exposure on the principal and interest payments. The hedge was fully effective in the 2023 and 2022 financial years as the notional amount, maturity, payment and reset dates match.

					2023		2022	
	Nominal amount of the bond '000	**Nominal amount of the hedging instrument '000**	**Maturity**	**Effective FX rate**	**Gain in FV of the hedging instrument $ 000**	**Loss in FV of the hedged item $ 000**	**Loss in FV of the hedging instrument $ 000**	**Gain in FV of the hedged item $ 000**
Sterling denominated bonds in cash flow hedge with CCIRS	**£500,000**	**$806,600**	**11/12/29**	**1.6132**	**31,364**	**(31,364)**	(56,690)	56,690

At 31 December 2023, US$1,907 million (2022: US$2,057 million) US dollar notional of fixed rate US dollar borrowings were fully swapped to floating US dollar rates for the partial term to 2024 and fair value hedge accounting applied. €417million (2022: €417 million) fixed rate borrowings were fully swapped to floating US dollar rates and fair value hedge accounting applied. The sources of ineffectiveness include changes in the timing of the cash flows of the hedging instrument compared to the underlying hedged item and changes in the credit risk of parties to the hedging relationship.

					2023		2022	
	Nominal amount of the bond '000	**Nominal amount of the hedging instrument '000**	**Maturity**	**Effective FX rate**	**Gain in FV of the hedging instrument $ 000**	**(Loss) in FV of the hedged item $ 000**	**(Loss) in FV of the hedging instrument $ 000**	**Gain in FV of the hedged item $ 000**
US dollar denominated bonds in FV hedge with IRS	**750,000**	**750,000***	**21-02-2023**	**1**	**3,840**	**(3,694)**	(9,294)	9,378
	500,000	**500,000***	**22-03-2023**	**1**	**3,869**	**(3,826)**	(7,804)	7,827
	806,600	**806,600**	**11-12-2024**	**1**	**20,758**	**(21,327)**	(55,741)	56,469
	1,100,000	**1,100,000**	**09-03-2033**	**1**	**71,719**	**(74,767)**	-	-
	3,156,600	**3,156,600**			**100,186**	**(103,614)**	(72,839)	73,674
Euro denominated bonds in FV hedge with CCIRS	**416,700**	**416,700**	**11-12-2024**	**1.11055**	**13,738**	**(4,099)**	(48,383)	40,834
	416,700	**416,700**			**13,738**	**(4,099)**	(48,383)	40,834
					113,924	**(107,713)**	(121,222)	114,508

*The hedging instrument (IRS) for these bonds matured during the year and the bonds were unhedged as at 31 December 2023.

16 Financial instruments (continued)

16.2 Capital and financial risk management (continued)

Credit risk related to financial assets and cash deposits

Credit risk from investments in government securities (primarily US Government) or money market funds and balances with banks and financial institutions is managed by the Group. Investments of surplus funds are only made with approved investment grade (BBB- and above) counterparties who have been assigned specific credit limits beforehand based on specific assessment criteria. The limits are set to minimise the concentration of credit risk and therefore mitigate the potential for financial loss through counterparty failure.

No significant credit risk is considered to arise on the amounts owed by group undertakings to the Company.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as disclosed in note 11.

	2023 $ 000	2022 $ 000
Opening Expected Credit Loss provision at 1 January	**301**	301
Addition/(reduction) to Expected Credit Loss provision	-	-
Closing Expected Credit Loss provision at 31 December	**301**	301

Further details of the Rio Tinto group's credit risk management policies are set out in Group's 2023 Annual Report which doesnot not form part of this report.

16.3 Liquidity risk

Financial liability analysis

The table below analyses the Company's financial liabilities by relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. As the amounts disclosed in the table are the contractual undiscounted cash flows, these balances will not necessarily agree with the amounts disclosed in the balance sheet.

At 31 December 2023	Within 1 year or on demand $ 000	Between 1-5 years $ 000	More than 5 years $ 000	Total $ 000
Non-derivative financial liabilities				
Borrowings	**462,766**	**-**	**638,500**	**1,101,266**
Amounts owed to group undertakings	**21,488,085**	**218,750**	**1,987,500**	**23,694,335**
Expected future interest payments (a)	**38,845**	**102,160**	**25,540**	**166,545**
Derivative financial liabilities				
Derivatives designated in hedge - gross settled				
- Outflow	**619,576**	**135,989**	**840,597**	**1,596,162**
- Inflow	**(501,611)**	**(102,160)**	**(664,040)**	**(1,267,811)**
Derivatives not designated in hedge - gross settled				
- Outflow	**500,713**	**-**	**-**	**500,713**
- Inflow	**(498,990)**	-	-	**(498,990)**

16 Financial instruments (continued)

16.3 Liquidity risk (continued)

	Within 1 year or on demand $'000	Between 1-5 years $'000	More than 5 years $'000	Total $'000
Derivatives designated in hedge - net settled	**32,514**	-	-	**32,514**
Derivatives not designated in hedge - net settled	**73,661**	**31,764**	-	**105,425**
At 31 December 2022				
Non-derivative financial liabilities				
Borrowings	-	444,473	602,675	1,047,148
Amounts owed to group undertakings	28,055,815	218,750	2,042,188	30,316,753
Expected future interest payments (a)	36,886	109,207	48,214	194,307
Derivative financial liabilities				
Derivatives designated in hedge - gross settled				
- Outflow	68,787	716,864	874,595	1,660,246
- Inflow	(36,886)	(553,680)	(650,889)	(1,241,455)
Derivatives not designated in hedge - gross settled				
- Outflow	70,690	-	-	70,690
- Inflow	(70,598)	-	-	(70,598)
Derivatives not designated in hedge - net settled	58,885	83,840	-	142,725

(a) Interest payments have been projected using interest rates applicable at the end of the financial year. Where debt is subject to variable interest rates, future interest payments are subject to change in line with market rates.

Offsetting and enforceable master netting agreements
Financial assets and liabilities are offset and the net amount reported is in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. There were no material amounts offset in the balance sheet and no material enforceable master netting agreements exist.

16 Financial instruments (continued)

16.4 Fair value of derivative financial instruments

In the table below we summarise our derivatives as at 31 December:

	2023		2022	
	Asset $ 000	**Liability $ 000**	**Asset $ 000**	**Liability $ 000**
Derivatives designated as hedges				
Interest rate swaps	**71,719**	**(26,637)**	-	(55,104)
Cross currency interest rate swaps	-	**(265,632)**	-	(333,692)
Total derivatives designated as hedges	**71,719**	**(292,269)**	**-**	(388,796)
Derivatives not designated as hedges				`
Currency forward contracts and swaps	**1,856**	**(1,728)**	13	(80)
Interest rate swaps	**-**	**(87,267)**	-	(134,610)
Total derivatives not designated as hedges	**1,856**	**(88,995)**	13	(134,690)
Total derivatives	**73,575**	**(381,264)**	13	(523,486)

The table below analyses financial instruments into a fair value hierarchy based on the valuation technique used to determine fair value:

Level 1 Valuation is based on unadjusted quoted prices in active markets for identical financial instruments.

Level 2 Valuation is based on inputs that are observable for the financial instruments which include quoted prices for similar instruments or identical instruments in markets which are not considered to be active, or inputs, either directly or indirectly based on observable market data.

Level 3 Valuation is based on inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At 31 December 2023	**Level 1 (a)**	**Level 2 (b)**	**Level 3 (c)**	**Total**
Derivatives	**$ 000**	**$ 000**	**$ 000**	**$ 000**
Foreign currency forward and swap contracts (c)	-	**128**	-	**128**
Interest rate swaps (a) (c)	-	**(42,185)**	-	**(42,185)**
Cross currency interest rate swaps (a)	-	**(265,633)**	-	**(265,633)**
	-	**(307,690)**	**-**	**(307,690)**

At 31 December 2022	**Level 1 (a)**	**Level 2 (b)**	**Level 3 (c)**	**Total**
Derivatives	**$ 000**	**$ 000**	**$ 000**	**$ 000**
Foreign currency forward and swap contracts (c)	-	(67)	-	(67)
Interest rate swaps (a) (c)	-	(189,714)	-	(189,714)
Cross currency interest rate swaps (a)	-	(333,692)	-	(333,692)
	-	**(523,473)**	**-**	**(523,473)**

16 Financial instruments (continued)

16.4 Fair value of derivative financial instruments (continued)

(a) Interest rate and cross currency interest rate swaps are valued using applicable market quoted swap yield curves adjusted for relevant basis and credit default spreads. Currency interest rate swaps valuations also use market quoted foreign exchange rates. A discounted cash flow approach is applied to the cash flows derived from inputs to determine fair value.

(b) There were no transfers between level 1 and level 2, or between level 2 and level 3 in the years ended 31 December 2023 and 31 December 2022.

(c) The Company has back-to-back issued, to fellow group subsidiaries, some interest rate swaps and foreign exchange contracts transacted with external parties. The internal contracts are not included above. Refer to note 16.1 (a) & (b) for further details.

17 Share capital

Allotted, called up and fully paid shares

	2023		2022	
	No. 000	**$ 000**	**No. 000**	**$ 000**
Ordinary shares of £1 each	**1,585**	**2,298**	1,585	2,298
Ordinary shares of $1 each	**1,786,509**	**1,786,509**	1,786,509	1,786,509
	1,788,094	**1,788,807**	1,788,094	1,788,807

18 Reserves

Cash flow hedge reserve

The Company has issued a £500 million 4% bond due in 2029 that has been designated in a cash flow hedge relationship. The cash flow hedge reserve records gains and losses on cash flow hedges that are recognised initially in equity.

Other reserves

The Company's share capital in issue at the date when the US$ became the functional currency was translated into US dollars at the exchange rate then in force. The currency translation adjustment at that time has been included in "other reserves".

Cost of hedging reserve

The Company has designated cross currency interest rate swaps as hedging instruments and excluded the foreign currency basis spreads from the hedge relationship. Changes in the foreign currency basis spread are included in a cost of hedging reserve and will be subsequently recycled to profit or loss as the hedged item impacts on profit or loss.

19 Related party transactions

The Company is exempt under the requirements of IAS 24 Related Party Disclosures from disclosing related party transactions entered into between wholly-owned Group entities.

The Group has a 30 percent interest in Minera Escondida Ltda, an associate entity of the Group. In 2023, facility fees of US$2 million (2022: US$2 million) were received by the Company from Minera Escondida Ltda. At 31 December 2023, Minera Escondida Ltda held an undrawn shareholder line of credit for US$225 million (Rio Tinto share) (31 December 2022: US$225 million). The current facility has matured in September 2023.

20 Parent and ultimate parent undertaking

The Company's immediate parent undertaking is Rio Tinto International 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.

21 Events after the reporting period

No matter or circumstance has arisen since 31 December 2023 that has significantly affected the Company's operations, results or state of affairs, or may do so in future years.