RIT CAPITAL PARTNERS SECURITIES LIMITED

(Registered in England & Wales, Number 2174139)

REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2010

RIT CAPITAL PARTNERS SECURITIES LIMITED

REPORT OF THE DIRECTORS

The Directors submit their report and the audited accounts of the Company for the year ended 31 March 2010

Business Review

The Company is engaged in investment dealing The profit for the year was £80 7 million This was mainly due to gains on financial futures and forward currency contracts

The principal risks and uncertainties facing the business are those arising from future directional movements in forward exchange rates and stock markets generally The Company intends to continue with its dealing activities From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group the principal risks which include those of the Company are discussed on page 74 of the annual report and accounts of the parent company RIT Capital Partners plc for the year ended 31 March 2010 Further information on the principal risks and uncertainties facing the Company are discussed in note 10 of these accounts

Given the straightforward nature of the business the Company s directors are of the opinion that analysis using Key Performance Indicators is not necessary for an understanding of the development performance or position of the business

Financial Results and Dividends

The income statement of the Company is set out on page 5 The Directors do not recommend the payment of a dividend (31 March 2009 - £Nil)

Directors

The Directors during the year were

D W A Budge
C I Wise
D J Haysey
A W Jones
C B Walls (resigned 31 March 2010)

On 29th April 2010 K E Thorpe was appointed as a Director

RIT CAPITAL PARTNERS SECURITIES LIMITED

REPORT OF THE DIRECTORS (Continued)

Statement of Directors' Responsibilities

The Directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year Under that law the Directors have elected to prepare financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union 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 for that period In preparing these financial statements the Directors are required to

- select suitable accounting policies and then apply them consistently
- make judgments and accounting estimates that are reasonable and prudent.
- state whether applicable IFRSs as adopted by the European Union have been followed subject to any material the Company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006 and as regards the group financial statements Article 4 of the IAS regulation They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

The Companies Act 2004 (Audit Investigations and Community Enterprise)

In accordance with the provisions of this legislation so far as each Director is aware there is no relevant audit information of which the Company's auditors are unaware and each Director has taken all the steps necessary that he/she ought to have taken in their duty as a Director to make themselves aware of any relevant audit information and to establish that the Company s auditors are aware of that information

Political Contributions and Charitable Donations

During the year ended 31 March 2009 and 2010. the Company made no charitable donations or political contributions

Auditors and Annual General Meeting

The auditors are deemed to be reappointed under Section 487(2) of the Companies Act 2006

By Order of the Board

14/10/10

A W Jones
Director

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
RIT CAPITAL PARTNERS SECURITIES LIMITED

We have audited the financial statements of RIT Capital Partners Securities Limited for the year ended 31 March 2010 which comprise the Income Statement the Statement of Comprehensive Income, the Balance Sheet the Statement of Changes in Equity the Cash Flow Statement and the related notes The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union

Respective responsibilities of directors and auditors
As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board s Ethical Standards for Auditors

This report including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not in giving these opinions accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company s circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors and the overall presentation of the financial statements

Opinion on financial statements
In our opinion the financial statements

- give a true and fair view of the state of the company s affairs as at 31 March 2010 and of its profit and cash flows for the year then ended,

- have been properly prepared in accordance with IFRSs as adopted by the European Union and

- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Philip Tew (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

Hay's Galleria
1 Hays Lane
London
SE1 2RD

14 October 2010

RIT CAPITAL PARTNERS SECURITIES LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	Year Ended 31-Mar-10 £ million	Year Ended 31-Mar-09 £ million
Revenue			
Profits/ (Losses) on dealing investments held at fair value		91 5	(36 8)
Investment income	2	0 5	0 7
		92 0	(36 1)
Administrative expenses	4	(0 9)	(0 8)
Profit/ (Loss) before tax		91 1	(36 9)
Taxation	5	(10 4)	-
Profit/ (Loss) for the period		80 7	(36 9)

STATEMENT OF COMPREHENSIVE INCOME

	Notes	Year Ended 31-Mar-10 £ million	Year Ended 31-Mar-09 £ million
Profits/ (Loss) for the period		80 7	(36 9)
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		80 7	(36 9)

RIT CAPITAL PARTNERS SECURITIES LIMITED

BALANCE SHEET AT 31 MARCH 2010

	Notes	31-Mar-10		31-Mar-09	
		£ million	£ million	£ million	£ million
Current Assets.					
Dealing investments held at fair value	7	33 5		11 2	
Derivative financial instruments		-		4 1	
Debtors	6	79 3		26 0	
Cash at bank		29 2		8 2	
Total Assets			142 0		49 5
Creditors. Amounts falling due within one year					
Derivative Financial Instruments		(16 4)		-	
Creditors and accruals	8	(6 3)		(12 2)	
Bank Overdraft		(1 3)		-	
			(24 0)		(12 2)
Net Assets			118 0		37 3
Capital and Reserves					
Called up share capital	9		90 0		90 0
Retained earnings			28 0		(52 7)
Equity Shareholders' Funds			118 0		37 3

The accounts were approved by the Board of Directors and authorised for issue on
They were signed on the Board's behalf by

14/10/10

Director

The notes on pages 10 to 25 form part of these accounts

RIT CAPITAL PARTNERS SECURITIES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2010

Year ended 31 March 2010	Share Capital £ million	Retained Earnings £ million	Total £ million
Balance at 31 March 2009	90 0	(52 7)	37 3
Profit for the period	-	80 7	80 7
Balance carried forward	90 0	28 0	118 0

Year ended 31 March 2009	Share Capital £ million	Retained Earnings £ million	Total £ million
Balance at 31 March 2008	90 0	(15 8)	74 2
Loss for the period	-	(36 9)	(36 9)
Balance carried forward	90 0	(52 7)	37 3

The notes on pages 10 to 25 form part of these accounts

RIT CAPITAL PARTNERS SECURITIES LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2010

	31-Mar-10 £ million	31-Mar-09 £ million
Cash outflow from Operating Activities:		
(Loss)/profit before dividend and interest income, finance costs tax	90 6	(37 6)
Dividend income	-	-
Interest income	0 5	0 7
	91 1	(36 9)
Decrease/(increase) in debtors	(53 3)	29 0
Decrease in creditors	(5 9)	5 8
(Increase)/decrease in dealing investments	(1 8)	(9 4)
Interest paid	-	-
Taxation paid	(10 4)	
Net cash inflow/ (outflow) from Operating Activities	19 7	(11 5)
Cash inflow from Financing Activities.		
Increase in share capital	-	-
Net cash inflow from Financing Activities	-	-
Increase/ (Decrease) in cash and cash equivalents in the period	19 7	(11 5)
Cash and cash equivalents at the start of the period	8 2	19 7
Cash and cash equivalents at the period end	27 9	8 2
Reconciliation		
Cash at bank	29 2	8 2
Bank loans and overdrafts	(1 3)	-
Cash and cash equivalents at the period end	27 9	8 2

The notes on pages 10 to 25 form part of these accounts

RIT CAPITAL PARTNERS SECURITIES LIMITED

NOTES TO THE ACCOUNTS

1) Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below These policies have been consistently applied to all years presented unless otherwise stated

(i) Basis of Accounting

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union and those parts of the Companies Act 2006 applicable to companies reporting under IFRS

The Company has adopted the following standards and interpretations for the first time in these financial statements

IAS 1 (Revised) Presentation of financial statements
IAS 23 (Revised) Borrowing costs
IFRS1 (Amendment) First time adoption of IFRS
IAS 27 (Amendment) Consolidated and separate financial statements
IAS 32 (Amendment) Financial instruments presentation
IFRS 2 (Amendment) Share based payment
IFRS 7 (Amendment) Financial instruments recognition and measurement
IFRIC 15 Agreements for construction of real estates
IFRIC 16 Hedges of a net investment in a foreign operation

As a result of the revised presentational requirement under IAS 1 the Company now discloses a statement of comprehensive income The first time application of all other standards did not result in any changes to the Company's financial statements

At the date of authorisation of these financial statements the following Standards and Interpretations were in issue but not yet effective

IFRS 1 (Revised) First Time adoption of IFRS
IAS 27 (Revised) Consolidated and separate financial statements
IAS 39 (Amendment) Financial Instruments recognition and measurement
IFRS 2 (Amendment) Share based payments group cash settled transactions
IAS 24 (Amendment) Related party disclosures
IFRS 9 Financial Instruments - classification and measurement
IFRIC 17 Distribution of non-cash assets to owners
IFRIC 19 Extinguishing financial liabilities with equity instruments
IFRIC 14 (Amendment) Prepayments of a minimum funding requirement

RIT CAPITAL PARTNERS SECURITIES LIMITED

NOTES TO THE ACCOUNTS (Continued)

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Company

The Company is considered to operate as a single segment As the Company does not have debt or equity instruments that are traded on the public market and does not file accounts with the Securities and Exchange Commission, it does not fall within the scope of IFRS8

(ii) Foreign Currencies

Transactions in currencies other than sterling are recorded at the rate of exchange prevailing on the dates of the transactions At each balance sheet date, monetary items and non-monetary assets and liabilities that are fair valued and are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date Gains and losses arising on retranslation are included in net profit or loss for the period in respect of those investments which are classified as fair value through profit or loss All foreign exchange gains and losses are recognised in the income statement

(iii) Income

Dividend income from investments is recognised when the shareholders' rights to receive payment has been established and this is normally the ex dividend date Provision is made for any dividends not expected to be received

Where the Company has elected to receive its dividends in the form of additional shares rather than cash the amount of cash dividend foregone is recognised as income Any excess in the value of shares received over the amount of cash dividend foregone is recognised as a gain in the income statement

UK dividend income is recorded at the amount receivable without any attributable tax credit Overseas dividend income is shown gross of withholding tax

Interest income is accrued on a time basis by reference to the principal outstanding at the effective interest rate applicable which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount

(iv) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax The tax currently payable is based on taxable profit for the year Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not subject to tax or are not deductible for tax purposes The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date

The carrying amount of the deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity

The Company has tax losses of nil as at 31 March 2010 (31 March 2009 £15 7 million) No deferred tax asset was recognised in respect of these losses in the previous year as a result of uncertainty as to the timing and magnitude of future taxable profits arising from the same trade

(v) Dealing Investments

Current asset investments including futures options and other derivative instruments, are stated in the balance sheet at fair value The movements in fair value of trading positions are included in the income statement Securities sold short are valued at their offer prices in accordance with IFRS

(vi) Investments

Investments are recognised and derecognised on the trade date where a purchase or sale is made under a contract whose terms require delivery within the timeframe established by the market concerned and are initially measured at fair value All of the Company's investments are defined by IFRS as investments designated at fair value through profit and loss but are also described in these financial statements as investments held at fair value

All investments are designated upon initial recognition as held at fair value and are measured at subsequent reporting dates at fair value Fair value is either the bid price or the last traded price depending on the convention of the exchange on which the investment is quoted Investments in hedge funds and long equity funds are valued at the closing price the bid price or the single price as appropriate released by the relevant investment manager Changes in the fair value of all investments held at fair value are recognised in the income statement On disposal realised gains and losses are also recognised in the income statement Transaction costs included bid-offer spreads are included within gains on investments held at fair value Foreign exchange gains and losses arising on investments held at fair value are included within the changes in their fair values

(vi) Cash and Cash Equivalents

Cash at bank in the balance sheet comprises cash balances and deposits held at call and short notice with banks Bank overdrafts that are repayable on demand and which form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purposes of the cash flow statement

RIT CAPITAL PARTNERS SECURITIES LIMITED

NOTES TO THE ACCOUNTS (Continued)

vii) Bank Borrowings

Interest-bearing bank loans and overdrafts are recorded initially at the proceeds received, net of direct issue costs. Finance charges including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the income statement using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

viii) Other payables

Other payables are not interest-bearing and are stated at their nominal value.

ix) Derivative Financial Instruments

The Company's activities expose it primarily to the financial risks of changes in equity market prices, foreign currency exchange rates and interest rates. The Company uses derivative financial instruments for trading purposes. The Company has adopted trade date accounting. Accordingly derivative financial instruments are recognised on the date the Company enters into the relevant contract and are derecognised on the date which it commits to their sale.

Changes in the fair value of derivative financial instruments are recognised in the income statement as they arise. Derivatives embedded in other financial instruments or non-financial host contracts are treated as separate derivatives when their economic characteristics and risks are not closely related to those of the host contracts and the financial instrument is not classified at fair value through profit or loss.

RIT CAPITAL PARTNERS SECURITIES LIMITED

NOTES TO THE ACCOUNTS (Continued)

2) Investment Income

	Year Ended 31-Mar-10 £ million	Year Ended 31-Mar-09 £ million
Option Premium	0.5	-
Interest receivable	-	0.7
	0.5	0.7

3) Directors' and Auditors' Remuneration

Other than the Directors the Company has no employees None of the Directors received any emoluments in respect of their services to the Company during the year (2009 - £Nil)

Auditors remuneration is borne by the Company s ultimate parent undertaking

4) Administrative Expenses

	Year Ended 31-Mar-10 £ million	Year Ended 31-Mar-09 £ million
Investment management fees	0.9	0.8

RIT CAPITAL PARTNERS SECURITIES LIMITED

NOTES TO THE ACCOUNTS (Continued)

5) Taxation

	Year Ended 31-Mar-10 £ million	Year Ended 31-Mar-09 £ million
UK corporation tax	10 4	

The tax charge for the year differs from the standard rate of corporation tax in the UK of 28% (31 March 2009 28%) The difference is explained below

(Loss)/profit before tax	91 1	(36 9)
(Loss)/profit before tax at the standard rate of 28% (31 March 2009 28%)	25 5	(10 3)
Losses not utilised or surrendered for no consideration	-	10 3
Utilisation of prior losses	(6 3)	-
Group relief received	(8 8)	-
Tax credit/charge	10 4	-

6) Debtors

	Year Ended 31-Mar-10 £ million	Year Ended 31-Mar-09 £ million
Sales for future settlement	-	0 1
Amounts due from fellow subsidiary undertakings	0 1	0 1
Amounts due from parent undertaking	79 2	25 8
	79 3	26 0

7) Dealing Investments

	31-Mar-10 £ million	31-Mar-09 £ million
Dealing Investments	33 5	11 2
	33 5	11 2

8) Creditors: Amounts Falling Due Within One Year

	31-Mar-10 £ million	31-Mar-09 £ million
Purchases for future settlement	-	8.3
Other creditors	-	0.2
Amounts due to fellow subsidiary undertaking	3.7	3.7
Taxation	2.6	-
	6.3	12.2

9) Called Up Share Capital

	31-Mar-10 £ million	31-Mar-09 £ million
Authorised		
Ordinary Shares of £1 each	250.0	250.0
Allotted, issued and fully paid		
Ordinary Shares of £1 each	90.0	90.0

10) Financial Instruments

As an investment dealing company, financial instruments make up the vast majority of the Company's financial position and generate its performance. The Company holds investments in a variety of financial instruments in order to meet its objective to realise profits via its dealing activities. Asset allocation is determined by the Directors. The assets and liabilities include the following financial instruments:

- investments including equity and non-equity shares and fixed income securities. The investments are designated at fair value through profit or loss ("FVPL");
- cash, liquid resources and short-term debtors and creditors that arise directly from the Company's dealing activities; and
- derivative transactions.

The nature and extent of the financial instruments outstanding at the balance sheet date and the risk management policies employed by the Company (which are integrated with those of the Group) are discussed below

(i) Categories of financial assets and financial liabilities

As at 31 March 2010

Financials Assets	Loans & Receivables £ million	FVPL (held for trading) £ million	Non Financial Assets £ million	Total £ million
Dealing Investments at fair value	-	33 5	-	33 5
Derivative financial instruments	-	-	-	-
Amounts due from fellow subsidiary undertakings	-	-	0 1	0 1
parent undertaking	-	-	79 2	79 2
Cash at bank	29 2	-	-	29 2
Total Assets	29 2	33 5	79 3	142 0

As at 31 March 2009

Financials Assets	Loans & Receivables £ million	FVPL (held for trading) £ million	Non Financial Assets £ million	Total £ million
Dealing Investments at fair value	-	11 2	-	11 2
Derivative financial instruments	4 1	-	-	4 1
Sales for future settlements	0 1	-	-	0 1
Amounts due from fellow subsidiary undertakings	-	-	0 1	0 1
parent undertaking	-	-	25 8	25 8
Cash at bank	8 2	-	-	8 2
Total Assets	12 4	11 2	25 9	49 5

As at 31 March 2010

Financial Liabilities	**Amortised Cost £ million**	**Fair Value Through P&L £ million**	**Other Liabilities £ million**	**Total £ million**
Bank overdraft	1 3	-	-	1 3
Derivative Financial Instruments	-	16 4	-	16 4
Purchases for future settlement	-	-	-	-
Amounts due to Group undertakings	-	-	3 7	3 7
Other payables	-	-	2 6	2 6
Total Liabilities	1 3	16 4	6 3	24 0

As at 31 March 2009

Financial Liabilities	**Amortised Cost £ million**	**Fair Value Through P&L £ million**	**Other Liabilities £ million**	**Total £ million**
Bank overdraft	-	-	-	-
Derivative Financial Instruments	-	-	-	-
Purchases for future settlement	8 3	-	-	8 3
Amounts due to				
Group undertakings	-	-	3 7	3 7
Other payables	0 2	-	-	0 2
Total Liabilities	8 5	-	3 7	12 2

The Company's policy for determining the fair value of investments is set out on page 12

In relation to debtors creditors and short-term borrowings the carrying amount is a reasonable approximation of fair value No financial assets or liabilities were reclassified during 2010 or 2009 by the Company

(ii) Financial Risk Management

The main risks arising from the Company's financial instruments are market risk credit risk and liquidity risk The identification mitigation and monitoring of these risks is undertaken by the Directors and is described in more detail below The objectives policies and processes for managing risks have not changed since the previous accounting period

a. Market Risk

The fair value or future cash flows of a financial instrument held by the Company may fluctuate as a result of changes in market prices This market risk comprises three types of risk

- Price Risk (b below)

The risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk)

- Interest Rate Risk (c below)

The risk that fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates

- Currency Risk (d below)

The risk that fair value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates

Management of Market Risk

Management of market risk is fundamental to the Company's dealing objective and the dealing portfolio is continually monitored to ensure an appropriate balance of risk and reward Exposure to any one entity is monitored by the Directors

From time to time, the Company may seek to reduce or increase its exposure to stock market by taking positions in index futures and options relating to one or more stock markets These instruments are used to enable increased exposure when deemed appropriate

b Price Risk

Price risk (other than caused by interest rate or currency risk) may affect the value of the quoted investments held by the Company

Management of Price Risk

The Directors continually monitor the Company's exposure to price risk and take appropriate action to mitigate the risk

Exposure to Price Risk

The Company's exposure to pricing risk based on its derivatives exposure and short securities is set out below

	31 March 2010 £ million	31 March 2009 £ million
Derivatives subject to price risk	-	£0 7
Exposure to price risk	-	£0 7

Price Risk Sensitivity Analysis

The sensitivity of the Company's net assets and profit loss in regard to changes in market prices is illustrated below. This is based on an assumed 10% increase in the fair value of the investments and assumes all other variables are held constant. A 10% decrease is assumed to produce an equal and opposite effect.

	31 March 2010 Impact on P/L & Net Assets £ million	31 March 2009 Impact on P/L & Net Assets £ million
Price Risk Sensitivity	-	0.1

c. Interest Rate Risk

The Company finances its operations mainly through its share capital and retained profits. Changes in interest rates have a direct impact on the fair value or future cash flows of the Company's cash and cash equivalents and overdraft.

Management of Interest Rate Risk

The Directors continually monitor the Company's exposure to interest rate fluctuations. The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making decisions on investments.

Exposure to Interest Rate Risk

The Company's exposure of financial assets and liabilities to floating interest rates (giving cash flow interest rate risk when rates are re-set) and fixed interest rates (giving fair value interest rate risk when rates are re-set) is shown below.

	2010			2009		
	Floating £ million	Fixed £ million	Total £ million	Floating £ million	Fixed £ million	Total £ million
Derivative Financial Instruments	-	-	-	-	4.1	4.1
Cash	27.9	-	27.9	8.2	-	8.2
	27.9	-	27.9	8.2	4.1	12.3

Exposures vary throughout the year as a consequence of changes in the composition of the net assets of the Company arising out of dealing and risk management processes.

Interest received on cash and cash equivalents is at prevailing market rates.

Interest Rate Risk Sensitivity Analysis

The approximate sensitivity of the Company's net assets and profit and loss in regard to changes in interest rates is illustrated below This is based on an assumed 200 basis point annualised increase in prevailing interest rates at the balance sheet date applied to the floating rate assets and liabilities and the following assumptions

- the fair values of assets and liabilities is not affected by a change in interest rates
- all other variables are held constant

A 200 basis points decrease is assumed to produce an equal and opposite impact

	31 March 2010 Impact on P/L & Net Assets £ million	**31 March 2009 Impact on P/L & Net Assets £ million**
Interest Rate Sensitivity	0 4	0 2

d Currency Risk

Consistent with its dealing objective the Company invests in financial instruments and transactions denominated in currencies other than Sterling As such the Company's profits and net assets could be significantly affected by currency movements

Management of Currency Risk

The Company enters into forward currency as a means of limiting or increasing its exposure to particular currencies

Exposure to Currency Risk

The currency exposure of the Company's net assets at the year end is set out below

Currency Exposure

	31 March 2010 £ million	**31 March 2009 £ million**
Sterling	(56 9)	36 9
US Dollar	(219 9)	(470 7)
Japanese Yen	(200 0)	147 2
Euro	(26 2)	40 6
Swiss Franc	111 0	3 6
Singapore Dollar	128 0	35 9
Australian Dollar	-	81 1
Chinese Renminbi	171 5	-
Canadian Dollar	82 4	-
Other	128 1	162 7
Total	118 0	37 3

Currency Risk Sensitivity Analysis

The sensitivity of the Group s net assets and profit and loss in regard to changes in key currencies is illustrated below This is based on an assumed 10% strengthening of Sterling relative to the foreign currencies as at 31 March. and assumes all other variables are held constant A 10% weakening is assumed to produce an equal and opposite effect

The sensitivity analysis is based on the net foreign currency assets held at the balance sheet dates and takes account of forward exchange contracts that offset the effects of changes in currency exchange rates

Currency	31 March 2010 Impact on P/L & Net Assets £ million	31 March 2009 Impact on P/L & Net Assets £ million
Sterling	-	-
US Dollar	20 0	42 8
Japanese Yen	18 2	(13 4)
Euro	2 4	(3 7)
Swiss Franc	(10 1)	(0 3)
Singapore Dollar	(11 6)	(3 3)
Chinese Renminbi	(15 6)	-
Canadian Dollar	(7 5)	-
Australian Dollar	-	(7 4)
Other	(11 6)	(14 7)
Total	(15 8)	-

e. Credit Risk

Counterparty credit risk is the risk that a counterparty to a financial instrument held by the Company will fail to discharge an obligation or commitment that it has entered into with the Company which could result in a loss to the Company

Management of Credit Risk

This risk is managed as follows

- The vast majority of the Company transactions are settled on a delivery versus payment basis
- Using a large number of brokers
- Liquid investments (cash and cash equivalents) are divided between a number of different financial institutions

A credit exposure could arise in respect of derivative contracts entered into by the Company if the counterparty was unable to fulfill its contractual obligations

Exposure to Credit Risk

The maximum exposure to credit risk at 31 March was

	31 March 2010 £ million	31 March 2009 £ million
Derivative financial instruments	-	26 0
Amounts due from		
Parent undertaking	79 2	25 8
Fellow subsidiary undertakings	0 1	0 1
Sales for future settlement	-	0 1
Cash at bank	29 2	8 2
Maximum exposure to credit risk	108 5	60 2

The credit risk associated with these balances is not considered significant

(ii) Liquidity Risk

Liquidity Risk is the risk that the Company will have difficulty in meeting its obligations in respect of financial liabilities as they fall due

Management of Liquidity Risk

The Company manages is liquid resources to ensure sufficient cash is available to meet all of its contractual commitments

Exposure to Liquidity Risk

Liquidity risk is not viewed as significant as a substantial proportion of the Company s net assets are in cash or are due from its parent company In addition the majority of the Company s liabilities are due to group companies

(iii) Collateral

Collateral is posted by the Company in relation to derivative transactions These are transacted under ISDA and may require collateral to be posted from time to time The Company does not hold collateral from other counterparties

Set out below is the amount of financial assets pledged as collateral

	31 March 2010 £ million	31 March 2009 £ million
Cash collateral	-	-

(iv) Derivative Financial Instruments

The Company holds the following derivative instruments

- Futures and forward contracts relating to foreign currency and market indices
- Options relating to foreign currency market indices and equities
- Swaps relating to interest rates (cash flow hedge)

As explained above, the Company uses derivatives to selectively increase exposure where desired The notional amount of certain types of financial instruments provides a basis for comparison with instruments recognized on the balance sheet but does not necessarily indicate the amount of future cash flows involved or the current fair value of the derivatives

The derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates indices security prices or foreign exchange rates relative to their terms The aggregate contractual notional amount of derivative financial instruments on hand the extent to which instruments are favourable or unfavourable and thus the aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time

Details of the Company s derivatives unsettled at 31 March are

As at 31 March 2010	Notional Amount £ million	Assets (positive fair value) £ million	Liabilities (negative fair value) £ million	Total Fair Value £ million
Forward currency contracts	1546 6	29 9	(14 8)	15 1
Currency options		2 0	-	2 0
Interest rate options		0 9	-	0 9
Index futures	399 5	0 7	(1 6)	(0 9)
Total		33 5	(16 4)	17 1

As at 31 March 2009	Notional Amount £ million	Assets (positive fair value) £ million	Liabilities (negative fair value) £ million	Total Fair Value £ million
Forward currency contracts	1 096 0	16 1	(12 8)	3 3
Currency options	-	6 9	-	6 9
Interest rate options	-	4 4	-	4 4
Index futures	25 0	0 7	-	0 7
Total		28 1	(12 8)	15 3

RIT CAPITAL PARTNERS SECURITIES LIMITED

NOTES TO THE ACCOUNTS (Continued)

(v) Securities Sold Short

No securities were sold short as at 31 March 2010 (31 March 2009: nil). The losses which may be incurred on a short sale are theoretically unlimited, whereas losses from purchases cannot exceed the total amount invested.

(vi) Capital Management

The Company's primary objective in relation to the management of capital is to ensure its ability to continue as a going concern.

The Company's capital at 31 March comprises:

	31 March 2010 £ million	31 March 2009 £ million
Equity share capital	90.0	90.0
Retained earnings and other reserves	28.0	(52.7)
Total Capital	118.0	37.3

There have been no significant changes to the Company's capital management objectives, policies and processes in the year, nor has there been any change in what the Company considers to be its capital.