

Company Number: 2174139

RIT CAPITAL PARTNERS SECURITIES LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED

31 DECEMBER 2015

TUESDAY



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COMPANIES HOUSE

RIT CAPITAL PARTNERS SECURITIES LIMITED

Registered Office

27 St James's Place
London
SW1A 1NR

Independent Auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

Solicitors

Linklaters LLP
1 Silk Street
London
EC2Y 8HQ

RIT CAPITAL PARTNERS SECURITIES LIMITED

REPORT OF THE DIRECTORS

The Directors present the Report and Accounts of RIT Capital Partners Securities Limited (the “Company”) for the year ended 31 December 2015.

Business Review

The Company has previously engaged in investment dealing. As this activity is now carried out by its parent the Company has not had cause to engage in any such activity during the year under review. The Directors are considering future options for the Company and believe it probable the Company will be inactive for the foreseeable future.

The principal risk faced by the Company is the concentration risk of its sole asset, an intra group receivable balance due from its parent and other fellow subsidiaries. The majority of this balance is due from its parent and as such the Directors consider the residual risk to be low. The risks and uncertainties faced by the parent company, which include those of the Company, are as disclosed in note 34 of the Report and Accounts of the parent Company RIT Capital Partners plc for the year ended 31 December 2015. Further information on other risks and uncertainties facing the Company are disclosed in note 7 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 7. The Directors do not recommend the payment of a dividend (year ended 31 December 2014: £nil).

Future Developments

The Directors expect the current level of inactivity to continue for the foreseeable future.

Directors’ Indemnities

The Company has in place qualifying third party indemnity provisions for the benefit of the Directors, under a Group arrangement, which were made during the year and remain in force at the date of this report.

RIT CAPITAL PARTNERS SECURITIES LIMITED

REPORT OF THE DIRECTORS (continued)

Directors

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

J A Kestenbaum
A W Jones
K E Thorpe
C J Wise

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Reports of the Directors 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 the Directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. In preparing these financial statements, the Directors have also elected to comply with IFRSs. 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 year. 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union, have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

RIT CAPITAL PARTNERS SECURITIES LIMITED

REPORT OF THE DIRECTORS (continued)

Disclosure of Information to Auditors

In accordance with Section 418 of the Companies Act 2006, 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 the information.

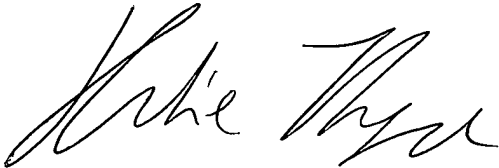
Status of Company

RIT Capital Partners Securities Limited is incorporated as a private limited company

Independent Auditors

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

The financial statements on pages 5 to 19 were approved by the Board of Directors on ~~24~~March 2016 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'K E Thorpe', is written over a horizontal line.

K E Thorpe

~~24~~ March 2016

RIT CAPITAL PARTNERS SECURITIES LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

RIT CAPITAL PARTNERS SECURITIES LIMITED

Report on the financial statements

Our opinion

In our opinion, RIT Capital Partners Securities Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its result and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

RIT Capital Partners Securities Limited's financial statements comprise:

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

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRSs as adopted by the European Union.

In applying the financial reporting framework, the Directors have made a number of

subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

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

RIT CAPITAL PARTNERS SECURITIES LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

RIT CAPITAL PARTNERS SECURITIES LIMITED

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the Directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement,

whether caused by fraud or error. This includes an assessment of:

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

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

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

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



Alison Morris (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors
London

24 March 2016

RIT CAPITAL PARTNERS SECURITIES LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

		Year ended 31 December 2015	Year ended 31 December 2014
	Note	£million	£million
Revenue			
Gains/(losses) on derivative financial instruments held at fair value		-	-
Gross profit/(loss)		-	-
Administrative expenses		-	-
Operating profit/(loss)		-	-
Profit/(loss) before taxation		-	-
Taxation (charge)/credit	3	-	-
Profit/(loss) for the year		-	-

The company has no other recognised gains & losses in the results above, and therefore no separate Statement of Comprehensive Income has been prepared.

The notes on pages 11 to 19 form part of these accounts.

RIT CAPITAL PARTNERS SECURITIES LIMITED

BALANCE SHEET AT 31 DECEMBER 2015

			31 December 2015	31 December 2014
	Note	£million	£million	£million
Current assets				
Trade and other receivables	4	113.4	113.4	
Total assets			113.4	113.4
Current liabilities				
Trade and other payables	5	(3.7)	(3.7)	
Total liabilities			(3.7)	(3.7)
Net assets			109.7	109.7
Equity				
Share capital	6		90.0	90.0
Retained earnings			19.7	19.7
Total equity			109.7	109.7

The financial statements on pages 7 to 19 were approved by the Board of Directors on 24 March 2016 and signed on its behalf by:



K E Thorpe
Director

Company number: 2174139

The notes on pages 11 to 19 form part of these accounts.

RIT CAPITAL PARTNERS SECURITIES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Share capital £million	Retained earnings £million	Total equity £million
Year ended 31 December 2015			
Balance at 1 January 2015	90.0	19.7	109.7
Profit/(loss) for the year	-	-	-
Ordinary dividend paid	-	-	-
Balance at 31 December 2015	90.0	19.7	109.7

	Share capital £million	Retained earnings £million	Total equity £million
Year ended 31 December 2014			
Balance at 1 January 2014	90.0	19.7	109.7
Profit/(loss) for the year	-	-	-
Ordinary dividend paid	-	-	-
Balance at 31 December 2014	90.0	19.7	109.7

The notes on pages 11 to 19 form part of these accounts.

RIT CAPITAL PARTNERS SECURITIES LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

	Year ended 31 December 2015	Year ended 31 December 2014
	£million	£million
Cash flows from operating activities		
Profit/(loss) before taxation	-	-
Decrease in trade and other receivables	-	-
Increase in trade and other payables	-	-
Taxation	-	-
Net cash generated from operating activities	<hr/> -	<hr/> -
Net increase/(decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	<hr/> -	<hr/> -
Cash and cash equivalents at the end of the year	<hr/> -	<hr/> -

RIT CAPITAL PARTNERS SECURITIES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1) Accounting Policies

The principal accounting policies adopted 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 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), interpretations issued by the IFRS Interpretations Committee (IFRS IC) and the Companies Act 2006 applicable to companies reporting under IFRS.

The preparation of the financial statements in conformity with IFRSs 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 following standards and amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2016 or later periods. The Group has decided not to early adopt in the current year accounts:

Not yet endorsed:

IFRS 1 (Amendment) First-time adoption of IFRS

IFRS 9 Financial instruments: classification and measurement

The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the financial statements in the period of initial application, except for IFRS 9, Financial Instruments: Classification and Measurement. This is the first part of a new standard on classification and measurement of financial instruments that will replace IAS 39. IFRS 9 has three measurements: amortised cost; fair value through profit and loss; and fair value through other comprehensive income. All equity instruments are still required to be measured at fair value, but fair value movements can be taken to profit or loss or other comprehensive income based on an irrevocable one off instrument by instrument designation.

RIT CAPITAL PARTNERS SECURITIES LIMITED

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

(i) Basis of Accounting (continued)

A debt instrument is valued at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest; otherwise it is at fair value through profit or loss. Accordingly, investments classified as available for sale in the consolidated balance sheet will have to be classified as financial assets at fair value through profit or loss or for equities only at fair value through other comprehensive income. IFRS 9 has not yet been endorsed by the European Union.

The financial statements have been prepared on a going concern basis and under the historical cost basis. The principal accounting policies adopted are set out below.

(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 year 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.

Items included in the financial statements are measured using Sterling, the currency of the primary economic environment in which the entity operates ('the functional currency'). These accounts are presented in Sterling, which is the Company's functional and presentational currency.

RIT CAPITAL PARTNERS SECURITIES LIMITED

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

(iii) 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 year 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.

(iv) Trade and Other Payables

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

(v) Trade and Other Receivables

Trade and other receivables do not carry any interest and are short-term in nature and are accordingly stated at their nominal value as reduced by appropriate allowances for estimates irrecoverable amounts.

RIT CAPITAL PARTNERS SECURITIES LIMITED

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

2. Directors Emoluments and Auditors' Remuneration

Other than the Directors, the Company has no employees. None of the Directors received any emoluments in respect of their attributable services to the Company during the year (year ended 31 December 2014 - £nil).

Four Directors exercised options over shares of the parent company during the year (year ended 31 December 2014: One)

Auditors' Remuneration

Audit related fees of £5,750 were borne by the parent company (year ended 31 December 2014: £5,661).

RIT CAPITAL PARTNERS SECURITIES LIMITED

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

3. Taxation

	Year ended 31 December 2015	Year ended 31 December 2014
	£million	£million
Income tax credit	-	-
Total tax credit	-	-

The tax charge for the year is the same as the standard rate of corporation tax in the UK 20.25% (31 December 2014: 21.49%). The differences are explained below.

	Year ended 31 December 2015	Year ended 31 December 2014
	£million	£million
Profit/(loss) before tax	-	-
Profit/(loss) before tax at the standard rate of 20.25% (31 December 2014: 21.49%)	-	-
Losses not utilised or surrendered for no consideration	-	-
Adjustment in respect of prior years	-	-
Total tax credit	-	-

4. Trade and Other Receivables

	Year ended 31 December 2015	Year ended 31 December 2014
	£million	£million
Amounts due from fellow group undertakings	0.1	0.1
Amounts due from parent undertaking	113.3	113.3
	<u>113.4</u>	<u>113.4</u>

RIT CAPITAL PARTNERS SECURITIES LIMITED

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

5. Trade and Other Payables

	Year ended 31 December 2015	Year ended 31 December 2014
	£million	£million
Amount due to group undertaking	<u>3.7</u>	<u>3.7</u>
	<u>3.7</u>	<u>3.7</u>

6. Share Capital

	Year ended 31 December 2015	Year ended 31 December 2014
	£million	£million
Allotted, issued and unpaid		
90,000,000 Ordinary Shares of £1 each	<u>90.0</u>	<u>90.0</u>

7. Financial Instruments

As an investment dealing Company, financial instruments make up the vast majority of the Company's financial position.

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.

RIT CAPITAL PARTNERS SECURITIES LIMITED

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

7. Financial Instruments (continued)

(i) Categories of Financial Assets and Financial Liabilities

As at 31 December 2015

	Loans & receivables £million	Total £million
Financials assets		
Amounts due from fellow subsidiary undertakings	0.1	0.1
Amounts due from parent undertaking	113.3	113.3
Total assets	<u>113.4</u>	<u>113.4</u>

As at 31 December 2014

	Loans & receivables £million	Total £million
Financials assets		
Amounts due from fellow subsidiary undertakings	0.1	0.1
Amounts due from parent undertaking	113.3	113.3
Total assets	<u>113.4</u>	<u>113.4</u>

As at 31 December 2015

	Financial liabilities measured at amortised cost £million	Total £million
Financial liabilities		
Amounts due to fellow subsidiary undertakings	3.7	3.7
Total liabilities	<u>3.7</u>	<u>3.7</u>

As at 31 December 2014

	Financial liabilities measured at amortised cost £million	Total £million
Financial liabilities		
Amounts due to fellow subsidiary undertakings	3.7	3.7
Total liabilities	<u>3.7</u>	<u>3.7</u>

None of the above are considered to be impaired

RIT CAPITAL PARTNERS SECURITIES LIMITED

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

7. Financial Instruments (continued)

In relation to receivables and payables the carrying amount is a reasonable fair value. No financial assets or liabilities were reclassified by the Company during the year ended 31 December 2015 (year ended 31 December 2014: £nil)

(ii) Currency & Credit Risk

Exposure to Currency Risk

There is no currency exposure as all balances are in Sterling.

Exposure to Credit Risk

The maximum exposure to credit risk at 31 December 2015 was:

	31 December 2015 £million	31 December 2014 £million
Amounts due from:		
Parent undertaking	113.3	113.3
Fellow subsidiary undertakings	0.1	0.1
Other receivables	-	-
Maximum exposure to credit risk	<u>113.4</u>	<u>113.4</u>

The credit risk associated with these balances is not considered significant, as all are with group entities.

(iii) 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 comprises:

	31 December 2015 £million	31 December 2014 £million
Equity share capital	90.0	90.0
Retained earnings and other reserves	19.7	19.7
Total Capital	<u>109.7</u>	<u>109.7</u>

RIT CAPITAL PARTNERS SECURITIES LIMITED

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

7. Financial Instruments (continued)

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.

8. Parent Undertaking

The Company's ultimate parent undertaking and controlling party is RIT Capital Partners plc ("RITCP"), a Company registered in England and Wales, which is the parent undertaking of the smallest and largest group to consolidate these financial statements.

Copies of the group accounts of RIT Capital Partners plc may be obtained from the Company Secretary, RIT Capital Partners plc, 27, St James's Place, London SW1A 1NR.

9. Related Party Transactions

Amounts due from/to group undertakings are shown in notes 4 and 5 respectively. Amounts due from RITCP are shown in note 4. The amounts due to and from other group companies are payable/receivable on demand and are not secured. These amounts bear no interest and hence fair value is deemed to equal book cost.

The remuneration attributable to key management personnel was £nil (2014: £nil). Additionally, there are no other costs related to wages and salaries as there are no employees during the year.

10. Interim Dividend

During the year no interim dividend was paid (year ended 31 December 2014: £nil).

11. Company Information

The Company is incorporated in England and Wales under the Companies Act. The registered office is shared with its parent and is shown in note 8.