

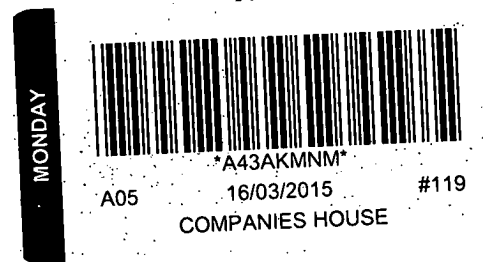
**Company Number: 2351664**

**RIT CAPITAL PARTNERS TRADING LIMITED**

**REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2014**



RIT CAPITAL PARTNERS TRADING 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 TRADING LIMITED

### REPORT OF THE DIRECTORS

The Directors present the Report and Accounts of RIT Capital Partners Trading Limited (the "Company") for the year ended 31 December 2014.

#### **Business Review**

The Company's business is to act as a partner in RIT Capital Partners Arbitrage, which is in turn a limited partner in Tinicum Partners L.P. and RR Capital Partners L.P. The Company's performance continues to be dependent on the profitability of the two underlying limited partnerships.

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.

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. These risks and uncertainties, which include those of the Company, are as disclosed in note 28 of the Report and Accounts of RIT Capital Partners plc for the year ended 31 December 2014. Further information on the principal risks and uncertainties facing the Company are disclosed in note 11 of these accounts.

#### **Financial Results and Dividends**

The profit after taxation for the year and prior year is shown on page 7. The Directors are comfortable with the performance of the business and do not recommend the payment of a dividend (year ended 31 December 2013: £nil).

#### **Future Developments**

The Directors expect the current business volumes and composition to continue for the foreseeable future.

RIT CAPITAL PARTNERS TRADING 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 of the financial statements were:

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

**Statement of Directors' Responsibilities**

The directors are responsible for preparing the Report 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. 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 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.

RIT CAPITAL PARTNERS TRADING LIMITED

REPORT OF THE DIRECTORS (continued)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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 directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

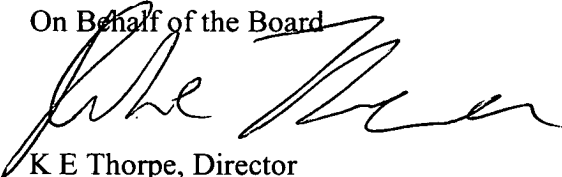
**Disclosure of Information to Auditors**

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.

**Independent auditors**

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

On Behalf of the Board

A handwritten signature in black ink, appearing to read 'K E Thorpe', written over the text 'On Behalf of the Board'.

K E Thorpe, Director

9 March 2015

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF

#### RIT CAPITAL PARTNERS TRADING LIMITED

#### **Report on the financial statements**

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##### **Our opinion**

In our opinion, RIT Capital Partners Trading 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 2014 and of its profit 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 Trading Limited's financial statements comprise:

- the balance sheet as at 31 December 2014;
- 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.

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##### **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.

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##### **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

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##### **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.

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##### **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

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF

#### RIT CAPITAL PARTNERS TRADING LIMITED

the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

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#### **Responsibilities for the financial statements and the audit**

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##### **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.

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#### **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

9 March 2015

RIT CAPITAL PARTNERS TRADING LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2014

		Year ended 31 December 2014	Year ended 31 December 2013
	Note	£	£
Gains/(losses) on portfolio investments held at fair value	4	1,798	1,983
Exchange gain/(loss)		(1,046)	874
<b>Profit/(loss) before tax</b>		752	2,857
Taxation	3	(411)	(346)
<b>Profit/(loss) for the year</b>		341	2,511

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 22 form part of these accounts.

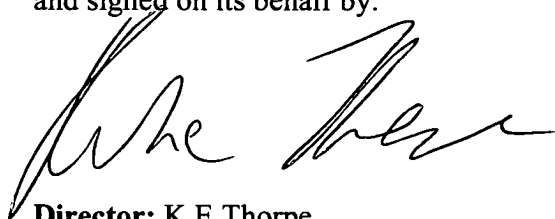


RIT CAPITAL PARTNERS TRADING LIMITED

BALANCE SHEET AT 31 DECEMBER 2014

		31 December 2014		31 December 2013	
	Note	£	£	£	£
<b>Non-current assets</b>					
Investments held at fair value	4		<u>15,010</u>		<u>18,614</u>
<b>Current assets</b>					
Trade and other receivables	5		228,582		222,317
<b>Current liabilities</b>					
Trade and other payables	6	(46,328)		(44,419)	
Taxation		<u>(1,990)</u>		<u>(1,579)</u>	
			<u>(48,318)</u>		<u>(45,998)</u>
<b>Net current assets</b>			<u>180,264</u>		<u>176,319</u>
<b>Net assets</b>			<u>195,274</u>		<u>194,933</u>
<b>Equity</b>					
Share Capital	7		2		2
Retained earnings			<u>195,272</u>		<u>194,931</u>
<b>Total equity</b>			<u>195,274</u>		<u>194,933</u>

The financial statements on pages 7 to 22 were approved by the Board of Directors on <sup>9</sup> March 2015 and signed on its behalf by:



**Director: K E Thorpe**

Company number: 2351664

The notes on pages 11 to 22 form part of these accounts.

**RIT CAPITAL PARTNERS TRADING LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 DECEMBER 2014**

	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Year ended 31 December 2014</b>			
Balance at 1 January 2014	2	194,931	194,933
Profit and total comprehensive income for the year	-	341	341
<b>Balance at 31 December 2014</b>	<u>2</u>	<u>195,272</u>	<u>195,274</u>
<b>Year ended 31 December 2013</b>			
Balance at 1 January 2013	2	192,420	192,422
Profit and total comprehensive income for the year	-	2,511	2,511
<b>Balance at 31 December 2013</b>	<u>2</u>	<u>194,931</u>	<u>194,933</u>

The notes on pages 11 to 22 form part of these accounts.

RIT CAPITAL PARTNERS TRADING LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2014

	<b>Year ended 31 December 2014</b>	<b>Year ended 31 December 2013</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Profit before tax	752	2,857
(Increase) in trade and other receivables	(6,265)	(8,210)
Increase/(decrease) in trade and other payables	1,909	(604)
Taxation Paid	-	(1,038)
Unrealised movements on investments held at fair value	3,604	6,995
	<hr/>	<hr/>
<b>Net cash generated from operating activities</b>	<b>-</b>	<b>-</b>
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year	-	-
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	<b>-</b>	<b>-</b>
	<hr/>	<hr/>

The notes on pages 11 to 22 form part of these accounts.

**RIT CAPITAL PARTNERS TRADING LIMITED**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2014**

**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.

This is the first year in which the following standards have been adopted:

**Endorsed:**

IFRS 10 Consolidated Financial Statements

IFRS 11 Joint Arrangements

IFRS 12 Disclosure of interests in other entities

IAS 27 (revised 2011) Separate Financial Statements

IAS 28 (revised 2011) Investments in Associates and Joint Ventures

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 2015 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

RIT CAPITAL PARTNERS TRADING LIMITED

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

**(i) Basis of Accounting (continued)**

The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the financial statements in the year of initial application. Other future developments include the International Accounting Standards Board (IASB) undertaking a comprehensive review of existing IFRS. The IASB also plans to issue new standards on offsetting, fair value measurement, the presentation of other comprehensive income and revenue recognition. The Company will consider the financial impact of these new standards as they are implemented.

The financial statements have been prepared on a going concern basis and under the historical cost basis, except for the revaluation of certain financial instruments. The principal accounting policies adopted are set out below.

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 IFRS 8.

The Company is exempt from the obligation to prepare group accounts as the company itself is a subsidiary undertaking which is included in the group accounts of RIT Capital Partners plc which are available at the address supplied in note 8.

**(ii) Income**

Income is accounted for on an accruals basis.

**(iii) Expenses**

All expenses and interest costs are accounted for an accruals basis.

RIT CAPITAL PARTNERS TRADING LIMITED

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

**(iv) Foreign Currencies**

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

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.

**(v) Taxation**

The tax expense represents the sum of the tax currently payable.

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.

**RIT CAPITAL PARTNERS TRADING LIMITED**

**NOTES TO THE ACCOUNTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2014**

**(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.

In respect of unquoted instruments, or where the market for a financial instrument is not active, fair value is established by using valuation techniques, which may include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instruments that is substantially the same and discounted cash flow analysis. Where there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, that technique is utilised. Where no reliable fair value can be estimated for such unquoted equity instruments, they are carried at cost, subject to any provisions for impairment.

Where securities are designated upon initial recognition as fair value through profit or loss, gains and losses arising from the changes in fair value are included in net profit or loss for the year as a capital item.

Foreign exchange gains and losses arising on investments held at fair value are included within the changes in their values.

**(vii) 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 estimated irrecoverable amounts.

**(viii) Trade and Other Payables**

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

RIT CAPITAL PARTNERS TRADING LIMITED

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

**2. Directors' Emoluments and Auditors' Remuneration**

The emoluments of the directors are paid by the parent company, which makes no recharge to the company. The directors are also on the board of a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of the parent company.

1 Director exercised options in the parent Company during the year (year ended 31 December 2013: £nil).

**Auditors' Remuneration**

Audit related fees of £2,793 were borne by the parent Company (year ended 31 December 2013: £2,765).

**3. Taxation**

	<b>Year ended 31 December 2014</b>	<b>Year ended 31 December 2013</b>
	<b>£</b>	<b>£</b>
Adjustment in respect of prior years	411	346
	<u>411</u>	<u>346</u>



**RIT CAPITAL PARTNERS TRADING LIMITED**

**NOTES TO THE ACCOUNTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2014**

**3. Taxation (continued)**

The tax expense for the year differs from the standard rate of corporation tax in the UK of 21.49% (year ended 31 December 2013: 23.25%). The difference is explained below:

	<b>Year ended 31 December 2014</b>	<b>Year ended 31 December 2013</b>
	<b>£</b>	<b>£</b>
Profit before tax	<u>752</u>	<u>2,857</u>
Profit before tax at the standard rate of 21.49% (31 December 2013: 23.25%)	162	664
Adjustment in respect of prior years	411	346
Other timing differences	<u>(162)</u>	<u>(664)</u>
Total tax expense	<u>411</u>	<u>346</u>

The standard rate of corporation tax in the UK changed from 23% to 21% with effect from 1 April 2014. Accordingly, the company's profits for this accounting period are taxed at an effective rate of 21.49%.

**RIT CAPITAL PARTNERS TRADING LIMITED**

**NOTES TO THE ACCOUNTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2014**

**4. Investments Held at Fair Value**

	<b>Year ended 31 December 2014</b>	<b>Year ended 31 December 2013</b>
	<b>£</b>	<b>£</b>
Opening valuation	18,614	25,609
Exchange movement	863	270
	<hr/> 19,477	<hr/> 25,879
Return of capital	(6,265)	(9,248)
Share of partnership income/gains	1,798	1,983
Closing valuation	<hr/> 15,010	<hr/> 18,614

The Company owns a 1% share in RIT Capital Partners Arbitrage, a UK investment holding partnership. The partnership operates from 27 St James's Place, London SW1A 1NR. RIT Capital Partners Arbitrage has a 22.9% holding in Tinicum Partners L.P. and 20.3% RR Capital Partners L.P.

Under IFRS the exchange movement on the brought forward valuation is classified as a gain on revaluation of investments and is not shown separately in the income statement as it is included in the exchange profit figure.

**5. Trade and Other Receivables**

	<b>Year ended 31 December 2014</b>	<b>Year ended 31 December 2013</b>
	<b>£</b>	<b>£</b>
Amounts owed by parent undertaking	<hr/> 228,582	<hr/> 222,317

Amounts owed by parent undertakings and related parties are interest free and are payable on demand within the relevant companies' standard credit terms.

**RIT CAPITAL PARTNERS TRADING LIMITED**

**NOTES TO THE ACCOUNTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2014**

**6. Trade and Other Payables**

	<b>Year ended 31 December 2014</b>	<b>Year ended 31 December 2013</b>
	<b>£</b>	<b>£</b>
Amount due to parent undertaking	32,089	30,180
Amounts due to group undertakings	<u>14,239</u>	<u>14,239</u>
	<u>46,328</u>	<u>44,419</u>

Amounts due to fellow subsidiary undertakings are interest free and repayable on demand. Amounts due to related parties are interest free and payable in line with the standard credit terms of the relevant company.

**7. Share Capital**

	<b>Year ended 31 December 2014</b>	<b>Year ended 31 December 2013</b>
	<b>£</b>	<b>£</b>
<b>Allotted and issued:</b>		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

**8. Ultimate 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 RITCP may be obtained from the Company Secretary, RIT Capital Partners plc, 27, St James's Place, London SW1A 1NR.

**RIT CAPITAL PARTNERS TRADING LIMITED**

**NOTES TO THE ACCOUNTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2014**

**9. Related Party Transactions**

Amounts due to other group undertakings are shown in note 6. Amounts due from RITCP and amounts due to RITCP are shown in notes 5 and 6 respectively. The amounts due to and from other group companies are payable on demand and are not secured.

**10. Contingencies, Guarantees and Financial Commitments**

As at 31 December 2014 the Company had no contingencies, guarantees or financial commitments (year ended 31 December 2013: £nil).

**11. Financial Instruments and Risk Management**

As an investment holding company, the majority of the Company's financial position and performance is derived from financial instruments.

The Company's financial instruments reflect interests in two partnerships:

	<b>Year ended 31 December 2014</b>	<b>Year ended 31 December 2013</b>
	<b>£</b>	<b>£</b>
Tinicum Partners L.P., a hedge fund investing in arbitrage	2,049	2,583
RR Capital Partners L.P., a fund investing in unquoted securities	12,961	16,031
	<hr/>	<hr/>
	15,010	18,614

**RIT CAPITAL PARTNERS TRADING LIMITED**

**NOTES TO THE ACCOUNTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2014**

**11. Financial Instruments and Risk Management (continued)**

**Categories of financial assets and financial liabilities**

<b>Financial assets as at 31 December 2014</b>	<b>Loans &amp; Receivables</b>	<b>FVTPL</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Investments held at fair value	-	15,010	15,010
Trade and other receivables	228,582	-	228,582
	<u>228,582</u>	<u>15,010</u>	<u>243,592</u>

<b>Financial assets as at 31 December 2013</b>	<b>Loans &amp; Receivables</b>	<b>FVTPL</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Investments held at fair value	-	18,614	18,614
Trade and other receivables	222,317	-	222,317
	<u>222,317</u>	<u>18,614</u>	<u>240,931</u>

<b>Financial liabilities as at 31 December 2014</b>	<b>Amortised Cost</b>	<b>FVTPL</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Trade and other payables	46,328	-	46,328
	<u>46,328</u>	<u>-</u>	<u>46,328</u>

<b>Financial liabilities as at 31 December 2013</b>	<b>Amortised Cost</b>	<b>FVTPL</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Trade and other payables	44,419	-	44,419
	<u>44,419</u>	<u>-</u>	<u>44,419</u>

RIT CAPITAL PARTNERS TRADING LIMITED

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

**11. Financial Instruments and Risk Management (continued)**

The Company's assets and liabilities include the following financial instruments:

- Investments in limited liability partnerships
- Cash, receivables and payables that arise directly from the Company's activities.

All receivables are due from RIT Capital Partners plc and are therefore not viewed as subject to credit risk. The Company holds no cash balances (31 December 2013: £nil) and manages liquidity risk through an intercompany account with its parent by which means transactions may be effected. In a similar manner the price risk inherent in the Company's investments is considered by its parent on a Group wide basis.

The fair value of investments at 31 December 2014 of £15,010 (year ended 31 December 2013: £18,614) is exposed to price risk. A 10% decrease in the fair value of the investments would result in a £1,501 reduction in profits and net assets (year ended 31 December 2013: £1,861).

The currency exposure of financial assets and liabilities is all US Dollar exposure. A 10% strengthening of the US Dollar against Sterling is assumed to cause £1,501 increase in profits and net assets (year ended 31 December 2014: £1,861).

Capital risk management is considered at a group wide basis. Policies of the group can be found in note 29 of the Report and Accounts of RIT Capital Partners plc for the year ended 31 December 2014.

The Company has classified its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making those measurements. These are as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is unobservable inputs) (level 3).

**RIT CAPITAL PARTNERS TRADING LIMITED**

**NOTES TO THE ACCOUNTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2014**

**11. Financial Instruments and Risk Management (continued)**

The determination of what constitutes "observable" requires significant judgement by the Company. The Company considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

All investments held by the Company, met the definition of a level 3 asset as the inputs are not based upon observable market data.

**Movements in Level 3 Investments:**

	<b>Opening balance 1 January 2014 £</b>	<b>Purchases £</b>	<b>Sales £</b>	<b>Gains £</b>	<b>Closing balance 31 December 2014 £</b>
Unquoted investments	18,614	-	(6,265)	2,661	15,010
	<u>18,614</u>	<u>-</u>	<u>(6,265)</u>	<u>2,661</u>	<u>15,010</u>

	<b>Opening balance 1 January 2013 £</b>	<b>Purchases £</b>	<b>Sales £</b>	<b>Gains £</b>	<b>Closing balance 31 December 2013 £</b>
Unquoted investments	25,609	-	(9,248)	2,253	18,614
	<u>25,609</u>	<u>-</u>	<u>(9,248)</u>	<u>2,253</u>	<u>18,614</u>

There has been no reclassification of investments during the year.

**12. Company Information**

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