

**Company Number: 2351664**

**RIT CAPITAL PARTNERS TRADING LIMITED**  
**REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2017**

MONDAY



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COMPANIES HOUSE

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 2017.

#### **Strategic Report**

The Company’s business was to act as a partner in RIT Capital Partners Arbitrage, which was in turn a limited partner in Tinicum Partners L.P. and RR Capital Partners L.P. During the period the underlying fund partnership interests were sold and RIT Capital Partners Arbitrage was dissolved. Following this sale, the Company’s only asset is a receivable from its parent company RIT Capital Partners plc (“RITCP”). The Company is expected to be liquidated in 2018.

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the group (RITCP and subsidiaries) and are not managed separately. These risks and uncertainties, which include those of the Company, are as disclosed in note 14 of the Report and Accounts of RITCP for the year ended 31 December 2017. Further information on the financial risks facing the Company are disclosed in note 10 of these financial accounts.

#### **Report of Directors**

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

The profit for the year and loss for the 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 2016: £nil).

Given the straightforward nature of the business, the 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.

#### **Future Developments**

The Directors expect that the Company will be liquidated in 2018 and as a result the financial statements have been prepared on a basis other than going concern. This will not, however, impact the Company’s ability to meet its liabilities as they fall due.

## 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 (Resigned 14 July 2017)

#### **Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Report and Accounts in accordance with applicable law and regulation.

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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors 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.

In the case of each director in office at the date the Report of the Directors is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

RIT CAPITAL PARTNERS TRADING LIMITED

REPORT OF THE DIRECTORS (continued)

**Status of Company**

RIT Capital Partners Trading Limited is incorporated as a private limited Company in England and Wales under the Companies Act. The Registered Office is shown on page 1.

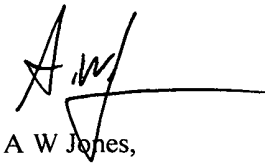
**Directors' Indemnities**

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.

**Independent auditors**

As the Board of the Company's parent has recommended, following a competitive tender process, that Ernst & Young (EY) be appointed as the group's auditor with effect from the 2018 AGM, PricewaterhouseCoopers LLP will not be reappointed as auditor. As the Company will be liquidated in 2018, EY will not be appointed as auditor.

The financial statements on pages 7 to 20 were approved by the Board of Directors on **22** March 2018 and signed on its behalf by



A W Jones,  
Director

March 2018

## ***Independent auditors' report to the members of RIT Capital Partners Trading Limited***

### **Report on the audit of the financial statements**

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#### **Opinion**

In our opinion, RIT Capital Partners Trading Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 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.

We have audited the financial statements, included within the Report and Accounts (the "Annual Report"), which comprise: the Balance Sheet, the Income Statement, the Cash Flow Statement, the Statement of Changes in Equity; and the notes to the financial statements, which include a description of the significant accounting policies.

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#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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#### **Emphasis of matter - Basis of preparation**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the basis of preparation. Following the period end the directors have decided that the entity will cease trading and the entity will be liquidated during the next financial year. Accordingly, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 1 to the financial statements. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

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#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

## RIT CAPITAL PARTNERS TRADING LIMITED

### *Strategic Report and Report of the Directors*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Report of the Directors for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Report of the Directors.

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

#### *Responsibilities of the directors for the financial statements*

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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

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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## **Other required reporting**

### **Companies Act 2006 exception reporting**

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

We have no exceptions to report arising from this responsibility.



Alison Morris (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

22 March 2018

RIT CAPITAL PARTNERS TRADING LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

		<b>Year ended 31 December 2017</b>	<b>Year ended 31 December 2016</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
Gains on portfolio investments held at fair value	4	529	701
Exchange Gain/(loss)		1,165	(4,134)
<b>Profit/(loss) before tax</b>		1,694	(3,433)
Taxation	3	10	(248)
<b>Profit/(Loss) for the year</b>		1,704	(3,681)

The company has no income other than that shown above for either the current or prior year, and therefore no separate Statement of Other Comprehensive Income has been prepared.

All the above relate to discontinued operations.

The notes on pages 11 to 20 form part of these accounts.

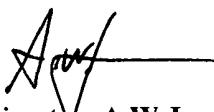


RIT CAPITAL PARTNERS TRADING LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2017

		31 December 2017		31 December 2016	
	Note	£	£	£	£
<b>Non-current assets</b>					
Investments held at fair value	4		-		12,012
<b>Current assets</b>					
Trade and other receivables	5		191,250		218,055
<b>Current liabilities</b>					
Trade and other payables	6	-	(40,502)		
Taxation payable		-	(19)		
			-		(40,521)
<b>Net current assets</b>			191,250		177,534
<b>Net assets</b>			191,250		189,546
<b>Equity</b>					
Share Capital	7		2		2
Retained earnings			191,248		189,544
<b>Total equity</b>			191,250		189,546

The financial statements on pages 7 to 20 were approved by the Board of Directors on 22 March 2018 and signed on its behalf by:

  
**Director: A W Jones**

Company number: 2351664

The notes on pages 11 to 20 form part of these accounts.

**RIT CAPITAL PARTNERS TRADING LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total Equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Year ended 31 December 2017</b>			
Balance at 1 January 2017	2	189,544	193,227
Profit/ (loss) and total comprehensive income/ (expense) for the year	-	1,704	1,704
<b>Balance at 31 December 2017</b>	<b>2</b>	<b>191,248</b>	<b>191,250</b>
	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total Equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Year ended 31 December 2016</b>			
Balance at 1 January 2016	2	193,225	193,227
Profit/ (loss) and total comprehensive income/ (expense) for the year	-	(3,681)	(3,681)
<b>Balance at 31 December 2016</b>	<b>2</b>	<b>189,544</b>	<b>189,546</b>

The notes on pages 11 to 20 form part of these accounts.

RIT CAPITAL PARTNERS TRADING LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

	<b>Year ended 31 December 2017</b>	<b>Year ended 31 December 2016</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Profit/(Loss) before taxation	1,694	(3,433)
Decrease in trade and other receivables	26,805	13,680
Decrease in trade and other payables	(40,502)	(7,672)
Taxation paid	(9)	(2,428)
Movements on investments held at fair value	57	(147)
Disposal of investments— consideration receivable	11,955	-
<b>Net cash generated from operating activities</b>	<b>-</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>-</b>	<b>-</b>

The notes on pages 11 to 20 form part of these accounts.

RIT CAPITAL PARTNERS TRADING LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2017

**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 periods presented, unless otherwise stated.

**(i) Basis of Accounting**

The financial statements have been prepared in accordance with IFRSs as adopted by the European Union, interpretations issued by the IFRS Interpretations Committee and the Companies Act 2006 applicable to companies reporting under IFRS. The Company is domiciled in the United Kingdom.

Following the period end the Directors have decided that the Company will cease trading and it is intended the Company will be liquidated during the next financial year. Accordingly, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than going concern, and under the historical cost basis. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

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.

Accounting policies have been consistently applied. The following standards are mandatory for the Company's accounting periods beginning on 1 January 2018.

IFRS 9 Financial instruments ("IFRS 9")

IFRS 15 Revenue from Contracts with Customers ("IFRS 15")

The Directors have carefully considered the potential impact of these new standards on the Company's accounts and financial position. None of the standards are expected to have a material impact in the period of initial application or subsequently.

This is because:

- i. the Company is expected to be liquidated during the next financial year and no financial statements are expected to be prepared.
- ii. the application of the existing accounting policy for trade and other receivables results in a position entirely consistent with the expected credit loss model required under IFRS 9 due to the short-term nature of these balances
- iii. The Company doesn't have any revenue contracts with customers.

RIT CAPITAL PARTNERS TRADING LIMITED

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

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

The financial statements have been prepared on a basis other than going concern 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 RITCP which are available at the address supplied in note 8.

**(ii) Income**

All income is accounted for on an accruals basis.

**(iii) Expenses**

All expenses are accounted for on an accruals basis.

**(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 2017**

**1. Accounting Policies (continued)**

**(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. Investments in 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/(losses) on investments held at fair value.

The gains and losses on financial assets designated at fair value through profit or loss exclude any related interest income, dividend income and interest expense. These items are disclosed separately in the financial statements.

**(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. This approximates their fair value.

**(ix) Capital**

The Company seeks to manage its share capital and reserves so as to maximise the return to its parent.

**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.

Three Directors exercised Share Appreciation Rights whose value is related to the price of the parent Company's shares during the year (year ended 31 December 2016: four).

Audit fees of £2,900 were borne by the parent Company (year ended 31 December 2016: £2,850).

**RIT CAPITAL PARTNERS TRADING LIMITED**

**NOTES TO THE ACCOUNTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**3. Taxation**

	<b>Year ended 31 December 2017</b>	<b>Year ended 31 December 2016</b>
	<b>£</b>	<b>£</b>
Current tax charge	-	19
Adjustments in respect of prior years	<u>(10)</u>	<u>229</u>
Total tax charge	<u>(10)</u>	<u>248</u>

The standard rate of corporation tax in the UK fell to 19% from 20% with effect from 1 April 2017. Accordingly, the company's profits for this accounting year are taxed at a standard effective rate of 19.25%.

The tax charge for the year differs from the standard rate of corporation tax in the UK of 19.25% (2016: 20%). The differences are explained below:

	<b>Year ended 31 December 2017</b>	<b>Year ended 31 December 2016</b>
	<b>£</b>	<b>£</b>
Profit/(Loss) before tax	<u>1,694</u>	<u>(3,433)</u>
Profit before tax at the standard rate of 19.25% (31 December 2016: 20%)	326	(687)
Adjustments in respect of prior years	(10)	229
Other differences	<u>(326)</u>	<u>706</u>
Total tax charge	<u>(10)</u>	<u>248</u>

Other differences include group relief surrendered/received for no payment, tax losses not recognised and Foreign tax basis differences.

**RIT CAPITAL PARTNERS TRADING LIMITED**

**NOTES TO THE ACCOUNTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**4. Investments Held at Fair Value**

	<b>Year ended 31 December 2017</b>	<b>Year ended 31 December 2016</b>
	<b>£</b>	<b>£</b>
Opening valuation	12,012	11,865
Exchange movement	(586)	2,431
	<hr/> 11,426	<hr/> 14,296
Share of partnership income	529	701
Return of capital	(11,955)	(2,985)
Closing valuation	<hr/> -	<hr/> 12,012

The Company dissolved RIT Capital Partners Arbitrage, a UK investment holding partnership in which it held 1% during 2017. Prior to dissolution RIT Capital Partners Arbitrage disposed of a holding in Tinicum Partners L.P. and RR Capital Partners L.P.

Under IFRS the exchange movement on the brought forward valuation is classified as a gain/(loss) on revaluation of investments in the income statement and is not shown separately as an exchange profit/(loss) component.

**5. Trade and Other Receivables**

	<b>Year ended 31 December 2017</b>	<b>Year ended 31 December 2016</b>
	<b>£</b>	<b>£</b>
Amounts owed by parent undertaking	<hr/> 191,250	<hr/> 218,055

Amounts owed by parent undertaking are interest free and are receivable on demand.



RIT CAPITAL PARTNERS TRADING LIMITED

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

**6. Trade and Other Payables**

	<b>Year ended 31 December 2017</b>	<b>Year ended 31 December 2016</b>
	<b>£</b>	<b>£</b>
Amount due to parent undertaking	-	40,502
	-	40,502

Amounts due to group undertakings are interest free and repayable on demand.

**7. Share Capital**

	<b>Year ended 31 December 2017</b>	<b>Year ended 31 December 2016</b>
	<b>£</b>	<b>£</b>
<b>Allotted and issued:</b>		
2 Ordinary shares of £1 each	2	2

**8. Ultimate Parent Undertaking**

The Company's ultimate parent undertaking and controlling party is RIT Capital Partners plc, 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. The accounts can also be obtained from the RIT Capital Partners plc website.

**RIT CAPITAL PARTNERS TRADING LIMITED**

**NOTES TO THE ACCOUNTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**9. Related Party Transactions**

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. These amounts bear no interest and hence fair value is deemed to equal book cost.

The remuneration attributable to key management personnel was £nil (2016: £nil). Additionally, there are no other costs related to wages and salaries as there are no employees during the year.

**10. 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 reflected interests in two partnerships, which were disposed of during the year:

	<b>Year ended 31 December 2017</b>	<b>Year ended 31 December 2016</b>
	<b>£</b>	<b>£</b>
Tinicum Partners L.P., a hedge fund investing in arbitrage	-	2,335
RR Capital Partners L.P., a fund investing in unquoted securities	-	9,677
	-	<u>12,012</u>

**RIT CAPITAL PARTNERS TRADING LIMITED**

**NOTES TO THE ACCOUNTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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

**Categories of financial assets and financial liabilities**

<b>Financial assets as at 31 December 2017</b>	<b>Loans &amp; Receivables</b>	<b>FVPL</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Investments held at fair value	-	-	-
Trade and other receivables	191,250	-	191,250
	<u>191,250</u>	<u>-</u>	<u>191,250</u>

<b>Financial assets as at 31 December 2016</b>	<b>Loans &amp; Receivables</b>	<b>FVPL</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Investments held at fair value	-	12,012	12,012
Trade and other receivables	218,055	-	218,055
	<u>218,055</u>	<u>12,012</u>	<u>230,067</u>

<b>Financial liabilities as at 31 December 2017</b>	<b>Amortised Cost</b>	<b>FVPL</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Trade and other payables	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

<b>Financial liabilities as at 31 December 2016</b>	<b>Amortised Cost</b>	<b>FVPL</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Trade and other payables	40,502	-	40,502
	<u>40,502</u>	<u>-</u>	<u>40,502</u>

None of the above are considered to be impaired.

RIT CAPITAL PARTNERS TRADING LIMITED

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

**10. 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 RITCP and are therefore not viewed as subject to credit risk. The Company holds no cash balances (31 December 2016: £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 2017 of £nil (2016: £12,012) is exposed to price risk.

The currency exposure of financial assets and liabilities is all Sterling exposure (2016 US Dollar), and therefore the company is not exposed to currency risk.

Capital management is considered at a group wide basis. The primary objectives in relation to the management of the Company's capital are:

- the ability to oversee an orderly liquidation;

Policies of the group can be found in note 14 of the Report and Accounts of RITCP for the year ended 31 December 2017.

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 2017

**10. 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 2017</b>	<b>Purchases</b>	<b>Sales</b>	<b>Losses</b>	<b>Closing balance 31 December 2017</b>
	£	£	£	£	£
Unquoted investments	12,012	-	(11,955)	(57)	-
	12,012	-	(11,955)	(57)	-

	<b>Opening balance 1 January 2016</b>	<b>Purchases</b>	<b>Sales</b>	<b>Gains</b>	<b>Closing balance 31 December 2016</b>
	£	£	£	£	£
Unquoted investments	11,865	-	(2,985)	3,132	12,012
	11,865	-	(2,985)	3,132	12,012

There has been no reclassification of investments during the year.

**11. Dividends**

During the year no dividend was paid (year ended 31 December 2016: £nil).

**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.