

3829996

Platinum Capital Management Limited

Report And Financial Statements

30 June 2012



COMPANY INFORMATION

Directors	B Sanghvi P A Sprecher S Martin T Scacchi P M Taylor
Company number	03829996
Registered office	Independent House 18-20 Thorpe Road Norfolk NR1 1RY
Auditors	Rees Pollock 35 New Bridge Street London EC4V 6BW
Bankers	The Royal Bank of Scotland 62/63 Threadneedle Street London EC2R 8LA
Solicitors	Mayer Brown International LLP 201 Bishopsgate London EC2M 3AF

DIRECTORS' REPORT

For the year ended 30 June 2012

The directors present their report and the financial statements for the year ended 30 June 2012

Principal activities

The principal activity of the company during the year was the provision of marketing and administration services and investment management services to the Platinum Funds

Business review

The company is dependent on the environment in which it operates. The launch of the Platinum Funds continues to gather momentum. Results for the year are in line with directors' expectations. **[**consider need to update**]**

Results and dividends

The profit for the year, after taxation, amounted to £10,431 (2011 - £17,513)

The directors have not recommended a dividend

Directors

The directors who served during the year were

B Sanghvi
P A Sprecher
S Martin
T Scacchi
P M Taylor (appointed 6 September 2011)
C M Booker (resigned 22 July 2011)

Political and charitable contributions

During the year the company made charitable donations of £1,000 (2011 £nil)

Pillar III disclosures

The firm has documented the disclosures required by the FSA under BIPRU 11.3 as an attachment to the accounts

DIRECTORS' REPORT

For the year ended 30 June 2012

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

Provision of information to auditors


Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Rees Pollock, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 18 October 2012 and signed on its behalf



B Sanghvi
Director



REES POLLOCK

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PLATINUM CAPITAL MANAGEMENT LIMITED

We have audited the financial statements of Platinum Capital Management Limited for the year ended 30 June 2012, set out on pages 4 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' responsibilities statement, 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Simon Rees (Senior statutory auditor)

for and on behalf of

Rees Pollock

Statutory Auditor

18 October 2012

PROFIT AND LOSS ACCOUNT
For the year ended 30 June 2012

	Note	2012 £	2011 £
TURNOVER	2	1,074,915	1,246,695
Administrative expenses		(1,060,526)	(1,225,867)
OPERATING PROFIT	3	14,389	20,828
Interest receivable and similar income		643	330
Interest payable and similar charges	6	(44)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		14,988	21,158
Tax on profit on ordinary activities	7	(4,557)	(3,645)
PROFIT FOR THE FINANCIAL YEAR		10,431	17,513

All amounts relate to continuing operations

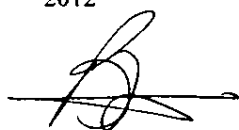
There were no recognised gains and losses for 2012 or 2011 other than those included in the profit and loss account

The notes on pages 7 to 14 form part of these financial statements

BALANCE SHEET
As at 30 June 2012

	Note	£	2012 £	2011 £
FIXED ASSETS				
Tangible assets	8		8,315	10,963
CURRENT ASSETS				
Debtors	9	269,787	223,328	
Cash in hand		250,630	429,717	
		<u>520,417</u>	<u>653,045</u>	
CREDITORS amounts falling due within one year	10	<u>(301,719)</u>	<u>(447,426)</u>	
NET CURRENT ASSETS			218,698	205,619
NET ASSETS			<u>227,013</u>	<u>216,582</u>
CAPITAL AND RESERVES				
Called up share capital	14		15,030	15,030
Capital redemption reserve	15		14,970	14,970
Profit and loss account	15		<u>197,013</u>	<u>186,582</u>
SHAREHOLDERS' FUNDS	16		<u>227,013</u>	<u>216,582</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 October 2012



B Sanghvi
Director

The notes on pages 7 to 14 form part of these financial statements

CASH FLOW STATEMENT
For the year ended 30 June 2012

	Note	2012 £	2011 £
Net cash flow from operating activities	17	(178,670)	114,302
Returns on investments and servicing of finance	18	599	330
Taxation		(100)	(1,042)
Capital expenditure and financial investment	18	(916)	(10,075)
(DECREASE)/INCREASE IN CASH IN THE YEAR		(179,087)	103,515

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
For the year ended 30 June 2012

	2012 £	2011 £
(Decrease)/Increase in cash in the year	(179,087)	103,515
MOVEMENT IN NET FUNDS IN THE YEAR	(179,087)	103,515
Net funds at 1 July 2011	335,717	232,202
NET FUNDS AT 30 JUNE 2012	156,630	335,717

The notes on pages 7 to 14 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2012

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of services supplied during the year, exclusive of Value Added Tax

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Leasehold Property	-	amortised over the period of the lease
Computer equipment	-	25% on cost

1.4 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

1.5 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.6 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

2 TURNOVER

The turnover and operating profit for the year was derived from the company's principal continuing activity which was carried out wholly in the UK. All turnover arises from outside the UK

All turnover arose within the United Kingdom

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2012

3. OPERATING PROFIT

The operating profit is stated after charging

	2012 £	2011 £
Depreciation of tangible fixed assets		
- owned by the company	3,564	1,786
Auditors' remuneration	8,500	8,500
Auditors' remuneration - non-audit	10,400	12,200
Operating lease rentals		
- other operating leases	85,180	83,039
Difference on foreign exchange	3,829	1,589
	<u> </u>	<u> </u>

4 STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2012 £	2011 £
Wages and salaries	386,423	277,375
Social security costs	49,708	32,828
	<u> </u>	<u> </u>
	436,131	310,203
	<u> </u>	<u> </u>

The average monthly number of employees, including the directors, during the year was as follows

	2012 No.	2011 No.
Number of administrative staff	5	5
	<u> </u>	<u> </u>

5. DIRECTORS' REMUNERATION

	2012 £	2011 £
Emoluments	152,468	139,848
	<u> </u>	<u> </u>

6. INTEREST PAYABLE

	2012 £	2011 £
Bank interest payable	44	-
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2012

7 TAXATION

	2012 £	2011 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	-	68
Deferred tax (see note 11)		
Reversal/(recognition) of deferred tax asset	4,557	3,577
Tax on profit on ordinary activities	<u>4,557</u>	<u>3,645</u>

Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 20% (2011 - 20%) The differences are explained below

	2012 £	2011 £
Profit on ordinary activities before tax	<u>14,988</u>	<u>21,158</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2011 - 20%)	2,998	4,232
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	350	742
Timing differences on fixed assets	338	(1,904)
Utilisation of tax losses	(3,686)	(3,004)
Difference due to change in rate of tax	-	2
Current tax charge for the year (see note above)	<u>-</u>	<u>68</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2012

8 TANGIBLE FIXED ASSETS

	S/Term Leasehold Property £	Computer equipment £	Total £
Cost			
At 1 July 2011	3,710	61,230	64,940
Additions	-	916	916
At 30 June 2012	3,710	62,146	65,856
Depreciation			
At 1 July 2011	3,710	50,267	53,977
Charge for the year	-	3,564	3,564
At 30 June 2012	3,710	53,831	57,541
Net book value			
At 30 June 2012	-	8,315	8,315
At 30 June 2011	-	10,963	10,963

9 DEBTORS

	2012 £	2011 £
Due after more than one year		
Other debtors	33,981	33,981
Due within one year		
Other debtors	69,898	19,157
Prepayments and accrued income	162,015	161,740
Deferred tax asset (see note 11)	3,893	8,450
	269,787	223,328

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2012

10 CREDITORS

Amounts falling due within one year

	2012 £	2011 £
Subordinated loan	34,000	34,000
Trade creditors	45,450	36,087
Corporation tax	-	100
Social security and other taxes	24,536	11,235
Other creditors	93,150	245,053
Accruals and deferred income	44,583	60,951
Share capital treated as debt (Note 14)	60,000	60,000
	<u>301,719</u>	<u>447,426</u>

Disclosure of the terms and conditions attached to the non-equity shares are made in note 14

The company has an obligation to redeem 30,000 Redeemable Preference "C" shares of £1 each at the request of its founder shareholder at a price of £2 per share. The "C" shares were to be redeemed on or before 30th October 2009, and are now repayable upon demand of the shareholders.

The £34,000 subordinated loan is interest free and repayable upon one month's written notice.

11 DEFERRED TAX ASSET

	2012 £	2011 £
At beginning of year	8,450	12,027
Gains/(losses) recognised during the year	(4,557)	(3,577)
At end of year	<u>3,893</u>	<u>8,450</u>

The deferred tax asset is made up as follows

	2012 £	2011 £
Accelerated capital allowances	(871)	-
Tax losses carried forward	4,764	8,450
	<u>3,893</u>	<u>8,450</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2012

12. OPERATING LEASE COMMITMENTS

At 30 June 2012 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2012	2011
	£	£
Expiry date		
Within 1 year	75,336	-
Between 2 and 5 years	-	57,840
	<u>75,336</u>	<u>57,840</u>

13. RELATED PARTY TRANSACTIONS

The following information relates to transactions and balances with other companies in which the directors have a material interest

During the year income of £654,988 (2011 £752,843) was receivable from Platinum Trading Management Limited, a company in which P A Sprecher has a material interest. At the year end an amount of £85,720 (2011 £242,552) was owed to Platinum Trading Management Limited

Additionally, during 2009 Platinum Trading Management Limited granted Platinum Capital Management Limited a subordinated loan of £34,000, the terms of which are given in note 10. This loan was outstanding at the year end

During the year the company incurred consultancy fees of £710 (2011 £12,350) to Booker Consultants, a company in which C M Booker has a material interest. At the year end, an amount of £nil (2011 £1,000) was due to Booker Consultants

During the year the company incurred consultancy fees of £30,000 (2011 £18,433) to S Martin. At the year end, an amount of £2,500 (2011 £nil) was due to S Martin

During the year the company incurred consultancy fees of £2,184 (2011 £nil) to P Taylor. At the year end, there were no amounts outstanding in relation to this (2011 £nil)

During the year the company incurred marketing and distribution fees of £112,967 (2011 £309,751) to T Scacchi. At the year end, an amount of £11,417 (2011 £36,795) was due to T Scacchi

All of the above transactions have been undertaken on normal commercial terms

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2012

14. SHARE CAPITAL

	2012 £	2011 £
Shares classified as capital		
Allotted, called up and fully paid		
7,515 Class A Ordinary shares of £1 each	7,515	7,515
7,515 Class B Ordinary shares of £1 each	7,515	7,515
	<u>15,030</u>	<u>15,030</u>
Shares classified as debt		
Allotted, called up and fully paid		
60,000 Class C Redeemable Preference shares of £1 each	<u>60,000</u>	<u>60,000</u>

15. RESERVES

	Capital redempt'n reserve £	Profit and loss account £
At 1 July 2011	14,970	186,582
Profit for the year		10,431
	<u>14,970</u>	<u>197,013</u>
At 30 June 2012		

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Opening shareholders' funds	216,582	199,069
Profit for the year	10,431	17,513
	<u>227,013</u>	<u>216,582</u>
Closing shareholders' funds		

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2012

17 NET CASH FLOW FROM OPERATING ACTIVITIES

	2012 £	2011 £
Operating profit	14,389	20,828
Depreciation of tangible fixed assets	3,564	1,786
Increase in debtors	(51,016)	(126,122)
(Decrease)/increase in creditors	(145,607)	217,810
Net cash (outflow)/inflow from operating activities	(178,670)	114,302

18 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2012 £	2011 £
Returns on investments and servicing of finance		
Interest received	643	330
Interest paid	(44)	-
Net cash inflow from returns on investments and servicing of finance	599	330
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(916)	(10,075)

19 ANALYSIS OF CHANGES IN NET FUNDS

	1 July 2011 £	Cash flow £	30 June 2012 £
Cash at bank and in hand	429,717	(179,087)	250,630
Debt:			
Debts due within one year	(94,000)	-	(94,000)
Net funds	335,717	(179,087)	156,630

20 ULTIMATE CONTROLLING PARTY

The company's ultimate controlling party during the current and previous year has been P A Sprecher, by virtue of his controlling interest in the company's issued share capital

Platinum Capital Management Limited Pillar 3 disclosure

Disclosure Policy

The Pillar 3 rules in BIPRU 11 set out the need for firms to have a formal disclosure policy. In accordance with the rules of the Financial Services Authority ("FSA") Firm Name (the "Firm") will disclose the information set out in BIPRU 11 (the Pillar 3 rule) on at least an annual basis. The Pillar 3 disclosure will be made in the annual accounts. Where a Pillar 3 disclosure is not made by way of annual accounts or the Firm's website, details of how to obtain the Pillar 3 disclosure shall be made in the annual accounts and contact details for the Compliance Officer.

The Firm may omit information it deems as immaterial, in accordance with the rules. Materiality is based on the criterion that the omission or misstatement of any information would be likely to change or influence the decision of a reader relying on that information. Accordingly where the Firm has considered an item to be immaterial it has not been disclosed.

In addition, if the required information is deemed to be proprietary or confidential then the Firm may take the decision to exclude it from the disclosure. In the Firm's view, proprietary information is that which, if it were shared, would undermine its competitive position. Information is considered to be confidential where there are obligations binding the Firm to confidentiality with our customers, suppliers or counterparties. Where information is omitted for either of these reasons this is stated in the relevant section of the disclosure, along with the jurisdiction.

Introduction

The Firm is authorised and regulated by the FSA and as such is subject to minimum regulatory capital requirements. The Firm is categorised by the FSA, for capital purposes, as a limited licence firm. It is an investment management firm, it has no trading book exposures. The Firm is not required to prepare consolidated reporting for prudential purposes.

The FSA's current prudential regime can be split into three "pillars":

- Pillar 1 – prescribes the minimum capital requirements that authorised firms need to hold. This is the higher of €50k, quarter of the firm's annual adjusted expenditure (the Fixed Overheads Requirement), or the sum of the firm's prescribed Credit risk + Market risk.
- Pillar 2 – requires firms to analyse the risks to the business and then consider whether the risks are mitigated to an appropriate standard. If the firm feels that the risks are not adequately mitigated then they should allocate capital against those risks. Stress and scenario tests are conducted to ensure that the processes, strategies and systems are comprehensive and robust and that the allocation of capital is sufficient.

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- Pillar 3 - requires firms to develop a set of disclosures which will allow market participants to assess key information about the Firm's underlying risks, risk management controls and capital position

The Fixed Overheads Requirement determines the Firm's Capital Resources Requirement

The Firm is a Limited Company and its capital is summarised as follows

	<u>£000's</u>
Permanent Share Capital	15,000
Retained Profits	212,000

Permanent Share Capital and other reserves	227,000
	=====

The main features of the Firm's Capital Resources Requirement are as follows

Capital Item	£'000s
Tier 1 capital less innovative tier 1 capital	227,000
Total tier 2, innovative tier 1 and tier 3 capital	34,000
Deductions from tier 1 and tier 2 capital	nil
Total capital resources, net of deductions	261,000

Risk Management

Due to the size, nature, scale and complexity of the Firm, there is no independent risk management function. The Directors of the Firm determine the business strategy and risk appetite along with the risk management policies and procedures. An identification of risks to the Firm is considered and the Firm's resultant exposure is assessed after the application of both management and mitigation of these risks. Furthermore, the Firm then conducts a series of stress tests and scenario analyses on these risks to determine the effect they would have on the firm.

If necessary, the Firm would allocate extra capital to the relevant risk, as per the Pillar 2 requirement. This has not been deemed necessary. This process is conducted at Board meetings which are held on a quarterly basis and the relevant policies and procedures are updated where necessary.

The Directors have identified the below as the main area of risk to which the firm is exposed

Material Risks

PCM has taken the approach to be risk adverse and the firm takes reasonable steps to manage its risks. This is reflected in their low appetite for taking on risk in any of its activities. Risks to income generating capability are mitigated wherever possible and measures against actual and potential operating risks are taken where the Board of Directors judge the benefit or the potential of the mitigation to exceed the costs of the mitigating controls. The same low tolerance to risk is reflected on the costs side of the business with minimal long term cost commitments. PCM has little to no tolerance for engaging in activity that adversely influences its risk profile. All risks of any significance are identified, assessed and controlled on an on-going basis.

Risk Category	Applicable?	Impact	Likely
Concentration risk	Y	MH	ML
Credit risk	Y	MH	L
Foreign exchange risk	Y	ML	L
Key person risk	Y	MH	ML
Liquidity risk	Y	MH	L
Market risk	Y	MH	MH
Operational risk	Y	ML	ML
Regulatory and Legal risk	Y	ML	L
Reputational risk	Y	MH	L
Settlement risk	Y	L	L
Strategic risk	Y	ML	L

The Firm has concluded that its Capital Resources I is sufficient to cover its Pillar 1 and Pillar 2 requirements.

Platinum Capital Management Limited

Remuneration disclosure

Governance

The purpose of the Remuneration Code is to ensure firms establish, implement and maintain remuneration policies, procedures and practices that are consistent with, and promote, sound and effective risk management

The Remuneration Code applies to 'Remuneration Code Staff' ('Code Staff') This includes senior management, risk takers, staff engaged in control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the firm's risk profile.

Platinum Capital Management Limited ("Platinum") has considered the contribution that can be made by a remuneration committee In order to take a proportionate approach given the size and non-complex nature of both the activities undertaken and the organisation, Platinum has decided that the governing body will undertake the role which would otherwise be undertaken by a remuneration committee This is in line with guidance provided by the FSA for tier 4 firms under the Remuneration code The governing body will be responsible for setting Platinum's policy on remuneration

Platinum's Remuneration Policy will be reviewed, at least, annually by the governing body to ensure that it remains consistent with the Remuneration Code Principles and Platinum's objectives The governing body will use all information available to it in order to carry out its responsibilities under the code, for example, information on risk and financial performance In addition, the Compliance Officer, as part of Platinum's regulatory monitoring, will include a review of the implementation of this Policy by the firm

Link between pay and performance

Remuneration at Platinum is made up of fixed ('salary') and variable ('bonus') components

Salary is set in line with the market at a level to retain, and when necessary attract, skilled staff

Any bonus paid is designed to both reflect the performance of a person in contributing to the success of the firm and their success in meeting, or exceeding, targets that have been set by the firm on an individual basis

Where remuneration is performance-related then in addition to the performance of the individual Platinum will also take into account the performance of the business unit concerned and the overall results of the firm Performance assessment will not relate solely to financial criteria but will also include compliance with regulatory obligations and adherence to effective risk management In keeping with Platinum's long term objectives, the assessment of performance will take into account longer-term performance and payment of any such performance related bonuses may need to be spread over more than one year to take account of the firm's business cycle

The measurement of financial performance will be based principally on profits and not on revenue or turnover

Awards will reflect the financial performance of Platinum and as such variable remuneration may be contracted where subdued or negative financial performance occurs. Platinum will not ordinarily make any variable remuneration awards should the firm make a loss. In exceptional circumstances such payments may need to be considered. In such cases the governing body, in conjunction with the Compliance Officer, will consider and document whether such an award would be in keeping with the Remuneration policy.

Quantitative remuneration information

Platinum is required to disclose aggregate information on remuneration in respect of its Code Staff, broken down by business area and by senior management and other Code Staff. The relatively small size and lack of complexity of the firm's business is such that Platinum only has the one business area (investment management) and does not regard itself as operating, or needing to operate, separate 'business areas' and the following aggregate remuneration data should be read in that context.

Aggregate Remuneration

Senior Management £	Others £
266,000	120,000

This remuneration disclosure is made under the Basel Pillar 3 framework.