

**Platform Group Holdings Limited**  
**Directors' report and financial statements**  
**for the year ended 31 December 2009**

**Registered Number 3936396**

**TUESDAY**



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# **Platform Group Holdings Limited**

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# **Platform Group Holdings Limited**

## **Directors and advisors**

### **Directors**

R Altham

J Rowan

D Tweedy

### **Secretary**

R Owen

### **Independent Auditors**

KPMG Audit Plc

St James Square

Manchester

M2 6DS

### **Solicitors**

Allen & Overy LLP

One Bishops Square

London

E1 6AD

### **Registered Office**

Newton House

Cheadle Road

Leek

Staffordshire

ST13 5RG

### **Registered Number**

3936396

# **Platform Group Holdings Limited**

## **Directors' report for the year ended 31 December 2009**

The directors present their report and the audited financial statements of the Company (Registered Company No 3936396) for the year ended 31 December 2009

### **Principal activities**

The principal activity of the Company is that of a holding company of a group that invests in residential mortgage loan portfolios

### **Review of business and future development**

Platform Group Holdings Limited is now a subsidiary of The Co-operative Bank plc following the merger between The Co-operative Bank plc and Britannia Building Society. The merger became effective on 1 August 2009.

During the year the Company did not receive any dividend income due to the weakened performance of the Company's subsidiaries. The directors expect the future performance of the Company to be comparable to the current year although the year ahead will be influenced by market conditions.

### *Key performance indicators (KPI's)*

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.

### *Principal risks and uncertainties*

The key business risks and uncertainties affecting the Company are considered to relate to other receivables. The directors do not consider these risks as significant due to the balances being due from The Co-operative Bank plc Group.

The financial risks faced by the Company are credit risk and liquidity risk. A summary of these risks is included below and more detail regarding the management of these risks is included in note 8 to the financial statements.

- credit risk is the risk that a customer or counterparty will not be able to meet its obligations to the Company as they become due. Credit risk arises on cash and cash equivalents and other receivables. Credit risk on the Company's other receivables is not considered significant as the majority of the balance being due from The Co-operative Bank plc Group, and
- liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due, or can only do so at excessive cost. The parent company, The Co-operative Bank plc, manages the liquidity of its subsidiaries to ensure they maintain sufficient liquidity to continue to operate, providing additional funding if required. The directors are satisfied that the overall management of liquidity by The Co-operative Bank plc mitigates any risk to the company.

As set out more fully in the statement of accounting policies, these financial statements have been prepared under the current International Financial Reporting Standards (IFRS) framework, as endorsed by the European Union (EU). All financial information given in this directors' report is taken solely from the statutory results prepared on the above basis.

### **Results and dividends**

The profit for the year, after tax, amounted to £91,405 (2008: £524,765). The directors paid a dividend of nil (2008: nil). Net assets for the year amounted to £15,199,820 (2008: £15,108,415).

### **Directors and their interests**

The directors who held office during the year are given below:

R Altham (appointed 1 August 2009)  
P Kerns (appointed 1 August 2009 resigned 31 December 2009)  
P Lee (resigned 1 August 2009)  
D J McCarthy (resigned 1 August 2009)  
P Mills (resigned 1 August 2009)  
PCSL Services No 1 Limited (resigned 1 August 2009)  
J Rowan (appointed 1 August 2009)  
D Tweedy (appointed 1 August 2009)

# Platform Group Holdings Limited

## Directors' report for the year ended 31 December 2009 (continued)

### Directors and their interests (continued)

No director had any beneficial interest in the share capital of the Company or any other company in the Group at any time during the period under review

### Going Concern

The directors are satisfied that the Company has adequate resources to continue in business for the foreseeable future and that it is, therefore, appropriate to adopt the going concern basis in preparing the financial statements

### 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 they are elected to prepare the financial statements in accordance with IFRS as adopted by the EU 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 judgements and estimates that are reasonable and prudent,
- state whether they have been prepared in accordance with IFRS as adopted by the EU, and
- prepare the financial statement 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

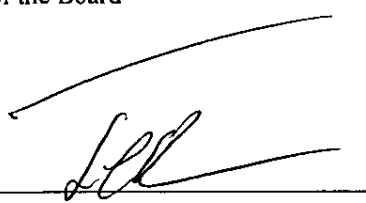
### Disclosure of information to auditors

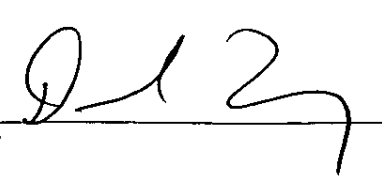
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Independent auditors

During the year PricewaterhouseCoopers LLP resigned as auditors to the Company, and the directors appointed KPMG Audit Plc to fill the vacancy arising. KPMG Audit Plc has indicated their willingness to continue in office and a resolution for their reappointment will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

Signed   
**J Rowan**  
Director  
6 May 2010

Signed   
**D Tweedy**  
Director  
6 May 2010

# Platform Group Holdings Limited

## Independent auditors' report to the members of Platform Group Holdings Limited

We have audited the financial statements of Platform Group Holdings Limited for the year ended 31 December 2009 set out on pages 5 to 17. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the EU.

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 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 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 (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

### Opinion on financial statements

In our opinion:

- give a true and fair view of the state of the Company's affairs as at 31 December 2009 and of its profit for the year then added,
- have been properly prepared in accordance with IFRS as adopted by the EU, 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

In our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from 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.

Signed

  
Andrew Walker (Senior Statutory Auditor)  
for and on behalf of KPMG Audit Plc, Statutory Auditor

Date 6 May 2010

### Chartered Accountants

KPMG Audit Plc  
St James Square  
Manchester  
M2 6DS

## Platform Group Holdings Limited

### Statement of comprehensive income for the year ended 31 December 2009

|                                                  | Notes | 2009<br>£000 | 2008<br>£000 |
|--------------------------------------------------|-------|--------------|--------------|
| Interest and similar income                      | 2     | 1,500        | 7,440        |
| Interest expense and similar charges             | 3     | (1,373)      | (6,705)      |
| <b>Profit before tax</b>                         |       | <b>127</b>   | <b>735</b>   |
| Taxation                                         | 5     | (36)         | (210)        |
| <b>Net profit attributable to equity holders</b> |       | <b>91</b>    | <b>525</b>   |

Profit is derived from continuing operations and all activities are in the UK

The accounting policies and notes on pages 9 to 17 form part of these financial statements

# Platform Group Holdings Limited

## Balance sheet as at 31 December 2009

|                                     | Notes | 2009<br>£000   | 2008<br>£000   |
|-------------------------------------|-------|----------------|----------------|
| <b>Assets</b>                       |       |                |                |
| Other receivables                   | 9     | 134,338        | 132,838        |
| Investments                         | 7     | 5,000          | 5,000          |
| <b>Total assets</b>                 |       | <b>139,338</b> | <b>137,838</b> |
| <b>Liabilities</b>                  |       |                |                |
| Other payables                      | 10    | 124,102        | 122,729        |
| Current tax liability               |       | 36             | -              |
| <b>Total liabilities</b>            |       | <b>124,138</b> | <b>122,729</b> |
| <b>Equity</b>                       |       |                |                |
| Called-up share capital             | 11    | 8,764          | 8,764          |
| Retained earnings                   | 12    | 6,436          | 6,345          |
| <b>Total equity and liabilities</b> |       | <b>139,338</b> | <b>137,838</b> |

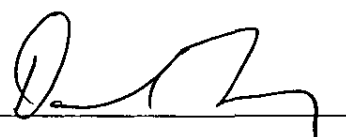
The accounting policies and notes on pages 9 to 17 form part of these financial statements

Approved by the Board of directors on 6 May 2010 and signed on their behalf by

Signed  
**J Rowan**  
Director  
6 May 2010



Signed  
**D Tweedy**  
Director  
6 May 2010





## Platform Group Holdings Limited

### Statement of changes in equity for the year ended 31 December 2009

|                                    | Share<br>capital<br>£000 | Retained<br>earnings<br>£000 | Total<br>£000 |
|------------------------------------|--------------------------|------------------------------|---------------|
| <b>Year ended 31 December 2009</b> |                          |                              |               |
| At 1 January                       | 8,764                    | 6,345                        | 15,109        |
| Profit for the year                | -                        | 91                           | 91            |
| At 31 December                     | 8,764                    | 6,436                        | 15,200        |

|                                    | Share<br>capital<br>£000 | Retained<br>earnings<br>£000 | Total<br>£000 |
|------------------------------------|--------------------------|------------------------------|---------------|
| <b>Year ended 31 December 2008</b> |                          |                              |               |
| At 1 January                       | 8,764                    | 5,820                        | 14,584        |
| Profit for the year                | -                        | 525                          | 525           |
| At 31 December                     | 8,764                    | 6,345                        | 15,109        |

## Platform Group Holdings Limited

### Statement of cash flows for the year ended 31 December 2009

|                                           | Notes | 2009<br>£000 | 2008<br>£000 |
|-------------------------------------------|-------|--------------|--------------|
| Cash flows from operating activities      | 13    | -            | -            |
| Net movement in cash and cash equivalents |       | -            | -            |
| Cash and cash equivalents at 1 January    |       | -            | -            |
| Cash and cash equivalents at 31 December  | 6     | -            | -            |

# Platform Group Holdings Limited

## Statement of accounting policies for the year ended 31 December 2009

### Basis of preparation

Platform Group Holdings Limited is a Company incorporated and domiciled in England and Wales

The Company is required to prepare its financial statements in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU) and implemented in the UK, interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and with those parts of the Companies Act 2006 applicable to organisations reporting under IFRS

Disclosed below are new standards and interpretations which became effective, have been adopted and are relevant to the company

#### *IAS 1 – Presentation of Financial Statements*

This standard sets out the overall requirements for the presentation of financial statements, guidelines for their structure and minimum requirements for their content. This standard has impacted the presentation of the financial performance of the company, in line with other financial institutions. However, it has not changed the recognition, measurement or disclosure of specific transactions and other events required by other IFRS

#### *IAS 23 – Borrowing Costs*

This standard relates to interest costs on assets that take a substantial time to get ready for intended use or sale. The option to recognise all borrowing costs immediately as an expense are eliminated and such costs must be capitalised. All other borrowing costs should be expensed as incurred.

#### *IFRS 7 – Financial Instrument Disclosures*

The objective of this IFRS is to require entities to provide disclosures in their financial statements that enable users to evaluate

- the significance of financial instruments for the entity's financial position and performance,
- the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks. The qualitative disclosures describing management's objectives, policies and processes for managing those risks. The quantitative disclosures provide information about the extent to which the entity is exposed to risk, based on information provided internally to the entity's key management personnel.

Together, these disclosures provide an overview of the entity's use of financial instruments and the exposures to risks they create.

Disclosed below are the new IFRS, interpretations and amendments which as at 31 December 2009 had been issued, but were not yet effective. The company has chosen not to early adopt the standards, as they were not considered to be relevant to the company's operations.

#### *IAS 27 – Consolidated and Separate Financial Statements (2008)*

#### *IFRS 3 – Business Combinations (Revised)*

There are no significant uncertainties applied in the basis of preparing these financial statements. Key estimates applied are discussed below.

The Company accounts have been prepared on a historical cost basis.

There are no significant uncertainties or key estimates applied in the basis of preparing these financial statements.

As permitted by section 400 of the Companies Act 2006, consolidated financial statements have not been prepared because the Company itself is a wholly owned subsidiary of The Co-operative Bank plc, a body corporate registered in England, and is included in the consolidated financial statements of that body.

# **Platform Group Holdings Limited**

## **Statement of accounting policies for the year ended 31 December 2009 (continued)**

### **Functional and presentation currencies**

The financial statements are presented in sterling, which is the Company's functional currency (i.e. the primary currency in which it transacts business) and presentation currency

### **Interest income**

This comprises interest income and expense for financial assets and financial liabilities at amortised cost through the statement of comprehensive income, calculated using the effective interest rate method

#### *Effective interest rate*

The effective interest rate method is a method of calculating the amortised cost of a financial asset or a financial liability and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts over the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument. The calculation includes all amounts receivable or payable by the Company that are an integral part of the overall return.

### **Taxation**

Tax on the results for the year comprises current tax

#### *Current Tax*

The expected tax payable on the results for the year is called current tax. It is calculated using the tax rates in force at the end of the reporting period. The current tax charge includes adjustments to tax payable in prior years.

### **Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents comprise balances with less than 3 months maturity from the date of acquisition.

### **Dividends**

Dividends are only recognised in the financial statements by the Company once they have been approved by the shareholders.

### **Investments**

Investments in subsidiary undertakings are carried at cost less any adjustment for impairment. Impairment reviews are carried out periodically and any reduction in value resulting from such a review is recognised in the statement of comprehensive income.

### **Segmental reporting**

The Company operates in one business segment and all business is conducted in the UK, therefore, no segmental information is presented.

# Platform Group Holdings Limited

## Notes to the financial statements for the year ended 31 December 2009

### 1 Profit before tax

Profit on ordinary activities before taxation is stated after charging

|                                                               | 2009<br>£000 | 2008<br>£000 |
|---------------------------------------------------------------|--------------|--------------|
| Audit fee for the audit of the company's financial statements | -            | -            |

The audit fee of £2k has been borne by Platform Home Loans Limited, a group Company

### 2 Interest and similar income

|                                                                  | 2009<br>£000 | 2008<br>£000 |
|------------------------------------------------------------------|--------------|--------------|
| On financial assets not at fair value through income and expense |              |              |
| Interest receivable from Platform Consumer Services Limited      | 1,500        | 7,440        |

### 3 Interest expense and similar charges

|                                                                       | 2009<br>£000 | 2008<br>£000 |
|-----------------------------------------------------------------------|--------------|--------------|
| On financial liabilities not at fair value through income and expense |              |              |
| Interest payable to The Co-operative Bank plc                         | 1,373        | 6,705        |

### 4 Directors' emoluments and employees

The directors received emoluments from Britannia Building Society or The Co-operative Bank plc for services rendered to all companies in the Group. However, these are not apportioned to the individual companies.

Prior to the merger with The Co-operative Bank plc on 1<sup>st</sup> August 2009, two directors had benefits accruing under the Britannia Building Society pension scheme (2008: two). From 1<sup>st</sup> August 2009 two directors had benefits accruing under The Co-operative Bank plc Pension scheme. Particulars of the latest actuarial valuation of the Group pension scheme are disclosed in the accounts of The Co-operative Bank plc.

The Company had no employees during the year (2008: nil).

# Platform Group Holdings Limited

## Notes to the financial statements for the year ended 31 December 2009 (continued)

### 5 Taxation

|                            | 2009<br>£000 | 2008<br>£000 |
|----------------------------|--------------|--------------|
| UK tax at 28% (2008 28.5%) |              |              |
| Corporation tax            |              |              |
| Current                    | 36           | 210          |
|                            | 36           | 210          |

#### Factors affecting tax charge for the year

The average effective rate of corporation tax assessed for the period is consistent with the standard rate of corporation tax in the UK of 28% (2008 28.5%)

|                                                      | 2009<br>£000 | 2008<br>£000 |
|------------------------------------------------------|--------------|--------------|
| Profit on ordinary activities before tax             | 127          | 735          |
| Profit before tax multiplied by standard rate of tax | 36           | 210          |
|                                                      | 36           | 210          |

### 6 Cash and cash equivalents

|               | 2009<br>£000 | 2008<br>£000 |
|---------------|--------------|--------------|
| Bank deposits | -            | -            |

### 7 Investments

The Group has investments in the following subsidiary undertakings

| Subsidiary undertakings            | Country of<br>incorporation | Principal activity                              | Holdings<br>£ | %     |
|------------------------------------|-----------------------------|-------------------------------------------------|---------------|-------|
| Platform Consumer Services Limited | United Kingdom              | Holding Company                                 | 5,000,000     | 100.0 |
| Platform Funding Limited           | United Kingdom              | Mortgage origination                            | 1             | 100.0 |
| Platform Funding No. 2 Limited     | United Kingdom              | Holding company                                 | 2             | 100.0 |
| Platform Funding No. 3 Limited     | United Kingdom              | Financial warehouse                             | 2             | 100.0 |
| Platform Funding No. 4 Limited     | United Kingdom              | Financial warehouse                             | 1             | 100.0 |
| Platform Funding No. 5 Limited     | United Kingdom              | Financial warehouse                             | 1             | 100.0 |
| Platform Funding No. 6 Limited     | United Kingdom              | Finance company                                 | 1             | 100.0 |
| Platform Home Loans Limited        | United Kingdom              | Mortgage origination<br>and servicing 1,000,000 |               | 100.0 |
| Plum Sterling No. 1 PLC            | United Kingdom              | Ceased trading on 18<br>February 2003           | 49,900        | 99.8  |
| PCSL Services No. 1 Limited        | United Kingdom              | Dormant                                         | 2             | 100.0 |
| PCSL Services No. 2 Limited        | United Kingdom              | Dormant                                         | 2             | 100.0 |

# Platform Group Holdings Limited

## Notes to the financial statements for the year ended 31 December 2009 (continued)

### 7 Investments (continued)

Platform Consumer Services Limited is the only direct subsidiary of Platform Group Holdings Limited. Platform Home Loans No 1 plc and Platform Home Loans No 2 plc and their respective holdings companies Platform Home Loans Holdings Limited and Platform Home Loans Holdings No 2 Limited, all incorporated in the United Kingdom, are also regarded as subsidiaries of the company.

|                                           | £000  |
|-------------------------------------------|-------|
| <b>Cost less provision for impairment</b> |       |
| At 1 January 2009 and 31 December 2009    | 5,000 |

### 8 Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability of another entity. The Company's financial instruments comprise principally of amounts owed to group undertakings and amounts owed by group undertakings.

As a subsidiary of The Co-operative Financial Services ("CFS"), the Company applies the CFS's formal structure for managing risk. The CFS Risk Management Committee are responsible for review and challenge of the adequacy of capital risks (including operational risk), and for technical risk management activities and portfolio exposures including:

- operation of mandates and limits,
- technical risk management policy approval,
- risk management information reporting and integrity of relevant data,
- risks adequately identified and measured,
- risk and portfolio exposure management strategy,
- adequacy of the risk mitigation process, and
- review and discussion of technical risk issues identified as a result of internal audit work.

#### Credit risk

The directors do not consider the risk associated with other assets as significant due to the balance being due from The Co-operative Bank plc.

#### Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due, or can only do so at excessive cost.

The parent company, The Co-operative Bank plc, manages the liquidity of its subsidiaries to ensure they maintain sufficient liquidity to continue to operate, providing additional funding if required. The directors are satisfied that the overall management of liquidity by The Co-operative Bank plc mitigates any risk to the company.

Liquidity risk also arises on other payables, primarily made up of amounts due to group undertakings. There is no formal repayment schedule for these monies, which are repayable on demand.

The directors have considered other financial and credit risks and the directors confirm that they are not significant.

# Platform Group Holdings Limited

## Notes to the financial statements for the year ended 31 December 2009 (continued)

### 8 Financial instruments (continued)

#### Fair values of financial instruments

Set out in the tables below are comparisons of carrying and fair values of the Company's financial instruments by category. Where available, market values have been used to determine fair values.

|                   | Carrying value<br>2009<br>£000 | Fair value<br>2009<br>£000 |
|-------------------|--------------------------------|----------------------------|
| Other payables    | (124,102)                      | (124,102)                  |
| Other receivables | 134,338                        | 134,338                    |
|                   |                                |                            |
|                   | Carrying value<br>2008<br>£000 | Fair value<br>2008<br>£000 |
| Other payables    | (122,729)                      | (122,729)                  |
| Other receivables | 132,838                        | 132,838                    |

### 9 Other receivables

|                                                      | 2009<br>£000   | 2008<br>£000   |
|------------------------------------------------------|----------------|----------------|
| Amounts owed from Platform Consumer Services Limited | 134,338        | 132,837        |
| Other                                                | -              | 1              |
|                                                      | <b>134,338</b> | <b>132,838</b> |

All of the above balances are expected to be settled more than 12 months after the balance sheet date. The amount owed by Platform Consumer Services Limited has a variable rate based on 1 month LIBOR plus 21 basis points.

These represent amounts owed by The Co-operative Bank plc's subsidiaries. There is no formal repayment schedule for these monies. The nature of the loan is such, however, that repayment cannot be anticipated within one year but will be repaid as the Company receives funds in respect of amounts due from other subsidiaries.



# Platform Group Holdings Limited

## Notes to the financial statements for the year ended 31 December 2009 (continued)

### 10 Other payables

|                                           | 2009<br>£000   | 2008<br>£000   |
|-------------------------------------------|----------------|----------------|
| Amounts owed to Platform Funding Limited  | 1,366          | -              |
| Amounts owed to The Co-operative Bank plc | 122,736        | 122,729        |
|                                           | <b>124,102</b> | <b>122,729</b> |

All of the above balances are expected to be settled more than 12 months after the balance sheet date

Amounts owed to group undertakings £124,102 (2008 £122,729)

These represent amounts owed to The Co-operative Bank plc's subsidiaries. There is no formal repayment schedule for these monies. The nature of the loans is such, however, that repayment cannot be anticipated within one year but will be repaid as the Company receives funds in respect of amounts due from other subsidiaries.

The amounts owed to The Co-operative Bank plc subsidiaries have a variable rate based on 1 month LIBOR plus 21 basis points.

### 11 Called-up share capital

|                                       | 2009<br>£000 | *Restated<br>2008<br>£000 |
|---------------------------------------|--------------|---------------------------|
| <b>Authorised</b>                     |              |                           |
| 31,507,122 ordinary shares of £1 each | 31,507       | 31,507                    |
| <b>Issued and fully paid</b>          |              |                           |
| 8,764,288 ordinary shares of £1 each  | 8,764        | 8,764                     |

\* The authorised share capital has been restated (previously £45,000k) due to an incorrect amount being presented, this has had no effect on the results presented.

The Company's funding consists of share capital and intercompany funding provided by The Co-operative Bank plc. Capital is managed on The Co-operative Bank plc group basis. The Group is subject to the capital requirements imposed by its regulator the Financial Services Authority (FSA). During the period, the Group complied with the capital requirements set by the FSA.

### 12 Retained earnings

Movement in retained earnings were as follows

|                       | 2009<br>£000 | 2008<br>£000 |
|-----------------------|--------------|--------------|
| At 1 January          | 6,345        | 5,820        |
| Profit for the year   | 91           | 525          |
| <b>At 31 December</b> | <b>6,436</b> | <b>6,345</b> |

## Platform Group Holdings Limited

### Notes to the financial statements for the year ended 31 December 2009 (continued)

#### 13 Reconciliation of operating profit to net cash flows from operating activities

|                                                 | 2009     | 2008     |
|-------------------------------------------------|----------|----------|
|                                                 | £000     | £000     |
| Profit before tax                               | 127      | 735      |
| Net increase in other receivables               | (1,500)  | (6,265)  |
| Net increase in other payables                  | 1,373    | 5,530    |
| <b>Net cash flows from operating activities</b> | <b>-</b> | <b>-</b> |

#### 14 Ultimate parent undertaking and controlling entity

The Company's immediate parent company is Britannia Treasury Services Limited, a company registered in England

The ultimate parent undertaking of Platform Group Holdings Limited is The Co-operative Group Limited

The largest Group in which the results of the Company are consolidated is that headed by The Co-operative Group Limited. The Co-operative Group Limited is a mutual organisation owned by its members and consequently has no controlling body. It is incorporated in Great Britain and registered in England and Wales under the Industrial and Provident Society Acts 1965 to 2002. The Co-operative Group Limited is the Company's ultimate parent company and ultimate controlling party. The financial statements of the ultimate parent company are available from New Century House, Manchester, M60 4ES. The smallest Group in which they are consolidated is that headed by The Co-operative Bank plc, which is incorporated in Great Britain. The financial statements of this Group are available from 1 Balloon Street, Manchester, M60 4EP.

#### 15 Related party disclosures

As stated in the note above, the Company is a subsidiary of The Co-operative Group Limited. Consequently the directors of the Company consider The Co-operative Group Limited and its subsidiaries to be related parties of the Company. Transactions with The Co-operative Group Limited and its subsidiaries are disclosed in the financial statements as follows.

# Platform Group Holdings Limited

## Notes to the financial statements for the year ended 31 December 2009 (continued)

### 15 Related party disclosures (continued)

|                                    | <u>Interest<br/>and<br/>similar<br/>income</u><br>£000 | <u>Interest<br/>and<br/>similar<br/>expense</u><br>£000 | <u>Balance due<br/>to/(from) Platform<br/>Group Holdings<br/>Limited</u><br>£000 |
|------------------------------------|--------------------------------------------------------|---------------------------------------------------------|----------------------------------------------------------------------------------|
| <b>Year ended 31 December 2009</b> |                                                        |                                                         |                                                                                  |
| Platform Consumer Services Limited | 1,500                                                  | -                                                       | 134,338                                                                          |
| Platform Funding Limited           | -                                                      | -                                                       | (1,366)                                                                          |
| The Co-operative Bank plc          | -                                                      | 1,373                                                   | (122,736)                                                                        |

|                                                                 | <u>Interest<br/>and<br/>similar<br/>income</u><br>£000 | <u>Interest<br/>and<br/>similar<br/>expense</u><br>£000 | <u>Balance due<br/>to/(from) Platform<br/>Group Holdings<br/>Limited</u><br>£000 |
|-----------------------------------------------------------------|--------------------------------------------------------|---------------------------------------------------------|----------------------------------------------------------------------------------|
| <b>Year Ended 31 December 2008</b>                              |                                                        |                                                         |                                                                                  |
| Platform Consumer Services Limited                              | 7,440                                                  | -                                                       | 132,837                                                                          |
| The Co-operative Bank plc (formerly Britannia Building Society) | -                                                      | 6,705                                                   | (122,729)                                                                        |

### 16 Dividends per share

Final dividends are not accounted for until they have been ratified at the Annual General Meeting. At the Annual General Meeting no dividend is to be proposed in respect of 2009 (2008 nil).

### 17 New pronouncement issued in 2009

Further to the basis of preparation within the accounting policies there has been one other pronouncement issued in 2009.

#### IFRS 9 – Financial instruments

This pronouncement is not mandatory for the year ended 31 December 2009, it will become effective for annual periods beginning on or after 1 January 2013 but may be applied earlier.