

**Platform Funding No. 4 Limited**  
**Directors' report and financial statements**  
**for the year ended 31 December 2010**

**Registered Number 3456341**



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# **Platform Funding No. 4 Limited**

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# **Platform Funding No. 4 Limited**

## **Directors and advisors**

### **Directors**

Mr P Garlick  
Mr W Newby  
Mr P Wilson

### **Secretary**

Mrs S Moss

### **Independent auditors**

KPMG Audit Plc  
St James Square  
Manchester  
M2 6DS

### **Registered office**

Newton House  
Cheadle Road  
Leek  
Staffordshire  
ST13 5RG

### **Registered number**

3456341

# **Platform Funding No. 4 Limited**

## **Directors' report for the year ended 31 December 2010**

The directors present their report and the audited financial statements of the Company (Registered Company No 3456341) for the year ended 31 December 2010

### **Principal activities**

On 22 June 2009 the Company sold its mortgage portfolio to Platform Funding Limited. Previously the Company had sold the beneficial title of these mortgages to Platform Home Loans No 1 plc. The Company was entitled to receive deferred consideration up to the date of sale of the mortgage portfolio to Platform Funding Limited from Platform Home Loans No 1 plc. The deferred consideration was settled during the year ended 31 December 2009.

### **Review of business and future developments**

The intercompany balance with Platform Consumer Services Limited was waived during the year. The Company has ceased trading and is expected to be dormant with the intention of full strike off later in the year.

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

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

### **Principal risks and uncertainties**

Following the cessation of the Company's activities on 22 June 2009 the financial risks faced by the Company were significantly reduced. Prior to this date the Company was exposed to credit risk, interest rate risk, currency risk and liquidity risk.

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. 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 £12K (2009 profit £3K). The directors do not propose a dividend for the year (2009 £nil). Net liabilities for the year amounted to £nil (2009 £12K).

### **Directors and their interests**

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

Mr R Altham (resigned 10 November 2010)  
Mr J Rowan (resigned 22 October 2010)  
Mr P Garlick (appointed 10 November 2010)  
Mr W Newby (appointed 10 November 2010)  
Mr P Wilson (appointed 10 November 2010)

No director had a beneficial interest in the share capital of the Company or any other company in The Co-operative Group Limited at any time during the year under review.

## **Platform Funding No. 4 Limited**

### **Directors' report for the year ended 31 December 2010 (continued)**

#### **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 in respect of the directors' report and the financial statements**

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**

In accordance with Section 489 of the Companies Act 2006, resolutions for the appointment and remuneration of the auditor are proposed at the next Annual General Meeting.

On behalf of the Board

Signed

Mr W E Newby

Director

Date 20 June 2011

## **Platform Funding No. 4 Limited**

### **Independent auditors' report to the members of Platform Funding No. 4 Limited**

We have audited the financial statements of Platform Funding No 4 Limited for the year ended 31 December 2010 set out on pages 5 to 16. 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 auditor's 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 auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). 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 website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

#### **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 31 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the EU, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

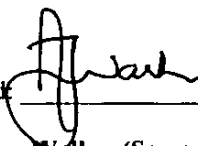
#### **Opinion on other matters prescribed by the Companies Act 2006**

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.

Signed: 

Date: 20 June 2011

**Andrew Walker (Senior Statutory Auditor)**  
For and on behalf of KPMG Audit Plc, Statutory Auditor  
Chartered Accountants  
KPMG Audit Plc  
St James Square  
Manchester  
M2 6DS

## Platform Funding No. 4 Limited

### Statement of comprehensive income for the year ended 31 December 2010

	Notes	2010 £000	2009 £000
Interest and similar income	2	-	55
Interest expense and similar charges	3	-	(56)
<b>Net interest expense</b>		<b>-</b>	<b>(1)</b>
Other operating income	4	12	-
<b>Profit/(loss) before tax</b>		<b>12</b>	<b>(1)</b>
Tax credit	6	-	4
<b>Net profit attributable to equity holders</b>	<b>12</b>	<b>12</b>	<b>3</b>

The accounting policies and notes on pages 9 to 16 form part of these financial statements

## Platform Funding No. 4 Limited


### Balance sheet as at 31 December 2010

	Notes	2010 £000	2009 £000
<b>Assets</b>			
Cash and cash equivalents	7	-	-
<b>Total assets</b>		-	-
<b>Liabilities</b>			
Other payables	10	-	12
<b>Total liabilities</b>		-	12
<b>Equity</b>			
Called-up share capital	11	-	-
Retained earnings	12	-	(12)
<b>Total equity and liabilities</b>		-	-

The accounting policies and notes on pages 9 to 16 form part of these financial statements

Approved by the Board of directors on 20 June 2011 and signed on its behalf by

Signed  
Mr W E Newby  
Director





## Platform Funding No. 4 Limited

### Statement of changes in equity for the year ended 31 December 2010

	Share capital £000	Retained earnings £000	Total £000
<b>Year ended 31 December 2010</b>			
At 1 January	-	(12)	(12)
Profit for the year	-	12	12
<b>At 31 December</b>	-	-	-

	Share capital £000	Retained earnings £000	Total £000
<b>Year ended 31 December 2009</b>			
At 1 January	-	(15)	(15)
Profit for the year	-	3	3
<b>At 31 December</b>	-	(12)	(12)

## **Platform Funding No. 4 Limited**

### **Statement of cash flows for the year ended 31 December 2010**

	<b>Notes</b>	<b>2010 £000</b>	<b>2009 £000</b>
Cash flows from operating activities	13	-	-
<b>Net movement in cash and cash equivalents</b>		-	-
Cash and cash equivalents at 1 January		-	-
<b>Cash and cash equivalents at 31 December</b>	7	-	-

# **Platform Funding No. 4 Limited**

## **Statement of accounting policies for the year ended 31 December 2010**

### **Basis of preparation**

Platform Funding No 4 Limited is a company incorporated and domiciled in England and Wales

The Company's financial statements have been prepared under the historical cost convention

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 the standards, interpretations and amendments which as at 31 December 2010 had been issued, and are now effective, but which are not considered to be relevant to the Company's operations

*IAS 27 – Consolidated and Separate Financial Statements*

*IFRS 3 – Business Combinations*

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

### **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 and expense**

This comprises

- interest income and expense for financial assets and liabilities at amortised cost through the statement of comprehensive income, calculated using the effective interest rate method. This includes accrued interest income on financial assets written down as a result of impairment, and
- interest income and expense on derivatives, which are measured at fair value

### ***Effective interest rate***

The effective interest 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 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.

### ***Deferred consideration receivable***

Deferred purchase consideration receivable is deducted from interest expense since the Company does not recognise expenditure which it has not incurred. Contingent deferred consideration arising in future periods is recorded in the statement of comprehensive income in the year in which it arises.

## **Platform Funding No. 4 Limited**

### **Statement of accounting policies for the year ended 31 December 2010 (continued)**

#### **Financial liabilities**

Financial liabilities are contractual obligations to deliver cash or some other asset to a third party. They include

- borrowed funds and liabilities

Financial liabilities are recognised initially at fair value. Fair value includes the issue proceeds (the fair value of consideration received) net of issue costs incurred.

Financial liabilities, other than derivatives, are subsequently stated at amortised cost. Any difference between issue proceeds net of issue costs and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest rate method.

#### **Segmental reporting**

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

## Platform Funding No. 4 Limited

### Notes to the financial statements for the year ended 31 December 2010

#### 1 Profit/(loss) before tax

Profit/(loss) on ordinary activities before taxation is stated after charging

	2010	2009
	£000	£000
Audit fee for the audit of the company's financial statements	-	-

The audit fee of £3K (2009 £3K) has been borne by Platform Home Loans Limited, a group Company

#### 2 Interest and similar income

	2010	2009
	£000	£000
On financial assets not at fair value through income and expense		
Interest receivable from loans and advances	-	55

#### 3 Interest expense and similar charges

	2010	2009
	£000	£000
On financial liabilities not at fair value through income and expense		
Deemed loan interest payable	-	55
Other	-	1
	-	56

#### 4 Other operating income

	2010	2009
	£000	£000
Waiver of intercompany balance with Platform Consumer Services Limited	12	-

#### 5 Directors' emoluments and employees

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

Two directors had benefits accruing under The Co-operative Bank plc Pension scheme (2009 two). 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 (2009 nil).

## Platform Funding No. 4 Limited

### Notes to the financial statements for the year ended 31 December 2010 (continued)

#### 6 Taxation

	2010 £000	2009 £000
UK tax at 28% (2009 28%)		
Corporation tax		
Adjustments in respect of prior years	-	(3)
Total corporation tax	-	(3)
Deferred tax		
Adjustments in respect of prior periods	-	(1)
	-	(4)

#### Factors affecting tax charge for the year

The average effective rate of corporation tax assessed for the year is lower than the standard rate of corporation tax in the UK of 28% (2009 28%) The differences are explained below

	2010 £000	2009 £000
Profit/(loss) on ordinary activities before tax	12	(1)
Profit/(loss) before tax multiplied by standard rate of tax	3	-
Effects of		
Non taxable income	(3)	-
Adjustments in respect of prior years	-	(4)
	-	(4)

The reconciliation of opening and closing deferred tax asset is shown below

	2010 £000	2009 £000
At 1 January	-	(1)
Deferred tax credited to the statement of comprehensive income	-	1
At 31 December	-	-

#### 7 Cash and cash equivalents

	2010 £000	2009 £000
Bank deposits	-	-

## Platform Funding No. 4 Limited

### Notes to the financial statements for the year ended 31 December 2010 (continued)

#### 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. As at the 31 December 2010 the Company has no financial instruments in place.

##### Fair values of financial instruments

The following table summarises the carrying amounts and fair values of those financial assets and liabilities not presented on the balance sheet at fair value as at 31 December 2009.

	Carrying value 2009 £000	Fair value 2009 £000
Other payables	12	12

Fair values have been determined as follows:

##### Other payables

The estimated fair value of borrowings without quoted market prices is based on discounted cash flows using interest rates for new debts with similar remaining maturity.

#### 9 Deemed loans to group undertakings

On 22 June 2009 the Company repaid its deemed loans to group undertakings with the proceeds from the sale of the mortgage book to Platform Funding Limited.

Deferred consideration was receivable from Platform Home Loans No 2 plc up to 22 June 2009 and was dependent on the extent to which surplus income was generated by the mortgage book, sold by Platform Funding No 4 Limited to Platform Home Loans No 2 plc. The surplus income generated during the year ended 31 December 2009 amounted to £nil.

The movements in deferred consideration are as follows:

	2010 £000	2009 £000
At 1 January	-	485
Amounts received during the year	-	(485)
At 31 December	-	-

## Platform Funding No. 4 Limited

### Notes to the financial statements for the year ended 31 December 2010 (continued)

#### 10 Other payables

	2010 £000	2009 £000
Amounts owed to Platform Consumer Services Limited	-	12

#### 11 Called-up share capital

	2010 £	2009 £
Issued and fully paid		
1 ordinary share of £1	1	1

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

#### 12 Retained earnings

Movement in retained earnings were as follows

	2010 £000	2009 £000
At 1 January	(12)	(15)
Profit for the year	12	3
At 31 December	-	(12)

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

	2010 £000	2009 £000
Profit/(loss) before tax	12	(1)
Decrease in loans and advances to customers	-	1,947
Net decrease in deemed loans	-	(1,462)
Net decrease in other payables	(12)	(484)
<b>Net cash flows from operating activities</b>	<b>-</b>	<b>-</b>



## Platform Funding No. 4 Limited

### Notes to the financial statements for the year ended 31 December 2010 (continued)

#### 14 Ultimate parent undertaking and controlling entity

The Company's immediate parent company is Platform Consumer Services Limited, a company registered in England

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 transactions

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.

The intercompany creditor of £12K with PCSL was waived during the year. There were no other related party transactions at 31 December 2010. The related party transactions at 31 December 2009 were as follows:

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	<u>Interest and similar income</u> £000	<u>Interest and similar expense</u> £000	<u>Balance due to/(from) Platform Funding No 4 Limited</u> £000
Year Ended 31 December 2009			
Platform Consumer Services Limited	-	-	(12)
Platform Home Loans No 2 plc	-	56	-

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#### 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 in respect of 2010 will be proposed (2009: £nil).

## **Platform Funding No. 4 Limited**

### **Notes to the financial statements for the year ended 31 December 2010 (continued)**

#### **17 New pronouncements issued in 2010**

The following standards, interpretations and amendments have been issued and will be effective for and relevant to the period ending 31 December 2011

- in October 2009 the IASB issued Classification of Rights Issues – Amendment to IAS 32 Financial Instruments Presentation with an effective date of 1 February 2010,
- in November 2009 the IASB issued IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments, with an effective date of 1 July 2010,
- in May 2010 the IASB issued improvements to IFRS 2010, which comprises 11 amendments to seven standards. The only amendments relevant to the Company are the revised versions of IAS 1 Presentation of Financial Statements and IFRS 7 Financial Instruments Disclosures, both with an effective date of 1 January 2011, and
- in November 2009 the IASB issued a revised version of IAS 24 Related Party Disclosures, with an effective date of 1 January 2011

The following pronouncement has been issued and will be effective for and relevant to the period ending 31 December 2013

- IFRS 9 - Financial Instruments

This pronouncement is not mandatory for the year ended 31 December 2010, it will become effective for annual periods beginning on or after 1 January 2013 but may be applied earlier