

Platform Group Holdings Limited
Directors' report and financial statements
for the year ended 31 December 2014

Registered Number: 03936396



Platform Group Holdings Limited

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Platform Group Holdings Limited

Directors and advisors

Directors

C L Gosling (resigned 15 June 2015)

G McGirr

D Mundy (appointed 15 June 2015)

N Websdell (appointed 20 August 2015)

I Chadwick (appointed 20 August 2015)

Secretary

S Moss (resigned 21 October 2014)

K Arnold (appointed 22 October 2014) (resigned 19 December 2014)

B McKeown (appointed 19 December 2014) (resigned 30 March 2015)

D Whitehead (appointed 30 March 2015)

Independent auditor

Ernst & Young LLP

1 More London Place,

London,

SE1 2AF

Solicitors

Allen and Overy LLP

One Bishops Square

London

E1 6AD

Registered office

Newton House

Cheadle Road

Leek

Staffordshire

ST13 5RG

United Kingdom

Registered number

03936396

Platform Group Holdings Limited

Strategic report for the year ended 31 December 2014

Principal activities

Platform Group Holdings Limited was incorporated in England. The principal activity of Platform Group Holdings Limited (the 'Company') is that of a holding company of a group that invests in and originates residential mortgage loans.

Business review and future developments

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.

Business environment

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 report is taken solely from the statutory results prepared on the above basis.

Principal risks and uncertainties

It is the responsibility of management to effectively manage the risk within the business and the Company has a formal structure in place for monitoring risks that is reported to The Co-operative Bank plc (the 'Bank').

The financial risks faced by the Company are credit risk and liquidity risk. A summary of these risks is included below:

- 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. The Bank has undertaken a wide ranging review of its risk management framework delivering significant change in organisational design, committee structures, management information and reporting. All authority to take credit risk derives from the Board of the Company which is managed by the Bank. This authority is delegated to appropriate Bank committees and individuals. The level of credit risk authority delegated depends on seniority and experience, and varies according to the quality of the counterparty, associated security or collateral held. The principal risk policy for credit risk is approved annually by the Executive Risk Committee (ERC) of the Bank and defines appropriate standards and principles for the effective and robust management of credit risk throughout the Bank and its subsidiaries (the '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. Liquidity risk arises on amounts due to group undertakings. The Bank 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 Bank mitigates any risk to the Company.

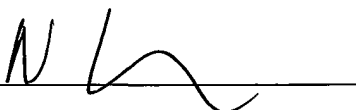
Key performance indicators (KPIs)

Given the straight forward 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.

Approved by the Board of Directors on 21 September 2015.

Signed on behalf of the Board

Signed: _____



N Websdell
Director

Date: 21 September 2015

Platform Group Holdings Limited

Directors' report for the year ended 31 December 2014

The directors present their report and the audited financial statements of Platform Group Holdings Limited (Registered Company No: 03936396) for the year ended 31 December 2014.

Results

The profit for the year, after tax, amounted to £93k (2013: £84k). Net assets for the year amounted to £15,632k (2013: £15,539k).

Dividends

The directors have not proposed a dividend for the year ending 31 December 2014 (2013:£nil).

Directors' details

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

C L Gosling (resigned 15 June 2015)

G McGirr

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

Insurance and Indemnities

During 2014 the Company maintained appropriate Directors' liability insurance in respect of legal action against its Directors. In addition, qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in operation during the 2014 financial year and are in force for the benefit of the Directors in relation to certain losses and liabilities which they may incur in connection with their appointment. The cost has been borne by the Group.

Statement of directors' responsibilities in respect of the strategic report, 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 have 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 the financial statements, the directors are required to:

- select suitable accounting policies in accordance with International Accounting Standard 8: Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- state whether they have been prepared in accordance with IFRS as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

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.

Platform Group Holdings Limited

Directors' report for the year ended 31 December 2014 (continued)

Statement on disclosure of information to the auditor

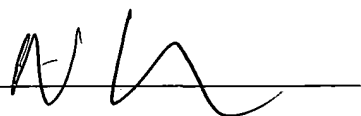
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the steps that they ought to have taken as directors to make themselves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

Independent auditor

Following an audit tender process carried out by the parent company, Ernst & Young LLP were appointed by Shareholder Resolution to supersede KPMG Audit Plc on 30 September 2014.

On behalf of the Board

Signed: _____



N Websdell
Director

Date: 21 September 2015

Platform Group Holdings Limited

Independent auditor's 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 2014 set out on pages 7 to 19 which comprise the Statement of Comprehensive Income, Statement of Financial Position, the Statement of Changes in Equity, Statement of Cash Flows, Accounting Policies and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union (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 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 and the strategic report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2014 and of its profit for the year then ended;
- 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report and the strategic 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.

Platform Group Holdings Limited

Independent auditor's report to the members of Platform Group Holdings Limited (continued)

Emphasis of Matter

In forming our opinion on the financial statements, which is unmodified, we have considered the adequacy of the disclosures made in the Basis of preparation note of the financial statements on page 11 concerning the Company's ability to continue as a Going Concern. In that section the Directors set out the risks associated with the successful execution of the 2015–2019 Strategic Plan (the Bank's Plan) of the parent undertaking, The Co-operative Bank plc. These matters represent a material uncertainty which may cast significant doubt upon the Company's ability to continue as a Going Concern. These financial statements do not include the adjustments that would result if the Company were unable to continue as a Going Concern.

Signed: _____



Date: 21 September 2015

Peter Wallace (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

Platform Group Holdings Limited

Statement of comprehensive income for the year ended 31 December 2014

	Notes	2014 £000	2013 £000
Interest receivable and similar income	2	980	968
Interest expense and similar charges	3	(862)	(858)
Profit before taxation		118	110
Taxation	5	(25)	(26)
Net profit attributable to equity holders		93	84

All results are from continuing operations.

There are no recognised gains other than the result for the year.

The accounting policies and notes on pages 11 to 19 form part of these financial statements.

Platform Group Holdings Limited

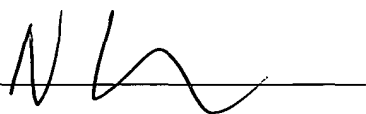
Statement of financial position as at 31 December 2014

	Notes	2014 £000	2013 £000
Assets			
Other receivables	6	139,633	138,653
Investments	8	5,000	5,000
Total assets		144,633	143,653
Liabilities			
Other payables	9	128,950	128,088
Group tax relief		51	26
Total liabilities		129,001	128,114
Equity			
Called-up share capital	10	8,764	8,764
Retained earnings		6,868	6,775
Total equity		15,632	15,539
Total equity and liabilities		144,633	143,653

The accounting policies and notes on pages 11 to 19 form part of these financial statements.

Approved by the Board of directors on 21 September 2015 and signed on its behalf by:

Signed: _____



N Websdell
Director

Platform Group Holdings Limited

Statement of changes in equity for the year ended 31 December 2014

	Share capital £000	Retained earnings £000	Total £000
Year ended 31 December 2014			
Balance at the beginning of the year	8,764	6,775	15,539
Profit for the year	-	93	93
Balance at the end of the year	8,764	6,868	15,632

	Share capital £000	Retained earnings £000	Total £000
Year ended 31 December 2013			
Balance at the beginning of the year	8,764	6,691	15,455
Profit for the year	-	84	84
Balance at the end of the year	8,764	6,775	15,539

The accounting policies and notes on pages 11 to 19 form part of these financial statements.

Platform Group Holdings Limited

Statement of cash flows for the year ended 31 December 2014

	Notes	2014 £000	2013 £000
Net cash flows from operating activities	11	-	-
Net movement in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the year		-	-
Cash and cash equivalents at the end of the year		-	-

The accounting policies and notes on pages 11 to 19 form part of these financial statements.

Platform Group Holdings Limited

Statement of accounting policies for the year ended 31 December 2014

Basis of preparation

Platform Group Holdings Limited is a company incorporated and domiciled in England.

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.

Going concern

The financial statements of the Company have been prepared on a going concern basis. At 31 December 2014, the Company had a net receivable balance of £10,632k (2013: £10,539) from its parent undertaking, The Co-operative Bank plc and fellow subsidiaries. The Basis of preparation note to the Bank's financial statements sets out the risks associated with the successful execution of the Bank's plan. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Bank's ability to continue as a going concern. In the event the Bank does not continue as a going concern, the Bank is likely to seek to accelerate the settlement of the intercompany balances, which would affect the Company's ability to continue as a going concern. Relevant extracts from the Bank's financial statements regarding this matter are described in the paragraphs that follow.

Following the capital shortfall identified in 2013, and the subsequent successful capital raising exercises, the Bank is now in the early stages of its turnaround.

The completion of the capital raising exercises removed elements of uncertainty around the Going Concern status of the Bank. However, whilst important steps, these are not in themselves sufficient to recapitalise the Bank in the long term. There continue to be material uncertainties around the Bank's ability to continue as a Going Concern. In particular, the Bank needs ongoing regulatory acceptance of the Bank's position until the IT platform is remediated and the Bank has rebuilt its capital strength to be able to withstand a significant stress.

The 2015–2019 plan was reviewed and accepted by the PRA following the Stress Test Results (Stress Test) announced on 16 December 2014. This plan has been designed to enable the Bank to withstand a stress of the severity of the Stress Test by the end of the plan period and involves reshaping and restructuring the business as a core relationship bank.

Further details in respect of the above matters are disclosed in the Bank's financial statements. Page 26 of the Bank's financial statements details the Bank's position in relation to deficiencies against regulatory requirements and expectations.

The directors of the Company have concluded that risks set out above in connection with the Bank's plan, and the consequential risks associated with the intercompany transactions with the Bank and fellow subsidiaries, represent a material uncertainty which may cast doubt upon the Company's ability to continue as a going concern. The Company may, therefore, be unable to continue realising its assets and discharging its liabilities in the normal course of business. Nevertheless, after making enquiries and considering the current forecasts, and taking into account the material uncertainty described above, the directors have a reasonable expectation that the Company will have adequate resources to continue in business over this period. For these reasons, they continue to adopt the going concern basis in preparing these financial statements. These financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Platform Group Holdings Limited

Statement of accounting policies for the year ended 31 December 2014 (continued)

Standards and interpretations issued and effective

In preparing these financial statements, the Company has adopted the following pronouncement during the year that is new or revised but has no material impact on the financial statements:

- Amendments to IAS 32 (Offsetting Financial Assets and Financial Liabilities)

The current offsetting model in IAS 32 requires an entity to offset a financial asset and financial liability only when the entity currently has a legally enforceable right of set-off and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. This amendment clarifies the position when offsetting financial assets and financial liabilities. The legal right of set-off must be available today and legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amended disclosures requires more extensive disclosures than are currently required. The disclosures focus on quantitative information about recognised financial instruments that are offset in the balance sheet, as well as those recognised financial instruments that are subject to master netting or similar arrangements irrespective of whether they are offset. The amendment to IAS 32 has no material impact on the financial statements of the Company.

- Amendment to IAS 39 (Novation of Derivatives and Continuation of Hedge accounting (2013))

This amendment allows hedge accounting to continue where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. The amendment to IAS 39 has no material impact on the financial statements of the Company.

Standards and interpretation in issue but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRSs that have been issued but are not yet effective and, in some cases, not yet adopted by the EU.

- IFRS 9 (Financial Instruments (2014))

This new standard was issued in July 2014 and supersedes IAS 39 Financial Instruments: Recognition and Measurement. The standard includes requirements for recognition and measurement, impairment, de-recognition and general hedge accounting. The standard also supersedes IFRS 9 (2009), IFRS 9 (2010) and IFRS 9 (2013). Due to the short period of time which has elapsed since the issue of the standard, the Company has not yet estimated the financial effects, although it is expected that IFRS 9 will have a significant impact for the Company, in line with the wider industry. The standard is mandatory for years beginning on or after 1 January 2018 but is available for early adoption subject to EU endorsement.

- IFRS 15 (Revenue from Contracts with Customers (2014))

This standard was issued in May 2014 and is a converged standard from the IASB and FASB on revenue recognition. IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. This standard supercedes IAS 18 (Revenue) and a number of revenue interpretations.

The standard will be effective for annual reporting years beginning on or after 1 January 2018 subject to EU endorsement. The impact to the Bank of the amendments is likely to be immaterial as income from IAS 39 financial instruments is outside the scope of IFRS 15. However, the Company has not yet finalised its estimation of the financial effects.

- Amendments to IAS 1 (Presentation of Financial Statements)

The narrow-focus amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, existing IAS 1 requirements. In most cases the proposed amendments respond to overly prescriptive interpretations of the wording in IAS 1. The impact to the Company of the amendments is likely to be immaterial.

Other standards and interpretations have been issued but these are not considered to be relevant to the Company's operations.

The Company intends complying with the standards from the date they become effective.

Platform Group Holdings Limited

Statement of accounting policies for the year ended 31 December 2014 (continued)

Functional and presentational 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 presentational 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.

Taxation

Tax on the result 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.

Dividends

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

Cash and cash equivalents

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

Other receivables

Other receivables represent amounts due from group undertakings. There is no formal repayment schedule for these monies, which are repayable on demand.

Other payables

Other payables represent amounts due to group undertakings. There is no formal repayment schedule for these monies, which are repayable on demand.

Investment

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 required.

Platform Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2014

1 Profit before taxation

Profit on ordinary activities before taxation is stated after charging:

	2014 £000	2013 £000
Fees for the audit of the Company's financial statements	-	-

The audit fee of £5k (2013: £1k) has been borne by the Bank (last year audit fees were born by Platform Funding Limited, a Company with an ultimate parent entity of the Bank).

2 Interest receivable and similar income

	2014 £000	2013 £000
On financial assets not at fair value through income and expense		
Interest receivable from Platform Consumer Services Limited	980	968

3 Interest expense and similar charges

	2014 £000	2013 £000
On financial assets not at fair value through income and expense		
Interest payable to Platform Funding Limited	862	858

4 Directors' emolument

The directors received emoluments from The Co-operative Banking Group for services rendered to all companies with an ultimate parent entity of the Bank. However, these are not apportioned to the individual companies.

At 31 December 2014 one director had benefits accruing under The Co-operative Group pension scheme (2013: two). Particulars of the latest actuarial valuation of The Co-operative Group pension scheme are disclosed in the accounts of the Bank.

The Company had no employees during the current or prior year.

Platform Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

5 Taxation

	2014 £000	2013 £000
UK tax at 21.49% (2013: 23.25%)		
Corporation tax		
Current year	25	26
	25	26

Factors affecting tax charge for the year

The average effective rate of corporation tax assessed for the year is equal to the standard effective rate of corporation tax in the UK of 21.49% (2013: 23.25%).

	2014 £000	2013 £000
Profit on ordinary activities before tax	118	110
Profit before tax multiplied by standard rate of tax	25	26
	25	26

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the Company's future current tax charge accordingly. On 8 July 2015 the Chancellor of the Exchequer announced a number of proposed changes to the UK's corporation tax regime. This included proposals to reduce the UK corporation tax rate from 20% to 19% from 1 April 2017 and a further reduction to 18% from 1 April 2020.

6 Other receivables

	2014 £000	2013 £000
Amounts owed from Platform Consumer Services Limited	139,633	138,653

All of the above balances are expected to be settled within 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.

Impairment reviews are carried out annually on the amounts owed by group undertakings designated as other receivables and any reduction in value resulting from such a review is recognised in the statement of comprehensive income. No impairment indicators have been identified at the end of 2014 (2013: nil).

Platform Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

7 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 consist principally of amounts owed to group undertakings and amounts owed by group undertakings, classified as other payables and other receivables. There is no formal repayment schedule for these monies, which are repayable on demand.

The financial risks faced by the Company include the following:

- credit risk; and
- liquidity risk.

As a subsidiary of the Bank, the Company applies the Bank's formal structure for managing risk. The Bank's Board has established Board sub-committees and senior management committees whose responsibilities include:

- overseeing the risk management process;
- identifying the key risks facing the business; and
- assessing the effectiveness of planned management actions.

Specific Board authority has been delegated to Board sub-committees and the Chief Executive Officer (CEO) who may, in turn, delegate authority to appropriate executive directors and their senior line managers. This includes:

- setting limits for individual types of risk; and
- approving (at least annually) and monitoring compliance with risk policies and delegated levels of authority.

Credit risk

The directors do not consider the risk associated with other assets as significant due to the balance being due from Platform Consumer Services Limited, which is part of the Group.

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.

Liquidity risk arises on other payables, representing primarily amounts due to group undertakings. There is no formal repayment schedule for these monies, which are repayable on demand. It is not expected that the ultimate parent will withdraw the funding in the foreseeable future and therefore the credit risk and the liquidity risk on these loans is considered to be minimal.

The Bank 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 Bank mitigates any risk to the Company.

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

Fair value of financial instruments

All financial instruments of the Company have carrying values equivalent to fair value.

Platform Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

8 Investments

Principal group investments

The group has investments in the following subsidiary undertakings.

Subsidiary undertakings	Country of incorporation	Principal activity	Holdings £	%
Direct subsidiaries				
Platform Consumer Services Limited	United Kingdom	Holding Company	5,000,000	100.0
Indirect subsidiaries				
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 and servicing	1,000,000	100.0
PCSL Services No. 1 Limited	United Kingdom	Dormant	2	100.0
				£000
<u>Cost less provision for impairment</u>				
At 1 January 2014 and 31 December 2014				5,000

9 Other payables

	2014 £000	2013 £000
Amounts owed to Platform Funding Limited	6,214	5,352
Amounts owed to The Co-operative Bank plc	122,736	122,736
	128,950	128,088

The above balances are expected to be settled within 12 months after the balance sheet date.

10 Share capital

	2014 £000	2013 £000
Issued and fully paid		
8,764,288 ordinary shares of £1 each	8,764	8,764

The Company's funding consists of share capital and intercompany funding provided by the Bank. Capital is managed on the whole by the Bank, which is subject to the capital requirements imposed by its regulator the Prudential Regulation Authority (PRA).

Platform Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

11 Reconciliation of operating profit to net cash flows from operating activities

	2014	2013
	£000	£000
Profit before taxation	118	110
Cash flows from operating activities before changes in operating assets and liabilities		
Increase in other receivables	(980)	(968)
Increase in other payables	862	888
Taxation paid	-	(30)
Net cash flows from operating activities	-	-

12 Ultimate parent undertaking and controlling entity

The Company's immediate parent undertaking and controlling entity is Britannia Treasury Services Limited, a Company registered in England.

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

The Company has elected to prepare separate financial statements instead of consolidated financial statements, as it meets the four conditions present permitted by the exemption available per IFRS 10, paragraph 4(a). Details of the ultimate parent company which prepares consolidated financial statements is detailed in the paragraph below.

As at 31 December 2014, the directors regard The Co-operative Bank plc as the ultimate parent company. The largest group in which the results of the Company are consolidated is The Co-operative Bank plc, which is incorporated in England. The financial statements of this group are available from <http://www.co-operativebank.co.uk/investorrelations/financialresults> and from its registered office at 1 Balloon Street, Manchester, M60 4EP.

Platform Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

13 Related party transactions

The directors of the Company consider The Co-operative Bank plc and its subsidiaries to be related parties of the Company. Transactions with The Co-operative Bank plc and its subsidiaries are disclosed below:

	Interest receivable and other income £000	Interest expense and other charges £000	Balance due from the Company £000
Year ended 31 December 2014			
Platform Consumer Services Limited	980	-	139,633
Platform Funding Limited	-	-	(6,214)
The Co-operative Bank plc	-	862	(122,736)
The Co-operative Bank plc	-	-	(51)
<hr/>			
Year ended 31 December 2013			
Platform Consumer Services Limited	968	-	138,653
Platform Funding Limited	-	-	(5,352)
The Co-operative Bank plc	-	858	(122,736)
The Co-operative Bank plc	-	-	(26)

The following directors have benefits accruing under The Co-operative Group pension schemes and are considered to be related parties:

C L Gosling

All related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

14 Post balance sheet events

The Bank is currently undertaking a re-organisation exercise of its subsidiaries, by which Platform Funding No. 2 Limited, Platform Funding No. 3 Limited, Platform Funding No. 4 Limited, Platform Funding No. 5 Limited and Platform Funding No. 6 Limited will be liquidated by 30 September 2015.

The Bank's intention is to collapse the Company by year-end 31 December 2015, with Platform Funding Limited and Platform Home Loans Limited envisaged to becoming direct subsidiaries of the Bank and PCSL Services No. 1 Limited to be liquidated by year-end 31 December 2015.