

**Secondco Limited**

**Directors' report and financial  
statements**

**Registered number 05297072**

**Year ended 31 December 2020**



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## Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2020.

### Business review and principal activities

The company is a wholly owned subsidiary of Platform Securities Holdings Limited.

The company has not traded during the period other than a nominal investment in Platform Securities LLP and acting as corporate designated members in that partnership.

### Results and dividend

The results for the company are set out in the financial statements.

The directors do not recommend the payment of a dividend (2019: £Nil).

### Directors

The directors who held office during the period were as follows:

Jason Robinson	(Non-executive director employed by an associated undertaking)
Nigel Reynolds	Resigned 26 April 2021
Ian Welch	Resigned 9 August 2021
Kim Webb	
Brian DuVal	(Non-executive director employed by an associated undertaking – appointed 1 January 2020)
Bruce Jennings	(Non-executive director employed by an associated undertaking – resigned 1 January 2021)
Robert Thacker	Resigned 1 January 2020
Cheryl Anne Heather	(Non-executive director employed by an associated undertaking – appointed 10 March 2021)

### Disclosure of information to 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 a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### COVID-19 Pandemic

This pandemic is clearly a worrying time for the global population, the wider economy and our business customers. The business priority has, rightly, been on ensuring our colleagues', customers' and other stakeholders' health and safety is considered. We have closely followed official health advice, taken steps to mitigate the impact on our employees, and successfully implemented working from home for all employees other than a small number deemed essential to facilitate the ongoing functioning of a full service. We have been designated as critical infrastructure workers by the FCA.

The impact on the financial performance and liquidity is dependent on a variety of factors: from the time for which the virus materially impacts society; the Government action to protect the economy, and the ability for our customers to continue their operations through this difficult period and beyond.

Our revenues are generated from primary Wealth Management Investment Firms who are reliant on their customers which our typically retail investors where the risk is an erosion of clients and assets. There are four key revenue drivers for the business namely, Custody fees (from Assets Under Management "AUM"), Transactional process fees, Professional Services, and Treasury Management Fees / Interest Income. The most significant of these being AUM fees. Therefore the business has reviewed its operations and stress tested restrictions on business operations and assume these continue for at least six months. This includes ensuring enough regulatory working capital and surplus cash flow and liquidity.

## Directors' report *(continued)*

### Going Concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The company meets its day-to-day working capital requirements from ongoing financial support from Platform Services Holdings Limited, its parent undertaking.

The directors have prepared cash flow forecasts for a period to 31 December 2022 which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds to meet its liabilities as they fall due for that period, through funding from its parent company, Platform Securities Holdings Limited, to meet its liabilities as they fall due for that period.

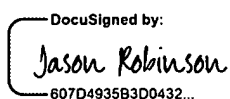
Those forecasts are dependent on Platform Securities Holdings Limited providing additional financial support during that period. Platform Securities Holdings Limited has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved on behalf of the directors by:

DocuSigned by:  
  
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**J Robinson**  
Director

25 Canada Square  
London  
E14 5LQ

Date: September 17, 2021 | 13:53 EDT

## **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 have elected to prepare the financial statements in accordance with International accounting Standards in conformity with the requirements of the Companies Act 2006 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, relevant and reliable;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SECONDCO LIMITED****Opinion**

We have audited the financial statements of Secondco Limited ("the company") for the year ended 31 December 2020 which comprise the Statement of comprehensive income, Statement of financial position, Statement of changes in equity, Statement of cash flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

**Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

**Fraud and breaches of laws and regulations – ability to detect***Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.

Our risk assessment procedures included:

- Enquiring of directors of the company as to the company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition due to individually insignificant invoices on individual customer contracts and no estimation/judgement involved in the billing process.

We did not identify any additional fraud risks.

We performed procedures including agreeing all accounting entries in the period to supporting documentation.

*Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

As the company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance.

The potential effect of these laws and regulations on the financial statements varies considerably.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

*Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

**Directors' report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

**Matters on which we are required to report by exception**

Under the Companies Act 2006, we are required 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

**Directors' responsibilities**

As explained more fully in their statement set out on page 5 the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

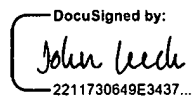
**Auditor's responsibilities**

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

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.

DocuSigned by:  
  
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**John Leech (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
One Snow Hill  
Snow Hill Queensway  
Birmingham  
B4 6GH

Date: September 20, 2021 | 03:44 PDT



**Statement of comprehensive income**  
*for the year ended 31 December 2020*

	<i>Note</i>	<b>2020</b> £	2019 £
<b>Operating result</b>		-	-
Taxation	2	(149)	(279)
<b>Loss for the financial year from continuing operations</b>		<u>(149)</u>	<u>(279)</u>

There is no other comprehensive income. All revenue is from continuing operations.


The notes form part of the financial statements.

**Statement of financial position**  
*at 31 December 2020*

	<i>Note</i>	<b>2020</b> £	<b>2019</b> £
<b>Assets</b>			
<b>Non current assets</b>			
Investment in subsidiary undertaking	3	49,852	49,852
Deferred tax	4	434	583
		<hr/>	<hr/>
		50,286	50,435
		<hr/>	<hr/>
<b>Current assets</b>			
Other receivables	5	12,790	12,790
		<hr/>	<hr/>
<b>Total assets</b>		63,076	63,225
		<hr/>	<hr/>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Called up share capital	6	49,852	49,852
Retained earnings		13,224	13,373
		<hr/>	<hr/>
<b>Total equity</b>		63,076	63,225
		<hr/>	<hr/>
<b>Total liabilities</b>		-	-
		<hr/>	<hr/>
<b>Total equity and liabilities</b>		63,076	63,225
		<hr/>	<hr/>

The notes form part of the financial statements.

These financial statements were approved by the board of directors on September 17, 2021 | 13:53 EDT and were signed on its behalf by:

DocuSigned by:  
  
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**J Robinson**  
 Director

Company registered number: 05297072

**Statement of changes in equity**  
*for the year ended 31 December 2020*

	Share capital £	Retained earnings £	Total shareholders' funds £
At 1 January 2019	49,852	13,652	63,504
Loss for the year	-	(279)	(279)
Total equity at 31 December 2019	<u>49,852</u>	<u>13,373</u>	<u>63,225</u>
At 1 January 2020	49,852	13,373	63,225
Profit for the year	-	(149)	(149)
Total equity at 31 December 2020	<u>49,852</u>	<u>13,224</u>	<u>63,076</u>

The notes form part of the financial statements.

**Statement of cash flows**  
*for the year ended 31 December 2020*

	2020 £	2019 £
Loss for the financial year	(149)	(279)
<i>Adjustments for</i>		
Taxation	149	279
	<hr/>	<hr/>
Cash flows from operating activities	-	-
	<hr/>	<hr/>
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of period	-	-
	<hr/>	<hr/>
Cash and cash equivalents at end of year	-	-
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The notes form part of the financial statements.

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

#### Corporate information

The financial statements of Secondco Limited for the year to 31 December 2020 were authorised for issue in accordance with a resolution of the directors. The company is a limited company incorporated and domiciled in England. The registered office is located at 25 Canada Square, London E14 5LQ.

The principal activities of the company are described in the Directors' Report. Information on its ultimate parent is presented in note 7.

#### Basis of Preparation

The financial statements have been prepared on a historical cost basis. The financial statements are presented in sterling and all values are rounded to the nearest pound (£), except when otherwise indicated.

The company financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs"). The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

#### Going Concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The company meets its day-to-day working capital requirements from ongoing financial support from Platform Securities Holdings Limited, its parent undertaking.

The directors have prepared cash flow forecasts for a period to 31 December 2022 which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds to meet its liabilities as they fall due for that period, through funding from its parent company, Platform Securities Holdings Limited, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Platform Securities Holdings Limited providing additional financial support during that period. Platform Securities Holdings Limited has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

#### Group financial statements

The company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 401 of the Companies Act 2006 because it is a wholly owned subsidiary of Fidelity National Information Services Inc, a company incorporated in USA which prepares consolidated financial statements that are publicly available.

**Notes (continued)****1 Accounting policies (continued)****Basis of preparation (continued)**

The following are the significant accounting policies applied by the company in preparing its financial statements:

**Turnover**

There was no income during the year.

**Directors' emoluments**

The directors' emoluments are borne by Platform Securities Services Limited, but not recharged to this company. Therefore, no directors' emoluments are recognised or disclosed within this company.

**Operating profit**

Auditor's remuneration and staff costs are borne by another group company – Platform Securities Services Limited.

The Directors do not receive any remuneration for services provided to the company.

**Current taxation**

Current tax and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and laws used to compute the amount are those enacted or substantively enacted by the statement of financial position date.

**Deferred taxation**

Deferred tax is recognised on temporary differences (other than temporary differences associated with unremitted earnings from foreign subsidiaries and associates to the extent that the investment is essentially permanent in duration, or temporary differences associated with the initial recognition of goodwill) arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the group. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Current and deferred tax relating to items recognised directly in equity is also recognised in equity and not in the income statement.

**Investment in subsidiary undertaking**

Non-current asset investments comprising subsidiary undertakings are stated at historical cost less provision for any diminution in value. The carrying values of the investments are reviewed where there are indications that impairments may have arisen.

## Notes (continued)

### 2 Taxation

#### Recognised in the income statement

	2020 £	2019 £
<i>UK corporation tax</i>		
Current tax		-
<i>Deferred tax</i>		
Current period	(149)	(279)
Reduction in deferred tax asset due to corporation tax rate change	-	-
	<hr/>	<hr/>
Total tax expense	(149)	(279)
	<hr/>	<hr/>

	2020 £	2019 £
<i>Reconciliation of tax</i>		
Loss for the year	(149)	(279)
Total tax charge	149	279
	<hr/>	<hr/>
UK corporation tax at 19% (2019: 19%)	-	-
Tax on share of profits in Platform Securities LLP	(812)	(312)
Recognition of share of tax losses in Platform Securities LLP	663	33
Difference between corporate and deferred tax rates	-	-
Reduction in deferred tax asset due to corporation tax rate change	-	-
	<hr/>	<hr/>
Total tax expense	(149)	(279)
	<hr/>	<hr/>

#### Factors that may affect future current and total tax charges

An increase in the UK corporation tax rate from 17% to 19% (effective from 1 April 2020) was substantively enacted on 17 March 2020, and the UK deferred tax asset as at 31 December 2020 has been calculated based on this rate. In the 3 March 2021 Budget it was announced that the UK tax rate will increase to 25% from 1 April 2023. This will have a consequential effect on the company's future tax charge. If this rate change had been substantively enacted at the current balance sheet date, there would not have been a material effect on the company's future tax charge.

### 3 Investments

The company holds an investment of £49,852 (2019: £49,852) in Platform Securities LLP (registered at 25 Canada Square, London, E14 5LQ), a company that provides stock broking software and related services. The company owns 1% of the interests in the LLP.

### 4 Deferred tax

#### Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets 2020 £	2019 £
Tax losses carried forward	434	583
	<hr/>	<hr/>

## Notes (continued)

### 4 Deferred tax (continued)

Secondco Limited is liable for corporation tax on its share of the profits in Platform Securities LLP. A deferred tax asset of £434 (2019: £583) has been recognised in respect of tax losses as it is likely that sufficient taxable profits will arise against which the losses can be utilised.

#### Movement in deferred tax balances during the year

	At beginning of year £	Recognised in profit and loss £	At end of year £
Tax losses carried forward	583	(149)	434
	<u>583</u>	<u>(149)</u>	<u>434</u>

#### Movement in deferred tax balances during prior year

	At beginning of year £	Recognised in profit and loss £	At end of year £
Recognition of previously unrecognised tax losses	862	(279)	583
	<u>862</u>	<u>(279)</u>	<u>583</u>

### 5 Other receivables

	2020 £	2019 £
Amounts owed by group undertakings	12,790	12,790
	<u>12,790</u>	<u>12,790</u>

### 6 Called up share capital

	2020 £	2019 £
<i>Allocated, called up and fully paid</i>		
49,852 ordinary shares of £1 each	49,852	49,852
	<u>49,852</u>	<u>49,852</u>

### 7 Ultimate holding company

The company's immediate parent undertaking is Platform Securities Holdings Limited.

The ultimate parent undertaking and controlling party is Fidelity National Information Services Inc., a company incorporated in USA. Copies of the financial statements may be obtained from:

Fidelity National Information Services Inc  
 601 Riverside Avenue  
 Jacksonville, Florida 32204  
 United States of America



## Notes (continued)

### 8 Related party disclosures

Transactions between the company and its fellow group companies are summarised below:

	Amounts owed from related parties	
	2020 £	2020 £
Platform Securities Holdings Limited	11,680	11,680
Platform Securities LLP	1,110	1,110
	<u>12,790</u>	<u>12,790</u>

### 9 Financial risk management objectives and policies

There are no transactions going through this company as its primary purpose is as a second partner to Platform Securities LLP, the regulated entity, and therefore no risk management is required (2019: £Nil).

### 10 Key management personnel

The key management personnel earn no remuneration for services to this entity (2019: £Nil).