Company Number: 01981123

MONTAGUE PLACE CUSTODY SERVICES

(unlimited company)

ANNUAL REPORT

31 DECEMBER 2015

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 2015. A strategic report has not been prepared as the company is entitled to the small companies exemption under Section 414B of the Companies Act 2006.

1. Principal Activities

Montague Place Custody Services (the company) provides custodian services to prime brokerage clients of a group undertaking.

The company is authorised and regulated by the Financial Conduct Authority (FCA).

The company's ultimate parent undertaking and controlling entity is The Goldman Sachs Group, Inc. (Group Inc.). Group Inc. is a bank holding company and a financial holding company regulated by the Board of Governors of the Federal Reserve System (Federal Reserve Board). Group Inc. together with its consolidated subsidiaries form "GS Group" or "the group". GS Group is a leading global investment banking, securities and investment management firm that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and individuals.

The company primarily operates in a U.S. dollar environment as part of the group. Accordingly, the company's functional currency is the U.S. dollar and these financial statements have been prepared in that currency.

2. Adoption of Revised Financial Reporting Standards

The Financial Reporting Council revised financial reporting standards in the U.K. and Republic of Ireland for accounting periods beginning on or after 1 January 2015. The revisions fundamentally reform United Kingdom Generally Accepted Accounting Practices (U.K. GAAP), replacing the previous standards (previous U.K. GAAP). From 1 January 2015, the company has transitioned from the previous U.K. GAAP to the new Financial Reporting Standard 101 Framework (FRS 101), which applies the recognition and measurement requirements of International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

All periods presented in this annual report are prepared in accordance with FRS 101. There is no impact on the company's balance sheet and profit and loss account as a result of adopting FRS 101.

In addition, FRS 101 has resulted in the company providing additional disclosures relating to financial assets and financial liabilities due to the adoption of IFRS 7 'Financial Instruments: Disclosures'.

3. Financial Overview

The financial statements have been drawn up for the year ended 31 December 2015 and comparative information has been presented for the year ended 31 December 2014.

The profit and loss account for the year is set out on page 6.

Profit on ordinary activities before tax for the year was US$308,000 (year ended 31 December 2014: US$328,000). The company has total assets of US$32.1 million (31 December 2014: US$31.4 million). At 31 December 2015, the company did not hold any assets under custody (31 December 2014: US$5.6 billion).

DIRECTORS' REPORT (continued)

4. Future Outlook

During December 2015, the directors ratified the wind-down of the company's operations and do not expect that the company will undertake any new business activity for the foreseeable future. Adjustments have been made in these financial statements to reduce assets to their realisable values and to reclassify fixed assets as current assets in current and prior year. Accordingly, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than going concern.

On 29 March 2016 the company submitted an application to the FCA to cancel its Part 4A authorisation held under the Financial Services and Markets Act 2000, under which it is permitted to undertake its regulated activities. Until this cancellation is granted the company continues to be authorised and regulated by the FCA.

5. Dividends

The directors do not recommend the payment of a dividend in respect of the year (31 December 2014: US$nil).

6. Exchange Rate

The British pound/U.S. dollar exchange rate at the balance sheet date was £/US$1.4732 (31 December 2014: £/US$1.5579). The average rate for the year was £/US$1.5252 (year ended 31 December 2014: £/US$1.6455).

7. Directors

The directors of the company who served throughout the year and to the date of this report, except where noted, were:

Name	Resigned
M. R. Brooke	
J. P. Bury	
W. P. Douglas	11 January 2016
A. Hardwick	
R. Levy	
D. G. Paterson	

No director had, at the year end, any interest requiring note herein.

8. Financial Risk Management

The company's risk management objectives and policies, as well as its risk exposures, are described in note 15 to the financial statements.

9. Disclosure of Information to Auditors

In the case of each of the persons who are directors of the company at the date when this report was approved:

- So far as each of the directors is aware, there is no relevant audit information of which the company's auditors are unaware; and

- Each of the directors has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

DIRECTORS' REPORT (continued)

10. Independent Auditors

Prior to 1 October 2007, the company passed an elective resolution under section 386 of the Companies Act 1985 to dispense with the annual reappointment of auditors. PricewaterhouseCoopers LLP will, accordingly, continue in office as auditors of the company pursuant to section 487(2) of the Companies Act 2006 and paragraph 44 of schedule 3 to the Companies Act 2006 (Commencement No. 3 Consequential Amendment, Transitional Provisions and Savings) Order 2007.

11. Statement of Directors' Responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss of the company for that period. In preparing those accounts, 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 applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- Prepare the accounts 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

12. Date of Authorisation of Issue

The financial statements were authorised for issue by the Board of Directors on 14 April 2016.

BY ORDER OF THE BOARD

Michael Brooke

Director

MICHAEL BROOKE

Report on the financial statements

Our opinion

In our opinion, Montague Place Custody Services' financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - Basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the basis of preparation. During December 2015, the directors ratified the wind-down of the company's operations and do not expect that the company will undertake any new business activity for the foreseeable future. Adjustments have been made in these financial statements to reduce assets to their realisable values and to reclassify fixed assets as current assets in current and prior year. Accordingly, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than going concern.

What we have audited

Montague Place Custody Services' financial statements comprise:

- the balance sheet as at 31 December 2015;
- the profit and loss account for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the directors' 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.

Duncan McNab (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
14 April 2016

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2015

	Note	Year Ended 31 December 2015 US$'000	Year Ended 31 December 2014 US$'000
Revenue		3,546	3,616
Administrative expenses	5	(3,236)	(3,331)
OPERATING PROFIT		310	285
Interest receivable and similar income	6	2	46
Interest payable and similar charges	7	(4)	(3)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		308	328
Tax on profit on ordinary activities	10	(69)	(65)
PROFIT FOR THE FINANCIAL YEAR		239	263

The revenue and operating profit of the company is derived from discontinued operations in the current and prior years.

The company has no recognised gains and losses other than those included in the profit for the financial years shown above and therefore no separate statement of comprehensive income has been presented.

BALANCE SHEET

as at 31 December 2015

	Note	31 December 2015 US$'000	31 December 2014 US$'000
CURRENT ASSETS			
Cash at bank and in hand		22,073	21,383
Debtors	11	10,002	10,041
Tangible assets	12	-	13
		32,075	31,437
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	(5,653)	(5,254)
NET CURRENT ASSETS AND NET ASSETS		26,422	26,183
CAPITAL AND RESERVES			
Called up share capital	14	18,814	18,814
Profit and loss account		7,608	7,369
TOTAL SHAREHOLDER'S FUNDS		26,422	26,183

The financial statements were approved by the Board of Directors on 14 April 2016 and signed on its behalf by:

Michael Brooke

Director

MICHAEL BROOKE

COMPANY NUMBER: 01981123

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2015

	Called up share capital US$'000	Profit and loss account US$'000	Total shareholder's funds US$'000
Balance at 1 January 2014	18,814	7,106	25,920
Profit for the financial year	-	263	263
Balance at 31 December 2014	18,814	7,369	26,183
Profit for the financial year	-	239	239
Balance at 31 December 2015	18,814	7,608	26,422

No dividends were paid in 2015 and 2014.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

1. GENERAL INFORMATION

The company is a private unlimited company and is incorporated and domiciled in England and Wales. The address of its registered office is 22 Bedford Row, London, WC1R 4JS, United Kingdom.

The immediate parent undertaking is Goldman Sachs Group Holdings (U.K.) Limited (GSGUK), a company incorporated and domiciled in England and Wales.

The ultimate parent undertaking and the parent company of the largest group for which consolidated financial statements are prepared is The Goldman Sachs Group, Inc., a company incorporated in the United States of America. Copies of its consolidated financial statements can be obtained from Investor Relations, 200 West Street, New York, NY 10282, United States of America.

Basel III Pillar 3 disclosures

The company is included in the consolidated Pillar 3 disclosures of GSGUK, which are required by the EU Capital Requirements Regulation. GSGUK's 2015 Pillar 3 disclosures will be made available in conjunction with the publication of its financial statements at www.goldmansachs.com/disclosures/.

Country-by-Country Reporting

The company is included in the consolidated country-by-country reporting disclosures of GSGUK, which are required by The Capital Requirements (Country-by-Country Reporting) Regulations 2013. GSGUK's 2015 country-by-country disclosures will be made available by 31 December 2016 at www.goldmansachs.com/disclosures/.

2. ACCOUNTING POLICIES

a. Basis of Preparation

For all periods up to and including the year ended 31 December 2014, the company prepared its financial statements in accordance with the previous U.K. GAAP. From 1 January 2015, the company transitioned from the previous U.K. GAAP to FRS 101. These financial statements are for the first full annual period covered by FRS 101. All periods presented in these financial statements have been prepared in accordance with FRS 101 and the Companies Act 2006.

There has been no impact on the company's balance sheet and profit and loss account as a result of adopting FRS 101.

The following exemptions from the disclosure requirements of IFRS as adopted by the EU have been applied in the preparation of these financial statements in accordance with FRS 101:

- IFRS 2 'Share-based Payment' paragraph 45(b) and 46 to 52. These disclosures are provided in the consolidated financial statements of Group Inc;

- IAS 1 'Presentation of Financial Statements' paragraphs 38 to present comparative information in respect of:
  - IAS 1 'Presentation of Financial Statements' paragraphs 79 (a)(iv); and
  - IAS 16 'Property, Plant and Equipment' paragraph 73(e);

- IAS 1 'Presentation of Financial Statements' paragraphs 10(f), 16, and 40A-D;

- IAS 7 'Statement of Cash Flows';

- IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' paragraphs 30 and 31;

- IAS 24 'Related Party Disclosures' paragraph 17; and

2. ACCOUNTING POLICIES (continued)

a. Basis of Preparation (continued)

- IAS 24 'Related Party Disclosures' requirements to disclose transactions with companies also wholly owned within GS Group.

b. Going Concern

During December 2015, the directors ratified the wind-down of the company's operations and do not expect that the company will undertake any new business activity for the foreseeable future. Adjustments have been made in these financial statements to reduce assets to their realisable values and to reclassify fixed assets as current assets in current and prior year. Accordingly, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than going concern.

c. Revenue Recognition

Revenue has been disclosed instead of turnover as this more meaningfully reflects the nature and results of the company's activities.

Revenue comprises fees and commissions from a group undertaking for the provision of prime brokerage custodian services, which are recognised on an accruals basis.

d. Dividends

Final equity dividends are recognised as a liability and deducted from equity in the period in which the dividends are approved by the company's shareholder. Interim equity dividends are recognised and deducted from equity when paid.

e. Cash at Bank and In Hand

Cash at bank and in hand is highly liquid overnight deposits held in the ordinary course of business.

f. Foreign Currencies

The company's financial statements are presented in U.S. dollars, which is also the company's functional currency.

Transactions denominated in foreign currencies are translated into U.S. dollars at rates of exchange ruling on the date the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are translated into U.S. dollars at rates of exchange ruling at the balance sheet date. Foreign exchange gains and losses are recognised in operating profit.

g. Tangible Assets

Tangible assets are stated at cost less accumulated depreciation and provision for any impairment. Computer equipment and software are depreciated on a straight-line basis over their estimated useful lives, which is 5 years. Depreciation is included in administrative expenses.

Depreciation policies are reviewed on an annual basis.

2. **ACCOUNTING POLICIES (continued)**

h. Current and Deferred Tax

The tax expense for the period comprises current tax. Tax is recognised in the profit and loss account.

Current tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all temporary differences that have originated, but not reversed at the balance sheet date, where transactions or events have occurred by that date that will result in an obligation to pay more tax or a right to pay less tax in the future with the following exceptions:

(i) Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying temporary differences can be deducted.

(ii) Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which temporary differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

i. Financial Assets and Financial Liabilities

(i) Recognition and Derecognition

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument. A financial asset is de-recognised when the contractual rights to the cash flows from the financial asset expire or if the company transfers the financial asset and substantially all the risk and rewards of ownership of that financial asset. A financial liability is derecognised only when it is extinguished (i.e., when the obligation specified in the contract is discharged or cancelled or expires).

(ii) Classification and Measurement

The company classifies its financial assets and financial liabilities as loans and receivables and financial liabilities measured at amortised cost, respectively. The classification, which is determined at initial recognition, depends on the purpose for which they were acquired or originated.

Financial assets and financial liabilities are initially recognised at fair value and are subsequently remeasured at amortised cost, with finance income and expense recognised on an accruals basis. All finance income and expense is recognised in the profit and loss account.

(iii) Offsetting Financial Assets and Financial Liabilities

Financial assets and financial liabilities balances are offset and the net amount presented in the balance sheet where there is:

- Currently a legally enforceable right to set off the recognised amounts; and

- Intent to settle on a net basis or to realise the asset and settle the liability simultaneously.

Where the conditions are not met, financial assets and financial liabilities balances are presented on a gross basis in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts recognised in these financial statements. The nature of estimation means that actual outcomes could differ from those estimates. In the opinion of management, there were no judgements made that had a significant effect on amounts recognised in the financial statements.

4. SEGMENTAL REPORTING

Due to the highly integrated nature of international financial markets, the directors consider that the company operates in a single global market. As a result, no disclosure of segmental information relating to the geographical origin of results has been provided.

5. ADMINISTRATIVE EXPENSES

	Year Ended 31 December 2015 US$'000	Year Ended 31 December 2014 US$'000
Brokerage, clearing and exchange fees	2,730	2,568
Direct costs of employment	87	104
Auditors' remuneration - audit services	31	33
Depreciation and disposal of tangible assets (see Note 12)	13	5
Other expenses	375	621
	3,236	**3,331**

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year Ended 31 December 2015 US$'000	Year Ended 31 December 2014 US$'000
Interest on short-term deposits	**2**	**46**

7. INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 31 December 2015 US$'000	Year Ended 31 December 2014 US$'000
Interest payable to group undertakings	**4**	**3**

8. STAFF COSTS

The company has 24 employees (year ended 31 December 2014: 29) concurrently employed by fellow U.K. group undertakings. The monthly average for the year ended 31 December 2015 was 28 (year ended 31 December 2014: 27). All persons are employed by, and all staff costs are incurred by, fellow U.K. group undertakings. Should an insolvency event affect the fellow U.K. group undertakings, their employment will be ended and transferred to the company and all staff costs will then be incurred by the company. Post 31 December 2015, the concurrent employment contracts have been terminated as part of the wind-down of the company's operations.

9. DIRECTORS' EMOLUMENTS

The table below presents the company's directors' emoluments.

	Year Ended 31 December 2015 US$'000	Year Ended 31 December 2014 US$'000
Directors:		
Aggregate emoluments	**84**	**101**

In accordance with the Companies Act 2006, directors' emoluments above represent the proportion of total emoluments paid or payable in respect of qualifying services only. In accordance with schedule 5 of Statutory Instrument 2008 / 410, this only includes the value of cash and benefits in kind. Directors also receive emoluments for non-qualifying services which are not required to be disclosed.

Four persons, who were directors for some or all of the year, were members of a defined contribution pension scheme and four persons, who were directors for some or all of the year, were members of a defined benefit pension scheme. Four persons, who were directors for some or all of the year, received or are due receipt of shares of a group undertaking under a long term incentive scheme. No director has exercised options during the year.

10. TAX ON PROFIT ON ORDINARY ACTIVITIES

The table below presents the company's analysis of tax on profit on ordinary activities.

	Year Ended 31 December 2015 US$'000	Year Ended 31 December 2014 US$'000
Current tax:		
U.K. corporation tax	64	71
Adjustments in respect of prior periods	5	(6)
Total tax on profit on ordinary activities	**69**	**65**

The table below presents a reconciliation between tax on profit on ordinary activities and the amount calculated by applying the weighted average rate of U.K. corporation tax applicable to the company for the year of 20.25% (2014: 21.50%) to the profit on ordinary activities before tax.

	Year Ended 31 December 2015 US$'000	Year Ended 31 December 2014 US$'000
Profit on ordinary activities before tax	308	328
Profit on ordinary activities multiplied by the weighted average rate in the U.K. 20.25% (2014: 21.50%)	62	71
Other	2	-
Adjustments in respect of prior periods	5	(6)
Total tax on profit on ordinary activities	**69**	**65**

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

11. DEBTORS

Debtors, all of which are due within one year of the balance sheet date, comprise:

	31 December 2015 US$'000	31 December 2014 US$'000
Money market investment	10,000	10,000
Other debtors	2	6
Prepayments	-	35
	10,002	**10,041**

12. TANGIBLE ASSETS

	Computer equipment and software US$'000
Cost	
At 1 January 2015	25
Disposal	(25)
At 31 December 2015	-
Accumulated Depreciation	
At 1 January 2015	12
Charge for the year	5
Disposal	(17)
At 31 December 2015	-
Net Book Value	
At 31 December 2015	-
At 31 December 2014	13

As a result of the wind-down of the company's operations, the disposal represents an impairment to reduce the assets to their realisable value.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2015 US$'000	31 December 2014 US$'000
Advanced payment from group undertaking	4,301	4,338
Amounts due to group undertakings	812	261
Group relief payable	184	232
Other creditors and accruals	356	423
	5,653	**5,254**

Advanced payment from group undertaking represents an advance fee for custodian services to be provided by the company.

14. CALLED UP SHARE CAPITAL

At 31 December 2015 and 31 December 2014 share capital comprised:

	31 December 2015		31 December 2014	
	No.	US$'000	No.	US$'000
Allotted, called up and fully paid				
Ordinary shares of £1 each	12,237,620	18,814	12,237,620	18,814

15. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT

The company monitors its capital on an ongoing basis. The company's objective is to be prudently capitalised in terms of the amount and composition of its equity base compared to the company's risk exposures. The appropriate level and composition of equity capital is determined by considering multiple factors including the business environment, conditions in the financial markets and assessments of potential future losses due to adverse changes in market environments.

During 2015 and 2014, the company was in compliance with the capital requirements set by the FCA.

Tier 1 capital was US$26.4 million and US$26.2 million at 31 December 2015 and 31 December 2014, respectively.

The company is exposed to financial risk through its financial assets and liabilities. Due to the nature of the company's business and the assets and liabilities contained within the company's balance sheet, the most important components of financial risk the directors consider relevant to the entity are liquidity risk, market risk and credit risk. The company, as part of a global group, adheres to global risk management policies and procedures.

a. Liquidity Risk Management

Liquidity risk is the risk that the company does not have sufficient cash to make payments to its counterparties as they fall due. The company has in place a comprehensive and conservative set of liquidity and funding policies. The principal objective is to be able to fund the company and to continue to generate revenues under adverse circumstances.

b. Market Risk Management

Market risk is the risk of loss in the value of the company's financial assets and liabilities due to changes in market conditions. Risks are monitored and controlled through strong firmwide oversight and independent control and support functions across the company's business.

c. Credit Risk Management

Credit risk represents the potential for loss due to the default or deterioration in the credit quality of a counterparty. Credit risk is managed by reviewing the credit quality of counterparties and reviewing, if applicable, the underlying collateral against which the assets are secured. The company's maximum exposure to credit risk is equivalent to the carrying value of its financial assets as at 31 December 2015 and 31 December 2014.

15. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT (continued)

c. Credit Risk Management (continued)

Credit Exposures

The company's credit exposures are described further below.

Cash at Bank and in Hand. Cash at bank and in hand include both interest-bearing and non-interest-bearing deposits. To mitigate the risk of credit loss, the company places substantially all of its deposits with highly rated banks.

Debtors. The company is exposed to credit risk from its amounts due from customers and amounts due from group undertakings. The company receives advanced payment from group undertaking in the form of an advance fee for custodian services to be provided by the company.

16. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

a. Financial Assets and Financial Liabilities by Category

All financial assets are categorised as loans and receivables in the current and prior years. All liabilities are held at amortised cost in the current and prior years.

b. Fair Value of Financial Assets and Financial Liabilities Not Measured a Fair Value

As of 31 December 2015 and 31 December 2014, all of the company's financial assets and liabilities were not measured at fair value. Given these instruments are predominantly short-term in nature, their carrying amounts in the balance sheet are a reasonable approximation of fair value.

c. Maturity of Financial Liabilities

All financial liabilities are due within one month of the balance sheet date.