

Platform Securities LLP

**Members' report and financial
statements**

Registered number OC301316

Year ended 31 December 2015

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Contents

Strategic report	1
Members' report	3
Statement of Members' responsibilities in respect of the Strategic report, Members' report and the financial statements	4
Independent auditor's report to the members of Platform Securities LLP	5
Statement of comprehensive income	7
Statement of financial position	8
Movement of members' interests	9
Statement of cash flows	10
Notes	11

Strategic report

The members present their report and the audited financial statements for the year ended 31 December 2015.

Fair review of company's business activities

The principal activities of the LLP during the year were the provision of wealth management software and related outsourcing services. The LLP acts as agent for its wholly owned subsidiary undertaking, Platform Securities Nominees Limited and all transactions and balances of that company are included in these financial statements.

The LLP is authorised to carry on investment business and is regulated by the Financial Conduct Authority ("the FCA"). As at 31 December 2015, the members of the LLP were Platform Securities Holdings Limited and SecondCo Limited, which own 99% and 1% of the LLP respectively.

The business model is based around providing the following services:

- Model B - the provision of defined outsource services with transactions going through Platform Securities LLP balance sheet,
- Model A - as Model B but through its client's balance sheet,

These services generate a mixture of transaction and Asset Under Management (AUM) revenues from our existing client base.

We assist our clients to grow their businesses by providing excellent service and further development of the product and solutions and we anticipate growth from new business to further utilise the fixed cost base whilst ensuring the variable costs are scalable and well controlled to increase profit margin. As an outsourced service provider, market conditions continue to generate opportunities where the LLP provides a variable cost solution to both institutional and retail wealth management businesses.

The business during the year has focused on a program of providing quality customer service and continuing to review processes and efficiencies and is ready to take on additional clients and ultimately expand further with its defined product offering. This process will be further enhanced by the investment made by its parent to enhance technology and add additional automation to make the service even more scalable. The business has built a pipeline of high quality potential clients and is taking on new business in a controlled and sustainable way to ensure both client and the business's expectations are met. It is expected that these will have a gradual impact on profit as they embed into the business. A new client was signed up and implemented successfully during the year as well as a further asset migration onto the service from an existing client. This has been underpinned by an annual independent opinion of the businesses' internal procedures and controls in accordance with the requirements of the ICAEW assurance report on internal controls (AAF01/06), completed on 17 March 2016.

Principal risks and uncertainties

The risks and uncertainties of the LLP were reviewed during the preparation of the Internal Capital Adequacy Assessment Process (ICAAP) and continue to be monitored. The key risks were identified as credit and operational risk. These are not perceived to impact the capital adequacy requirements of the business.

Significant stress tests are incorporated in the ICAAP including worst case scenarios. For the current regulatory requirements, highlighted adequate capital is in place to cover events such as a severe market downturn and in addition to market and operational risk, credit and interest rate risk i.e. 0.5% interest rate movement has been considered (note 19).

Strategic report *(continued)*

Key performance indicators

	Year ended 31 December 2015	Year ended 31 December 2014
Turnover (£'000)	42,853	42,151
Net profit/(£'000)	4	499
Assets Under Management (inc. cash) (£m)	12,568	11,663
Trade Volumes ('000)	324	310
Average number of employees*	158	161

* Average number of employees employed by Platform Securities Services Limited and attributable to the services carried out by Platform Securities LLP (see Note 3)

KPIs are widely used by the business to aid strategic and tactical decision making. A volatile economic climate makes the accuracy, interpretation and use of KPIs even more critical to the successful running of the business. Trade volumes and AUM are key metrics to the business and are the major drivers of both revenue and costs.

The current year shows an increase in volumes of 4% primarily related to growth of existing business and an increase to AUM of 8% on the previous year. The LLP continues its ongoing strategy which includes the targeting of new retail and institutional clients and through rigorous cost control. Staff resource is also under continuous review to ensure there are appropriate levels to service the business. Transactional volumes have been challenged in the market and therefore there is a strategic focus on charging under the AUM model.

Projected revenue is expected to increase by 9% for the 2016 financial year and then increase 8% per annum in 2017 with profit margin increasing year on year with a target of c27% in two years for the LLP and its fellow subsidiary undertakings in the Platform Securities Holdings Limited group, based on organic growth. Based on market research, this strategy complements the data, and confirms the opportunity for growth in our market sector. The LLP will invest larger amounts in tools and resources to retain existing clients and bring on new business and also plans investment towards maintaining and enhancing software and the services it provides, whilst ensuring it remains Retail Distribution Review compliant. Profits will be retained to enhance the capital position as a regulated entity.

The liability to equity ratio is 74% and in line with current targets.

Going concern

In preparing the financial statements, the members have given careful consideration to the ability of the LLP to meet its working capital requirements. Fidelity National Information Services Inc has indicated its financial support for the LLP as required for working capital and regulatory capital, with specific regard to the LLP continuing as a going concern on the achievement of the forecasts approved by the board, the members are of the opinion that the LLP will be able to meet its working capital requirements and the financial resource requirements imposed by the FCA and have accordingly prepared these financial statements on a going concern basis.

Approved on behalf of the members by:



I Welch
Designated Member

21 April 2016

Members' report

The members present their members' report and financial statements for the year ended 31 December 2015.

Results and dividend

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

The members do not recommend the payment of a dividend (2014: £Nil).

Members

The average number of members during the year was 2 (2014: 2). The following were designated members during the period:

Platform Securities Holdings Limited
SecondCo Limited

Political contributions

Neither the LLP nor any of its subsidiaries made any political donations or incurred any political expenditure during the period.

Members' drawings and capital

The initial capital of the LLP was contributed by the original members. The management board may from time to time require the members to make such capital contributions as are necessary for the LLP's business. Each member shall have the option to contribute in its existing capital proportion. If required, the management board may recommend the admission of new members or external funding.

Disclosure of information to auditor

The members who held office at the date of approval of this members' 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 member has taken all the steps that they ought to have taken as a member to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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 members by:



I Welch
On behalf of Platform Securities Holdings Limited

Kildare House
3 Dorset Rise
4th Floor
Blackfriars
London
EC4Y 8EN

21 April 2016

Statement of Members' responsibilities in respect of the Strategic report, Members' report and the financial statements

The members are responsible for preparing the Strategic report, Members' report and the LLP financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare LLP financial statements for each financial year. Under that law the members have elected to prepare the LLP financial statements in accordance with IFRSs as adopted by the EU and applicable law.

Under Regulation 8 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 the members 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 LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business. Under Regulation 6 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that its financial statements comply with those regulations. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the LLP and to prevent and detect fraud and other irregularities.



KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
United Kingdom

Independent auditor's report to the members of Platform Securities LLP

We have audited the LLP financial statements ("the financial statements") of Platform Securities LLP for the period ended 31 December 2015 set out on pages 7 to 22. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

This report is made solely to the members of the limited liability partnership (LLP), as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by Regulation 39 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditor

As explained more fully in the Members' Responsibilities Statement set out on page 4, the members 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

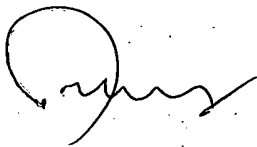
- the financial statements give a true and fair view of the state of affairs of the LLP as at 31 December 2015 and of the profit of the group for the year then ended;
- the LLP's financial statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Independent auditor's report to the members of Platform Securities LLP
(continued)

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 as applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the LLP, or returns adequate for our audit have not been received from branches not visited by us; or
- the LLP's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit



Peter Meehan (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

25 April 2016

Statement of comprehensive income
for the year ended 31 December 2015

	<i>Note</i>	Year ended 31 December 2015 £000	Year ended 31 December 2014 £000
Turnover	2	42,853	42,151
Cost of sales		(29,273)	(29,154)
		<hr/>	<hr/>
Gross profit		13,580	12,997
Administrative expenses	3	(13,537)	(12,476)
		<hr/>	<hr/>
Operating profit		43	521
Finance costs	4	(48)	(45)
Finance income	5	9	23
		<hr/>	<hr/>
Profit for the financial year available for division among the members before members' remuneration and profit share		4	499
		<hr/> <hr/>	<hr/> <hr/>

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

The notes on pages 11 to 22 form part of the financial statements.

Statement of financial position
at 31 December 2015

	<i>Note</i>	2015 £000	2014 £000
Assets			
Non-current assets			
Investment in subsidiaries	6	550	-
		<u>550</u>	<u>-</u>
Current assets			
Trade and other receivables	7	6,983	9,845
Due from client	8	21,883	12,768
Due from market	9	13,832	14,956
Cash and bank balances	10	4,992	3,674
		<u>47,690</u>	<u>41,243</u>
Total assets		<u><u>48,240</u></u>	<u><u>41,243</u></u>
Equity and liabilities			
Equity			
Members' capital		6,952	6,952
Members' other interests		2,176	1,599
Members' equity		<u><u>9,128</u></u>	<u><u>8,551</u></u>
Non-current liabilities			
Other financial liabilities	11	203	206
		<u>203</u>	<u>206</u>
Current liabilities			
Trade and other payables	12	7,721	7,823
Due to client	13	6,110	8,544
Due to market	14	25,078	16,119
		<u>38,909</u>	<u>32,486</u>
Total liabilities		<u><u>39,112</u></u>	<u><u>32,692</u></u>
Total equity and liabilities		<u><u>48,240</u></u>	<u><u>41,243</u></u>

The financial statements of Platform Securities LLP (registered number: OC301316) were approved by the members and authorised for issue on 21 April 2016.



I Welch
Designated member – on behalf of Platform Securities Holdings Limited

Movement of members' interests
for the year ended 31 December 2015

	Capital	Other	Total
	£000	interests	£000
	£000	£000	£000
At 1 January 2014	5,452	1,100	6,552
Profit for the year	-	499	499
Capital injection	1,500	-	1,500
	<hr/>	<hr/>	<hr/>
Members' interests at 31 December 2014	6,952	1,599	8,551
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 1 January 2015	6,952	1,599	8,551
Profit for the year	-	4	4
Dividends received	-	573	573
	<hr/>	<hr/>	<hr/>
Members' interests at 31 December 2015	6,952	2,176	9,128
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 11 to 22 form part of the financial statements.

Statement of cash flows
for the year ended 31 December 2015

	Year ended 31 December 2015 £000	Year ended 31 December 2014 £000
Profit/(loss) for the financial year before taxation	4	499
<i>Adjustments for</i>		
Financial income	48	45
Financial expense	(9)	(23)
Share based payment expenses	-	-
	<hr/>	<hr/>
Operating profit/(loss) before charge in working capital and provisions	43	521
(Increase)/decrease in trade and other receivables	(5,129)	(5,443)
Increase/(decrease) in trade and other payables	6,419	624
Interest paid	10	23
	<hr/>	<hr/>
Cash flows from operating activities	1,343	(4,275)
	<hr/>	<hr/>
Cash flows from investing activities		
Interest received	(48)	(45)
Investment in Platform Securities International Limited	(550)	-
Dividends received	573	-
	<hr/>	<hr/>
Cash flows from investing activities	(25)	(45)
	<hr/>	<hr/>
Cash flows from financing activities		
Capital injection	-	1,500
	<hr/>	<hr/>
Cash flows from financing activities	-	1,500
	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	1,318	(2,820)
Cash and cash equivalents at beginning of year	3,674	6,494
	<hr/>	<hr/>
Cash and cash equivalents at end of year	4,992	3,674
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 11 to 22 form part of the financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Corporate information

The financial statements of Platform Securities LLP for the year ended 31 December 2015 were authorised for issue in accordance with a resolution of the directors on 21 April 2016. The LLP is a Limited Liability Partnership incorporated and domiciled in England. The registered office is located at Kildare House, 3 Dorset Rise, London, EC4Y 8EN.

The principal activities of the LLP are described in the Members' Report. Information on its ultimate parent is presented in note 16.

The LLP acts as agent for its wholly owned subsidiary undertaking, Platform Securities Nominees Limited.

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 thousand (£000's), except when otherwise indicated.

The following standards and interpretations have been adopted in 2015 as they are mandatory for the year ended 31 December 2015:

- Defined benefit plans: Employee Contributions – Amendments to IAS19
- Annual Improvements to IFRSs – 2010-2012 Cycle
- Annual Improvements to IFRSs – 2011-2013 Cycle

The adoption of the above standards has had no impact on profit or net assets.

The following standards and interpretations which are not yet effective and not yet endorsed by the EU and have not been early adopted by the Company, will be adopted in future accounting periods:

- International Financial Reporting Standard (IFRS) 15 'Revenue from contracts with customers' (effective 1 January 2017)
- International Financial Reporting Standard (IFRS) 9 'Financial instruments' (effective 1 January 2018).
- Clarification of Acceptable Methods of Depreciation and Amortisation – Amendments to IAS 16 and IAS 38.
- Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12 (not yet endorsed. IASB effective date 1 January 2017).
- Disclosure Initiative – Amendments to IAS 1 (Endorsed 18 December 2015).
- Disclosure Initiative – Amendments to IAS 7 (Not yet endorsed – IASB effective date 1 January 2017).
- IFRS 16 – Leases. Not yet endorsed. IASB effective date 1 January 2019.

Their adoption is not expected to have a material impact on the Company, except IFRS 16. The effect of IFRS 16 is yet to be quantified.

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. (Georgia), a Company incorporated in USA which prepares consolidated financial statements that are publicly available.

Summary of significant accounting policies

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

Equity

Equity is made up of members' interest and cumulative profit.

Notes (continued)

1 Accounting policies (continued)

Financial instruments — initial recognition and subsequent measurement

Financial assets:

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The LLP determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the LLP commits to purchase or sell the asset.

The LLP's financial assets include cash and short-term deposits, trade and other receivables, payments due from clients and payments due from market.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Cash

Cash referred to in the cash flow statement comprise cash on instant access. The LLP also holds money on behalf of clients in accordance with the Client Money Rules of the FCA. This client money represents balances which are not held in respect of the settlement of transactions (i.e. free money). The client money is not shown on the face of the statement of financial position as the LLP is not beneficially entitled thereto. This balance is netted against client creditors in the statement of financial position. Disclosure of the amounts held is made in notes 10 and 13.

Custody assets

The LLP also holds custody assets on behalf of clients, and are not shown on the face of the statement of financial position. The LLP does benefit from these assets through fees recognised within commission and other associated income.

Trade and other receivables

Trade and other receivables are stated at their cost less impairment provisions. A provision for impairment of trade receivables is made for the full invoice value when an invoice falls 90 days overdue. Provisions made during the period, less amounts released and recoveries of amounts written off in previous years are taken to the income statement.

Payments due from clients and market

Payments due from clients consist of the balances due as a result of the client purchasing stock or the application of fees. These balances sweep to their income or debt ledger upon settlement date. All bargains entered into on behalf of clients are recorded in the financial statements on the date of the transaction.

Payments due from market consist of the amounts due from counterparties that are due to settle against delivery of stock and are shown gross. All bargains entered into on behalf of clients are recorded in the financial statements on the date of the transaction.

Notes (continued)

1 Accounting policies (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The LLP determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, carried at amortised cost. This includes directly attributable transaction costs.

The LLP's financial liabilities include trade and other payables, payments due to clients and payments due to market.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Other non-current financial liabilities contain security deposits from clients held as protection against any client and counterparty risk.

Trade and other payables are stated at their cost less impairment provisions.

Payments due to clients and market

Payments due to clients consist of the balances received as a result of the client selling stock or application of corporate actions or dividends. These balances sweep to their income ledger upon settlement date. All bargains entered into on behalf of clients are recorded in the financial statements on the date of the transaction.

Payments due to market consist of the amounts due to counterparties that are due to settle against delivery of stock and are shown gross of charges. All bargains entered into on behalf of clients are recorded in the financial statements on the date of the transaction.

Lease disclosures by lessees

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Investment in subsidiaries

Investments in subsidiaries are stated at historical cost less provision for any diminution in value.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the LLP and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Turnover comprises revenue derived from clients and represents amounts invoiced during the period for services provided. See note 2 for further information. Interest receivable is recognised on an effective interest rate basis.

Management charges

The LLP is charged for services provided by Platform Securities Services Limited in the form of resources, office space and technology systems which enable the LLP to conduct the provision of wealth management software and related outsourcing services. These charges are included within administrative expenses.

Notes (continued)

2 Analysis of turnover

Turnover is attributable to the provision of wealth management software, related outsourcing services and assets under management. All turnover arose within the United Kingdom.

Recharges are grossed up in the financial statements as they are typically recharged indirectly based on client contractual fees. Shared commissions are grossed up where these are collected on the clients' behalf and passed on.

	Year ended 31 December 2015 £000	Year ended 31 December 2014 £000
Commission and associated income	14,069	13,051
Recharges and shared commission	28,784	29,100
	42,853	42,151
	42,853	42,151

3 Notes to the profit and loss account

	Year ended 31 December 2015 £000	Year ended 31 December 2014 £000
<i>Profit/(loss) on ordinary activities before taxation is stated after charging</i>		
Management charge	13,453	12,490
	13,453	12,490
	13,453	12,490

Auditor's remuneration

Auditor's remuneration is paid by a fellow subsidiary of the LLP, Platform Securities Services Limited, and recharged to the LLP through the management charge.

All staff costs are borne by another group company and recharged to the LLP through the management charge.

4 Finance costs

	Year ended 31 December 2015 £000	Year ended 31 December 2014 £000
Bank charges	32	34
Bank overdraft interest	16	11
	48	45
	48	45

5 Finance income

	Year ended 31 December 2015 £000	Year ended 31 December 2014 £000
Interest from firms' money	9	23
	9	23
	9	23

Notes (continued)

6 Investment in subsidiaries

Investment in subsidiaries are stated at cost of £550,001 (2014: £2) and comprise a 100% interest in a dormant subsidiary undertaking, Platform Securities Nominees Limited which, at 31 December 2015, had net assets of £1, Companies House recorded notification of the liquidation of Platform Securities Financial Limited on 20 October 2015 and £1 investment in the subsidiary was returned to Platform Securities LLP. During the year a £550,000 investment was made in Platform Securities International Limited, this comprises 100% of the share capital.

7 Trade and other receivables

	2015 £000	2014 £000
Trade debtors	1,915	1,069
Amounts owed by group undertakings	4,322	7,397
Other debtors	25	73
Prepayments and accrued income	721	1,306
	6,983	9,845
	6,983	9,845

Management consider the fair value to be equal to the carrying value where the fair value is based on the open market prices as at the balance sheet date.

Analysis of gross balances due as at 31 December 2015:

	Total £000	Not due £000	1-30 days late £000	31-60 days late £000	61-90 days late £000	91 days late £000
Client invoices	1,767	891	435	418	20	3
Bad debt provision	(4)	(4)	-	-	-	-
Margin loan account	-	-	-	-	-	-
Commissions control	60	60	-	-	-	-
Payment error account	126	126	-	-	-	-
Payment error accruals	(44)	(44)	-	-	-	-
Error dealing accounts	10	10	-	-	-	-
	1,915	1,039	435	418	20	3
	1,915	1,039	435	418	20	3

Analysis of gross balances due as at 31 December 2014:

	Total £000	Not due £000	1-30 days late £000	31-60 days late £000	61-90 days late £000	91 days late £000
Client invoices	880	819	40	9	10	2
Bad debt provision	(2)	(2)	-	-	-	-
Margin loan account	-	-	-	-	-	-
Commissions control	(18)	(18)	-	-	-	-
Payment error account	189	189	-	-	-	-
Payment error accruals	(19)	(19)	-	-	-	-
Error dealing accounts	39	39	-	-	-	-
	1,069	1,008	40	9	10	2
	1,069	1,008	40	9	10	2

Notes *(continued)*

7 Trade and other receivables *(continued)*

A provision for impairment of trade receivables is made for the full invoice value when an invoice falls 90 days overdue. Provisions made during the year, less amounts released and recoveries of amounts written off in previous periods are taken to the income statement.

Bonds are held on behalf of two large clients as collateral by the LLP against aged debt.

8 Due from client

	2015 £000	2014 £000
Due from client	21,883	12,768

Management consider the fair value to be equal to the carrying value where the fair value is based on the open market prices as at the balance sheet date.

9 Due from market

	2015 £000	2014 £000
Due from market	13,832	14,956

Management consider the fair value to be equal to the carrying value where the fair value is based on the open market prices as at the balance sheet date.

10 Cash and bank balances

	2015 £000	2014 £000
Business current account	4,992	3,674

Client settlement and segregated client accounts are held by the LLP in trust, on behalf of clients in accordance with the requirements of the Financial Conduct Authority and are available to complete the settlement of outstanding bargains or held as free cash for future investment.

As at 31 December 2015, the firm held bank deposits relating to client settlement accounts of £712,055,000 (2014: £584,108,000) on behalf of clients that are excluded from the statement of financial position (see also note 13).

Management consider the fair value to be equal to the carrying value. All current account balances were in pound sterling as at the balance sheet date.

11 Other non-current financial liabilities

	2015 £000	2014 £000
Other creditors – client security deposits	203	206

Management consider the fair value to be equal to the carrying value. All client security deposits are held in pound sterling.

Notes (continued)

12 Trade and other payables

	2015 £000	2014 £000
Trade creditors	940	767
Other taxes	16	12
Other creditors	5,778	5,398
Amounts due to group undertakings	970	1,607
Accruals and deferred income	17	39
	7,721	7,823
	7,721	7,823

Management consider the fair value to be equal to the carrying value where the fair value is based on the open market prices as at the balance sheet date.

Trade creditors are non-interest bearing and normally settled within 30 days of invoice date.

13 Due to client

	2015 £000	2014 £000
Due to client	718,165	592,652
Less funds held on behalf of clients	(712,055)	(584,108)
	6,110	8,544
	6,110	8,544

Management consider the fair value to be equal to the carrying value where the fair value is based on the open market prices as at the balance sheet date.

14 Due to market

	2015 £000	2014 £000
Due to market	25,078	16,119
	25,078	16,119

Management consider the fair value to be equal to the carrying value where the fair value is based on the open market prices as at the balance sheet date.

15 Operating lease commitments

At 31 December 2015, the LLP had annual commitments under non-cancellable operating leases as follows:

	2015 £000	2014 £000
Operating leases which expire:		
Within one year	-	64
Between two and five years	214	-
	214	64
	214	64

Notes (continued)

16 Ultimate holding company

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

The ultimate parent undertaking and controlling party at 31 December 2015 was Fidelity National Information Services Inc (Georgia), 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

17 Related party disclosures

The LLP acts as an agent of certain shareholders of the immediate parent undertaking of the LLP for initiating purchases and sales of shares and other securities. The commission arising in respect of these deals has been charged to these shareholders at a commercial rate.

	Purchase of services		Amounts owed to related		Amounts owed by related	
	Year ended 31 December 2015	Year ended 31 December 2014	Year ended 31 December 2015	Year 31 December 2014	Year ended 31 December 2015	Year ended 31 December 2014
		£000	£000	£000	£000	£000
Platform Securities Services Limited	13,453	12,490	-	-	4,320	3,397
Platform Securities Financial Limited	-	-	-	632	-	-
Platform Securities Holdings Limited	-	-	970	975	-	-
Platform Securities International Secondco	3	-	-	-	3	-
	-	-	-	-	1	-
	<u>13,456</u>	<u>12,490</u>	<u>970</u>	<u>1,607</u>	<u>4,324</u>	<u>3,397</u>

The above mentioned balances arose from the ordinary course of business. Outstanding balances at the statement of financial position are unsecured. There have been no guarantees provided or received from any related party receivables or payables. For the year ended 31 December 2015, the LLP has not made any provision for doubtful debts relating to amounts owed by related parties (2014: £Nil).

Notes (continued)

18 Capital

The company is classified as a €125,000 limited licence IFPRU firm for the purposes of the Capital Requirements Directive (CRD). Capital is derived from share capital and reserves whilst its requirement is determined by its fixed cost base. As an FCA regulated firm, it has regulatory capital requirements managed through the ICAAP and reviewed monthly by the Assets and Liability Management (& ICAAP) Committee. Regulatory capital is managed by monitoring fixed overhead requirements against Pillar 2 risks. These risks include credit and operational risk which are calculated and reported to the Assets and Liability Management (& ICAAP) Committee monthly. The firm is meeting its objectives of managing capital in line with the monitoring of risk appetite within the ICAAP.

The primary objectives of the company's capital management policies are to ensure that it complies with the externally imposed capital requirements and that it maintains healthy capital ratios in order to support the business. The company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities.

Tier 1 capital is defined as partner's capital and reserves.

The Pillar 3 disclosure is available on the Platform Securities web site.

The regulatory capital position of the LLP is summarised as follows and is based on last available audited figures at balance sheet date:

	2015 £000	2014 £000
Tier 1 capital	9,127	8,551
	9,127	8,551
Total capital after deductions	9,127	8,551

Capital requirements are as follows:

Fixed overhead requirement	2,614	2,210
Credit risk	544	367
	2,614	2,210
Pillar 1 capital requirement	2,614	2,210
Solvency Ratio	349%	387%

19 Financial risk management objectives and policies

The LLP's principal financial liabilities comprise trade and other payables, and due to client and market positions. The main purpose of these financial liabilities is to finance the LLP operations and to support the open trading positions of the underlying customers. The LLP has trade and other receivables and cash that arrive directly from its operations. The LLP also maintains due to client and market positions, again to support the open trading positions of the underlying customers.

The LLP is exposed to market risk, concentration risk, credit risk and liquidity risk.

The LLP's senior management oversees the management of these risks. The LLP's senior management is supported by an Internal Capital Adequacy Assessment Process (ICAAP) that advises on financial risks and the appropriate financial risk governance framework for the LLP. The ICAAP committee provides assurance to the LLP's senior management that the LLP's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with group policies and group risk appetite. It is the LLP's policy that no trading in derivatives shall be undertaken.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

Notes (continued)

19 Financial risk management objectives and policies (continued)

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices and for Platform Securities LLP it is its ability to settle trades in a timely manner on behalf of the underlying customers of its clients. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, available-for-sale investments and derivative financial instruments.

Market risk – currency risk

31 December 2015

	Sterling £000	Euro £000	US Dollar £000	Other £000	Total £000
Cash and cash equivalents	4,771	219	2	-	4,992
Trade and other receivables	6,814	163	5	1	6,983
Due from clients	19,677	1,890	93	223	21,883
Due from market	9,104	1,412	2,601	715	13,832
Trade and other payables	(7,551)	(31)	(129)	(10)	(7,721)
Due to client	(5,512)	776	(940)	(434)	(6,110)
Due to market	(18,715)	(4,226)	(1,630)	(507)	(25,078)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net exposure	8,588	203	2	(12)	8,781
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

31 December 2014

	Sterling £000	Euro £000	US Dollar £000	Other £000	Total £000
Cash and cash equivalents	3,417	254	3	-	3,674
Trade and other receivables	9,639	175	25	6	9,845
Due from clients	11,340	210	903	315	12,768
Due from market	11,863	895	2,060	138	14,956
Trade and other payables	(7,486)	(27)	(294)	(16)	(7,823)
Due to client	(6,924)	(818)	(790)	(12)	(8,544)
Due to market	(13,384)	(734)	(1,804)	(197)	(16,119)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net exposure	8,465	(45)	103	234	8,757
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Concentration risk

Platform Securities LLP is exposed to concentration risk on its treasury and custodian services. The LLP ensures that this risk is managed through carrying out full due diligence on all new counterparties, that they are regularly monitored, and that cash is placed in a diverse range of financial institutions approved by the parent LLP.

Concentration risk affects the cash and due to and from market positions on the statement of financial position and is deemed to have an immaterial cost value to the LLP.

Interest rate risk

Interest rate risk arises where interest yield is below Bank of England base rate (currently 0.5%). An assessment of the interest rate risk is performed by Treasury Department on an ongoing basis and any issue presented and discussed within Assets and Liability Management (& ICAAP) Committee. At 31 December 2015, the risk was assessed based on a parallel shift in interest yield of +/- 0.5%. This measure provides an increase or decrease in interest income of £0.8 million per annum. The risk did not crystallise during the financial period.

Notes (continued)

19 Financial risk management objectives and policies (continued)

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Platform Securities LLP is exposed to credit risks on its treasury, custodian and client services. The LLP ensures that full due diligence is carried out on all new counterparties and that they are regularly monitored. The risk is deemed to be immaterial in value to the LLP.

Platform Securities LLP is not liable for the debt of the underlying customers but ensures that it is fully monitored and reported to its clients. The LLP holds a right of sale of the customer's' assets as protection against the debt.

The aging of financial assets at the balance sheet date was:

31 December 2015

	Total £000	Neither due nor impaired £000	Past due but not impaired			
			1-30 days late £000	31-60 days late £000	61-90 days late £000	>90 days late £000
Trade and other receivables	6,983	6,107	435	418	20	3
Cash and cash equivalents	4,992	4,992	-	-	-	-
Due from client	21,883	21,883	-	-	-	-
Due from market	13,832	13,832	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

31 December 2014

	Total £000	Neither due nor impaired £000	Past due but not impaired			
			1-30 days late £000	31-60 days late £000	61-90 days late £000	>90 days late £000
Trade and other receivables	9,845	9,784	40	9	10	2
Cash and cash equivalents	3,674	3,674	-	-	-	-
Due from client	12,768	12,768	-	-	-	-
Due from market	14,956	14,956	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity risk is monitored and controlled via the policies, processes and procedures as described in the Liquidity Policy, and affects the cash assets held on the statement of financial position. The exposure to risk is capped at the aggregate amount of open sale positions in the market on non-CREST trades (CREST is settled on a delivery versus payment basis). The Liquidity policy also defines the internal liquidity restrictions for the placement of cash. In addition to this Platform Securities LLP has obtained a £5m liquidity facility from associated company Certegy Limited.

Notes *(continued)*

19 Financial risk management objectives and policies *(continued)*

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effect of netting agreements:

31 December 2015

	Carrying amount £000	30 days or less £000	31-60 days £000	60-90 days £000	Over 90 days £000
Financial liabilities					
Trade and other payables	7,721	7,705	16	-	-
Due to client	6,110	6,110	-	-	-
Due to market	25,078	25,078	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

31 December 2014

	Carrying amount £000	30 days or less £000	31-60 days £000	60-90 days £000	Over 90 days £000
Financial liabilities					
Trade and other payables	7,823	7,710	123	-	-
Due to client	8,544	8,544	-	-	-
Due to market	16,119	16,119	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>