Standard Chartered (CT) Limited

Strategic Report, Directors' Report and Financial Statements

For the year ended 31 December 2014

Registered Number: 3686869

Contents

Strategic Report

Principal objectives and strategies
The principal activity of Standard Chartered (CT) Limited (the "Company") throughout the year was that of a holding company. Given the nature of business conducted by the Company, the key performance indicator used by management in assessing the performance of the Company is the monitoring of the net return on the specific underlying transaction which the Company has entered into. Monthly management accounts are prepared and reviewed by the management of the Standard Chartered Group in which this Company resides. The Company forms part of the Standard Chartered Group and this is not expected to change in the foreseeable future.

Economic environment
The economic environment does not directly impact the Company, however, given the geographical diversity of the underlying investments, it is indirectly impacted through changes in the economic environment in which each direct or indirect subsidiaries operates. The management of each individual subsidiary is responsible for devising appropriate strategies in line with the economic environment it operates in.

Principal risks and uncertainties
The nature of business of the Company is that of a holding company and not of trading, therefore the principal risk facing the entity is that of a fall in value of the underlying investment and dividend remittance restrictions in the jurisdictions in which the Company's subsidiary operates. This risk can be mitigated by creating structures whereby companies experiencing such restrictions are transferred to other companies within the Standard Chartered PLC Group.

Business review
The Company made a profit of $170.8 million during the year (2013: $6.5 million).

During the year, the Company paid 2 dividends totalling $184.1 million to its immediate parent company, Standard Chartered UK Holdings Limited (2013: $36.9 million).

In February 2014, the company assigned the seven United States Patents it owned to Standard Chartered UK Holdings Limited. One of the seven Patents, which was licensed for a royalty fee to Standard Chartered Bank, New York Branch, was transferred at $1.4million. As the remaining six Patents had no value, they were transferred for nominal consideration of $1

In April 2014, the Company transferred its investment in Pembroke Group Limited, an aircraft leasing company, to Standard Chartered I H Limited at the price of $265.7 million. After the transfer, the Company had an investment in subsidiary valued at cost less impairment of $2.2 million (2013: $97.2 million)

In December 2014, the Company reduced its ordinary share capital by $83 million by cancelling and extinguishing 46,514,790 ordinary shares of GBP1.00 each.

Employees
The Company has no employees (2013: nil).

By order of the board

B A McAll
Director
Company registration number - 3686869
Date: 13 August 2015

1 Basinghall Avenue
London
EC2V 5DD
UK

Directors' Report

The Directors present their report together with the Company's financial statements for the year ended 31 December 2014.

Financial instruments
Financial instruments entered into during the year comprised amounts due from group companies .

Results and dividends
The results of the Company are set out from pages 7 to 10.

Creditor payment policy
The Company is a holding company and does not trade. Therefore, it is not considered meaningful to give average supplier payment terms.

Directors
The Directors who held office during the year were as follows:

B A McAll
P S Chambers
K N Trichur, as alternate director to P S Chambers , resigned on 13 October 2014
T Lord, appointed as alternate director to P S Chambers on 13 October 2014
M Amey, appointed as alternate director to B A McAll on 9 April 2014

Qualifying third party indemnities
There are no qualifying third party indemnities in force at the time of this report.

Employees
Please refer to strategic report on page 3.

Risk management
The risk management objectives of the Company are set out in note 11..

Disclosure of information to auditor
The Directors who held office at the date of approval of this Directors' report and financial statements 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 ought to have been 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.

Auditor
Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office.

By order of the board

B A McAll
Director
Company registration number - 3686869
Date: 13 August 2015

1 Basinghall Avenue
London
EC2V 5DD
UK

Statement of Directors' Responsibilities in respect of the Directors' Report and 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 the strategic report, the directors' report and the financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU and applicable law.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

• select suitable accounting policies and then apply them consistently;

• make judgments 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 Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the members of Standard Chartered (CT) Limited

We have audited the financial statements of Standard Chartered (CT) Limited (the "Company") for the year ended 31 December 2014 set out on pages 7 - 18.

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 Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website 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 the Company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit or;
- the Directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

R Rawstron

Richard Rawstron (Senior statutory auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditors
Chartered Accountants
15 Canada Square
Canary Wharf
London E14 5GL

13 August 2015

Income Statement
for the year ended 31 December 2014

	Note	2014 $000	2013 $000
Dividend income		-	5,063
Other income	4	1	2,266
Gain on disposal of subsidiary	6	170,750	-
Total operating income		**170,751**	**7,329**
Amortisation of intangibles		-	(400)
Operating profit		**170,751**	**6,929**
Profit before taxation		**170,751**	**6,929**
Taxation	5	-	(434)
Profit for the year		**170,751**	**6,495**

Profit for the year is attributable to the equity shareholders and relates to continuing operations.

The notes on pages 11 to 18 form part of the financial statements.

Statement of Other Comprehensive Income
for the year ended 31 December 2014

The Company had no comprehensive income for the years ended 31 December 2014 and 31 December 2013 other than the profit for the year. A separate statement of other comprehensive income has therefore not been prepared.

Statement of Financial Position
as at 31 December 2014

	Note	2014 $000	2013 $000 Restated*
Non-current assets			
Intangible assets: patent	7	-	1,400
Investments in subsidiaries	6	2,230	97,180
Current assets			
Amounts owed by group companies	10	4,881	5,019
Total assets		**7,111**	**103,599**
Current liabilities			
Corporation tax payable	5	4,671	4,671
Total liabilities		**4,671**	**4,671**
Net assets		**2,440**	**98,928**
Equity			
Share capital	8	2,230	85,344
Retained earnings		210	13,584
Total equity		**2,440**	**98,928**

The notes on pages 11 to 18 form part of the financial statements.

These financial statements were approved by the Board of Directors on 13 August 2015, and were signed on its behalf by:

P S Chambers
Director

* Restated, also see page 11.

Statement of Changes in Equity
for the year ended 31 December 2014

	Share capital $000	Share premium $000	Retained earnings $000	Total equity $000
Balance at 1 January 2013	85,344	130,825	43,992	260,161
Total comprehensive income	-	-	6,495	6,495
Dividend paid	-	-	(36,903)	(36,903)
Capital reduction	-	(130,825)	-	(130,825)
Balance at 31 December 2013/ 1 January 2014	**85,344**	**-**	**13,584**	**98,928**
Total comprehensive income	-	-	170,751	170,751
Shares redeemed	(83,114)	-	-	(83,114)
Dividend paid	-	-	(184,125)	(184,125)
Balance at 31 December 2014	**2,230**	**-**	**210**	**2,440**

The notes on pages 11 to 18 form part of the financial statements.

Statement of Cash Flows

for the year ended 31 December 2014

	Note	2014 $000	2013 $000
Cash flows from operating activities			
Profit before tax		170,751	6,929
Group tax relief settled		-	(7,623)
Amortisation of intangibles		-	400
Net cash from operating activities		**170,751**	**(294)**
Cash flows from investing activities			
Disposal of investment in subsidiaries	6	94,950	27,002
Disposal of intangible asset: patent	7	1,400	-
Net cash from investing activities		**96,350**	**27,002**
Cash flows from financing activities			
Dividend paid		(184,125)	(36,903)
Reduction of share capital	8	(83,114)	(130,825)
Net cash from financing activities		**(267,239)**	**(167,728)**
Net cash decrease in cash and cash equivalents		**(138)**	**(141,020)**
Cash and cash equivalents at beginning of year		5,019	146,039
Cash and cash equivalents at end of year	9.	**4,881**	**5,019**

The notes on pages 11 to 18 form part of the financial statements.

Notes to the Financial Statements
for the year ended 31 December 2014

1. Principal accounting policies

Statement of compliance
The financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretation Committee (IFRIC) Interpretations as adopted by the European Union (EU) (together 'adopted IFRS').

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare consolidated group accounts. These financial statements present information about the Company as an individual undertaking and not of its group.

Basis of preparation
At 31 December 2014, the Company had adopted all IFRS and interpretations that had been issued by the International Accounting Standards Board (IASB) and IFRIC, and endorsed by the EU. The accounting policies set out below have been applied consistently across the Company and to all periods presented in these financial statements. The Company financial statements have been prepared on an historical cost basis.

Amounts owed by and to group undertakings relating to the same contractual party have been reassessed during the current period. Due to the pre-existing right to offset and intention to settle on a net basis, netting has been applied to 2014 and 2013 balances. The balances as at 31 December 2013 have been restated accordingly. As a result, total assets and total liabilities as at 31 December 2013 were reduced by $175.4 million respectively. The net asset balance and other disclosures are unchanged.

Functional currency
Items included in the Company financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency of that entity). The Company's functional and presentational currency is the United States Dollar (USD or $). All financial information presented in USD has been rounded to the nearest thousand, except when otherwise indicated.

Investments
Investment in subsidiary undertakings are stated at cost less impairment and dividends from pre-acquisition profits received prior to 01 January 2010, if any.

Subsidiaries are all entities, including structured entities, which the Company controls. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the investee.

Dividends
Dividends paid on the Company's ordinary equity shares are recognised in the period in which they are declared. Dividends received on equity instruments are recognised in the income statement when the Company's right to receive payment is established.

Taxation
Income tax on profit or loss for the year comprises current and deferred tax and is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustments payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Cash and cash equivalents
For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months maturity from the date of acquisition, including cash and balances with Standard Chartered Bank and callable on demand.

1. Principal accounting policies (continued)

Impairment

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, *indications that a debtor or issuer will enter bankruptcy and the disappearance of an active market for a security*. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Impairment losses on investment securities are recognised by transferring the cumulative loss that has been recognised in other comprehensive income and presented in the fair value reserve in equity, to the income statement. The cumulative loss that is removed from other comprehensive income and recognised in the income statement is the difference between the acquisition costs, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in the income statement.

Financial assets and liabilities

The Company classifies its financial instrument into the following measurement categories: amounts due to parent company and due from group undertakings. Financial liabilities are classified as either held at fair value through profit or loss, or at amortised cost. Management determines the classification of its financial assets and liabilities at initial recognition or, where appropriate, at the time of reclassification.

Intangible assets

Intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses. At each Statement of Financial Position date, the asset is assessed for indicators of impairment. In the event that an asset's carrying amount is determined to be greater than its recoverable amount, the asset is written down immediately.

Amortisation is recognised in the income statement on a straight line basis over the estimated useful lives of the intangible assets from the date they are available for use. The estimated useful lives for the current and comparative periods are as follows:
Patents: 10 years

Recently issued accounting pronouncements

The following pronouncements relevant and applicable to the Company had been issued as at 31 December 2014 but have effective dates for periods beginning after 31 December 2014. The use of IFRS and IFRIC Interpretations that have yet to be endorsed by the European Union is not permitted.

The full impact of these IFRS and IFRIC Interpretations has been assessed by the Company; none of these pronouncements are expected to result in any adjustments to the financial statements.

1. Principal accounting policies (continued)

Recently issued accounting pronouncements (continued)

Pronouncement	Description of impact	Mandatory effective date for Company
IFRS 9 - Financial Instruments (Classification and Measurement)	IFRS 9 will replace IAS 39 *Financial Instruments: Recognition and Measurement* and introduce new requirements for the classification and measurement of financial assets and financial liabilities, a new model for recognising loan loss provisions based on expected losses and provide for simplified hedge accounting by aligning hedge accounting more closely with an entity's risk management methodology. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes.	01 January 2018
IFRS 10 and IAS 28 - Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	The IASB has issued "Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)." The amendments address a conflict between the requirements in IAS 28, "Investments in Associates and Joint Ventures," and those in IFRS 10, "Consolidated Financial Statements." Specifically, they clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted.	01 January 2016
IFRS 10, IFRS 12 and IAS 28 - Investment Entities: Applying the Consolidation Exception	The IASB has published "Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)." The amendments address issues that have arisen in the context of applying the consolidation exception for investment entities. They are effective for annual periods beginning on or after January 1, 2016, with earlier application permitted.	01 January 2016
IFRS 11 - Accounting for Acquisitions of Interests in Joint Operations	Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11) amends IFRS 11 such that the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in IFRS 3, is required to apply all of the principles on business combinations accounting in IFRS 3 and other IFRSs with the exception of those principles that conflict with the guidance in IFRS 11. The pronouncement is not expected to have an impact on the Company.	01 January 2016
IAS 27 - Equity Method in Separate Financial Statements	The International Accounting Standards Board (IASB) has published 'Equity Method in Separate Financial Statements (Amendments to IAS 27)'. The amendments reinstate the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. The amendments are effective for annual periods beginning on or after 1 January 2016, with earlier application being permitted	01 January 2016

Notes to the Financial Statements (continued)

for the year ended 31 December 2014

2. **Auditor's remuneration**
The auditor's remuneration of $17,205 (2013: $17,205) was borne by Standard Chartered Bank.

3. **Directors' emoluments**
None of the Directors received any fees or emoluments for performing services as a director of the Company during the year (2013:nil)

4. **Other operating income**

	2014 $000	2013 $000
Foreign exchange gain/(loss)	1	(20)
Gain on maturity of credit linked note	-	1,979
Royalty received on intangible assets	-	307
Other operating income	**1**	**2,266**

5. **Taxation**

Analysis of taxation charge for the year

	2014 $000	2013 $000
The charge for taxation based upon the profits for the year comprises:		
Current tax:		
United Kingdom corporation tax at 21.5% (2013: 23.25%)		
Current tax on income for the year	-	434
Adjustments in respect of prior periods	-	-
Tax on profits on ordinary activities	**-**	**434**

Explanation of the relationship between tax charge and accounting profit

	2014 $000	2013 $000
Profit on ordinary activities before taxation	170,751	6,929
Tax charge at 21.5% (2013: 23.25%)	36,711	1,611
Effects of:		
Non taxable dividend income	-	(1,177)
Non taxable income	(36,711)	-
Adjustments in respect of prior periods	-	-
Tax on profits on ordinary activities	**-**	**434**

5. Taxation (continued)

Balance sheet

	2014 $000	2013 $000
Corporation tax payable	4,671	4,671

On 5 December 2012, the UK government announced a further reduction in the main rate of UK corporation tax of 1 percent with effect from 1 April 2014, in addition to the stepped reductions previously announced. The combined effect of the reductions is to lower the main rate of UK corporation tax from 24 percent in 2012-13 to 23 percent in 2013-14, 21 percent in 2014-15 and 20 per cent in 2015-16. All tax rates changes have been substantively enacted as at 31 December 2014, giving a blended rate of 21.5 per cent for the year ended 31 December 2014.

6. Investment in subsidiaries

	2014 $000	2013 $000
Cost at 1 January	139,391	166,393
Disposals	(94,950)	(27,002)
Cost at 31 December	**44,441**	**139,391**
Impairment at 1 January	(42,211)	(42,211)
Impairment at 31 December	**(42,211)**	**(42,211)**
Net book value at 31 December	**2,230**	**97,180**

The subsidiary undertakings of the Company are as follows:

		% Holding		
Investment	**Place of incorporation**	**2014**	**2013**	**Principal activity**
Harrison Lovegrove & Co. Limited	England and Wales	100	100	Oil and gas

In April 2014,the Company transferred its investment in Pembroke Group Limited to Standard Chartered I H Limited at the transfer price of $265.7m. The cost of investment was $94.9m, hence the Company made a profit of $170.8m on the transfer.

Notes to the Financial Statements (continued)
for the year ended 31 December 2014

7. Intangible assets

	2014 $000	2013 $000
Cost at 1 January	3,400	3,400
Disposals	(3,400)	-
Cost at 31 December	**-**	**3,400**
Accumulated amortisation at 1 January	(2,000)	(1,600)
Additions	-	(400)
Disposals	2,000	-
Accumulated amortisation at 31 December	**-**	**(2,000)**
Net book value at 31 December	**-**	**1,400**

In February 2014, the company assigned the seven United States Patents it owned to Standard Chartered UK Holdings Limited. One of the seven Patents, which was licensed for a royalty fee to Standard Chartered Bank, New York Branch, was transferred at $1.4million. As the remaining six Patents had no value, they were transferred for nominal consideration of $1

8. Share capital

Following amendment to corporate law in the UK through the Companies Act 2006, the Company has amended its Articles of Association to remove the provision for authorised share capital.

	2014 $000	2013 $000
Issued and fully paid		
1,248,021 (2013: 47,762,811) Ordinary shares of £1.00, totalling £1,248,021	2,230	85,344

The nominal value of the authorised and issued shares is denominated in GBP. As a result of the transition to adopt IFRS the share capital has been presented in USD, at the historical rate at the date of issue.

In December 2014, the Company has reduced its ordinary share capital by $83 million by cancelling and extinguishing 46,514,790 ordinary shares of GBP1.00 each.

9. Cash and cash equivalents

	2014 $000	2013 $000
Amounts owed by group companies	4,881	5,019*
Cash and cash equivalents	**4,881**	**5,019**

10. Related parties

Directors and officers
None of the Directors or officers received any fees or emoluments from the Company during the year (2013: nil).

Company

	2014 $000	2013 $000
Assets		
Standard Chartered Group - non interest bearing loans	4,881	5,019*
Amounts owed by group companies	**4,881**	**5,019**

During the year, the Company paid 2 dividends of total $184.1million to its immediate parent company, Standard Chartered UK Holdings Limited (2013: $36.9 million).

In February 2014, the company assigned the seven United States Patents it owned to Standard Chartered UK Holdings Limited. One of the seven Patents, which was licensed for a royalty fee to Standard Chartered Bank, New York Branch, was transferred at $1.4 million. As the remaining six Patents had no value, they were transferred for nominal consideration of $1.

In April 2014, the Company transferred its investment in Pembroke Group Limited to Standard Chartered I H Limited at the transfer price of $265.7 million.

The Company has a non interest bearing current account owed by group undertakings of $4.9 million (2013: $5.0 million*). This amount is repayable on demand.

11. Risk management

a) Credit risk
Credit risk is the risk that counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation. Financial instruments for the year comprised inter group balances and investments. The Standard Chartered Group has policies and procedures in place to manage risk so the credit risk is not significant from amounts owed by group undertakings. Investments are stated at cost less impairment. The Company's exposure to credit risk from investments is not significant.

b) 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 mitigated as both investing and funding decisions are within the control of the ultimate parent undertaking.

c) Foreign currency risk
Foreign currency risk is the risk of a loss from assets or liabilities denoted in a foreign currency. The net assets of the Company are denominated in United States dollars ("USD").
* Restated, also see page 11 .

11. Risk management (continued)

d) Market risk

Market risk is the exposure created by potential changes in market prices and rates. The Company is not exposed to any significant market risk. The Company has no significant exposures as its transactions and balances are confined within the group.

12. Ultimate holding and parent undertaking of larger group

The Company is an immediate subsidiary undertaking of Standard Chartered UK Holdings Limited, a company incorporated in England. The smallest group in which the results of the Company are consolidated is that headed by Standard Chartered Bank, a company incorporated in England with limited liability by Royal Charter. The ultimate holding company is Standard Chartered PLC registered in England and Wales.

The largest group in which the results of the Company are consolidated is that headed by Standard Chartered PLC. The consolidated financial statements of this company are available to the public and may be obtained from the Company Secretary at 1 Basinghall Avenue, London EC2V 5DD.

13. Capital management

The Company's primary objective in respect of capital management is to ensure that it has sufficient capital now and in the future to support the risks in the business.

The Company is not subject to externally imposed capital requirements in either the current year or the prior year, other than the minimum share capital required by the Companies Act with which it complies. The Company manages its ordinary share capital in order that there is sufficient capital, in the opinion of the Directors, to support the transactions and level of business undertaken by the Company.

14. Post balance sheet event

On 8 July 2015, the UK government announced planned reductions in the main rate of UK corporation tax. The effect of these reductions is to lower the rate to 19 per cent in 2017 18 and to 18 per cent in 2020 21. These rate changes have not been substantively enacted at the balance sheet date and accordingly these changes have not been reflected in these Financial Statements. It is estimated that the impact of these changes will not be material to these Financial Statements.