# SC Overseas Investments Limited

## Directors' Report and Financial Statements

## For the year ended 31 December 2015

**Registered Number: 7536802**

# Contents

# Directors' Report

The Directors presents their report together with SC Overseas Investments Limited (the "Company") Financial Statements for the year ended 31 December 2015.

### Principal activities
The principal activity of the Company was previously an investment holding company and it does not trade. The Company forms part of the Standard Chartered Group and this is expected to change in the foreseeable future as the Directors intend to liquidate the Company as explained in note 1 to the Financial Statements.

### Business Review
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 (the "Group") business in which this Company resides.

During the year, the Company reported a loss of $53.4 million (2014: profit of $9.5 million).

During 2014, the Company disposed of its redeemable preference shares in its Australian subsidiary, SC Australia Investments Pty Ltd, which were accounted for as loan and receivable financial assets. The Company also repaid the Repo and fixed term loan used to fund this investment. This has resulted in the significant reduction in financial income, expense and dividend income in 2015.

### Financial instruments
Financial instruments for the period comprised amounts due to and from group companies.

### Proposed dividend
The Company paid a dividend of $15.8 million during the year (2014: $84.9 million).

### Going concern
The Company no longer adopts the going concern basis in preparing the Financial Statements since the Directors intend to commence the liquidation of the Company within the foreseeable future. Further details are in note 1 to the Financial Statements. The immediate holding company has given an undertaking to provide financial assistance as is necessary to settle the net liability position of the Company.

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

P S Chambers
T Lord, alternate director to P S Chambers, resigned on 19 August 2016
A K Puri, appointed on 25 June 2015
D W R Richards, resigned on 5 January 2015
S G D Barnes, resigned as alternate director to D W R Richards on 5 January 2015. He was then appointed as Director on 5 January 2015 and resigned on 26 June 2015

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

### Employees
The Company has no employees (2014: nil).

### Risk management
The risk management objectives of the Company are set out in note 12.

### 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.

# Directors' Report

**Auditor**
KPMG Audit Plc resigned as auditor pursuant to section 516 of the Companies Act 2006. The Directors appointed KPMG LLP as auditor of the company to fill the casual vacancy as auditor under section 485(3) of the Companies Act 2006. Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be appointed and KPMG LLP will therefore continue in office.

By order of the board

P S Chambers
Director
Company registration number - 7536802
Date: 6 September 2016

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 Directors' Report and the Financial Statements for each financial year. Under that law they have elected to prepare the Financial Statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (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 IFRS as adopted by the EU; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

As explained in note 1 to the Financial Statements, the Directors do not believe the going concern basis to be appropriate and these Financial Statements have not been prepared on that basis.

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 SC Overseas Investments Limited

We have audited the Financial Statements of SC Overseas Investments Limited (the "Company") for the year ended 31 December 2015 set out on pages 7 - 18.

The financial reporting framework that has been applied in their preparation are applicable laws and International Financial Reporting Standards (IFRS) 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.

**In our Opinion 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 loss for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other 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.

**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.

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

6 September 2016

# Income Statement
for the year ended 31 December 2015

| | Note | 2015<br>$000 | 2014<br>$000 |
|---|---|---|---|
| Financial income | 4 | 9 | 6,744 |
| Financial expense | 4 | (4,003) | (2,881) |
| Dividend income | | - | 2,864 |
| Other income | 5 | - | 3,012 |
| **(Loss) / Profit before taxation** | | **(3,994)** | **9,739** |
| Taxation | | (49,463) | (242) |
| **(Loss) / Profit for the year** | | **(53,457)** | **9,497** |

(Loss) / Profit for the year is attributable to the equity shareholders and relates to continuing operations.

# Statement of Other Comprehensive Income
for the year ended 31 December 2015

The Company had no comprehensive expense or income for the years ended 31 December 2015 and 31 December 2014 other than the loss or profit for the year. A separate statement of other comprehensive income has therefore not been prepared.

The notes on pages 11 to 18 form part of the Financial Statements.

# Statement of Financial Position
as at 31 December 2015

| | Note | 2015<br>$000 | 2014<br>$000 |
|---|---|---|---|
| **Current assets** | | | |
| Amounts owed by group companies | 7 | 372 | 16,110 |
| Interest receivable | 7 | - | 3 |
| **Total assets** | | **372** | **16,113** |
| **Current liabilities** | | | |
| Accrued interest payable on tax provision | | 4,003 | - |
| Amounts due to group companies for UK tax losses | 8 | 49,747 | 284 |
| **Total liabilities** | | **53,750** | **284** |
| **Net assets** | | **(53,378)** | **15,829** |
| **Equity** | | | |
| Share capital | 9 | 20 | 20 |
| Retained earnings | | (53,398) | 15,809 |
| **Total equity** | | **(53,378)** | **15,829** |

The notes on pages 11 to 18 form part of the Financial Statements.

These Financial Statements were approved by the Board of Directors on 6 September 2016, and were signed on its behalf by:

P S Chambers
Director

# Statement of Changes in Equity

for the year ended 31 December 2015

| | Share capital $000 | Retained earnings $000 | Total equity $000 |
|---|---|---|---|
| Balance at 1 January 2014 | 20 | 91,254 | 91,274 |
| Profit for the year | - | 9,497 | 9,497 |
| Dividend paid | - | (84,942) | (84,942) |
| **Balance at 31 December 2014 / 1 January 2015** | **20** | **15,809** | **15,829** |
| Loss for the year | - | (53,457) | (53,457) |
| Dividend paid | - | (15,750) | (15,750) |
| **Balance at 31 December 2015** | **20** | **(53,398)** | **(53,378)** |

The notes on pages 11 to 18 form part of the Financial Statements.

# Statement of Cash Flows

for the year ended 31 December 2015

| | Note | 2015 $000 | 2014 $000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| (Loss) / Profit before tax | | (3,994) | 9,739 |
| Adjustment for items not involving the movement of funds | | | |
| (Tax paid) / Group relief settlement | | - | 5,123 |
| Movement in accrued interest payable on tax provision | | 4,003 | - |
| **Net cash from operating activities** | | **9** | **14,862** |
| **Cash flows from investing activities** | | | |
| Interest received from group | | 3 | 15,777 |
| Disposal of loans and receivable | | - | 1,527,230 |
| **Net cash from investing activities** | | **3** | **1,543,007** |
| **Cash flows from financing activities** | | | |
| Dividend paid | | (15,750) | (84,942) |
| Interest paid to group | | - | (7,741) |
| Repayment of non current loan from group | | - | (1,527,231) |
| **Net cash used in financing activities** | | **(15,750)** | **(1,619,914)** |
| **Net cash decrease in cash and cash equivalents** | | **(15,738)** | **(62,045)** |
| Cash and cash equivalents at beginning of year | | 16,110 | 78,155 |
| **Cash and cash equivalents at end of year** | 10 | **372** | **16,110** |

The notes on pages 11 to 18 form part of the Financial Statements.

# Notes to the Financial Statements

for the year ended 31 December 2015

## 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").

**Basis of preparation**
At 31 December 2015, the Company had adopted all IFRS and interpretations that had been issued by the International Accounting Standards Board (IASB) and IFRIC, and adopted by the EU. As the Directors intend to liquidate the company, the Financial Statements have been prepared on a basis other than that of going concern. The accounting policies set out below have been applied to all periods presented in these Financial Statements. The Company's Financial Statements have been prepared on a historical cost basis. The immediate holding company has given an undertaking to provide financial assistance as is necessary to settle the net liability position of the Company prior to liquidation. This has had no impact on the carrying value of the assets.

**Use of estimates and judgements**
The preparation of the Financial Statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

***Functional currency***
The Financial Statements are presented in United States Dollars ("$"), which is the Company's functional and presentation currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Non-monetary transactions are translated at historical exchange rates. Except where otherwise indicated, financial information presented in US Dollars has been rounded to the nearest thousands.

**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.

**Interest income and expense**
Interest income and expense is recognised in the income statement using the effective interest rate method. The effective interest rate method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

**Taxation**
Income tax on profit or loss for the year comprises current and deferred tax. Tax 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 taxation is accounted for on an undiscounted basis at expected tax rates on all timing differences which occur where items are tax-effected in a period different from that in which they are recognised in the Financial Statements. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

## 1. Principal accounting policies (continued)

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

### Share capital
Incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

### Recently issued accounting pronouncements
The following pronouncements relevant and applicable to the Company had been issued as at 31 December 2015 but have effective dates for periods beginning after 31 December 2015. The use of IFRS and IFRIC Interpretations that have yet to be adopted by the EU 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 material adjustments to the Financial Statements.

| Pronouncement | Description of impact | Mandatory effective date for the 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.<br><br>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.<br><br>There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39.<br><br>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, 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 |

# Notes to the Financial Statements (continued)
for the year ended 31 December 2015

## 1. Principal accounting policies (continued)

### Recently issued accounting pronouncements (continued)

| | | |
|---|---|---|
| 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 IFRS 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 |
| IFRS 14 - Regulatory Deferral Accounts issued | IFRS 14 Regulatory Deferral Accounts permits an entity which is a first-time adopter of International Financial Reporting Standards to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent Financial Statements.<br><br>Regulatory deferral account balances, and movements in them, are presented separately in the statement of financial position and statement of profit or loss and other comprehensive income, and specific disclosures are required. The standard is not expected to have a material 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 |
| IFRS 15 – Revenue from Contracts with Customers | The standard provides a principles-based approach for revenue recognition, and introduces the concept of recognising revenue for obligations as they are satisfied. The standard must be applied retrospectively.<br><br>Whilst it is expected that a significant proportion of the Group's revenue will be outside the scope of IFRS 15, the impact of the standard is currently being assessed. It is not yet practicable to quantify the effect of IFRS 15 on these Financial Statements. IFRS 15 has not yet been adopted by the EU. | 01 January 2018 |
| IFRS 16 – Leases | IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.<br><br>IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.<br><br>The impact of the standard is currently being assessed. It is not yet practicable to quantify the effect of IFRS 16 on these Financial Statements. | 01 January 2019 |

# Notes to the Financial Statements (continued)

for the year ended 31 December 2015

1. **Principal accounting policies (continued)**

**Recently issued accounting pronouncements (continued)**

| | | |
|---|---|---|
| IAS1 Disclosure initiative | In December 2014, the IASB issued amendments to IAS 1 to further encourage companies to apply professional judgement in determining what information to disclose and how to structure it in their Financial Statements. | 01 January 2016 |
| IFRS 10 and IAS 28 - Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture | On 11 September 2014, 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 in Effective Date of Amendments to IFRS 10 and IAS 28 defer the effective date of the September 2014 amendments to these standards indefinitely until the research project on the equity method has been concluded. Earlier application of the September 2014 amendments continues to be permitted. | Unknown date of application |

2. **Auditor's remuneration**
The auditor's remuneration of $12,989 (2014: $13,391) 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 (2014: nil).

4. **Financial income and expense**

| | 2015 | 2014 |
|---|---|---|
| | $000 | $000 |
| Financial income | 9 | 6,744 |
| **Financial income** | **9** | **6,744** |
| Fee expense | - | (110) |
| Interest expense | (4,003) | (2,771) |
| **Financial expenses** | **(4,003)** | **(2,881)** |

## Notes to the Financial Statements (continued)
for the year ended 31 December 2015

### 5. Other income

| | 2015 | 2014 |
|---|---|---|
| | $000 | $000 |
| Foreign exchange gain | - | 3,289 |
| Miscellaneous expense | - | (277) |
| **Other income** | **-** | **3,012** |

### 6. Taxation

**Analysis of taxation charge for the year**

| | 2015 | 2014 |
|---|---|---|
| | $000 | $000 |
| The charge for taxation based upon the (loss) / profits for the year comprises: | | |
| **Current tax:** | | |
| *United Kingdom corporation tax at 20.25% (2014: 21.5%)* | | |
| Current tax on income for the year | (809) | 242 |
| Adjustments in respect of prior periods | 50,272 | - |
| **Tax on (loss) / profits on ordinary activities** | **49,463** | **242** |

**Explanation of the relationship between tax charge and accounting profit**

| | 2015 | 2014 |
|---|---|---|
| | $000 | $000 |
| (Loss) / Profit on ordinary activities before taxation | (3,994) | 9,739 |
| Tax (credit)/charge at 20.25% (2014: 21.5%) | (809) | 2,094 |
| Effects of: | | |
| Disallowed expenses | - | (1,853) |
| Non deductible capital loss | - | 1 |
| Adjustments in respect of prior periods | 50,272 | - |
| **Tax on (losses)/profits on ordinary activities** | **49,463** | **242** |

On 5 December 2012, the UK government announced reductions in the UK corporation tax rate to 23 percent in 2013-14, 21 percent in 2014-15 and 20 percent in 2015-16.

On 8 July 2015, the UK government announced changes to tax rates the effect of these reductions is to lower the rate to 19 percent in 2017-18 and to 18 percent in 2020-21.

All tax rates changes have been substantively enacted as at 31 December 2015 giving a blended rate of 20.25% for the year ended 31 December 2015.

# Notes to the Financial Statements (continued)

for the year ended 31 December 2015

## 6. Taxation (continued)

On 16 March 2016, the UK government announced a further one percent reduction in the main rate of UK corporation tax in 2020-21, the effect of this reduction is to lower the rate to 17 percent in 2020-21. This rate change has not been substantively enacted at the balance sheet date and accordingly these changes have not been reflected in these Financial Statements. This change will not impact these Financial Statements as there is no deferred tax balance.

**Balance sheet**

**Current liabilities**

| | **2015** | **2014** |
|---|---|---|
| | **$000** | **$000** |
| Group relief liability | (49,747) | (284) |

Following agreement reached in principle with HM Revenue and Customs in June 2016 the Company will submit revised tax returns for years 2011 to 2014. Dividends received on Class B shares will now be taxed on a without prejudice basis. Tax of $50.3 million has been reflected in the total tax charge for the current year.

## 7. Amounts owed by group companies

The deposits with Standard Chartered Bank has an average interest rate of 0.280% and receivable on demand.

| | **2015** | **2014** |
|---|---|---|
| | **$000** | **$000** |
| Intragroup deposit | 339 | 16,110 |
| Non Interest bearing deposit with Standard Chartered Bank | 33 | - |
| Interest receivable from intra-group deposits | - | 3 |
| **Amounts due from group companies** | **372** | **16,113** |

## 8. Amounts due to group companies for UK tax losses

| | **2015** | **2014** |
|---|---|---|
| | **$000** | **$000** |
| Amounts due to group companies for UK tax losses | 49,747 | 284 |
| **Amounts owed to group companies** | **49,747** | **284** |

**9. 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.

| | 2015 $000 | 2014 $000 |
|---|---|---|
| **Issued and fully paid** | | |
| 20,000 (2014: 20,000) Alloted, called up and fully paid shares of US $1 each | 20 | 20 |

**10 Cash and cash equivalents**

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

| | 2015 $000 | 2014 $000 |
|---|---|---|
| Amount owed by group companies | 372 | 16,110 |
| **Cash and cash equivalents** | **372** | **16,110** |

**11. Related parties**

**Directors and officers**

None of the Directors or officers received any fees or emoluments in respect of qualifying services to the Company during the year (2014: nil).

The Company had amounts owing from / owed to group undertakings as detailed in notes 7 and 8. Financial income and expense relating to these amounts are disclosed in note 4.

**12. Risk management**

**(a) Credit risk**

Credit risk arises from the possibility that the counterparty in a transaction may default. The Company's credit risk is primarily attributable to amounts due from other Group undertakings, Standard Chartered Group has policies and procedures in place to manage risk so that the credit risk from amounts owed by Group undertakings is not considered 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. Following the disposal of the Company's investment and payment of its liabilities, the Company is no longer exposred to foreign currency risk.

**(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.

## Notes to the Financial Statements (continued)
for the year ended 31 December 2015

**13. Ultimate holding and parent undertaking of larger group**

The Company is a subsidiary undertaking of Standard Chartered Bank a company incorporated in England with limited liability. The smallest group in which the results of the Company are consolidated is that headed by Standard Chartered Bank. 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.

**14. Post balance sheet event**

Following agreement reached in principle with HM Revenue and Customs in June 2016 the Company will submit revised tax returns for years 2011 to 2014. Dividends received on Class B shares will now be taxed on a without prejudice basis. As this is an adjusting post balance sheet event, tax of $50.3 million has been reflected in the total tax charge for the current year.