

**Standard Chartered Leasing (UK) 2 Limited**  
**Strategic Report, Directors' Report and Financial Statements**  
**For the year ended 31 December 2019**  
**Registered Number: 05726616**



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# Strategic Report

## Principal objectives and strategies

Standard Chartered Leasing (UK) 2 Limited (the "Company") was previously a general leasing company. During 2016, the Company disposed of its investment in 'The Tooley Investment LLP' (the "Partnership") and since then no further business has been entered into.

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 transactions which the Company has entered into. Monthly management accounts are prepared and reviewed by the management of the Standard Chartered PLC ("the Group") in which this Company resides.

## Principal risks and uncertainties

### Risk Management

The risk management objectives of the Company are set out in note 10.

### Business review

The Finance Act (No. 2) 2015 introduced a surcharge of 8% on the profits of banking companies from 1 January 2016. As a result, interest is applied to all intercompany balances due and from the Company's parent, Standard Chartered Bank ("SCB"). SCB paid the Company interest income of \$0.05 million (2018: USD 0.6 million) on the cash balance deposited with SCB. As a result, the Company reported a profit after tax of \$0.02 million (2018: \$0.4 million)

The directors have commenced plans to wind down the entity and it no longer adopts the going concern basis in preparing the Financial Statements, consistent with prior years.

### Employees

The Company has no employees (2018: nil).

By order of the board



A K Puri  
Director  
Company registration number - 05726616  
Date: 9 April 2020

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 2019.

### Principal activities

The principal activity of the Company was that of a general leasing company. In December 2016, the Company disposed of its investment in The Tooley Investment LLP and since that date no further business has been entered into.

### Financial instruments

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

### Going concern

As in previous years, the Company no longer adopts the going concern basis in preparing the Financial Statements.

### Results and dividends

The results of the Company are set out from pages 8 to 16.

The Company paid a dividend of \$4.1 million to its parent company, Standard Chartered I H Limited (2018: \$19 million).

### 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:

P S Chambers  
A K Puri

### 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 10.

### 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, KPMG LLP will cease to be the auditor for the Company.

On 9 November 2017, the Group announced its intention to appoint Ernst & Young LLP ("EY") as auditor. EY will become the Group auditor and therefore the Company's statutory auditor for the year ending 31 December 2020.

By order of the board



A K Puri  
Director  
Company registration number - 05726616  
Date: 9 April 2020

1 Basinghall Avenue  
London  
EC2V 5DD  
UK

## Directors' Report

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare 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 as adopted by the European Union (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, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so (as explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern 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 are responsible for such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

# Independent Auditor's Report to the members of Standard Chartered Leasing (UK) 2 Limited

## Opinion

We have audited the financial statements of Standard Chartered Leasing (UK) 2 Limited ("the Company") for the year ended 31 December 2019 which comprise the Income Statement, Statements of Comprehensive Income, Financial Position, Changes in Equity and Cash Flows, and related notes, including the accounting policies in note 1. These Financial Statements have not been prepared on the going concern basis for the reason set out in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis of opinion

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

## Strategic report and directors' report

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

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

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

## Directors' responsibilities

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

## **Independent Auditor's Report to the members of Standard Chartered Leasing (UK) 2 Limited**

### **Auditor's responsibilities**

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

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

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

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



**Richard Rawston (Senior statutory auditor)  
for and on behalf of KPMG LLP Statutory Auditor**

*Chartered Accountants*

15 Canada Square

Canary Wharf

London E14 5GL

9 April 2020

## Income Statement

for the year ended 31 December 2019

|                                 | Note | 2019<br>\$000 | 2018<br>\$000 |
|---------------------------------|------|---------------|---------------|
| Interest income                 | 4    | 51            | 563           |
| <b>Total operating income</b>   |      | <b>51</b>     | <b>563</b>    |
| Operating expenses              | 5    | (28)          | (35)          |
| <b>Total operating expenses</b> |      | <b>(28)</b>   | <b>(35)</b>   |
| <b>Profit before taxation</b>   |      | <b>23</b>     | <b>528</b>    |
| Tax charge for the year         | 6    | (4)           | (100)         |
| <b>Profit for the year</b>      |      | <b>19</b>     | <b>428</b>    |

The notes on pages 12 to 16 form part of the Financial Statements.

## Statement of Other Comprehensive Income

for the year ended 31 December 2019

The Company had no other comprehensive income for the years ended 31 December 2019 and 31 December 2018 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 2019

|   | Note | 2019<br>\$000 | 2018<br>\$000 |
|---|------|---------------|---------------|
| <b>Current assets</b>                         |      |               |               |
| Amounts owed by group companies               | 9    | 424           | 4,501         |
| <b>Total assets</b>                           |      | <b>424</b>    | <b>4,501</b>  |
| <b>Current liabilities</b>                    |      |               |               |
| Amounts due to group companies for tax losses | 9    | 269           | 265           |
| <b>Total liabilities</b>                      |      | <b>269</b>    | <b>265</b>    |
| <b>Equity</b>                                 |      |               |               |
| Share capital                                 | 7    | -             | -             |
| Retained earnings                             |      | 155           | 4,236         |
| <b>Total equity</b>                           |      | <b>155</b>    | <b>4,236</b>  |
| <b>Total equity and liabilities</b>           |      | <b>424</b>    | <b>4,501</b>  |

The share capital of the Company is \$1 (note 7). The notes on pages 12 to 16 form part of the Financial Statements.

These Financial Statements were approved by the Board of Directors on 9 April 2020, and were signed on its behalf by:



A K Puri  
Director  
Date: 9 April 2020

## Statement of Changes in Equity

for the year ended 31 December 2019

|   | Share<br>capital<br>\$000 | Accumulated<br>losses/<br>Retained<br>earnings<br>\$000 | Total equity<br>\$000 |
|---|---------------------------|---|-----------------------|
| Balance at 1 January 2018                   | 28,001                    | (5,193)   | 22,808                |
| Profit for the year                         | -                         | 428   | 428                   |
| Capital reduction*                          | (28,001)                  | 28,001  | -                     |
| Dividend paid                               | -                         | (19,000)  | (19,000)              |
| <hr/>                                       |                           |   |                       |
| Balance at 31 December 2018/ 1 January 2019 | -                         | 4,236   | 4,236                 |
| Profit for the year                         | -                         | 19  | 19                    |
| Dividend paid                               | -                         | (4,100)   | (4,100)               |
| <hr/>                                       |                           |   |                       |
| Balance at 31 December 2019                 | -                         | 155   | 155                   |

\*On 14 December 2017, the Directors approved a capital reduction of 28,001,377 ordinary shares of \$1 each in the Company's share capital by extinguishing the total amount of \$28 million to retained earnings. The documents to effect the capital reduction were made publicly available by Companies House on 12 January 2018 and under Companies Act 2006 is the date the reduction became effective.

Share capital represents 1 share of \$1 each. Refer to note 7.

The notes on pages 12 to 16 form part of the Financial Statements.

## Statement of Cash Flows

for the year ended 31 December 2019

|   | Note | 2019<br>\$000  | 2018<br>\$000   |
|---|------|----------------|-----------------|
| <b>Cash flows from operating activities</b>           |      |                |                 |
| Profit before tax                                     |      | 23             | 528             |
| Group tax relief                                      |      | -              | (24,651)        |
| <b>Net cash from/(used in) operating activities</b>   |      | <b>23</b>      | <b>(24,123)</b> |
| <b>Cash flows from financing activities</b>           |      |                |                 |
| Dividend paid   |      | (4,100)        | (19,000)        |
| <b>Net cash used in financing activities</b>          |      | <b>(4,100)</b> | <b>(19,000)</b> |
| <b>Net cash decrease in cash and cash equivalents</b> |      | <b>(4,077)</b> | <b>(43,123)</b> |
| Cash and cash equivalents at beginning of year        |      | 4,501          | 47,624          |
| <b>Cash and cash equivalents at end of year</b>       |      | <b>424</b>     | <b>4,501</b>    |

The notes on pages 12 to 16 form part of the Financial Statements.

# Notes to the Financial Statements

for the year ended 31 December 2019

## 1. Principal accounting policies

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

As at 31 December 2019, 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. Following the decision to commence winding down the Company, it no longer adopts the going concern basis in preparing the Financial Statements, consistent with prior years.

### Uses of estimates and judgements

The preparation of the Financial Statements in conformity with IFRSs 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

Items included in these 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.

### Revenue

Partnership distributions were recognised when unconditionally receivable from the underlying partnerships.

### 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 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.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2019

### 1. Principal accounting policies (continued)

#### 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.

#### Expense recharges

Costs and expenses which are incurred in respect of the corporate governance of the Company are recharged by Standard Chartered Group on a cost basis.

#### Recently issued accounting pronouncements

The pronouncements issued and have effective dates for periods beginning after 31 December 2019, has been assessed by the Company; none of these pronouncements are expected to result in any adjustments to the Financial Statements.

### 2. Auditor's remuneration

The auditor's remuneration of \$11,114 (2018:\$11,621) was borne by the Company.

### 3. Directors' emoluments

None of the Directors or officers received any fees or emoluments in respect of qualifying services to the Company during the year (2018: nil).

### 4. Interest income and expense

|                        | 2019<br>\$000 | 2018<br>\$000 |
|------------------------|---------------|---------------|
| Interest income        | 51            | 563           |
| <b>Interest income</b> | <b>51</b>     | <b>563</b>    |

SCB paid the Company interest of \$0.05 million on the cash balance deposited with SCB (2018: 0.6 million). The interest rate was equivalent to an average overnight rate of 2.14% on the average daily cash balance of \$2.4 million.

### 5. Operating expenses

|                | 2019<br>\$000 | 2018<br>\$000 |
|----------------|---------------|---------------|
| Other expenses | 28            | 35            |

## Notes to the Financial Statements (continued)

for the year ended 31 December 2019

### 6. Taxation

#### Analysis of taxation charge for the year

|   | 2019<br>\$000 | 2018<br>\$000 |
|---|---------------|---------------|
| The charge for taxation based upon the profit for the year comprises: |               |               |
| <b>Current tax:</b>   |               |               |
| United Kingdom corporation tax at 19.00% (2018: 19.00%)               |               |               |
| Current tax on income for the year                                    | 4             | 100           |
| <b>Tax charge on profit on ordinary activities</b>                    | <b>4</b>      | <b>100</b>    |

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

|  | 2019<br>\$000 | 2018<br>\$000 |
|--|---------------|---------------|
| Profit on ordinary activities before taxation      | 23            | 528           |
| Tax charge at 19.00% (2018: 19.00%)                | 4             | 100           |
| <b>Tax charge on profit on ordinary activities</b> | <b>4</b>      | <b>100</b>    |

The UK corporation tax rate is 19% for the years ended 31 December 2019 and 31 December 2018. A reduction in the rate from 19% to 17% was substantively enacted on 6 September 2016 by the Finance Act 2016, effective from 1 April 2020. In the 11 March 2020 Budget it was announced that the UK tax rate will remain at the current 19% and not reduce to 17% from 1 April 2020.

#### Amounts owed to group companies

|  | 2019<br>\$000 | 2018<br>\$000 |
|--|---------------|---------------|
| Amount due to group companies for tax losses | 269           | 265           |

## Notes to the Financial Statements (continued)

for the year ended 31 December 2019

### 7. Share capital

|                           | 2019  | 2018  |
|---------------------------|-------|-------|
|                           | \$000 | \$000 |
| <b>Authorised</b>         |       |       |
| 1 share of US \$1.00 each |       |       |

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|                              |  |  |
|------------------------------|--|--|
| <b>Issued and fully paid</b> |  |  |
| 1 share of US \$1.00 each    |  |  |

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On 14 December 2017, the Directors approved a capital reduction of 28,001,377 ordinary shares of \$1 each in the Company's share capital by extinguishing the total amount of \$28 million to retained earnings. The documents to effect the capital reduction were made publicly available by Companies House on 12 January 2018 and under Companies Act 2006 is the date the reduction became effective.

### 8. Cash and cash equivalents

|   | 2019  | 2018  |
|---|-------|-------|
|   | \$000 | \$000 |
| Amounts owed by Standard Chartered Bank | 424   | 4,501 |

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### 9. Related parties

#### Directors and officers

None of the Directors or officers received any fees or emoluments from the Company during the year (2018: nil).

#### Company

|  | 2019         | 2018         |
|--|--------------|--------------|
|  | \$000        | \$000        |
| <b>Assets</b>                                    |              |              |
| Standard Chartered Bank - interest bearing loans | 424          | 4,501        |
| <b>Total</b>                                     | <b>424</b>   | <b>4,501</b> |
| <b>Liabilities</b>                               |              |              |
| Amounts due to group companies for UK tax losses | (269)        | (265)        |
| <b>Total</b>                                     | <b>(269)</b> | <b>(265)</b> |

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The balance due from Standard Chartered Bank is receivable on demand.

In accordance to the UK Company accounts guidance, the Company, not being a large sized entity, has opted for exemption from related party transactions disclosure.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2019

### 10. 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 to or 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). 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.

### 11. Ultimate holding and parent undertaking of larger group

The Company is a wholly owned subsidiary undertaking of Standard Chartered I H Limited, incorporated in England and Wales with limited liability. The parent undertaking of the smallest group that presents group Financial Statements is Standard Chartered PLC. The ultimate holding company and the parent company of the largest group that presents group Financial Statements is Standard Chartered PLC. Standard Chartered PLC's statutory Financial Statements are available to the public and may be obtained from the Company Secretary at 1 Basinghall Avenue, London, EC2V 5DD.