

Standard Chartered Africa Limited

Directors' Report and Financial Statements

For the year ended 31 December 2020

Registered Number: 2877



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Directors' Report

The directors present their report together with the Company's Financial Statements for the year ended 31 December 2020. The Company is registered in England and Wales with a registration number of 2877. The Company is a private company limited by shares.

Unless another currency is specified, the word "dollar" or symbol "\$" in this document means United States dollar and the word "cent" or symbol "c" means one-hundredth of one United States dollar.

Principal activities

The principal activity of Standard Chartered Africa Limited (the "Company") throughout the year was that of a holding company.

Going concern

In previous years, the Company did not adopt the going concern basis in preparing the Financial Statements. During the year, the directors made a decision to keep the entity as a holding company. We consider that the Company has adequate resources to continue in operation for the foreseeable future and therefore continued to adopt the going concern basis in preparing the Financial Statements. The directors have assessed that the impact of the novel coronavirus (COVID-19) does not affect the Company's ability to continue as a going concern.

Results and dividends

The results of the Company are set out from page 8 to 11.

The Company received \$0.1 million dividend (2019: \$2.8 million) and did not declare any dividend (2019: \$5 million) during the year.

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.

Political and charitable contributions

The Company made no political or charitable contributions during the year (2019: nil).

Financial instruments

Financial instruments entered into during the year comprised inter Group balances.

Directors

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

P S Chambers (Resigned on 24 February 2021)
D P Ellis (Appointed on 24 February 2021)
C J Daniels

Qualifying third party indemnities

The Company has granted indemnities to all of its directors on terms consistent with the applicable statutory provisions. Qualifying third-party indemnity provisions for the purposes of section 234 of the Companies Act 2006 were accordingly in force during the course of the financial year ended 31 December 2020 and remain in force at the date of this report.

Employees

The Company has no employees (2019: nil).

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.

Directors' Report (continued)

Post Balance Sheet Events

On 27 May 2021 the Company received a net dividend from Standard Chartered Bank Kenya Limited totalling KSh 14,255,010 (\$ 131,322 at the exchange rate of 108.55 KSh/\$).

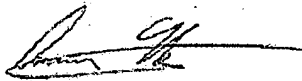
Auditor

Pursuant to section 487 of the Companies Act 2006, KPMG LLP have ceased to act as auditor for the Company and Ernst & Young LLP ("EY" LLP) has been appointed as statutory auditor for the year ending 31 December 2020.

Strategic report

In accordance with Section 414A (2) of the Companies Act 2006, the Company is not required to present a strategic report.

By order of the board



D P Ellis
Director
Company registration number - 2877
Date: 11 August 2021

1 Basinghall Avenue
London
EC2V 5DD
UK

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare Financial Statements for each financial year. Under that law they have elected to prepare the Financial Statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 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 international accounting standards in conformity with the requirements of the Companies Act 2006;
- 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.

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included in this report. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report to the members of Standard Chartered Africa Limited

Opinion

We have audited the financial statements of Standard Chartered Africa Limited (the "Company") for the year ended 31 December 2020 which comprise of the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 15, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006; 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained with the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Independent Auditor's Report to the members of Standard Chartered Africa Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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 requirements to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (the Companies Act 2006 and International Accounting Standards in conformity with the requirements of the Companies Act 2006) and the relevant direct tax compliance regulation in the United Kingdom.
- We understood how the Company is complying with those frameworks by making enquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas and corroborated this by reviewing supporting documentation. We also reviewed correspondence with relevant authorities, where applicable.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved enquiries of management, reviewing of Board minutes and testing journals identified by specific risk criteria.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Independent Auditor's Report to the members of Standard Chartered Africa Limited

Use of our report

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.

Ernst & Young LLP

Chetan Trivedy (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
11 August 2021

Income Statement

for the year ended 31 December 2020

	Note	2020 \$000	2019 \$000
Dividend income	4	100	2,772
Interest income		7	101
Total operating income		107	2,873
Operating expenses	5	(40)	(2,149)
Operating profit		67	724
Impairment	6	(0)	-
Profit before taxation		67	724
Taxation charge	7	(9)	(21)
Profit for the year		58	703

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

The Company had no comprehensive income for the years ended 31 December 2020 and 31 December 2019 other than the profit for the current and prior years which is attributable to equity shareholders and continuing operations of the Company. A separate statement of other comprehensive income has therefore not been prepared.

The notes on pages 12 to 19 form part of the Financial Statements.

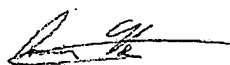
Statement of Financial Position

as at 31 December 2020

	Note	2020 \$000	2019 \$000
Non-current assets			
Investments in associate and subsidiary	6	3,372	3,372
Current assets			
Amount due from Standard Chartered Bank	10	2,267	1,367
Amounts due from Group undertakings for UK tax losses	10	396	1,238
Total assets		6,035	5,977
Equity			
Share capital	8	3,352	3,352
Share premium		664	664
Retained earnings		2,019	1,961
Total equity		6,035	5,977

The notes on pages 12 to 19 form part of the Financial Statements.

These Financial Statements were approved by the Board of Directors on 11 August 2021, and were signed on its behalf by:



D P Ellis
Director
London
Date: 11 August 2021

Statement of Changes in Equity

for the year ended 31 December 2020

	Share capital \$000	Share premium \$000	Retained earnings \$000	Total \$000
Balance at 1 January 2019	3,352	664	6,258	10,274
Profit for the year	-	-	703	703
Dividend paid	-	-	(5,000)	(5,000)
Balance at 31 December 2019 / 1 January 2020	3,352	664	1,961	5,977
Profit for the year	-	-	58	58
Balance at 31 December 2020	3,352	664	2,019	6,035

The notes on pages 12 to 19 form part of the Financial Statements.

Statement of Cash Flows

for the year ended 31 December 2020

	Note	2020 \$000	2019 \$000
Cash flows from operating activities			
Profit before tax		67	724
Adjustment for items not involving the movement of funds			
Overseas tax	7	(15)	(410)
Group relief tax settled		848	-
Net cash from operating activities		900	314
Cash flows from financing activities			
Dividend paid		-	(5,000)
Net cash used in financing activities		-	(5,000)
Net increase/(decrease) in cash and cash equivalents		900	(4,686)
Cash and cash equivalents at beginning of year		1,367	6,053
Cash and cash equivalents at end of year		2,267	1,367

The notes on pages 12 to 19 form part of the Financial Statements.

Notes to the Financial Statements

for the year ended 31 December 2020

1 Principal accounting policies

Statement of compliance

The Company Financial Statements have been prepared and approved by the directors in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

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

As at 31 December 2020, the Company adopted International Accounting Standards and interpretations that had been issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretation Committee (IFRIC) as adopted for use within the UK. The accounting policies set out below have been applied consistently across the Company and to all periods presented in these Financial Statements. The Company's Financial Statements have been prepared on an historical cost basis and on a going concern basis.

In previous years, the Company did not adopt the going concern basis in preparing the Financial Statements. During the year, the directors made a decision to keep the entity as a holding company. We consider that the Company has adequate resources to continue in operation for the foreseeable future and therefore continued to adopt the going concern basis in preparing the Financial Statements. The directors have assessed that the impact of the novel coronavirus (COVID-19) does not affect the Company's ability to continue as a going concern.

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 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 in subsidiaries

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.

Investment in associates

An investment in associate is an entity over which the Company has significant influence but not control and generally accompanying a shareholding between 20% to 50% of the voting rights.

Investment in associates in separate financial statements should be accounted for at cost less impairment and less any dividends from pre-acquisition profits received prior to 1 January 2009. For Private Equity only, the option to account for the investment at fair value through profit or loss may be taken. Once the option has been taken it cannot be reversed. The Company has recorded its investment in associate at cost less impairment.

All dividends from an associate are recognised in profit or loss in the separate financial statements of the investor on a receivable basis (that is, when we become entitled to the dividend) to other income.

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.

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

1 Principal accounting policies (continued)

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.

Financial assets and liabilities

The Company classifies Group 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.

Initial recognition

All financial instruments are initially recognised at fair value, which is normally the transaction price, plus directly attributable transaction costs for financial assets which are not subsequently measured at fair value through profit or loss.

Subsequent measurement

Financial assets and financial liabilities held at amortised cost are subsequently carried at amortised cost using the effective interest method (see Interest income and expense). Foreign exchange gains and losses are recognised in the income statement.

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.

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.

Expense recharges

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

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. 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 if held at historical cost, or year-end exchange rates if held at fair value, and the resulting foreign exchanges gain and losses are recognised in either the income statement or shareholders' equity depending on the treatment of the gain or loss on the asset or liability.

Impairment

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

1 Principal accounting policies (continued)

Impairment (continued)

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

Impairment losses are recognised in the income statement. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Recently issued accounting pronouncements

The pronouncements issued have effective dates for periods beginning after 31 December 2020, have been assessed by the Company; none of the pronouncements are expected to result in any adjustments to the Financial Statements.

2 Auditor's remuneration

The auditor's remuneration of \$18,840 (2019: \$11,114) for the statutory audit 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 (2019: nil).

4 Dividend income

	2020 \$000	2019 \$000
Dividend received from Seychelles International Mercantile Banking Corporation	-	2,503
Dividend received from Standard Chartered Bank Kenya Limited	100	269
Total	100	2,772

5 Operating expenses

	2020 \$000	2019 \$000
Management fee	-	2,120
Other costs	40	29
Total operating expenses	40	2,149

Standard Chartered Bank manages the investment in the Seychelles for which it charges a management fee. The fee is based on income received from the investment.

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

6 Investments

	2020 \$000	2019 \$000
Cost at 1 January	3,372	3,372
Disposals	(0)	-
Net book value at 31 December	3,372	3,372
Impairment at 1 January	-	-
Impairment charge during the year	(0)	-
Disposals	0	-
Impairment at 31 December	-	-
Net book value at 31 December	3,372	3,372

The investments of the Company are as follows:

Investment	Place of incorporation	Type of holding	Type of investment	% Holding		Principal activity
				2020	2019	
Seychelles International Mercantile Banking Corporation Limited.	Seychelles	Direct	Associate	22	22	Banking
BWA Dependents Limited (dissolved on 24/11/2020)			Subsidiary	-	100	
Standard Chartered Bank Kenya Limited*	Kenya	Direct	Others	0.42	0.42	Banking
Standard Chartered Bank Botswana Limited**	Botswana	Direct	Others	-	-	Banking

The investment in associate Seychelles International Merchant Banking Corporation Limited is accounted for at cost.

The Company's investment in its subsidiary, BWA Dependents Limited was impaired to nil.

*In addition to the ordinary share capital held as disclosed above, Standard Chartered Holdings (Africa) B.V. a fellow Group subsidiary holds 73.89% shareholding in Standard Chartered Bank Kenya Limited.

**In addition to the ordinary share capital held as disclosed above, Standard Chartered Holdings (Africa) B.V. a fellow Group subsidiary holds 74.16% shareholding in Standard Chartered Bank Botswana Limited.

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

7 Taxation

Analysis of taxation charge for the year

	2020 \$000	2019 \$000
The charge for taxation based upon the profits for the year comprises:		
Current tax:		
United Kingdom corporation tax at 19% (2019: 19%)		
Current tax on income for the year	(6)	(389)
Overseas tax:		
Current tax on income for the year	15	410
Tax on profits on ordinary activities	9	21

Explanation of the relationship between tax charge and accounting profit

	2020 \$000	2019 \$000
Profit on ordinary activities before taxation	67	724
Tax charge at 19% (2019: 19%)	13	145
Effects of:		
Overseas tax	15	410
Non taxable income	(19)	(527)
Tax on profits on ordinary activities	9	21

The UK corporation tax rate is 19% for the years ended 31 December 2019 and 31 December 2020. On 22 July 2020, Finance Act 2020 was enacted which maintains the main rate of corporation tax at 19% for financial years 2020 and 2021. This reversed the previously enacted rate reduction to 17% from 1 April 2020. The UK Government announced on 3 March 2021 its intention to increase the UK rate of corporation tax to 25% from 19% from 1 April 2023. This was substantively enacted on 24 May 2021 and further enacted on 10 June 2021.

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

8 Share capital

	2020 \$000	2019 \$000
Issued and fully paid		
1,875,712 (2019: 1,875,712) shares of £1.00, totalling £1,875,712	3,352	3,352

The nominal value of the 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.

9 Cash and cash equivalents

	2020 \$000	2019 \$000
Amount due from Standard Chartered Bank	2,267	1,367

10 Related parties

Directors and officers

None of the directors or officers received any fees or emoluments from the Company during the year (2019: nil).

Company

	2020 \$000	2019 \$000
Assets		
Amount due from Standard Chartered Bank - interest bearing	2,267	1,367
Amounts due from Group undertakings for UK tax losses	396	1,238
Total	2,663	2,605

The Finance Act (No 2) introduced legislation to levy a surcharge of 8% on the profits of Banking companies from 1 January 2016. With this change in tax rate in 2016, all intercompany balances due from and to the Company's ultimate parent, Standard Chartered Bank, were charged interest from 1 January onwards. As a result in 2020, the Company received interest from Standard Chartered Bank of \$0.01 million (2019: \$0.10 million) on the net balances due to and from Standard Chartered Bank. The interest rate was the average overnight rate of 0.37% on the average daily cash balance of \$1.9 million (2019: 2.14% and \$4.7 million).

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.

Related undertakings of the Company are provided in note 15.

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

11 Risk management

(a) Credit risk

Credit risk is the risk that a 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. 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.

(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").

(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 a subsidiary undertaking of Standard Chartered UK Holdings Limited 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, 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 such 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 27 May 2021 the Company received a net dividend from Standard Chartered Bank Kenya Limited totalling KSh 14,255,010 (\$ 131,322 at the exchange rate of 108.55 KSh/\$).

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

15 Related undertakings of the Company

Company	Country of incorporation	Type of holding	Proportion of shares held (%)	Registered address
B.W.A. Dependents Limited (dissolved on 24/11/2020)	United Kingdom	Direct	-	1 Basinghall Avenue, London, EC2V 5DD, United Kingdom
Seychelles International Mercantile Banking Corporation Limited	Seychelles	Direct	22.00%	Victoria House, State House Avenue, Victoria, Mahe, Seychelles
Standard Chartered Bank Kenya Limited*	Kenya	Direct	0.42%	Standard Chartered@Chiromo, 48 Westlands Road, P. O. Box 30003 - 00100, Nairobi, Kenya
Standard Chartered Bank Botswana Limited**	Botswana	Direct	-	5th Floor Standard House Bldg, The Mall, Queens Road, PO Box 496, Gaborone, Botswana
Standard Chartered Bank Insurance Agency (Proprietary) Limited	Botswana	Indirect	-	5th Floor Standard House Bldg, The Mall, Queens Road, PO Box 496, Gaborone, Botswana
Standard Chartered Botswana Nominees (Proprietary) Limited	Botswana	Indirect	-	5th Floor Standard House Bldg, The Mall, Queens Road, PO Box 496, Gaborone, Botswana
Standard Chartered Investment Services (Proprietary) Limited	Botswana	Indirect	-	5th Floor Standard House Bldg, The Mall, Queens Road, PO Box 496, Gaborone, Botswana
Standard Chartered Financial Services Limited	Kenya	Indirect	0.42%	Standard Chartered@Chiromo, 48 Westlands Road, P. O. Box 30003 - 00100, Nairobi, Kenya
Standard Chartered Insurance Agency Limited	Kenya	Indirect	0.42%	Standard Chartered@Chiromo, 48 Westlands Road, P. O. Box 30003 - 00100, Nairobi, Kenya
Standard Chartered Investment Services Limited	Kenya	Indirect	0.42%	Standard Chartered@Chiromo, 48 Westlands Road, P. O. Box 30003 - 00100, Nairobi, Kenya
Standard Chartered Kenya Nominees Limited	Kenya	Indirect	0.42%	Standard Chartered@Chiromo, 48 Westlands Road, P. O. Box 30003 - 00100, Nairobi, Kenya
Standard Chartered Management Services Limited (In Liquidation 31/07/2015)	Kenya	Indirect	0.42%	Standard Chartered@Chiromo, 48 Westlands Road, P. O. Box 30003 - 00100, Nairobi, Kenya

*In addition to the ordinary share capital held as disclosed above, Standard Chartered Holdings (Africa) B.V. a fellow Group subsidiary holds 73.89% shareholding in Standard Chartered Bank Kenya Limited.

**In addition to the ordinary share capital held as disclosed above, Standard Chartered Holdings (Africa) B.V. a fellow Group subsidiary holds 74.16% shareholding in Standard Chartered Bank Botswana Limited.