

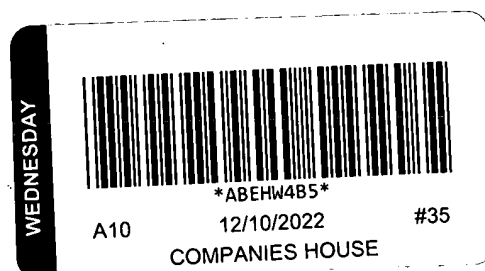
PUBLIC

Standard Chartered Securities (Africa) Holdings Limited

Director's report and Annual financial statements

For the year ended 31 December 2021

Registered number: 05843604



Standard Chartered Securities (Africa) Holdings Limited

Annual Financial Statements
for the year ended 31 December 2021

Director	Oluwayemisi Deji-Bejide
Nature of business	The company acts as an investment holding company
Secretary	SC (Secretaries) Limited
Auditors	Ernst & Young LLP
Bankers	Standard Chartered Bank
Solicitors	Bowman Gilfillan Inc
Company registration number	05843604
Registered office	1 Basinghall Avenue London EC2V 5DD United Kingdom
Country of incorporation	United Kingdom

Standard Chartered Securities (Africa) Holdings Limited

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Standard Chartered Securities (Africa) Holdings Limited

Director's Report

The Director presents this report together with the financial statements of Standard Chartered Securities (Africa) Holdings Limited for the year ended 31 December 2021. The Company is registered in England with a registration number of 05843604. 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 Securities (Africa) Holdings Limited (the "Company") throughout the year was that of a holding company.

Business review

The Company has investments in Kenya and Nigeria with the principal purpose of earning dividends from these investments. It is not anticipated that the Company's business model is likely to change in the foreseeable future.

The director sets out below a review of the performance of the business during the year and its position at the year end. The review is consistent with the size and nature of the business and is written in the context of the risks and uncertainties faced. Monthly management accounts are prepared and reviewed by the management of the Standard Chartered PLC ("the Group") in which this Company resides. The Company forms part of the Group and this is not expected to change in the foreseeable future.

During the year, the Company received dividends of \$0.5 million and reported a loss for the year of \$1.4 million (2020: \$13.6 million). Business performance has been impacted by COVID-19 in 2021 and 2020.

Going Concern

The director has made an assessment covering a period of 12 months from the date of approval of these financial statements which indicates that, the Company has adequate resources to meet its liabilities as they fall due for that period. In preparing this assessment, the director has considered the current economic uncertainty of Standard Chartered Capital & Advisory (Nigeria) Limited to maintain dividend remittances. The director does not expect the uncertainty to impact the Company's ability to meet its liabilities. The director also notes the Company's cash balance of \$9.5 million is comfortably in excess of expenses and non-group liabilities. With regards to the intercompany loan that is repayable on demand, the director has obtained a letter of support indicating that the loan will not be called in the next 12 months. In making the going concern assessment, the director is satisfied that the parent company is in a position to provide such support.

Overall, the business performance has been hindered by current year impairment of \$1.8 million and lower dividend income of \$0.5million in the current year. The current asset ratio of 64:1 excluding the intercompany loan is above benchmark of 1:1.

The director is confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Standard Chartered Securities (Africa) Holdings Limited

Director's Report (continued)

Results and dividends

The results of the company are set out from page 10 to page 24.

Dividends received from Standard Chartered Capital & Advisory Nigeria Limited during the year ended 31 December 2021 are \$0.5million (2020: \$1.1 million)

Creditor payment policy

The company is a holding company and does not trade nor have any banking activities. It has no suppliers; 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 (2020: nil).

Post balance sheet event

In the opinion of the director, there have been no significant events subsequent to the year that are deemed necessary to be adjusted or disclosed in the financial statements. In addition, the director has also considered the impact of COVID-19 and the effect of the conflict and related sanctions in Ukraine, Russia and/or Belarus, and have determined that these do not have impact on the Company and the valuation of its assets and liabilities.

Financial instruments

Financial instruments entered into during the year comprised of intercompany balances.

Director

The director who held office during the year was as follows:

Oluwayemisi Deji-Bejide

Qualifying third party indemnities

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

Employees

The company has no employees (2020: Nil).

Risk management

The risk management objectives of the Company are set out in note 14.

Disclosure of information to auditor

The director who held office at the date of approval of this Director's Report and Financial Statements confirms that, so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and the director has taken all steps that she ought to have taken as a director in order to make herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to section 485 of the Companies Act 2006, Ernst & Young LLP ("EY" LLP) has been re-appointed as statutory auditor for the year ended 31 December 2021.

Standard Chartered Securities (Africa) Holdings Limited

Director's report (continued)

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 director:



Oluwayemisi Deji-Bejide
Director

Registered no.: 05843604
1 Basinghall Avenue
London
EC2V 5DD
UK

Standard Chartered Securities (Africa) Holdings Limited

Statement of Director's Responsibilities

The Director is responsible for preparing the Director's Report and the Financial Statements in accordance with applicable law and regulations. Company law requires the Director to prepare the Financial Statements for each financial year. Under that law the Director has elected to prepare the Financial Statements in accordance with UK adopted international accounting standards and applicable law.

Under company law the Director 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 Director is 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 UK adopted international accounting standards;
- 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 that they either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

The Director is 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 her to ensure that the Financial Statements comply with the Companies Act 2006. The Director is 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 Director is 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.

Standard Chartered Securities (Africa) Holdings Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STANDARD CHARTERED SECURITIES (AFRICA) HOLDINGS LIMITED

Opinion

We have audited the financial statements of Standard Chartered Securities (Africa) Holdings Limited (the "Company") for the year ended 31 December 2021 which comprise of the Income Statement, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and the related notes 1 to 17, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for 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 director's 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 director 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 director is 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

Standard Chartered Securities (Africa) Holdings Limited

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 Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's report has been prepared in accordance with applicable legal requirements.

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 Director's 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to take advantage of the small companies' exemption from the requirements to prepare a strategic report.

Responsibilities of director

As explained more fully in the director's responsibilities statement set out on page 6, the director is 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 director 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 director is 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 director 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.

Standard Chartered Securities (Africa) Holdings Limited

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.

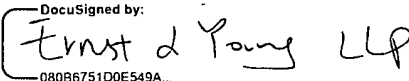
Our approach was as follows:

- 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 (UK adopted international accounting standards and 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 the management to understand on how the company maintains and communicates its policies and procedures in these areas and corroborated this by reviewing supporting documentation.
- 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. Our procedures involved journal entry testing by applying specific risk criteria, with a focus on large or unusual transactions based on our understanding of the business.
- 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.

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.

DocuSigned by:

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Yiyang Edge (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
10 October 2022

Standard Chartered Securities (Africa) Holdings Limited

Income Statement

For the year ended 31 December 2021

	Note	2021 US \$	2020 US \$
Dividend Income	4	530,735	1,099,215
Other Income		-	10,730
Foreign exchange loss		(108,509)	(115,042)
Operating income		422,226	994,903
Audit fees	2	(33,565)	(25,128)
Impairment of investments in subsidiary undertakings	7	(1,790,714)	(14,474,202)
Operating expenses		(1,824,279)	(14,499,330)
Loss for the year before taxation		(1,402,053)	(13,504,427)
Tax expense	6	(7,212)	(53,406)
Loss for the year after taxation		(1,409,265)	(13,557,833)

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

The Company had no comprehensive (loss)/income for the years ended 31 December 2021 and 31 December 2020, respectively, other than the loss for the current and prior years which are attributable to equity shareholders and continuing operations of the Company. A separate statement of other comprehensive loss or income has therefore not been prepared.

The notes from pages 14 to 24 form part of the financial statements.

Standard Chartered Securities (Africa) Holdings Limited

Statement of Financial Position

at 31 December 2021

	Note	2021 US \$	2020 US \$
Non-current assets			
Investments in subsidiary undertakings	7	11,287,535	13,078,249
Current assets		11,063,544	10,544,367
Due from group undertakings	9	9,497,322	9,445,152
Trade and other receivables	8	1,521,441	1,099,215
Due from group undertakings for UK tax losses		44,781	-
Total assets		22,351,079	23,622,616
Current liabilities		14,737,505	14,599,777
Trade and other payables		58,694	25,128
Loan payable Standard Chartered Holdings (Africa) B.V	11	14,564,703	14,564,703
Foreign tax payable		114,108	9,946
Equity		7,613,574	9,022,839
Share capital	10	8,002,229	8,002,229
Share premium	10	4,595,921	4,595,921
Retained Earnings		(4,984,576)	(3,575,311)
Total equity and liabilities		22,351,079	23,622,616

The notes from pages 14 to 24 form part of the financial statements.

Approved by the director and authorised for issue:



Director
Oluwayemisi Deji-Bejide

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Registration 05843604

Date: 07 October 2022

Standard Chartered Securities (Africa) Holdings Limited

Statement of Changes in Equity

For the year ended 31 December 2021

	Share Capital US \$	Share premium US \$	Retained Earnings US \$	Total US \$
Balance at 1 January 2020	8,002,229	4,595,921	9,982,522	22,580,672
Loss for the year	-	-	(13,557,833)	(13,557,833)
Balance at 31 December 2020	8,002,229	4,595,921	(3,575,311)	9,022,839
Loss for the year	-	-	(1,409,265)	(1,409,265)
Balance at 31 December 2021	8,002,229	4,595,921	(4,984,576)	7,613,574

The notes from pages 14 to 24 form part of the financial statements.

The share capital and the share premium are further disclosed in note 10.

Standard Chartered Securities (Africa) Holdings Limited

Statement of Cash Flows

For the year ended 31 December 2021

	Note	2021 US \$	2020 US \$
Cash flow from operating activities			
Loss for the year before tax		(1,402,053)	(13,504,427)
Adjustment for non-cash and separately disclosed items:			
- Dividend income	4	(530,735)	(1,099,215)
- Impairment loss	7	1,790,714	14,474,202
- Foreign exchange loss		108,509	-
Changes in working capital:			
- Changes in trade and other payables		33,565	10,306
- Changes in trade and other receivables		-	116,106
- Changes in due from group undertakings	9	-	144,934
Group tax relief settled		52,170	-
Tax Paid		-	(265,265)
Net Cash used in operating activities		52,170	(123,359)
Cash flows from investing activities			
Dividends received		-	3,536,863
Net cash from investing activities		-	3,536,863
Net Increase in cash and cash equivalents		52,170	3,413,504
Cash and cash equivalents at beginning of year		9,445,152	6,031,648
Cash and cash equivalents at end of year	9	9,497,322	9,445,152

The notes from pages 14 to 24 form part of the financial statements.

Standard Chartered Securities (Africa) Holdings Limited

Notes to the financial statements

for the year ended 31 December 2021

1. Principal accounting policies

Statement of Compliance

The Company financial statements have been prepared and approved by the director in accordance with UK adopted international accounting standards.

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

Basis of preparation

At 31 December 2021, the Company had adopted all International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretation Committee (IFRIC) Interpretations that had been issued by the International Accounting Standards Board (IASB) and IFRIC except those which are not yet effective. The accounting policies set out below have been applied consistently 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.

The director has made an assessment covering a period of 12 months from the date of approval of these financial statements which indicates that, the Company has adequate resources to meet its liabilities as they fall due for that period. In preparing this assessment, the director has considered the current economic uncertainty of Standard Chartered Capital & Advisory (Nigeria) Limited to maintain dividend remittances. The director does not expect the uncertainty to impact the Company's ability to meet its liabilities. The director also notes the Company's cash balance of \$9.5 million is comfortably in excess of expenses and non-group liabilities. With regards to the intercompany loan that is repayable on demand, the director has obtained a letter of support indicating that the loan will not be called in the next 12 months. In making the going concern assessment, the director is satisfied that the parent company is in a position to provide such support.

Overall, the business performance has been hindered by current year impairment of \$1.8 million and lower dividend income of \$0.5million in the current year. The current asset ratio of 64:1 excluding the intercompany loan is above benchmark of 1:1.

The director is confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Standard Chartered Securities (Africa) Holdings Limited

Notes to the financial statements

for the year ended 31 December 2021 (continued)

1. Principal accounting policies (continued)

Uses of estimates and judgement

The preparation of the financial statements requires management to form opinions and to make estimates and assumptions that influence the application of the principles and the reported values of assets and liabilities and of income and expenditure.

The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognised in the period in which the estimate is revised and in future periods for which the revision has consequences. There are no key assumptions concerning the future, or other key sources of estimation uncertainty at the Statement of Financial Position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Functional currency

Items included in the Company's 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 presentation currency is the United States Dollars (USD or \$).

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 within foreign exchange gains/losses 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.

Investments in subsidiaries

Investment in subsidiary undertakings are stated at cost less impairment and dividends from pre-acquisition profits received prior to 01 January 2009, 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.

Dividend income

Dividends received on equity instrument are recognised in the income statement when the Company's right to receive payment is established.

Standard Chartered Securities (Africa) Holdings Limited
Notes to the financial statements
for the year ended 31 December 2021 (continued)

1. Principal accounting policies (continued)

Taxation

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

Financial assets and liabilities

The Company's financial assets and financial liabilities are classified as 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 Other income). Foreign exchange gains and losses are recognised in the income statement.

Other Income

Other income relates to interest on cash at the bank. Other income is recognised in the statement using the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate that discounts estimated future cash receipt through the expected life of the financial instrument or when appropriate, a shorter period to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates cash flows considering all the contractual terms of the financial instrument but does not consider future credit future losses. The calculation includes all fees and points received between parties to the contract that are integral part of the effective interest rate, transaction costs and all the other premiums or discounts.

Standard Chartered Securities (Africa) Holdings Limited

Notes to the financial statements

for the year ended 31 December 2021 (continued)

1. Principal accounting policies (continued)

Impairment of assets

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

The recoverable amount of the asset is the greater of its value in use and its fair value less costs sell.

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

Impairment losses are recognised in the income statement. For assets other than goodwill, 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 with effective dates for periods after 31 December 2021, have been assessed by the Company; none of these pronouncements are expected to result in any adjustments to the Financial Statements.

2. Auditors Remuneration

The auditor's fee of \$33,565 (2020: \$25,128) for the statutory audit was borne by the Company. No other amounts were paid to the auditors in respect of the Company.

3. Director's emolument

The director did not receive any fees or emoluments in respect of qualifying services to the Company during the year (2020: Nil)

4. Dividend income

	2021 US \$	2020 US \$
Dividend income	530,735	1,009,215

Dividends were earned from the company's subsidiary, Standard Chartered Capital & Advisory Nigeria Limited in relation to their 2021 and 2020 financial performance.

Standard Chartered Securities (Africa) Holdings Limited
Notes to the financial statements
for the year ended 31 December 2021 (continued)

5. Foreign exchange loss

	2021 US \$	2020 US \$
Foreign exchange loss	(108,509)	(115,042)

The foreign exchange loss in 2021 and 2020 arose from dividend receivable which was revalued at the end of the financial year at a lower amount as a result of deterioration in the exchange rate of Nigeria Naira (currency of the country where the dividend is declared) relative to the US Dollar.

6. Taxation

Tax on ordinary activities

	2021 US \$	2020 US \$
<i>Current tax</i>		
- UK Corporation tax at 19.00% (2020: 19.00%)		
- Current tax on income for the year	(30,155)	(20,327)
- Prior year adjustment	5,700	
<i>Foreign tax</i>		
- Current tax on income for the year	39,805	82,441
- Adjustments in respect of prior periods	(8,138)	(8,708)
Tax charge	7,212	53,406

Standard Chartered Securities (Africa) Holdings Limited
Notes to the financial statements
for the year ended 31 December 2021 (continued)

6. Taxation (continued)

Reconciliation of total tax charge

	2021 US \$	2020 US \$
Loss on ordinary activities before tax	(1,402,053)	(13,504,427)
Tax at 19.00 % (2020: 19.00%)	(266,390)	(2,565,841)
Effect of:		
- Non-deductible FX loss	20,617	22,060
- Non-taxable dividend income	(100,840)	(208,851)
- Transfer Pricing adjustment: Finance costs	(1,900)	(7,600)
- Transfer Pricing adjustment: Interest on intercompany	(21,878)	(10,194)
- Non-deductible impairment	340,236	2,750,099
- Prior year adjustment	5,700	-
- Foreign Withholding Tax	31,667	73,733
Tax charge on profits on ordinary activities	7,212	53,406

The UK corporation tax rate is 19% for the years ended 31 December 2021 and 31 December 2020. An increase in the rate of corporation tax to 25% 1 April 2023 was enacted on the 10 June 2021.

7. Investments in subsidiary undertakings

	2021 US \$	2020 US \$
Balance at 1 January	13,078,249	27,552,451
Impairment loss	(1,790,714)	(14,474,202)
Balance at 31 December	11,287,535	13,078,249

Standard Chartered Securities (Africa) Holdings Limited
Notes to the financial statements
for the year ended 31 December 2021 (continued)

7. Investments in subsidiary undertakings (continued)

They were no equity injections in the 2021 period (2020: Nil).

Details of investments in which the company holds 20% or more of the nominal value of any class of share capital is as follows:

Name of the company	Holding	Proportion of voting rights and shares held	Nature of business
<i>Subsidiary undertakings:</i>			
Standard Chartered Securities (Kenya) Limited (SCS K) *	Ordinary shares	100%	Corporate Finance Advisory
Standard Chartered Capital & Advisory Nigeria Limited (SCCAN) **	Ordinary shares	100%	Corporate Investment Advisers/ Underwriter /Issuing House

* Incorporated in Kenya

** Incorporated in Nigeria

The carrying value of the investments held in Standard Chartered Securities (Kenya) Limited and Standard Chartered Capital & Advisory Nigeria Limited are \$0.09 million (2020: \$0.09 million) and \$11.1 million (2020: \$12.9 million) respectively. The Standard Chartered Securities (Kenya) Limited investment was impaired to \$0.09 million in 2015 due to the entity being dormant.

There has been a decline in net profit and net assets of SCCAN during 2021, which represented an indicator of impairment in respect of the Company's investment in SCCAN. The Company has performed an impairment test, which resulted in an impairment loss of \$1.8 million. The carrying value of SCCAN is \$11.1 million at the balance sheet date. In determining the fair value less cost of capital disposal, the company has used the net asset value of the subsidiary as basis. The net asset value is classified as Level 3 on the fair value hierarchy. The impairment loss is presented as a separate line item on the income statement.

8 Trade and other receivables	2021 US \$	2020 US \$
Dividend receivable	1,521,441	1,099,215

Trade and other receivables are non-interest bearing. The fair value approximates the carrying value.

This relates to dividend receivable from Standard Chartered Capital & Advisory Nigeria Limited (SCCAN) after it has been declared by the company which is usually driven by its financial performance.

Standard Chartered Securities (Africa) Holdings Limited
Notes to the financial statements
for the year ended 31 December 2021 (continued)

9. Due from group undertakings

For the purposes of the cash flow statement, cash and cash equivalents comprise of balances callable on demand or with less than three months maturity from the date of acquisition, including cash and balances with Standard Chartered Bank. To align with group, Cash and cash equivalents are now all presented under Due from group undertakings.

	2021 US \$	2020 US \$
Due from Standard Chartered Bank – Interest bearing	9,300,218	9,300,218
Due from Standard Chartered Bank – Non-interest bearing	197,104	144,934
Due from group undertakings	9,497,322	9,445,152

Due from Standard Chartered Bank – Interest bearing earns interest at prevailing market rates. At 31 December 2021 and 31 December 2020, the carrying amounts of cash and cash equivalents approximate its fair value due to the short-term nature of this asset. The cash is held with Standard Chartered Bank.

10. Share capital and share premium

<i>Share capital</i>	2021 US \$	2020 US \$
<i>Authorised, Issued and called up</i>		
8,002,229 Ordinary shares of \$1 each (2020: 8,002,229)	8,002,229	8,002,229
	8,002,229	8,002,229
<i>Share premium</i>	4,595,921	4,595,921
Ordinary shares	4,595,921	4,595,921

11. Loan payable – Standard Chartered Holdings (Africa) B.V.

	2021 US \$	2020 US \$
Loan payable	14,564,703	14,564,703

An inter-group loan agreement was entered into on 3 April 2012. The loan is interest free and is repayable on demand. As indicated in Note 1, the directors have received a letter of support from Standard Chartered Holdings (Africa) B.V that the loan will not be called in the next 12 months.

12. Commitments and contingencies

Capital commitments

There were no capital commitments and contingencies at the end of the financial year.

Standard Chartered Securities (Africa) Holdings Limited
Notes to the financial statements
for the year ended 31 December 2021 (continued)

13. Related parties

Key management personnel

The director did not receive any fees or emoluments from the Company during the year (2020: Nil).

The below is a summary of related party transactions and balances:

	2021 US \$	2020 US \$
<i>Income</i>		
Other Income from Standard Chartered Bank	-	10,730
Dividend income from Standard Chartered Capital & Advisory Nigeria Limited	530,735	1,099,215
<i>Assets</i>		
Due from group undertakings	9,497,322	9,445,152
Due from group undertakings for UK tax losses	44,781	-
Trade and other receivables from Standard Chartered Capital & Advisory Nigeria Limited	1,521,441	1,099,215
	<u>11,063,544</u>	<u>10,544,367</u>
<i>Liabilities</i>		
Loan payable to Standard Chartered Holdings (Africa) B.V	14,564,703	14,564,703
	<u>14,564,703</u>	<u>14,564,703</u>

Related parties of the company

Company	Country of incorporation	Type of relationship	Proportion of shares held (%)	Registered office
Standard Chartered Securities (Kenya) Limited (SCS K)	Kenya	Direct holding	100%	Standard Chartered Chiromo, 48 Westlands Road, P.O Box 30003 – 00100 G.P.O, Nairobi, Kenya
Standard Chartered Capital & Advisory Nigeria Limited (SCCAN)	Nigeria	Direct holding	100%	Standard Chartered Bank Towers, 142 Ahmadu Bello Way, Victoria Island, Lagos, 101241, Nigeria
Standard Chartered PLC (Ultimate parent)	United Kingdom	Ultimate Parent	-	1 Basinghall Avenue, London, EC2V 5DD, United Kingdom
Standard Chartered Holdings (Africa) B.V. (Parent company)	United Kingdom	Parent	-	1 Basinghall Avenue, London, EC2V 5DD, United Kingdom
Cherroots Nigeria Limited	Nigeria	Indirect holding	99.99%	Standard Chartered Bank Towers, 142 Ahmadu Bello Way, Victoria Island, Lagos, 101p1, Nigeria

Standard Chartered Securities (Africa) Holdings Limited

Notes to the financial statements

for the year ended 31 December 2021 (continued)

14. Risk management

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 balance of \$1.5 million and cash and cash equivalents of \$9.5 million. The Standard Chartered Group has policies and procedures in place to manage risk so the credit risk is not significant from amount owed by Group undertakings. Trade and other receivables are concentrated in Nigeria, West Africa.

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.

Foreign currency risk

Foreign currency risk is the risk of a loss from assets or liabilities denoted in a foreign currency. The majority of the financial assets and liabilities of the Company are denominated in United States dollars ("USD"). The impact of the foreign exchange rates relates to the translation of dividends from Nigerian Naira (Naira) to USD.

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.

15. Ultimate holding company and parent company

The Company is an immediate subsidiary undertaking of Standard Chartered Holdings (Africa) B.V, a company incorporated in the Netherlands. The smallest group in which the results of the Company are consolidated is that headed by Standard Chartered Bank. The ultimate parent 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.

16. 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 exposed to externally imposed capital requirements in either the current year or the prior year, other than the minimum share capital required by the Company's 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 director, to support the transactions and the level of business undertaken by the Company.

Standard Chartered Securities (Africa) Holdings Limited
Notes to the financial statements
for the year ended 31 December 2021 (continued)

17. Post balance sheet event

In the opinion of the director, there have been no significant events subsequent to the year end that are deemed necessary to be adjusted or disclosed in the financial statements. In addition, the director has considered the impact of COVID-19 and the effects of the conflict and related sanctions in Ukraine, Russia and/or Belarus, and have determined that these do not have impact on the Company and the valuation of its assets and liabilities.