

COMPANY REGISTERED NUMBER 645093

CTL LIMITED



Annual Report
& Accounts 1999

Report of the directors

The directors have pleasure in submitting their report and the financial statements for the period ended 31 March 1999.

Business review

The principal activity of the company is the provision of financial services.

The company recorded a profit before taxation of £191,000 (1998: £192,000) for the period and a dividend of £68,000 (1998: £2,000) was proposed.

EMU

The company's intermediate parent, Chartered Trust Holdings plc, and its ultimate parent, Standard Chartered PLC, has established a structured programme involving all businesses and locations to prepare for the Euro.

Year 2000

We were confident that thorough preparations for the millennium transition would enable the company, its intermediate parent, Chartered Trust Holdings plc and its ultimate parent, Standard Chartered PLC, to continue our usual high standards of service to our clients, without interruption, into the 21st century.

We are pleased to be able to confirm that Standard Chartered PLC including Chartered Trust Holdings plc and its subsidiary undertakings has made a successful transition to the new millennium. In line with our expectations, we are conducting business as usual. Given the complexity of the issue we will remain vigilant to ensure that our technology remains compliant during the year 2000 and beyond.

Costs incurred in respect of Year 2000 for Chartered Trust Holdings plc have been quantified and the group's normal accounting policies apply. As a result, the majority of the expenditure is being expensed whilst a small proportion representing investment in new equipment has been capitalised. The total spend to 31 March 1999 on year 2000 was £13.4m. Of this £2.6m was expensed in 1998, £9.6m in 1999 with £1.2m being capitalised.

Directors

The directors who served during the year were:

P A Barry
B P P Blake (deceased, 16 January 2000)
D S Gow

Directors' interests

The directors of the company are also directors of Chartered Trust Holdings plc and their interests in the shares and debentures of the ultimate parent company Standard Chartered PLC and its subsidiary companies are dealt with in the report of the directors of the former company.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

By Order of the Board



P A Barry
Director

31 January 2000

Report of the auditors to the members of CTL Limited

We have audited the accounts on pages 4 to 10.

Respective responsibilities of directors and auditors

As described on page 2 the directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 March 1999 and of the company's result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc

Chartered Accountants
Registered Auditor

Marlborough House
Fitzalan Court
Fitzalan Road
Cardiff
CF24 0TE

31 January 2000

Profit and loss account
31 March 1999

	Notes	1999 £'000	1998 (as restated) £'000
<i>Interest receivable:</i>			
Other interest receivable and similar income	7	562	612
<i>Interest payable</i>	8	(253)	(334)
Net interest income		309	278
Fees and commissions payable		(51)	(30)
Operating income		258	248
Administrative expenses		(52)	(52)
Provisions for bad and doubtful debts	11	(15)	(4)
Profit on ordinary activities before taxation	7	191	192
Tax on profit on ordinary activities	9	(123)	(190)
Profit on ordinary activities after taxation being profit for the financial year		68	2
<i>Dividends paid and proposed</i>		<i>(68)</i>	<i>(2)</i>
Amounts transferred to reserves	15	-	-

The above results relate to continuing operations.

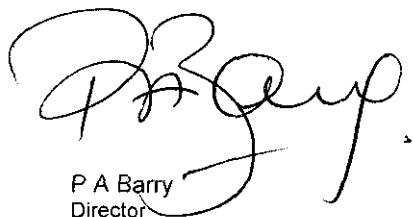
The amounts passing through the profit and loss account represent the total recognised gains and losses for the current and preceding years.

Balance sheet

31 March 1999

	Notes	1999 £'000	1998 (as restated) £'000
Assets			
Loans and advances to customers	10	5,291	6,563
Other assets	12	-	62
Total assets		5,291	6,625
Liabilities			
Other liabilities	13	191	235
Accruals and deferred income		402	344
Amounts due to group undertakings		4,366	5,714
Called up share capital	14	275	275
Share premium account		53	53
Profit and loss account	15	4	4
Equity shareholders' funds	16	332	332
Total liabilities		5,291	6,625

These financial statements were approved by the board on 31.1.2000 and signed on its behalf by:


P A Barry
Director

Notes to the financial statements

31 March 1999

1. Principal accounting policies

Accounting convention

The financial statements have been prepared on the historical cost basis of accounting. The company's financial statements are drawn up in accordance with Section 228 of, and Schedule 9 to, the Companies Act 1985 and applicable Accounting Standards.

Cash flow statement

As the company is a wholly owned subsidiary and its ultimate parent company, Standard Chartered PLC, publishes a consolidated cash flow statement dealing with the consolidated cash flows of the group, the company does not prepare a cash flow statement.

Related party transactions

The exemption given under Financial Reporting Standard 8 from the requirement to disclose transactions with group companies has been adopted as the company is a wholly owned subsidiary and the accounts of its ultimate holding company, Standard Chartered PLC, are publicly available.

Equipment leased to customers and instalment credit agreements

Assets leased to customers under agreements that transfer substantially all the risks and rewards associated with ownership, other than legal title, are classified as finance leases. The balance sheet amount represents total minimum lease payments less unearned income. Income from finance leases is credited to the profit and loss account in proportion to the funds invested. Fixed rate instalment credit agreements (being hire purchase and personal loan agreements) are treated in a similar manner to finance leases.

Income arising from the residual interest in instalment credit agreements, the principal of which has been disposed of, is credited to the profit and loss account as it accrues. The expenses incurred in generating this income are deferred and amortised over the duration of the income flow and in proportion to it.

Commissions

Commission payable on new business is allocated to accounting periods over the life of agreements to produce a constant rate of charge on the outstanding balance.

Commission receivable from insurance policies sold is credited to the profit and loss account net of a provision for repayment of such commission on early termination of policies. This provision is released on termination of such policies.

Provisions for bad and doubtful debts

Provision against customers' accounts is calculated by reference to the record of payments received and, where appropriate, the security held or the value of the goods to which the agreements relate.

Provisions are applied to write off loans and advances when all security has been realised and further recoveries are considered to be unlikely.

Interest on loans and advances is accrued to profit until such time as reasonable doubt exists about its collectability. Thereafter interest is not included in loans and advances or in provisions for bad and doubtful debts, but held in suspense and fully provided against. Suspended interest is written off when there is no longer any realistic prospect of it being recovered.

Deferred taxation

A provision or prepayment is established, on the liability basis, for the deferred or accelerated tax payments arising from timing differences, including pension prepayments, which are expected with reasonable probability to reverse in the foreseeable future.

As it is expected that substantially all such assets will be retained by the group, it is considered that no useful purpose would be served by attempting to quantify the unprovided potential liability.

2. Change in presentation of financial statements

The directors have adopted a presentation format for the profit and loss account and balance sheet that complies with Schedule 9 of the Companies Act 1985, in preference to the previous Schedule 4 format used.

The directors consider that the new format gives a fairer presentation of the company's results for the period and its financial position at the period end, resulting from a change in the nature of the financial products offered. The revised format used is consistent with the format adopted for fellow subsidiaries within the group.

The 1998 comparatives have been restated to comply with the change in format. There has been no effect on the result for either period, or the financial position at the end of either period.

3. Parent undertaking

The immediate parent undertaking is Chartered Trust Group plc and the ultimate parent undertaking is Standard Chartered PLC. Both companies are registered in England and Wales. Consolidated accounts are prepared by Chartered Trust Holdings plc, one of its intermediate holding companies, and copies of the statutory accounts of that company and Standard Chartered PLC, are available at their registered offices located at 24-26 Newport Road, Cardiff, CF24 0SR and 1 Aldermanbury Square, London, EC2V 7SB, respectively..

4. Segmental analysis

The company operates solely within the United Kingdom and is engaged solely in the provision of financial services.

5. Staff numbers and costs

The company did not directly employ any persons during the period (1998: none), accounting and administrative services being provided by Chartered Trust plc, a fellow subsidiary undertaking.

6. Directors' emoluments

No director received any fees or emoluments during the period (1998: £nil).

7. Profit on ordinary activities before taxation

	1999 £'000	1998 £'000
The profit before taxation is arrived at after taking into account the following items:		
Income		
Interest receivable from:		
Finance leases	557	612
Instalment credit agreements	5	-
<hr/>		
	1999 £'000	1998 £'000
Charges		
Auditors' remuneration:		
Audit work	2	2
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8. Interest payable

This represents interest payable to the company's immediate parent company.

9. Tax on profit on ordinary activities

	1999 £'000	1998 £'000
The charge for taxation comprises:		
Current year:		
Corporation tax	123	190

10. Loans and advances to customers

	1999 £'000	1998 £'000
Instalment credit agreements	66	53
Finance leases	5,258	6,534
	5,324	6,587
Provision for bad and doubtful debts (note 11)	(33)	(24)
	5,291	6,563

The cost of assets acquired during the year for financing to customers under instalment credit agreements and finance leases amounted to £2,283,000 (1998: £3,431,000).

	1999 £'000	1998 £'000
Maturity analysis:		
Residual maturity:		
3 months or less	509	1,550
Between 3 and 12 months	1,674	2,041
Between 1 and 5 years	3,141	2,996
	5,324	6,587
Provision for bad and doubtful debts (note 11)	(33)	(24)
	5,291	6,563

11. Provisions for bad and doubtful debts

	1999 Specific £'000	1998 Specific £'000
At 1 April	24	26
Charge/(credit) against profit	15	4
Recoveries of amounts previously written-off	5	16
Amounts written-off	(11)	(22)
At 31 March	33	24

12. Other assets

	1999 £'000	1998 £'000
Other debtors	-	62
	-	62

13. Other liabilities

	1999 £'000	1998 £'000
Corporation tax	123	233
Dividends	68	2
	191	235

14. Called up share capital

	1999 £'000	1998 £'000
The share capital of the company comprises:		
Authorised, issued, called up and fully paid:		
Ordinary shares of 10p each	275	275
	275	275

15. Reserves

Profit
& loss
£'000

At 1 April 1998	4
Retained profit for the period	-
At 31 March 1999	4

16. Reconciliation of movements in shareholders' funds

	1999 £'000	1998 £'000
Profit for the financial year	68	2
Dividends	(68)	(2)
	-	-
Opening shareholders' funds	332	332
Closing shareholders' funds	332	332

17. Capital commitments and contingencies

There were no contracted and committed capital commitments or contingencies at the balance sheet date (1998: £nil).