

FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2009**

Registered No. 03904310

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**FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2009**

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**FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH JUNE 2009**

Directors:

G R Cooper
J K Evans (resigned 1st December 2008)
P G Gately
M J Lazberger (appointed 24th September 2008)
C M Metcalfe (resigned 18th February 2009)
S W Paul
P Rayson (appointed 17th December 2008, resigned 21st September 2009)
M J Stapleton (appointed 26 March 2009, resigned 21st September 2009)
G Johnston (appointed 21st September 2009)
G Withers (appointed 21st September 2009)

Secretary:

A C N Smith
G V Davies

Registered Office: 3rd Floor, 30 Cannon Street, London, EC4M 6YQ

The Directors present their report and the audited financial statements for the year ended 30th June 2009.

Principal Activities and Status

The principal activity of the Company is acting as group holding company.

Commonwealth Bank of Australia ("CBA"), incorporated in Australia and listed on the Australian Stock Exchange, is regarded by the Directors of the Company as the Company's ultimate parent company.

Review of Business, Risks and Uncertainties

First State Investments (UK Holdings) Limited is part of the international operation of Colonial First State Global Asset Management. Colonial First State Global Asset Management, Australia's largest fund manager with approximately A\$138billion in assets under management as at 30th June 2009, is owned by the Commonwealth Bank of Australia, one of Australia's largest financial services organisations. Colonial First State Global Asset Management operates in the United Kingdom as First State Investments.

Colonial First State Global Asset Management is managed by CBA's Wealth Management division. Within CBA, Wealth Management is responsible for the manufacture and administration of non-banking services, including business units such as Colonial First State in Australia and First State Investments in the UK and Asia. Wealth Management also provides strategic and operational support for the investment and insurance products of group companies.

First State Investments (UK Holdings) Limited is the UK holding company for a group of companies which provide a range of specialist investment management services. The group's core areas of focus include global equities, Asia Pacific and global emerging markets equities, property securities, infrastructure investment (both listed and unlisted) and global resources investment. We manage various types of investments and clients including pooled vehicles, segregated mandates, pension funds, commingled funds, institutional and retail investors.

Our primary goals are:

- to preserve and enhance client wealth
- to achieve superior investment performance across our range of products;
- to develop innovative investment products that meet the evolving and diverse needs of our clients;
- to build high quality relationships with our clients, always respecting the primary relationship between advisor and client; and
- to satisfy expectations for shareholder returns.

**FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH JUNE 2009**

Review of Business, Risks and Uncertainties (continued)

We strive to be at the forefront of specialist investing in both developed and emerging markets. Over the past 12 months we have continued to attract strong asset flows into Asia Pacific ex-Japan and global emerging markets equities, and Global Listed Infrastructure products in particular. During the year the global financial crisis negatively impacted investment returns for most of our core markets and products although by year end both Asia and GEM had posted single digit positive returns.

The principal risk to the level of profitability of the Company and the group is that of market correction following the strong run over the past 3 years. The particular long-term investment style of the Group has protected its revenue and its customers' investments more than many competitors during the correction which materialised after the year end. The business is also exposed to key man risk associated with the Asia Pacific/GEM team. The Directors are of the opinion that this risk has been managed via the introduction of the Long term incentive scheme.

The Directors consider that the Company's activities will continue unchanged in the foreseeable future.

Results and Dividends

The profit for the year after taxation was £28,118,015 (2008: profit of £83,011). The directors do not recommend the payment of a final dividend after paying an interim dividend of £10,000,000 on 26th June 2009.

The balance of profits retained in the Profit and Loss account was thus £267,056 (2008: losses of £17,850,959).

Directors and their Interests

The Directors of the Company during the year were those listed above. There are no Directors' share interests requiring disclosure under the Companies Act 2006.

**FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH JUNE 2009**

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors and disclosure of information to auditors

In the case of each of the directors, the following applies:

- so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, PricewaterhouseCoopers LLP have indicated their willingness to continue in office.

By order of the Board



A C N Smith
Secretary
Edinburgh

14th October 2009

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED

We have audited the financial statements of First State Investments (UK Holdings) Limited for the year ended 30 June 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Sections 495 and 496 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2009 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

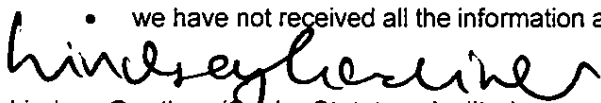
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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


Lindsay Gardiner (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
14th October 2009

FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2009

	Notes	2009 £	2008 £
Administrative expenses		(230,349)	(48,147)
Operating loss	2	(230,349)	(48,147)
Group dividend received	3	28,280,000	-
Interest receivable		9,240	169,318
Profit on ordinary activities before taxation		28,058,891	121,171
Tax on profit on ordinary activities	6	59,124	(38,160)
Profit on ordinary activities after taxation		28,118,015	83,011
Dividend paid	4	(10,000,000)	-
Net profit after dividend		18,118,015	83,011

There were no material acquisitions or discontinued operations during the year.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

There were no recognised gains and losses other than those shown above.

The notes on pages 6 to 12 form part of these financial statements.

FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED
BALANCE SHEET
AS AT 30TH JUNE 2009

	Notes	£	2009	£	£	2008	£
Fixed Assets							
Investments	7a			67,909,521			84,109,521
Current assets							
Investments	7b	1,267,098			-		
Debtors	8	158,112			96,932		
Cash at bank		53,729			178,036		
		<u>1,478,939</u>			<u>274,968</u>		
Creditors							
Amounts falling due within one year	9	<u>(12,895,316)</u>			<u>(25,009,360)</u>		
Net current (liabilities)/ assets				<u>(11,416,377)</u>			<u>(24,734,392)</u>
Net assets				<u>56,493,144</u>			<u>59,375,129</u>
Capital and Reserves							
Share capital	10			56,226,088			77,226,088
Profit and loss account				<u>267,056</u>			<u>(17,850,959)</u>
Equity shareholders' funds	11			<u>56,493,144</u>			<u>59,375,129</u>

The financial statements and related notes on pages 5 to 12 were approved and authorised for issue by the Board of Directors on 14th October and were signed on its behalf by:



G R Cooper
Director

FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2009

1. Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the accounting policies, which have been applied consistently, is set out below.

(a) Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

(b) Interest Received

Interest received (and paid) is recognised on an accruals basis by applying the appropriate rate of interest.

(c) Taxation

The charge for taxation is based on the profit or loss for the year as adjusted for disallowable items. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date, together with adjustments to tax payable in respect of prior years.

(d) Investments

The fixed asset investments are carried at fair value with any gains or losses on these investments taken to the profit and loss account.

Investments in subsidiaries are shown in the Balance Sheet at cost less impairment, where applicable. Investments are subject to review for impairment by the Directors annually or otherwise when determined to be required.

(e) Cash flow Statement

The Company is a wholly owned subsidiary of Commonwealth Bank of Australia and the cash flows of the Company are included in the consolidated group cash flow statement of Commonwealth Bank of Australia. Consequently the company is exempt under the terms of Financial Reporting Standard No. 1 from publishing a cash flow statement.

FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2009

2. Operating Loss

The remuneration of the Company's auditors for the provision of audit services was £29,300 (2008: £29,300).

3. Group dividends received

The Company received a dividend of £4,380,000 (2008: £Nil) from its subsidiary company Colonial First State Investment Management (UK) Limited and dividends of £23,900,000 (2008: £Nil) from SI Holdings Limited.

4. Dividends paid

The directors elected to pay an interim dividend of £10,000,000 (2008: £Nil).

5. Directors' emoluments

The Directors of the Company are also Directors of a number of subsidiaries in the Group. Directors' emoluments are paid by First State Investment Services (UK) Limited, which makes no recharge to the Company. Full details of Directors' remuneration are given in the financial statements of First State Investment Services (UK) Limited.

6. Tax on profit ordinary activities

	2009	2008
	£	£
UK Corporation tax on profits of the period	(60,321)	36,959
Adjustments in respect of previous periods	1,197	1,202
Total current tax & Tax on profit on ordinary activities	<u>(59,124)</u>	<u>38,161</u>

Factors affecting tax charge for the period:

The corporation tax charge on the profit on ordinary activities for the period is calculated at the standard rate of corporation tax in the UK of 28% (2008: 29.5%).

	2009	2008
	£	£
Profit on ordinary activities before tax	<u>28,062,890</u>	<u>121,171</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008: 29.5%)	7,857,609	35,745
Effect of:		
Group dividends received	(7,918,400)	-
Timing Differences	470	-
Disallowed legal fees	-	1,214
Adjustments in respect of previous periods	1,197	1,202
Current tax charge for the period	<u>(59,124)</u>	<u>38,161</u>

FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2009

7. Investments

(a) Group undertakings

The Company has the following subsidiary undertakings:-

Name of company	Nature of Business	Description of shares held	% held	2009 £	2008 £
Colonial First State Investment Managers (UK) Limited	Fund Manager	Ordinary £1	100	1,950,000	2,150,000
Colonial First State Investment Managers (UK) Limited	Fund Manager	Redeemable £1	100	-	3,500,000
First State Investment Services (UK) Limited	Service Company	Ordinary £1	100	3,000,000	3,000,000
SI Holdings Limited	Holding Company	Ordinary £1	100	62,959,521	75,384,521
SI Holdings Limited	Holding Company	'C' Ordinary £1	100	-	75,000
Scotgem Limited (previously The Scottish Global Emerging Markets Investment Trust PLC)	Non Trading Company	Ordinary £1	50	-	-
				67,909,521	84,109,521

The board approved the redemption of 3,500,000 redeemable preference shares in Colonial First State Investment Managers (UK) Limited and the cancellation of 75,000 'C' Ordinary shares in SI Holdings on the 3rd December 2008. The par value of these shares was paid to the immediate parent company First State Investments (UK Holdings) Limited.

The following group companies are held by subsidiaries of First State Investment (UK) Holdings Ltd.

Name of company	Nature of Business	Description of shares held	% held
First State Investments (UK) Limited	Fund Manager	Ordinary £1	100
First State Investment Management (UK) Limited	Fund Manager	'A' Ord. £1 & 'B' Ord. £1	100
First State Investments International Limited	Fund Manager	Ordinary £1	100
First State Investments International Inc	Marketing to US clients	Ordinary \$0.01	100

In the opinion of the Directors the aggregate value of the Company's investments in its subsidiaries is not less than the aggregate of the amount at which the investment is stated in the Balance Sheet.

FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2009

7. Investments continued

(b) Other investments

	2009 £	2008 £
Seeding into European Diversified Infrastructure Fund	1,267,098	-
	<u>1,267,098</u>	<u>-</u>

8. Debtors

	2009 £	2008 £
Amounts owed by group undertakings	97,322	96,932
Corporate tax receivable from First State Investment Management (UK) Limited	60,790	-
	<u>158,112</u>	<u>96,932</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

9. Creditors

	2009 £	2008 £
Corporate tax payable	-	36,959
Amounts owed to group undertakings	12,872,391	24,938,476
Accruals and deferred income	22,925	33,925
	<u>12,895,316</u>	<u>25,009,360</u>

10. Share capital

	2009 £	2008 £
Authorised:		
Ordinary shares of £1 each	100,000,000	100,000,000
Redeemable shares of £1 each	50,000,000	50,000,000
	<u>150,000,000</u>	<u>150,000,000</u>
Allotted, issued, fully paid and called up:		
Ordinary shares of £1 each	56,226,088	65,759,171
Redeemable shares of £1 each	-	11,466,917
	<u>56,226,088</u>	<u>77,226,088</u>

The redeemable preference shares rank *pari passu* with the ordinary shares in respect of distribution of income or return of capital. They are redeemable at par value at the option of the Company on giving five days notice in writing. On the 3rd December 2008 the board approved the redemption of 11,466,917 redeemable shares and the cancellation of 9,533,083 ordinary shares at £1 each. The par value of these shares was paid to the immediate parent company Colonial First State Group Limited.

FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2009

11. Reconciliation of shareholders' funds

	Share Capital £	Profit & Loss £	Total £
At 30th June 2007	110,226,088	(17,933,970)	92,292,118
Profit for the year	-	83,011	83,011
Repayment of share capital	(33,000,000)	-	(33,000,000)
At 30th June 2008	77,226,088	(17,850,959)	59,375,129
Profit for year	-	28,118,015	28,118,015
Dividends	-	(10,000,000)	(10,000,000)
Repayment of share capital (note 10)	(21,000,000)	-	(21,000,000)
	<u>56,226,088</u>	<u>267,056</u>	<u>56,493,144</u>

The Redeemable Preference Shares are redeemable at any time at the option of the company, subject to 5 days' previous notice in writing. 33,000,000 redeemable preference shares were redeemed on 16th October 2007 at par value and the remaining 11,466,917 were redeemed on 3rd December 2008, a further 9,553,083 ordinary shares were cancelled on this date.

12. Related party disclosures

Under Financial Reporting Standard 8 - Related Party Disclosures, the Company is exempt from the requirement to disclose transactions with any other company in the Commonwealth Bank of Australia group.

13. Contingent liability

A contingent liability has been disclosed in the financial statements of two group entities, First State Investment Management (UK) Limited and Colonial First State Investment Managers (UK) Limited.

On 28th June 2007, the European Court of Justice ('ECJ') ratified the Advocate General's previous conclusion that the management fees of investment trusts, like those of authorised unit trusts and OEICs should be an exempt service for the purposes of VAT. Her Majesty's Revenue and Customs ('HMRC') has indicated that it will abide by this judgement. Investment trust companies are thus able to claim for a refund of VAT previously charged to them by First State Investment Management (UK) Limited to the extent that they have not already recovered such VAT. This is applicable for the distinct time periods as determined by case law that First State Investment Management (UK) Limited can itself reclaim VAT previously paid on to HMRC.

Repayments have been secured for investment trust clients for the year 2001 to 2007 and the amounts received passed on to those entities. Repayments are also pending for the 1990 to 1996 time period. Appropriate claims and appeals have also been lodged in respect of the intervening 1996 to 2001 period. First State Investment Management (UK) Limited's position is that it will only repay to investment trust clients amounts to the extent that they can be reclaimed by First State Investment Management (UK) Limited itself from HMRC.

The question of VAT exemption being extended to pension fund clients is currently being considered in the Wheels Common Investment Fund test case. Appropriate protective claims by both affected group entities have thus been made in respect of current and previous pension fund clients. In addition, protective claims and appeals have been lodged in case VAT exemption extends to certain other client types in the future.

The total value of all outstanding protective claims as at 30th June 2009 amounted to £8,466,144.

Whilst it is also possible that the group entities may incur some professional advisor fees as a result of the reclaims, the Directors do not expect a material liability to arise.

**FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2009**

14. Ultimate parent company

The immediate parent undertaking is Colonial First State Group Limited.

The ultimate parent undertaking and controlling party is Commonwealth Bank of Australia, which is the parent undertaking of the smallest and the largest group to consolidate these financial statements. Copies of Commonwealth Bank of Australia consolidated financial statements can be obtained from: Level 1, 48 Martin Place, Sydney, New South Wales 1155, Australia or from the following website: www.commbank.com.au.