

FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2011**

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Registered Number 03904310

**FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2011**

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**FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH JUNE 2011**

Directors. J I Carey (appointed 17th January 2011)
G R Cooper
P G Gately (resigned 18th February 2011)
G Johnston (resigned 12th July 2011)
M J Lazberger
S W Paul (resigned 18th October 2010)
R C Wastcoat (appointed 3rd October 2011)
G Withers

Company 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 of the Company for the year ended 30th June 2011

Principal Activities

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, Principal 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\$149 billion in assets under management as at 30th June 2011, 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 2011

Review of Business, Principal Risks and Uncertainties (continued)

We strive to be at the forefront of specialist investing in both developed and emerging markets. The majority of the markets we invest our clients' wealth into generated returns in excess of 20% in sterling terms during the period. Net inflows of over £1.5bn accounted for further growth of the UK business and in particular the Company is adviser to the First State European Diversified Infrastructure Fund which passed €500m in investor commitments as at 30 June 2011.

The principal risk to the level of profitability of the Company and the group is that of a significant loss of assets under management caused either by a market correction, poor investment performance or an incident causing reputational damage. The particular long-term investment style of the Group has protected its revenue and its clients' investments better than many competitors during the volatile investment markets experienced during the year. Long term investment performance continues to exceed benchmarks across the majority of our product range. 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 £29,972,887 (2010 profit of £25,005,731). The Directors do not recommend the payment of a final dividend after paying an interim dividend of £30,000,000 (2010 £25,000,000) during the year.

The balance of profits retained in the Profit and Loss account was thus £245,674 (2010 profit of £272,787).

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.

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 prepared 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.

**FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH JUNE 2011**

Statement of Directors' responsibilities (continued)

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.

Statement of disclosure of information to auditors

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

- so far as the Director is 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.

Independent Auditors

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

By order of the Board



A C N Smith
Company Secretary
Edinburgh

14th October 2011

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED
FOR THE YEAR ENDED 30TH JUNE 2011**

We have audited the financial statements of First State Investments (UK Holdings) Limited for the year ended 30th June 2011 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 set out on pages 2 and 3 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 and express an opinion on 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 Chapter 3 of Part 16 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. In addition, we read all the financial and non-financial information in the report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 30th June 2011 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

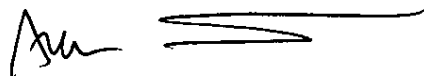
Opinion on other matter prescribed by the Companies Act 2006

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



Allan McGrath (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
14th October 2011

FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2011

	Note	2011 £	2010 £
Administrative (expenses)/income		(35,971)	195
Operating (loss)/profit	2	(35,971)	195
Group dividends received	3	30,000,000	25,000,000
Interest receivable and similar income		1,262	5,431
Profit on ordinary activities before taxation		29,965,291	25,005,626
Tax credit on profit on ordinary activities	6	7,596	105
Profit on ordinary activities after taxation		29,972,887	25,005,731
Dividend paid	4	(30,000,000)	(25,000,000)
(Loss)/profit for the financial year		(27,113)	5,731

There were no material acquisitions or discontinued operations during the year

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

The Company has no recognised gains and losses other than the profit above and therefore no separate Statement of Total Recognised Gains and Losses has been presented

FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED
REGISTERED NUMBER 03904310
BALANCE SHEET
AS AT 30TH JUNE 2011

		2011		2010	
	Note	£	£	£	£
Fixed Assets					
Investments	7		67,909,521		67,909,521
Current assets					
Debtors	8	106,777		190,192	
Cash at bank and in hand		<u>7,794</u>		<u>1,565,958</u>	
		114,571		1,756,150	
Creditors' Amounts falling due within one year	9	<u>(11,552,330)</u>		<u>(13,166,796)</u>	
Net current liabilities			<u>(11,437,759)</u>		<u>(11,410,646)</u>
Net assets			<u>56,471,762</u>		<u>56,498,875</u>
Capital and Reserves					
Called up share capital	10		56,226,088		56,226,088
Profit and loss account			<u>245,674</u>		<u>272,787</u>
Total Equity shareholders' funds	11		<u>56,471,762</u>		<u>56,498,875</u>

The financial statements and notes on pages 5 to 11 were approved by the Board of Directors on 13th October 2011 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 2011

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 except for current asset investments, as noted below. The financial statements contain information about the Company as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Commonwealth Bank of Australia, a company incorporated in Australia.

(b) Interest Received

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

(c) Administrative expenses

Administrative expenses are recognised in the period in which they are incurred and include amounts recharged from another group company.

(d) 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.

(e) Investments

The current asset investments are carried at fair value based on quoted prices 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.

(f) 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 Number 1 (revised 1996) "cash flow statements" from publishing a cash flow statement.

FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2011

2	Operating (loss)/profit	2011	2010
		£	£
	Operating (loss)/profit is stated after charging.		
	Foreign exchange (gain)/loss	-	(45,399)
	Fees payable to auditor for audit of Company's accounts	29,300	29,300
	Other fees payable to auditor for taxation services	5,500	2,910
	Other fees payable to auditor for non-audit services	-	16,961

3. Group dividends received

The Company received a dividend from its subsidiary company SI Holdings Limited of £30,000,000 (2010 £25,000,000)

4. Dividends paid

The Directors elected to pay an interim dividend of £30,000,000 (2010 £25,000,000)

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 as no Directors are remunerated for their services to the Company. Full details of Directors' remuneration are given in the financial statements of First State Investment Services (UK) Limited.

6.	Tax credits on profit on ordinary activities	2011	2010
		£	£
	Current Tax		
	UK Corporation tax on profits of the period	(9,545)	1,575
	Adjustments in respect of previous periods	1,949	(1,680)
	Total current tax and tax on profit on ordinary activities	(7,596)	(105)

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 27.5% (2010 28%)

	2011	2010
	£	£
Profit on ordinary activities before tax	29,965,291	25,005,626
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 27.5% (2010 28%)	8,240,455	7,001,575
Effects of		
Group dividends received	(8,250,000)	(7,000,000)
Adjustments in respect of previous periods	1,949	(1,680)
Current tax credit for the period	(7,596)	(105)

FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2011

7. Fixed asset Investments

The Company has the following subsidiary undertakings incorporated in the UK -

Name of company	Nature of Business	Description of shares held	% held	2011 £	2010 £
Colonial First State Investment Managers (UK) Limited	Fund Manager	Ordinary £1	100	1,950,000	1,950,000
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	62,959,521
Scotgem Limited	Non Trading Company	Ordinary £1	50	-	-
				<u>67,909,521</u>	<u>67,909,521</u>

The following group companies, incorporated in the UK unless where noted, 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 (incorporated in the United States of America)	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 2011

8. Debtors	2011	2010
	£	£
Amounts owed by group undertakings	97,232	128,682
Corporate tax receivable from group undertakings	9,545	60,895
Prepayments and accrued income	-	615
	<u>106,777</u>	<u>190,192</u>

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

9. Creditors: Amounts falling due within one year	2011	2010
	£	£
Amounts owed to group undertakings	11,517,865	13,140,961
Accruals and deferred income	34,465	25,835
	<u>11,552,330</u>	<u>13,166,796</u>

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

10. Called up share capital	2011	2010
	£	£
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 and fully paid:		
Ordinary shares of £1 each	56,226,088	56,226,088
Redeemable shares of £1 each	-	-
	<u>56,226,088</u>	<u>56,226,088</u>

11. Reconciliation of movements in shareholders' funds

	Called up share capital	Profit and loss account	Total
At 1st July 2009	56,226,088	267,056	56,493,144
Profit for the financial year	-	25,005,731	25,005,731
Dividends	-	(25,000,000)	(25,000,000)
At 1st July 2010	56,226,088	272,787	56,498,875
Profit for the financial year	-	29,972,887	29,972,887
Dividends	-	(30,000,000)	(30,000,000)
At 30th June 2011	<u>56,226,088</u>	<u>245,674</u>	<u>56,471,762</u>

**FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2011**

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. 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 Ground Floor, Tower 1, 201 Sussex Street, Sydney NSW 2000, Australia or from the following website www.commbank.com.au