

FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

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Registered Number 03904310

**FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

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**FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2014**

Directors:

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

K Lakhani
M J Lazberger
C Turpin
R C Wastcoat
S Turner (Appointed 15 October 2013)
P Griffiths (Appointed 24 March 2014)

Company Secretary:

The following persons held office as a Secretary during the year and up to the date of this report:

A C N Smith (Resigned 15 August 2014)
G V Davies

Registered Office: 7th Floor, Finsbury Circus House, 15 Finsbury Circus, London, EC2M 7EB

The Directors present their report and the audited financial statements of the Company for the year ended 30 June 2014.

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.

Directors' and Officers' Insurance

Subject to the Companies Act 2006, insurance policies have been affected for the Directors and Officers of all Group companies in respect of potential liabilities arising from negligence or error.

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 year. 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.

**FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2014**

Statement of Directors' Responsibilities (continued)

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
- each Director has taken all the steps that they ought to have taken as a Director in order to make themselves 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.

FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2014

Principal Activities

The principal activity of First State Investments (UK Holdings) Limited ("the Company") is acting as group holding company.

Commonwealth Bank of Australia ("CBA"), incorporated in Australia and listed on the Australian Stock Exchange, is one of the largest Australian banks by market capitalisation and a leading provider of integrated financial services. CBA is regarded by the Directors of the Company as the Company's ultimate parent company.

Review of Business, Principal Risks and Uncertainties

The Company is part of the international operations of Colonial First State Global Asset Management ("CFSGAM"). CFSGAM operates as First State Investments outside Australia. CFSGAM/First State Investments is the consolidated asset management division of CBA. As at 30 June 2014, CFSGAM and First State Investments collectively managed A\$172 billion in assets under management on behalf of institutional investors, pension funds, wholesale distributors and platforms, financial planners and their clients worldwide.

CFSGAM is managed by CBA's Wealth Management ("WM") division. Within CBA, WM 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. WM also provides strategic and operational support for the investment and insurance products of group companies.

The Company provides a range of specialist investment management services. Our core areas of focus include Global equities, Asia Pacific and Global Emerging Markets equities, Global Emerging Markets debt, Property securities, Listed Infrastructure equities 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 protect and enhance our existing business,
- to expand our range of investment capabilities,
- to broaden and deepen our distribution capabilities,
- to develop our organisational and managerial capabilities,
- to invest in and implement a global platform and processes.

Pursuit of these goals has resulted in: the closure of a number of funds to new business due to maximum capacity constraints, in order to protect and enhance performance levels for existing clients; the development of the Listed Infrastructure and Global Emerging Markets debt businesses; the opening of a third branch office in Continental Europe and one in the Middle East; the appointment of a number of key senior personnel; and the implementation of systems globally.

We strive to be at the forefront of specialist investing in both developed and emerging markets, 72% of portfolios managed by First State's European and Asian based investment teams have outperformed their allocated benchmark over a 3 year basis as at 30 June 2014.

The principal risk to the level of profitability of the Company is the underlying profitability of the investment management entities within the Group in the event of another market correction or a sustained period of underperformance that leads to a significant decrease in funds under management. The particular long-term investment style of the Group should protect its revenue and its customers' investments more than many competitors, should any correction materialise. The business is also exposed to key man risk associated with investment teams. The Directors are of the opinion that this risk has been managed via the introduction of a long term incentive scheme. These risks have been reported in First State Investment's Internal Capital Adequacy Assessment Process.

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

FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2014

Results and Dividends

The profit for the year after taxation was £19,976,000 (2013: £40,471,000). Interim dividends of £10,000,000 and £10,000,000 were paid on 14 March 2014 and 23 June 2014 respectively (2013: £40,500,000). No final dividend is proposed (2013: £nil).

The balance of profits retained in the Profit and Loss account was thus £167,000 (2013: £191,000).

By order of the Board



C Turpin
Director
Edinburgh

8 October 2014

**FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED
FOR THE YEAR ENDED 30 JUNE 2014**

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 30 June 2014 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by First State Investments (UK Holdings) Limited, comprise:

- the Balance Sheet as at 30 June 2014;
- the Profit and Loss Account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

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

**FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED
FOR THE YEAR ENDED 30 JUNE 2014**

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

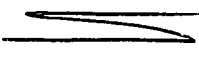
Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 1, 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 ISAs (UK & 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.



Allan McGrath (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
8 October 2014

FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 £'000	2013 £'000
Administrative expenses		(32)	(38)
Operating loss	2	(32)	(38)
Interest receivable and similar income		1	-
Group dividends received	3	20,000	40,500
Profit on ordinary activities before taxation		19,969	40,462
Tax credit on profit on ordinary activities	6	7	9
Profit on ordinary activities after taxation		19,976	40,471
Dividends paid	4	(20,000)	(40,500)
Loss for the financial year		(24)	(29)

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

There is no material difference between the profit on ordinary activities before taxation and the loss for the years 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 30 JUNE 2014

		2014		2013	
	Note	£'000	£'000	£'000	£'000
Non-current assets					
Investments	7		67,910		67,910
Current assets					
Debtors	8	105		105	
Cash at bank and in hand		<u>6</u>		<u>6</u>	
		111		111	
Creditors: Amounts falling due within one year	9	<u>(11,628)</u>		<u>(11,604)</u>	
Net current liabilities			<u>(11,517)</u>		<u>(11,493)</u>
Net assets			<u>56,393</u>		<u>56,417</u>
Capital and Reserves					
Called up share capital	10		56,226		56,226
Profit and loss account	11		<u>167</u>		<u>191</u>
Total Shareholders' Funds	11		<u>56,393</u>		<u>56,417</u>

The financial statements and notes on pages 7 to 13 were approved by the Board of Directors on 8 October 2014 and were signed on its behalf by:



C Turpin
Director

FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

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

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principle accounting policies which have been applied consistently throughout the year are set out 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 ("CBA"), 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 year 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 year, 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

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 CBA and the cash flows of the Company are included in the consolidated group cash flow statement of CBA. 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.

(g) Employees

There are no employees of the company (2013: nil), the management and administration is undertaken by employees of another group company.

FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

2. Operating loss	2014	2013
	£'000	£'000

Operating loss is stated after charging:

Fees payable to auditors for audit of Company's Financial Statements	32	32
Other fees payable to auditor for taxation services	3	6

3. Group dividends received

The Company received dividends from its subsidiary company SI Holdings Limited of £20,000,000 (2013: £40,500,000).

4. Dividends paid

The Directors elected to pay dividends of £20,000,000 (2013: £40,500,000).

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 on profit on ordinary activities	2014	2013
	£'000	£'000
Current tax:		
UK Corporation tax on profits of the year	(7)	(9)
Total current tax and tax on profit on ordinary activities	<u>(7)</u>	<u>(9)</u>

Factors affecting tax charge for the year:

The corporation tax charge on the profit on ordinary activities for the year is calculated at the standard rate of corporation tax in the UK of 22.50% (2013: 23.75%).

	2014	2013
	£'000	£'000
Profit on ordinary activities before tax	<u>19,969</u>	<u>40,462</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.50% (2013: 23.75%)	4,493	9,610
Effects of:		
Group dividends received	<u>(4,500)</u>	<u>(9,619)</u>
Current tax credit for the year	<u>(7)</u>	<u>(9)</u>

FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

7. Investments

During the year the Company held the following subsidiary undertakings incorporated in the UK:

Name of company	Nature of business	Description of shares held	% held	2014 £'000	2013 £'000
Colonial First State Investment Managers (UK) Limited	Fund Manager	Ordinary £1	100	1,950	1,950
First State Investment Services (UK) Limited	Service Company	Ordinary £1	100	3,000	3,000
SI Holdings Limited	Holding Company	Ordinary £1	100	62,960	62,960
Scotgem Limited	Non Trading Company	Ordinary £1	-*	-	-
				67,910	67,910

* On the 10 January 2014 Scotgem Limited was deregistered, up until this date the Company had held a 50% stake in this investment which had been acquired for £nil consideration. Therefore the Company did not generate a loss on disposal by relinquishing its right to 50% of the business.

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 30 JUNE 2014

8. Debtors	2014	2013
	£'000	£'000
Amounts owed by group undertakings	97	96
Corporate tax receivable from group undertakings	7	9
Prepayments and accrued income	1	-
	<u>105</u>	<u>105</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	2014	2013
	£'000	£'000
Amounts owed to group undertakings	11,593	11,569
Accruals and deferred income	35	35
	<u>11,628</u>	<u>11,604</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	2014	2013
	£'000	£'000
Authorised, allotted and fully paid:		
56,266,088 ordinary shares of £1 each	56,226	56,226
0 redeemable shares of £1 each	-	-
	<u>56,226</u>	<u>56,226</u>

11. Reconciliation of movements in shareholders' funds

	Called up share capital £'000	Profit and loss account £'000	Total £'000
At 1st July 2012	56,226	220	56,446
Profit for the financial year	-	40,471	40,471
Dividends	-	(40,500)	(40,500)
At 1st July 2013	<u>56,226</u>	<u>191</u>	<u>56,417</u>
Profit for the financial year	-	19,976	19,976
Dividends	-	(20,000)	(20,000)
At 30 June 2014	<u>56,226</u>	<u>167</u>	<u>56,393</u>

**FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

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 CBA group.

13. Ultimate parent company

The immediate parent undertaking is Colonial First State Group Limited.

The ultimate parent undertaking and controlling party is CBA, which is the parent undertaking of the smallest and the largest group to consolidate these financial statements. Copies of CBA 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.