

First State Investments (UK Holdings) Limited

REPORT AND FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2016

REGISTERED NUMBER 03904310



FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Contents	Pages
Report of the Directors	1-2
Strategic Report	3-4
Independent Auditors' Report	5-6
Statement of Income and Retained Earnings	7
Balance Sheet	8
Notes to the Financial Statements	9-13

FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2016

Directors:

The Directors of First State Investments (UK Holdings) Limited ("the Company") who were in office during the year and up to the date of signing the financial statements were:

P Griffiths
C F Johnson (appointed 24 August 2015)
K Lakhani
M J Lazberger
S Turner
C R S Turpin
R C Wastcoat

Company Secretary:

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

R Sheppard

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

The Company is a private company limited by shares and is incorporated in England.

The Directors present their report and the audited financial statements of the Company for the year ended 30 June 2016.

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 effected for the Directors and Officers of all FSI EMEA Group companies in respect of potential liabilities arising from negligence or error.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Report of the Directors 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, comprising Financial Reporting Standard 102 the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), 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:

FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2016

Statement of Directors' Responsibilities (continued)

- 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 comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- 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.

Statement of Disclosure of Information to Auditors

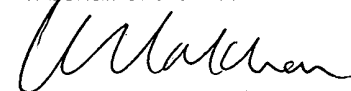
In the case of each of the Directors in office at the date the directors' report is approved, the following applies:

- 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.

On behalf of the Board



K Lakhani
Director
London

12 October 2016

FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2016

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 Commonwealth Bank of Australia ("CBA"). As at 30 June 2016, CFSGAM and First State Investments collectively managed A\$199bn (2015: A\$202bn) 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 is a holding company for First State Investment entities incorporated in the United Kingdom ("the Group").

The Group provides a range of specialist investment management services. The core areas of investment expertise cover Listed Equities, Fixed Income and Direct Infrastructure.

The Group houses a number of different investment teams that offer a variety of strategies across each of these asset classes for different client types. Our clients range from institutional investors such as defined benefit pension funds and sovereign wealth funds, to investors whose assets are aggregated by intermediaries.

The Company's strategic principles 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,
- continue to invest in and implement a global platform and processes.

The Company does not trade and therefore does not have any key performance indicators. The performance of revenue generating entities is monitored by the KPIs outlined in those entities accounts.

Over the twelve months ended 30 June 2016 the business continued to develop successfully and in line with the key principles outlined above.

First State Investments announced changes to the structure of the First State Stewart ("FSS") team which became effective on 1 July 2015. These changes saw the FSS team split to form two new teams; one primarily based in Hong Kong and the other in Edinburgh. The separation of the teams is intended to protect FSS's current business and creates opportunities for further growth. Over the years the FSS team has benefitted from being a relatively small and dynamic investment team, but the growth in funds has necessitated growth in their team. Splitting the team in two is the culmination of many years of planning and development and will allow each to move forward as smaller, flexible businesses. There will be no change to the teams' investment philosophy and process. In addition to this, the Edinburgh successor team has now been rebranded Stewart Investors and is an investment division in its own right. Both teams remain part of First State Investments.

The Company has continued to monitor investment capacity across all of the investment strategies. As always the focus in this regard is to protect our existing investors and ensure that funds are closed ahead of them reaching a size that might compromise our ability to deliver competitive, long term returns.

During the year the company has worked on new product developments that we feel will have long term relevance to our clients. This work will result in a number of launches during the next financial year.

FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2016

Review of Business, Principal Risks and Uncertainties (continued)

We have also continued to focus on the continued evolution of our business development platform (both institutional and intermediated in the UK, Europe and the Middle East) and business infrastructure so that we can both grow the business and support this growth in a robust and sustainable manner.

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 a 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 person risk associated with investment teams. The Directors are of the opinion that key person risk has been mitigated as far as possible by the use of long term incentive schemes. These risks have been reported in First State Investment's Internal Capital Adequacy Assessment Process.

On the 23 June 2016 the United Kingdom voted to leave the European Union. As a result of the uncertainty caused by this, the FSI EMEA group has formed a working committee to monitor the potential effects of "Brexit". At the date of signing the effects are still unknown and therefore no action has been taken, however developments will be closely monitored by the dedicated Brexit Focus Group. There has been no effect on any of the Company's operations, assets or liabilities at the time of signing as a result of this event.

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 £29,976,000 (2015: £29,977,000). Interim dividends totalling £29,990,000 were paid on 15 December 2015, 18 March and 22 June 2016 (2015: £30,000,000). No final dividend is proposed (2015: £nil).

The balance of profits retained in the Statement of income and retained earnings was thus £130,000 (2015: £144,000).

On behalf of the Board



K Lakhani
Director
London

12 October 2016

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 2016

Report on the financial statements

Our opinion

In our opinion, First State Investments (UK Holdings) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 30 June 2016 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.

What we have audited

The financial statements, included within the Report and Financial Statements (the "Annual Report"), comprise:

- the balance sheet as at 30 June 2016;
- the statement of income and retained earnings 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 the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (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.

Opinion on other matter prescribed by the Companies Act 2006

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

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.

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 2016

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 International Standards on Auditing (UK and Ireland) ("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.

What an audit of financial statements involves

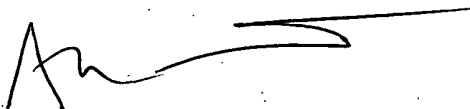
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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 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.



Allan McGrath (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
12 October 2016

FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 £'000	2015 £'000
Revenue		-	-
Administrative expenses		(33)	(35)
Operating (loss)	2	(33)	(35)
Interest receivable and similar income		-	-
Group dividends received	3	30,002	30,005
Profit on ordinary activities before taxation		29,969	29,970
Tax credit on profit on ordinary activities	6	7	7
Profit on ordinary activities after taxation		29,976	29,977
Retained earnings at beginning of year		144	167
Dividends paid	4	(29,990)	(30,000)
Retained earnings at end of year		130	144

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 profit for the financial years stated above, and their historical cost equivalents.

FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED

REGISTERED NUMBER 03904310

BALANCE SHEET AS AT 30 JUNE 2016

	Note	2016 £'000	2015 £'000
Fixed Assets			
Investments	7	67,910	67,910
Current assets			
Debtors	8	121	111
Cash at bank and in hand		<u>121</u>	<u>111</u>
Creditors: amounts falling due within one year	9	<u>(11,675)</u>	<u>(11,651)</u>
Net current liabilities		<u>(11,554)</u>	<u>(11,540)</u>
Net assets		<u>56,356</u>	<u>56,370</u>
Capital and Reserves			
Called up share capital	10	56,226	56,226
Profit and loss account	11	<u>130</u>	<u>144</u>
Total Shareholders' Funds	11	<u>56,356</u>	<u>56,370</u>

The financial statements and notes on pages 7 to 13 were approved by the Board of Directors on 12 October 2016 and were signed on its behalf by:



K Lakhani
Director

FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1. Principal activities and accounting policies

Principal Activity

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

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.

Statement of compliance

The financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006. The Company is taking advantage of the reduced disclosure exemptions in section FRS 102 1.12 from presenting a cash flow statement and certain related party disclosures.

Principal accounting policies

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. The principal accounting policies which have been applied consistently throughout both years 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.

FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1. Principal activities and accounting policies (continued)

(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. Therefore the Company takes advantage of an exemption (FRS 102 1.12) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows.

(g) Employees

There are no employees of the Company (2015: nil). The management and administration is undertaken by employees of another group company.

(h) Debtors

Debtors are measured at the transaction price, less any impairment.

(i) Creditors

Trade creditors are measured at the transaction price.

2. Operating loss

2016
£'000

2015
£'000

Operating loss is stated after charging:

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

32
1

32
3

3. Group dividends received

The Company received dividends from its subsidiary company SI Holdings Limited of £30,002,000 (2015: £30,005,000).

4. Dividends paid

The Directors elected to pay dividends of £29,990,000 (2015: £30,000,000).

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.

FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

6. Tax on profit on ordinary activities	2016 £'000	2015 £'000
Current tax:		
UK Corporation tax credit on profits of the year	(7)	(7)
Total current tax credit on profit on ordinary activities	<u>(7)</u>	<u>(7)</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 20.00% (2015: 20.75%).

	2016 £'000	2015 £'000
Profit on ordinary activities before tax	<u>29,969</u>	<u>29,970</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (2015: 20.75%)	5,994	6,218
Effects of:		
Group dividends received	(6,001)	(6,225)
Total tax credit for the year	<u>(7)</u>	<u>(7)</u>

The standard rate of corporation tax used in the current reporting year (20.00%) has reduced from the previous year (20.75%) since the main rate of UK corporation tax reduced from 21.00% to 20.00% with effect from 1 April 2015.

7. Investments

The Company is exempt from producing consolidated financial statements under section 401 of the Companies Act 2006.

During the year the Company held the following subsidiary undertakings incorporated in England, unless otherwise stated:

Name of company	Nature of business	Description of shares held	% held	2016 £'000	2015 £'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 (incorporated in Scotland)	Holding Company	Ordinary £1	100	62,960	62,960
				<u>67,910</u>	<u>67,910</u>

FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

7. Investments (continued)

The following group companies, incorporated in Scotland unless where noted, are held by subsidiaries of First State Investments (UK Holdings) Ltd.

Name of company	Nature of Business	Description of Shares Held	% Held
First State Investments (UK) Limited (incorporated in England)	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.

8. Debtors

	2016 £'000	2015 £'000
Amounts owed by group undertakings	114	104
Corporate tax receivable from group undertakings	7	7
	<u>121</u>	<u>111</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

	2016 £'000	2015 £'000
Amounts owed to group undertakings	11,640	11,614
Accruals and deferred income	35	37
	<u>11,675</u>	<u>11,651</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

	2016 £'000	2015 £'000
Authorised, allotted and fully paid:		
56,226,089 ordinary shares of £1 each	56,226	56,226
	<u>56,226</u>	<u>56,226</u>

FIRST STATE INVESTMENTS (UK HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

11. Reconciliation of movements in shareholders' funds

	Called up share capital £'000	Profit & loss account £'000	Total £'000
At 1st July 2014	56,226	167	56,393
Profit for the financial year	-	29,977	29,977
Dividends	-	(30,000)	(30,000)
At 1st July 2015	56,226	144	56,370
Profit for the financial year	-	29,976	29,976
Dividends	-	(29,990)	(29,990)
At 30 June 2016	56,226	130	56,356

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.

14. Transition to FRS102

This is the first year that the Group and Company has presented its results under FRS 102. The last financial statements prepared under the previous UK GAAP were for the year ended 30 June 2015. The date of transition to FRS 102 was 1 July 2014. There are no reconciling items between the two bases.