FIRST STATE INVESTMENT MANAGEMENT (UK) LIMITED

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Registered Number SC047708

FIRST STATE INVESTMENT MANAGEMENT (UK) LIMITED

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FIRST STATE INVESTMENT MANAGEMENT (UK) LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2012

Directors:	J I Carey	(resigned 15 December 2011)
	G R Cooper	(resigned 16 March 2012)
	G Johnston	(resigned 12 July 2011)
	K Lakhani	(appointed 15 February 2012)
	M J Lazberger	
	M Steinberg	(appointed 9 November 2011)
	C Turpin	(appointed 15 February 2012)
	R C Wastcoat	(appointed 3 October 2011)
	G Withers	

Company Secretaries: A C N Smith
G V Davies

Registered Office: 23 St Andrew Square, Edinburgh, EH2 1BB

The Directors present their report and the audited financial statements for the year ended 30 June 2012.

Principal Activities and Status

The principal activities of the Company are the management of investment portfolios. The Company is a wholly owned subsidiary of SI Holdings Limited. The Company is regulated by the FSA.

Commonwealth Bank of Australia, 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 Investment Management (UK) 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$146 billion in assets under management as at 30 June 2012, 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 Investment Management (UK) Limited 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, 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.

Review of Business, 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 30% in sterling terms during the last 3 years and net inflows of over £900m in the year accounted for further growth of the UK business.

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 fund range. The business is also exposed to key man risk associated with the Asia Pacific/Global Emerging Markets team. The Directors are of the opinion that this risk has been managed via the introduction of a 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 financial year after taxation but before dividends was £39,151,162 (2011: £34,205,354). Dividends were recommended and paid as follows:

	2012				2011			
			Paid to Ordinary Share Class				Paid to Ordinary Share Class	
Dividend	Date paid	Paid (£)	"A" (£)	"B" (£)	Date paid	Paid(£)	"A" (£)	"B" (£)
Interim	08/12/12	12,000,000			23/06/11	30,000,000	185,551	29,814,449
Final	26/06/12	18,000,000						
		30,000,000				30,000,000	185,551	29,814,449

The Directors did not recommend a final dividend in the prior year.

The balance of profits retained on the Profit and Loss Account was thus £9,151,162 (2011: £4,205,354). At 30 June 2012 the balance of retained profits was £18,354,842 (2011: £9,203,230).

The Company's Assets under Management stood at £15.8bn (2011: £16.2bn) these figures include the First State Investments ICVC assets of £12.7bn (2011: £12.1bn) as the Company is the appointed Advisor.

Directors and their Interests

The Directors of the Company during the year were those listed on page 1. 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.

FIRST STATE INVESTMENT MANAGEMENT (UK) LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2012

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.

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.

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

10 October 2012

FIRST STATE INVESTMENT MANAGEMENT (UK) LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIRST STATE INVESTMENT MANAGEMENT (UK) LIMITED

We have audited the financial statements of First State Investment Management (UK) Limited for the year ended 30 June 2012 which comprise of 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 page 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 30 June 2012 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.

FIRST STATE INVESTMENT MANAGEMENT (UK) LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIRST STATE INVESTMENT MANAGEMENT (UK) LIMITED

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
11 October 2012

FIRST STATE INVESTMENT MANAGEMENT (UK) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 £	2011 £
Turnover	2	102,166,889	93,645,768
Administrative expenses		(55,739,729)	(51,341,482)
Operating profit	3	46,427,160	42,304,286
Group Dividends received		4,500,000	3,500,000
Interest receivable and similar income		95,895	51,124
Interest payable and similar charges		(8,857)	(4,601)
Profit on ordinary activities before tax		51,014,198	45,850,809
Tax on profit on ordinary activities	5	(11,862,586)	(11,645,455)
Profit on ordinary activities after tax		39,151,162	34,205,354
Group Dividends paid	6	(30,000,000)	(30,000,000)
Retained Profit		9,151,162	4,205,354

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

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

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

FIRST STATE INVESTMENT MANAGEMENT (UK) LIMITED
REGISTERED NUMBER SC047708
BALANCE SHEET
AS AT 30 JUNE 2012

	Note	2012 £	2012 £	2011 £	2011 £
Fixed Assets					
Investments	7		2,750,100		2,750,100
Current assets					
Debtors	8	21,472,457		31,797,489	
Cash at bank and in hand		37,283,436		23,493,151	
		58,755,893		55,290,640	
Creditors: Amounts falling due within one year	9	(8,894,842)		(14,581,201)	
Net current assets			49,861,051		40,709,439
Net assets			52,611,151		43,459,539
Capital and Reserves					
Called up share capital	10		34,256,309		34,256,309
Profit and loss account	11		18,354,842		9,203,230
Total equity shareholders' funds	11		52,611,151		43,459,539

The financial statements and notes on pages 6 to 12 were approved and authorised for issue by the Board of Directors on 10 October and were signed on its behalf by:

G Withers
Director

FIRST STATE INVESTMENT MANAGEMENT (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

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, a company incorporated in Australia.

(b) Revenue
Revenue recognition is based on the benefits to the Company of any income flows which can be reliably determined. Turnover of the Company is from the provision of asset management services and includes management fees and performance fees. Turnover is presented net of Value Added Tax and other sales taxes.

Management fees are recognised as earned, over the year in which the services are performed. Such fees are primarily based on predetermined percentages of the value of assets under management and are presented net of allocations across entities made in accordance with our transfer pricing policy.

Performance fees are calculated with reference to performance benchmarks specified in the individual investment management agreements. Revenues arising in respect of performance fee arrangements are recognised provided that the outcome of such arrangements can be estimated reliably and it is probable that the economic benefits associated with the transaction will flow to the Company.

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.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or right to pay less, tax in future have occurred at the balance sheet date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the financial statements which are capable of reversal in one or more subsequent years.

(e) Foreign currencies
Income is recorded at the exchange rate on the date of invoices so foreign exchange differences arise between the rate on the date of invoice and the rate at which the amounts are translated into sterling on the date of receipt. Foreign currency balances have been translated at market rates of exchange ruling at the Balance Sheet date. Gains and losses on exchange are taken to the Profit and Loss Account.

FIRST STATE INVESTMENT MANAGEMENT (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

1. Principal accounting policies (continued)

(f) 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.

(g) Cashflow statement

The company is a wholly owned subsidiary of Commonwealth Bank of Australia and the cashflows 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) from publishing a cash flow statement.

(h) Employees

There are no employees of the company the management and administration is undertaken by employees of another group company.

2. Turnover

Turnover is the total of investment management, advisory and administration fees.

3. Operating profit	**2012**	**2011**
Operating profit is stated after charging/(crediting):		
Fees payable to auditor for audit of Company's Financial Statements	19,950	19,450
Fees payable to auditor for FSA/Regulatory audit fee	5,300	5,200
Other fees payable to auditor for taxation services	11,984	5,700
Other fees payable to auditor for non-audit services	-	-
Foreign exchange (gain)/loss	(4,237)	(63,877)

4. Directors' emoluments	**2012**	**2011**
	£	**£**
Directors' emoluments excluding pension contributions	990,967	2,801,724
Aggregate pension contributions of all Directors	65,323	42,579
The emoluments, excluding pension contributions, of the highest paid Director	401,851	1,565,344
Pension contributions of the highest paid Director	-	10,310

All Directors of any First State Investments group companies domiciled in the UK are remunerated by First State Investment Services (UK) Limited, a related entity, and the amounts shown here are the proportion recharged to the Company from that entity. These include two (2011: nil) employees who are only Directors of First State Investments (UK) Limited.

Pension benefits are accruing to six (2011: two) Directors under pension schemes operated by the Company. The accrued retirement benefit of the highest paid Director was £nil (2011: £43,927). This is the full amount of the benefit not just the proportion recharged to the Company.

5. Tax on profit on ordinary activities	**2012**	**2011**
	£	**£**
Current tax:		
UK Corporation tax on profits of the year	11,861,802	11,645,455
Adjustments in respect of previous years	784	-
Total current tax and tax on profit on ordinary activities	11,862,586	11,645,455

Factors affecting tax charge for the year:

The corporation tax charge on the profit on ordinary activities for the year differs from that calculated at the standard rate of corporation tax in the UK of 25.5% (2011: 27.5%) as shown below.

5. Tax on profit on ordinary activities (continued)

	2012 £	2011 £
Profit on ordinary activities before tax	51,014,198	45,850,809
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25.5% (2011: 27.5%)	13,010,013	12,608,973
Effect of:		
Capital allowances	(588)	(1,018)
Group Dividends Received	(1,147,623)	(962,500)
Adjustments in respect of previous years	784	-
Current tax charge for the year	11,862,586	11,645,455

6. Dividends Paid

The Directors elected to pay dividends totalling £30,000,000 (2011: £30,000,000) to the parent company S I Holdings Limited.

7. Fixed Assets/Investments

The Company holds the undernoted investment in its subsidiary incorporated in the UK:

Name of Company	Description of shares held	% held	Investment at cost 2012 £	 2011 £
First State Investments International Ltd	Ordinary £1	100	2,750,100	2,750,100

The above Company is engaged in investment management.

The Directors believe that the carrying value of the investments is supported by their underlying net assets.

8. Debtors

	2012 £	2011 £
Trade debtors	1,012,566	1,572,582
Amounts owed by group undertakings	16,581,645	26,587,845
Prepayments and accrued income	3,878,135	3,637,062
Taxation	111	-
	21,475,457	31,797,489

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

	2012 £	2011 £
Amounts owed to group undertakings	4,164,193	12,414,682
Corporation tax and Group relief payable	4,171,936	1,445,455
Other taxation and social security	554,290	707,634
Accruals and deferred income	3,704	13,430
	8,894,842	14,581,201

Amounts owed to 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 (continued)

The amount £4,171,936 of Corporation tax/Group relief payable represents Corporation tax due for the year ended 30 June 2011 of £10,134; the Corporation tax estimated as due for the year to 30 June 2012 of £11,861,802 less quarterly instalment payments made in relation to this year of £7,700,000.

10. Called up share capital

	2012 £	2011 £
Authorised:		
'A' Ordinary shares of £1	98,016	98,016
'B' Ordinary shares of £1	77,126,984	77,126,984
	77,225,000	77,225,000
Allotted and fully paid:		
'A' Ordinary shares of £1	98,016	98,016
'B' Ordinary shares of £1	34,158,293	34,158,293
	34,256,309	34,256,309

On 3rd December 2008 12,500,000 'B' Ordinary shares of £1 each were cancelled and the reserve created returned to the Company's sole shareholder SI Holdings Limited.

The 'A' shares carry the right to receive the first £100,000 distributed per financial year by way of dividend. Any remaining balance to be distributed shall be distributed amongst the 'A' and 'B' shares *pari passu* accordingly to their respective nominal values.

On a return of capital or liquidation or otherwise, the net assets of the Company shall be distributed amongst the 'A' and 'B' shares *pari passu* in proportion to the amounts paid up thereon.

11. Reconciliation of shareholders' funds and movement on reserves

	Called Up Share Capital £	Profit and Loss Account £	Total £
At 1 July 2010	34,256,309	4,997,876	39,254,185
Retained profit for the financial year	-	34,205,354	34,205,354
Dividends paid	-	(30,000,000)	(30,000,000)
At 1 July 2011	34,256,309	9,203,230	43,459,539
Retained profit for the financial year	-	39,151,612	39,151,612
Dividends paid	-	(30,000,000)	(30,000,000)
At 30 June 2012	34,256,309	18,354,842	52,611,151

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

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 the Company 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 the Company can itself reclaim VAT previously paid on to HMRC.

Repayments have been secured for investment trust clients for the years 1990 to 1996 and 2001 to 2007 and the amounts received passed on to those entities. Appropriate claims and appeals have also been lodged in respect of the intervening 1996 to 2001 period.

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 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 Company's position is that it will only repay to any client amounts to the extent that they can be reclaimed by the Company itself from HMRC.

The total value of all outstanding protective claims as at 30 June 2012 amounted to £6,335,215. (30 June 2011: £6,335,215)

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

14. Ultimate parent company

The immediate parent undertaking is SI Holdings 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.