

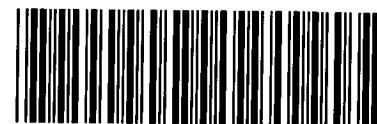
First State Investments International Limited

REPORT AND FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2016

Scottish Registered Body Number:
Australian Registered Body Number:

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FIRST STATE INVESTMENTS INTERNATIONAL LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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FIRST STATE INVESTMENTS INTERNATIONAL LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2016

Directors:

The Directors of First State Investments International 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 person held office as a Secretary during the year and up to the date of this report:

R Sheppard

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

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

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

The Company supports 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 distribution activities are performed throughout Europe and the Middle East with offices in Frankfurt, Paris and Dubai.

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.

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

The key performance indicators of the First State Investments UK Group are:

	2016	2015
Average funds under management	£33.1bn	£28.7bn
Percentage of Funds outperforming 3 year benchmark	76.00%	59.00%
Net revenue margins by strategy		
Stewart Investors	0.70%	0.80%
First State Stewart Asia	0.64%	0.64%
Other Equities	0.63%	0.66%
Direct Infrastructure	1.55%	0.75%
Fixed Income	0.30%	0.35%

These alongside other business performance indicators are provided to the board of directors on a quarterly basis for review and monitoring.

FIRST STATE INVESTMENTS INTERNATIONAL LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2016

Review of Business, Principal Risks and Uncertainties (continued)

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 create 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 is 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 have continued to monitor investment capacity across all of its 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 the ability to deliver competitive, long term returns.

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

The Company 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 grow the business and support this growth in a robust and sustainable manner.

Under the Alternative Investment Fund Management Directive the Company delegates risk management responsibilities for relevant contracts to First State Investments (UK) Limited ("FSIUK"), which is the designated Alternative Investment Fund Manager for the EMEA region. As a result of this a portion of management fees relating to these products are now retained within FSIUK as compensation for the risk services provided with a corresponding reduction in revenue within the Company. The Company maintains responsibility for investment management activities in relation to these contracts.

The principal risk to the level of profitability of the Company is the underlying profitability of the investment management strategies 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.

FIRST STATE INVESTMENTS INTERNATIONAL LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2016

Review of Business, Principal Risks and Uncertainties (continued)

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 but before dividends was £13,642,000 (2015: £17,022,000).

Interim dividends totalling £13,000,000 were paid on 15 December 2015 and 18 March 2016 (2015: £15,000,000). The Directors do not recommend a final dividend (2015: Nil).

The balance of profits retained on the Statement of Income and Retained Earnings was therefore £38,243,000 (2015: £37,601,000).

Assets under management at 30 June 2016 stood at £11.9bn (2015: £9.1bn).

On behalf of the Board



K Lakhani

Director

London

12 October 2016

FIRST STATE INVESTMENTS INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIRST STATE INVESTMENTS INTERNATIONAL LIMITED FOR THE YEAR ENDED 30 JUNE 2016

Report on the financial statements

Our opinion

In our opinion, First State Investments International 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 Directors' Report 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 INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIRST STATE INVESTMENTS INTERNATIONAL 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

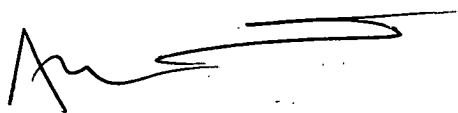
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.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

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

	Note	2016 £'000	2015 £'000 As restated
Revenue	2	46,433	49,478
Administrative expenses		(29,308)	(28,010)
Operating profit	3	17,125	21,468
Interest receivable and similar income		65	34
Profit on ordinary activities before tax		17,190	21,502
Tax on profit of ordinary activities	6	(3,548)	(4,480)
Profit on ordinary activities after taxation		13,642	17,022
Retained earnings at beginning of year		37,601	35,579
Dividends paid	7	(13,000)	(15,000)
Retained earnings at end of year		38,243	37,601

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

For more details in regards to the prior year restatement please refer to note 16.

FIRST STATE INVESTMENTS INTERNATIONAL LIMITED

REGISTERED NUMBER SC079063

BALANCE SHEET AS AT 30 JUNE 2016

	Note	2016 £'000	2015 £'000 As Restated
Current assets			
Debtors	8	19,585	32,866
Cash at bank and in hand		33,026	18,692
Deferred tax asset	9	1	14
		<u>52,612</u>	<u>51,572</u>
Creditors: amounts falling due within one year	10	<u>(11,619)</u>	<u>(11,221)</u>
Net current assets		<u>40,993</u>	<u>40,351</u>
Net assets		<u>40,993</u>	<u>40,351</u>
Capital and reserves			
Called up share capital	11	2,750	2,750
Profit and loss account	12	38,243	37,601
Total Shareholders' Funds	12	<u>40,993</u>	<u>40,351</u>

For more details in regards to the prior year restatement please refer to note 16.

The financial statements and notes on pages 8 to 15 were approved by the Board of Directors on 12 October 2016 and were signed on its behalf by:



K Lakhani
Director

FIRST STATE INVESTMENTS INTERNATIONAL 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 the Company is the management of investment portfolios, mainly for clients resident outside the UK. The Company is regulated by the Financial Conduct Authority ("FCA") and the Securities and Exchange Commission ("SEC").

The Company also performs distribution activities throughout Europe and the Middle East.

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.

(b) Revenue

Revenue recognition is based on the benefits to the Company of any income flows which can be reliably determined. Revenue of the Company is from the provision of asset management services and includes management fees and performance fees. Revenue 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.

FIRST STATE INVESTMENTS INTERNATIONAL LIMITED

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

1. Principal activities and accounting policies (continued)

(d) Taxation (continued)

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. Deferred tax assets are measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Deferred tax assets are recognised if it is considered 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 Statement of Income and Retained Earnings.

(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 consolidated group financial statements, includes the Company's cash flows.

(g) Debtors

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

(h) Creditors

Trade creditors are measured at the transaction price.

2. Revenue

Revenue represents the total of management fees earned by the Company.

3. Operating profit

	2016 £'000	2015 £'000
Operating profit is stated after charging/(crediting):		
Employment costs (Note 4)	2,573	2,004
Fees payable to auditor for audit of Company's Financial Statements	14	11
Fees payable to auditor for FCA/regulatory fee	6	7
Other fees payable to auditor for taxation services	41	41
Foreign exchange gain/(loss)	111	(1,362)

FIRST STATE INVESTMENTS INTERNATIONAL LIMITED

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

4. Employment costs	2016 £'000	2015 £'000
Salaries	2,146	1,546
Social security costs	304	283
Other employment costs	123	175
	<u>2,573</u>	<u>2,004</u>

The average number of staff employed during the year was 6 (2015: 5). This comprised 2 (2015: 2) investment staff and 4 (2015: 3) sales staff.

5. Directors' emoluments	2016 £'000	2015 £'000
Directors' emoluments excluding pension contributions	875	1,008
Aggregate pension contributions of all Directors	15	22
The emoluments, excluding pension contributions, of the highest paid Director	293	392
Pension contributions of the highest paid Director	-	-

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 2 (2015: 2) employees who are only Directors of First State Investments (UK) Limited.

Pension benefits are accruing to 4 (2015: 3) Directors under pension schemes operated by the Company. The accrued retirement benefit of the highest paid Director was £nil (2015: £nil).

6. Taxation on profit of ordinary activities	2016 £'000	2015 £'000
Current tax:		As Restated
UK corporation tax on profits of the year	3,440	4,466
Adjustments in respect of prior years	(28)	(323)
Double tax relief	(65)	(16)
Deferred tax on profits of the year	-	48
Deferred tax prior year adjustments	13	248
Overseas tax	90	23
Adjustments in respect of prior years	98	34
Tax charge on profit on ordinary activities	<u>3,548</u>	<u>4,480</u>

Factors affecting tax charge for the year:

The corporation tax 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%).

FIRST STATE INVESTMENTS INTERNATIONAL LIMITED

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

6. Taxation on profit of ordinary activities (continued)

	2016 £'000	2015 £'000
Profit on ordinary activities before tax	17,190	21,502
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (2015: 20.75 %)	3,438	4,462
Effect of:		
Non-deductible expenses	2	5
Overseas tax	-	-
Adjustments in respect of prior years	25	(41)
Short term timing differences	-	-
Unrelieved foreign tax	83	54
Total tax charge for the year	3,548	4,480

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.

The main rate of corporation tax in the UK will reduce from 20.00% to 19.00% effective from 1 April 2017. The impact on the value of deferred tax assets is recognised in the above table. For more details in regards to the prior year restatement please see note 16.

7. Dividends paid

The Directors elected to pay an interim dividend totalling £13,000,000 (2015: £15,000,000). All dividends were paid to its parent Company First State Investment Management (UK) Limited. The Directors do not recommend a final dividend (2015: £Nil).

8. Debtors

	2016 £'000	2015 £'000 As Restated
Trade debtors	862	6,409
Amounts owed by group undertakings	6,871	15,580
Other debtors	1	-
Prepayments and accrued income	11,851	10,877
	19,585	32,866

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

FIRST STATE INVESTMENTS INTERNATIONAL LIMITED

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

9. Deferred tax asset	2016 £'000	2015 £'000
Provision at start of the year	14	315
Deferred tax (charge)/ credit in Statement of Income and	(13)	(296)
Foreign exchange loss	-	(5)
Provision at end of year	<u>1</u>	<u>14</u>
Deferred tax is provided at 19.00% (2015: 20.00%) as follows:		
Other timing differences	<u>1</u>	<u>14</u>
	<u>1</u>	<u>14</u>

In 2014, timing difference arising on short term incentives (STI's) accrued for the first time, where a tax deduction was not available until the STI's had been paid. The majority of the STI was paid in 2015. The closing balance at 2015 is primarily in respect of tax losses. These losses were utilised and the remaining asset consists of capital allowances.

10. Creditors: amounts falling due within one year	2016 £'000	2015 £'000 As Restated
Corporation tax payable	3,779	4,423
Amounts owed to group undertaking	6,039	5,582
Other creditors	-	1
Accruals and deferred income	1,801	1,215
	<u>11,619</u>	<u>11,221</u>

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

For more details in regards to the prior year restatement please refer to note 16

11. Called up share capital	2016 £'000	2015 £'000
Authorised, issued and fully paid		
2,750,100 ordinary shares of £1 each	<u>2,750</u>	<u>2,750</u>

12. Reconciliation of movement in shareholders' funds

	Called Up Share Capital £'000	Profit and loss account £'000 As Restated	Total £'000 As Restated
At 1 July 2014	2,750	35,579	38,329
Profit for the financial year	-	17,022	17,022
Dividend paid	-	(15,000)	(15,000)
At 1 July 2015	<u>2,750</u>	<u>37,601</u>	<u>40,351</u>
Profit for the financial year	-	13,642	13,642
Dividend paid	-	(13,000)	(13,000)
At 30 June 2016	<u>2,750</u>	<u>38,243</u>	<u>40,993</u>

For more details in regards to the prior year restatement please refer to note 16.

13. 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.

FIRST STATE INVESTMENTS INTERNATIONAL LIMITED

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

14. Ultimate parent company

The immediate parent undertaking is First State Investment Management (UK) 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.

15. 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.

16. Prior year restatement

During the year two issues requiring amendments to the prior year financial statements were identified. The impact on the brought forwards balances as at 1 July 2015 are immaterial.

- i) The implementation of the accounting policy regarding gains and losses on assets held within the EBT has been corrected (see note 1 (k)). Previously the movement in both assets held and corresponding liability to the beneficiaries of the trust were recorded in the Statement of Income and Retained Earnings immediately in the year in which they were incurred. However, following independent advice on interpretation of the policy, the increase in liability is now deferred over the remaining vesting period of the "pool" to which it relates. This has had the following effect on the 2015 financial statements:

Decrease intercompany expenses by £638,000.
Increase intercompany assets by £638,000

- ii) A secondment arrangement to the UK, established in 2013, for a colleague based in another jurisdiction had not been correctly accounted for in the prior year. The effect of this on the 2015 statements was:

Increase revenue by £2,032,000.
Increase intercompany receivable £2,032,000

Increase intercompany expenses £623,000
Decrease intercompany receivable £623,000

The cumulative tax effect of both adjustments above is to

Increase tax expense by £425,000
Increase tax creditor £425,000

The cumulative effect of these adjustments is to increase profit after tax by £1,622,000.