

**First State Investments International  
Limited**

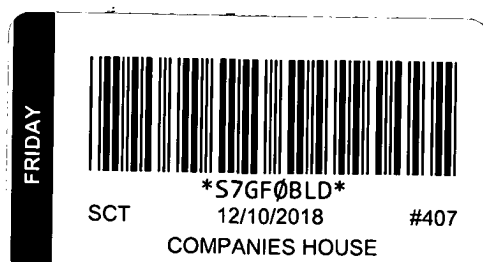
**REPORT AND FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2018**

<b>Scottish Registered Body Number:</b>	<b>SC079063</b>
<b>Australian Registered Body Number:</b>	<b>146 900 745</b>

**COMPANIES HOUSE  
EDINBURGH**

**12 OCT 2018**

**FRONT DESK**



# FIRST STATE INVESTMENTS INTERNATIONAL LIMITED

## REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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# FIRST STATE INVESTMENTS INTERNATIONAL LIMITED

## REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2018

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### 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\*
- V W C Kubitscheck\* (appointed 24 July 2018)
- K Lakhani (resigned 11 May 2018)
- M J Lazberger
- S Turner (resigned 15 January 2018)
- C R S Turpin
- R C Wastcoat\*

\*Denotes non-executive Director

### 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 2018.

### 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 Europe Middle East and Africa ("EMEA") Group ("the 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.

# FIRST STATE INVESTMENTS INTERNATIONAL LIMITED

## REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2018

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### Statement of Directors' Responsibilities (continued)

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 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.

### Disclosure of Information to Independent Auditors

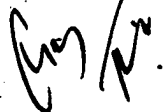
In the case of each of the Directors in office at the date the directors' report is approved, the following applies:

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

On behalf of the Board



C R S Turpin  
Director  
London

22 August 2018

# FIRST STATE INVESTMENTS INTERNATIONAL LIMITED

## STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2018

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### Review of Business, Principal Risks and Uncertainties and Future Developments

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 2018, CFSGAM and First State Investments collectively managed A\$213bn (2017: A\$219bn) in assets under management ("AUM") 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 the Group.

On 25 June 2018, CBA announced to the Australian Securities Exchange (ASX) its intention to demerge its wealth management and mortgage broking businesses, including Colonial First State Global Asset Management (CFSGAM). The demerged entity will benefit from a separate ASX listing and the ability to pursue its own growth strategy.

The demerger is expected to complete in 2019, subject to final board, shareholder, and regulatory approvals.

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 houses a number of different investment teams that offer a variety of strategies across each of these asset classes for different client types. The Company's 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 with offices in Frankfurt and Paris.

The Company's strategic principles are:

- to protect and enhance its existing business;
- to expand its range of investment capabilities;
- to broaden and deepen its distribution capabilities;
- to develop its organisational and managerial capabilities; and
- continue to invest in and implement a global platform and processes.

Over the twelve months ended 30 June 2018 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:

	2018	2017
Average funds under management	£31.4bn	£34.5bn
Percentage of Funds outperforming 3 year benchmark	71.00%	77.00%
Net revenue margins by strategy		
Stewart Investors	0.82%	0.79%
First State Stewart Asia	0.67%	0.66%
Other Equities	0.69%	0.66%
Direct Infrastructure (including Performance Fees)	2.52%	1.42%
Fixed Income	0.33%	0.26%

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

Net revenue margins have been calculated inclusive of any performance fees earned.

# FIRST STATE INVESTMENTS INTERNATIONAL LIMITED

## STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2018

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### Review of Business, Principal Risks and Uncertainties and Future Developments (continued)

During the year, the Company has applied a significant amount of resources to ensure compliance with a large volume of regulatory reforms impacting the entire industry. Where required, project teams have been established to implement the reforms and several projects have been closed successfully whilst those in planning and/or execution phase are well advanced and on track to meet their objectives.

The Company has continued to monitor investment capacity across all of its investment strategies. As always the focus in this regard is to protect its 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 its clients. This work will result in a number of launches during the next financial year.

The Company has also continued to focus on the continued evolution of a business development platform (both institutional and intermediated in the UK and Europe) and business infrastructure so that it can grow the business and support this growth in a robust and sustainable manner.

Under the Alternative Investment Fund Management Directive ("AIFMD"), the Company delegates risk management responsibilities for relevant contracts to First State Investments (UK) Limited ("FSIUK"), which is the designated Alternative Investment Fund Manager ("AIFM") for the EMEA region. As a result of this, a portion of management fees relating to these products are 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 event of a market correction or a sustained period of underperformance that leads to a significant decrease in AUM. The particular long term investment style of the Group's investment management professionals should protect its revenue and its customers' investments 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, amongst other things, the use of long term incentive schemes. These risks have been reported in First State Investment's Internal Capital Adequacy Assessment Process ("ICAAP").

On 23 June 2016, the United Kingdom voted to leave the European Union, commonly referred to as "Brexit". The effects of Brexit will impact asset managers in different ways. The FSI EMEA Group has formed a working committee which continues to assess the impacts on the Company and its operations. Whilst the final structure of the UK exit of the European Union is still unknown, work is progressing to ensure business continuity under all scenarios, including plans for an EU-domiciled subsidiary management company and to also capitalise on any strategic opportunities that may also arise. The Company remains focused on protecting client's interests and this is the foundation principle when assessing the business response to this event.

The Group remains committed to its strategic objectives which include protecting and enhancing its existing business and expanding its range of global investment capabilities.

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

# FIRST STATE INVESTMENTS INTERNATIONAL LIMITED

## STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2018

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### Results and dividends

The profit for the year after taxation but before dividends was £8,945,000 (2017: £20,711,000).

Interim dividends totalling £17,000,000 were paid on 7 December 2017 and 19 June 2018 (2017: £17,000,000). The Directors do not recommend a final dividend (2017: Nil).

The balance of profits retained on the Statement of Income and Retained Earnings was £22,763,000 (2017: £30,818,000).

AUM as at 30 June 2018 stood at £10.8bn (2017: £13.3bn).

On behalf of the Board



C R S Turpin  
Director  
London  
22 August 2018

# FIRST STATE INVESTMENTS INTERNATIONAL LIMITED

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

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### Report on the financial statements

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#### 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 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 30 June 2018; the statement of income and retained earnings for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

#### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.



## FIRST STATE INVESTMENTS INTERNATIONAL LIMITED

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

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#### **Reporting on other information (continued)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below:

#### *Strategic Report and Report of the Directors*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Report of the Directors for the year ended 30 June 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Report of the Directors.

#### **Responsibilities for the financial statements and the audit**

##### *Responsibilities of the directors for the financial statements*

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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

##### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

# FIRST STATE INVESTMENTS INTERNATIONAL LIMITED

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

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### Use of this report

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.

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### Other required reporting

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#### Responsibilities for the financial statements and the audit

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Allan McGrath (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Edinburgh  
22 August 2018

FIRST STATE INVESTMENTS INTERNATIONAL LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 £'000	2017 £'000
Revenue	2	73,792	55,736
Administrative expenses		(62,574)	(29,950)
<b>Operating profit</b>	3	11,218	25,786
Interest receivable and similar income		123	79
Interest payable and similar charges		(61)	(11)
<b>Profit on ordinary activities before taxation</b>		11,280	25,854
Tax on profit of ordinary activities	6	(2,335)	(5,143)
<b>Profit on ordinary activities after taxation</b>		8,945	20,711
Retained earnings at beginning of year		30,818	27,107
Dividends paid	7	(17,000)	(17,000)
<b>Retained earnings at end of year</b>		22,763	30,818

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

# FIRST STATE INVESTMENTS INTERNATIONAL LIMITED

REGISTERED NUMBER SC079063

## BALANCE SHEET AS AT 30 JUNE 2018

		2018		2017	
	Note	£'000	£'000	£'000	£'000
<b>Current assets</b>					
Debtors	8	48,938		36,079	
Cash at bank and in hand		4,080		2,309	
Deferred tax asset	9	1		1	
		<u>53,019</u>		<u>38,389</u>	
<b>Creditors: amounts falling due within one year</b>					
	10	<u>(27,506)</u>		<u>(4,821)</u>	
<b>Net current assets</b>					
			<u>25,513</u>		<u>33,568</u>
<b>Net assets</b>					
			<u>25,513</u>		<u>33,568</u>
<b>Capital and reserves</b>					
Called up share capital	11		2,750		2,750
Profit and loss account	12		22,763		30,818
<b>Total Shareholders' Funds</b>	12		<u>25,513</u>		<u>33,568</u>

The financial statements and notes on pages 9 to 15 were approved by the Board of Directors on 22 August 2018 and were signed on its behalf by:



C R S Turpin  
Director

# FIRST STATE INVESTMENTS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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### 1. Principal activity 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.

The Company's parent 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 utilising 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 AUM and are presented net of allocations across entities made in accordance with the 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 2018

#### 1. Principal activity 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 invoice 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 within Administrative Expenses.

(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 utilises 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

Creditors are measured at the transaction price.

#### 2. Revenue

Revenue represents the total of management fees, including any performance fees, earned by the Company.

#### 3. Operating profit

	2018 £'000	2017 £'000
<b>Operating profit is stated after charging:</b>		
Employment costs (Note 4)	3,140	3,748
Fees payable to auditors for audit of Company's financial statements	14	14
Fees payable to auditors for FCA/regulatory fee	29	12
Other fees payable to auditors for taxation services	28	18
Foreign exchange gain	79	58

## FIRST STATE INVESTMENTS INTERNATIONAL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

4. Employment costs	2018 £'000	2017 £'000
Salaries	2,567	2,992
Social security costs	351	540
Other employment costs	222	216
	3,140	3,748

The average number of staff employed during the year was 6 (2017: 6). This comprised 2 (2017: 2) investment staff and 4 (2017: 4) sales staff.

5. Directors' emoluments	2018 £'000	2017 £'000
Directors' emoluments excluding pension contributions	2,567	949
Aggregate pension contributions of all Directors	7	3
The emoluments, excluding pension contributions, of the highest paid Director	874	342
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 1 (2017: 1) employees who are only Directors of First State Investments (UK) Limited.

Pension benefits are accruing to 1 (2017: 1) Director under pension schemes operated by the Company. The accrued retirement benefit of the highest paid Director was £nil (2017: £nil).

6. Taxation on profit of ordinary activities	2018 £'000	2017 £'000
<b>Current tax:</b>		
UK corporation tax on profits of the year	2,143	5,119
Adjustments in respect of prior years	192	1
Overseas tax:		
Adjustments in respect of prior years	-	23
<b>Tax charge on profit on ordinary activities</b>	2,335	5,143

#### 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 applicable to the period of corporation tax in the UK of 19.00% (2017: 19.75%).

# FIRST STATE INVESTMENTS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

6. Taxation on profit of ordinary activities (continued)	2018 £'000	2017 £'000
<b>Profit on ordinary activities before taxation:</b>	<u>11,280</u>	<u>25,854</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2017: 19.75%)	2,143	5,106
Effects of:		
Non-deductible expenses	-	13
Adjustments in respect of prior years	<u>192</u>	<u>24</u>
<b>Total tax charge for the year</b>	<u>2,335</u>	<u>5,143</u>

The standard rate of corporation tax applicable to the current reporting year (19.00%) has reduced from the previous year (19.75%) as the main rate of UK corporation tax reduced from 20.00% to 19.00% with effect from 1 April 2017.

The main rate of corporation tax in the UK will reduce from 19.00% to 17.00% effective from 1 April 2020. The impact on the value of deferred tax assets is recognised in the above table.

### 7. Dividends paid

The Directors elected to pay an interim dividend totalling £17,000,000 (2017: £17,000,000). All dividends were paid to its parent Company First State Investment Management (UK) Limited. The Directors do not recommend a final dividend (2017: £Nil).

8. Debtors	2018 £'000	2017 £'000
Trade debtors	1,972	1,498
Amounts owed by group undertakings	39,356	24,382
Prepayments and accrued income	<u>7,610</u>	<u>10,199</u>
	<u>48,938</u>	<u>36,079</u>

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

9. Deferred tax asset	2018 £'000	2017 £'000
Deferred tax asset at start of the year	<u>1</u>	<u>1</u>
Deferred tax asset at end of the year	<u>1</u>	<u>1</u>
Deferred tax is provided at 17.00% (2017: 19.00%) as follows:		
Other timing differences	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>



# FIRST STATE INVESTMENTS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

10. Creditors: amounts falling due within one year	2018 £'000	2017 £'000
Corporation tax payable	4,308	2,085
Amounts owed to group undertaking	22,218	2,605
Accruals and deferred income	980	131
	<u>27,506</u>	<u>4,821</u>

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

11. Called up share capital	2018 £'000	2017 £'000
<b>Authorised, issued and fully paid</b>		
2,750,100 (2017: 2,750,100) ordinary shares of £1 each	<u>2,750</u>	<u>2,750</u>

### 12. Reconciliation of movements in shareholders' funds

	Called Up Share Capital £'000	Profit and loss account £'000	Total Shareholders' Funds £'000
At 1 July 2016	2,750	27,107	29,857
Profit for the financial year	-	20,711	20,711
Dividend paid	-	(17,000)	(17,000)
At 1 July 2017	<u>2,750</u>	<u>30,818</u>	<u>33,568</u>
Profit for the financial year	-	8,945	8,945
Dividend paid	-	(17,000)	(17,000)
At 30 June 2018	<u>2,750</u>	<u>22,763</u>	<u>25,513</u>

### 13. Related party disclosures

Under FRS 102 1.12 - Related Party Disclosures, the Company is exempt from the requirement to disclose transactions with any other company in the CBA group.

### 14. Ultimate parent company

The immediate parent undertaking is First State Investment Management (UK) Limited, a company incorporated in Scotland.

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](http://www.commbank.com.au)