

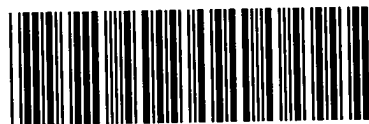
CBA Europe Limited

Registered Number 5687023

Annual report and financial statements

For the Year Ended 30 June 2014

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Directors and Advisors

Directors

K L Atwill
J C C Marshall
P T Orchart
B Parker

Company Secretary

J C C Marshall

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London SE1 2RT

Bankers

National Westminster Bank plc
Kings Cross House
200 Pentonville Road
London N1 9HL

Registered office

Level 3
Senator House
85 Queen Victoria Street
London
EC4V 4HA

Company Registration Number: 5687023 (England and Wales)

Directors' report

The directors present the annual report and audited financial statements of CBA Europe Limited (the "Company"), for the year ended 30 June 2014.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Principal activities

The Company commenced operations on 1 March 2007. The Company's principal activity is the marketing and arranging of sales of certain financial market products throughout Europe on behalf of the Commonwealth Bank of Australia ("CBA Group").

The Company made no charitable or political donations for the year ended 30 June 2014 (2013: £nil).

Given the nature of the business, the Company's directors are of the opinion that analysis using Key Performance Indicators (KPIs) is not necessary for an understanding of the development, performance or position of the business. The development, performance and position of the Company are discussed and monitored by the directors of the Company at regular board meetings, as well as within the annual report of the Company and the ultimate parent Company, Commonwealth Bank of Australia.

Review of business

Initially at the beginning of the year, the Company invested in UK Treasury Bills with a maturity of 6 months. In May 2014, the Board took the advice of the market dealers and invested in a 3-month UK Treasury Bill. As at 30 June 2014, the Company continued to hold an investment in a 3-month UK Treasury Bill.

The Company was charged direct costs (salaries & wages) and attributed indirect costs (occupancy and IT costs) in relation to staff seconded to the Company by CBA London. The Company received income from the CBA Group in respect of the services it provided. During 2014, due to higher staff levels, the Company received increased income from the CBA Group.

Results and dividends

The profit for the year, after taxation, amounted to £322,000 (2013: £244,000). The Company did not pay a dividend on ordinary shares during the year (2013: £nil).

Future developments

The Company will continue to carry out the core activities of arranging sales and marketing for the foreseeable future.

At the balance sheet date, the Company held a 3-month UK Treasury Bill. The Company expects to maintain this investment policy for the foreseeable future.

The directors consider the Company is well placed to meet future demands on the business. The directors do not foresee any future changes in the principal activities of the business.

Directors' report

Directors and their interests

The directors who held office during the year ended 30 June 2014 and up to the date of signing this report were as follows:

K L Atwill
P T Orchart
J C C Marshall
B Parker

No directors who held office at the end of the financial year had any beneficial interest in the ordinary shares of the Company.

Directors' qualifying third party indemnity provisions

The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in s.234 of the Companies Act 2006, and as outlined in s.11 of the Company's Articles of Association. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Financial risk management

The directors have considered the provisions included within s.417 of the Companies Act 2006, relating to the financial risk management objectives and policies of the Company, including any associated use of financial instruments.

The financial risk management of the Company is performed in conjunction with the overall risk management of the CBA group as a whole and the parent company being the Commonwealth Bank of Australia (CBA). Relevant procedural guidelines and methods of the CBA Risk Management Group used to manage credit risk, liquidity risk and interest rate risk are set out below and where appropriate these have been implemented by the Company.

Credit risk

CBA Risk Management Group has policies requiring appropriate credit checks on potential counterparties before transactions are made. The amount of exposure to any counterparty is subject to a limit, which is re-assessed continuously by the Risk Management department.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's liability this year includes auditors' fees and tax payable; hence there is no material liquidity risk within the Company. The Company has minimal liquidity risk due to the matching of its equity with its investment in certificates of deposit.

Interest rate risk

Interest rate risk for the Company is extremely limited due to the fact that the Company has no assets other than its investment of capital. The Company's external interest rate risk is limited to its investment of capital in the form of UK Treasury Bills. The financial asset earns interest at a fixed rate which ensures certainty of future interest cash flows.

Directors' report

Disclosure of information to auditors

In accordance with Section 418 of the Companies Act 2006, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that:

- 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.

Strategic Report

In August 2013 Parliament approved the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 that requires the preparation of a Strategic Report in addition to the Directors' Report.

The Company is exempt from this requirement as it meets the definition of a 'small company' as defined in the Companies Act 2006.

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 period.

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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

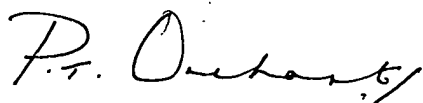
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

Directors' report

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the Annual General Meeting.

By Order of the Board.



P. T. Orchard
Director

Dated 10th October 2014

Independent auditors' report to the members of CBA Europe Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 30 June 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

What we have audited

The financial statements, which are prepared by CBA Europe Limited, comprise:

- the balance sheet as at 30 June 2014;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual report 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.

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.

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.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.


Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Alastair Findlay (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

10 October 2014

Profit and loss account

for the year ended 30 June 2014

	Notes	2014 £000	2013 £000
Turnover		7,571	6,076
Administrative expenses		(7,178)	(5,730)
Operating Profit	2	393	346
Interest receivable and similar income	3	7	6
Profit on ordinary activities before taxation		400	352
Tax on profit on ordinary activities	6	(78)	(108)
Profit for the financial year		322	244

The Company has, in the current accounting period, no recognised gains or losses other than the profit for that period shown above (2013: £nil). Thus the profit and loss account also represents the Company's statement of total recognised gains and losses as required by Financial Reporting Standard 3.

There is no material difference between the profit on ordinary activities before taxation and their historical costs equivalents.

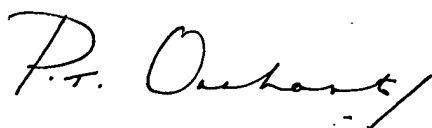
All results are derived entirely from continuing operations.

Balance sheet

at 30 June 2014

	Notes	2014 £000	2013 £000
Fixed assets			
Investments	7	1,999	1,748
Current assets			
Debtors	8	40	36
Cash at bank and in hand	9	538	440
		578	476
Current liabilities			
Creditors: amounts falling due within one year	10	(94)	(63)
Net current assets		484	413
Total assets less current liabilities		2,483	2,161
Capital and reserves			
Called up share capital	12	1,750	1,750
Profit and loss account	13	733	411
Total shareholders' funds	13	2,483	2,161

The financial statements on pages 8 to 17 were approved by the board of directors and were signed on its behalf by:



P. T. Orchard
Director

Dated 10th October 2014

Notes to the financial statements

for the year ended 30 June 2014

1. Accounting policies

The following principal accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

a) Accounting convention

These financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. A summary of more important accounting policies are set out below, together with an explanation of where changes have been made to previous policies on the adoption of new accounting standards in the year.

b) Going concern

These financial statements are prepared in accordance with the Companies Act 2006 and on a going concern basis.

c) Related parties

The Company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS 8, 'Related Party Disclosures', on the grounds that it is a wholly owned subsidiary of a group headed by Commonwealth Bank of Australia, whose Annual Report is publicly available. There are no other related parties transactions requiring disclosure.

d) Cashflow statement

The Company is a wholly owned subsidiary of Commonwealth Bank of Australia and has taken advantage of the exemption under FRS 1 'Cashflow Statements' (revised 1996) from preparing a cash flow statement, as a consolidated cash flow statement is included in publicly available financial statements of the ultimate holding Company CBA.

e) Turnover

The Company receives income from the CBA Group in respect of the service it provides, as part of the Service Agreement between the Company and the CBA Group. It is received on a monthly basis and is recognised on an accrual basis.

f) Debtors

Debtors are stated after all known bad debts have been written off and specific provision has been made against all debts considered doubtful of collection.

g) Creditors

When a financial liability is recognised initially, the entity measures it at its fair value plus, transaction costs that are directly attributable to the acquisition or issue of the financial liability.

After initial recognition, an entity measures all financial liabilities at amortised cost.

h) Financial instruments

Financial instruments arising from the Company's operations which include amounts owed to and from group companies, debtors and creditors are included within the creditors and debtors to group companies and are initially recorded at fair value and subsequently held at amortised cost.

i) Fixed asset investments

Debt securities and equity shares intended to be held on a continuing basis are disclosed as fixed asset investments. These are included in the balance sheet at cost, adjusted for any amortisation of premium or discount incurred at acquisition, or adjustments for any repayments of capital, on an appropriate basis over the period until the investment's contracted or anticipated maturity. Provision is made for any permanent impairment.

j) Interest receivable

Interest receivable is accrued over the period of the investment.

Notes to the financial statements

for the year ended 30 June 2014

1. Accounting policies (continued)

k) Dividends

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

l) Pension Costs

The employees seconded to the Company are members of a group defined contribution pension scheme. The cost of funding the scheme is charged to the profit and loss account as incurred.

Notes to the financial statements

for the year ended 30 June 2014

2. Operating profit

	2014 £000	2013 £000
Profit on ordinary activities is stated after crediting/(charging):		
Management fees charged to group undertaking	7,571	6,076
Management fees charged by group undertaking	(7,076)	(5,688)
Auditors' remuneration for audit services	(38)	(38)
Auditors' remuneration for non-audit services (tax compliance services)	(5)	(4)

3. Interest receivable and similar income

	2014 £000	2013 £000
Interest income from fixed asset investments	6	6
Interest income from group undertakings	1	-
	<u>7</u>	<u>6</u>

4. Staff costs

The average number of persons employed by affiliated companies and seconded to the Company (including directors) during the year was 26 (2013: 22).

Staff functions	2014	2013
Sales	19	15
Finance	1	1
Administration	2	2
Directors	4	4
	<u>26</u>	<u>22</u>

Notes to the financial statements

for the year ended 30 June 2014

4. Staff costs (continued)

The aggregate employment costs (excluding directors) were as follows:

	2014 £000	2013 £000
Salaries & wages (including accrued incentive payments)	3,317	2,413
Social security (National Insurance)	475	442
Pension costs	456	331
	<u>4,248</u>	<u>3,186</u>

The Company has the use of a number of individuals who are employed by affiliated entities and seconded to the Company. At the commencement of trade, the Company considered which individuals and associated costs should be included within headcount and related staff costs disclosure. The decision was made to reflect these seconded individuals in the disclosure of headcount and related staff costs as the directors consider this provides a more meaningful representation of the Company's staff costs.

5. Directors' remuneration

In accordance with the Companies Act 2006, directors' emoluments represent the proportion of total emoluments paid or payable in respect of qualifying services only. Directors also receive emoluments for non-qualifying services, which are not required to be disclosed. The Directors receive all emoluments from CBA London Branch and not CBA Europe Limited.

Two directors are members of a group defined contribution pension scheme and two directors are members of a group defined benefit pension scheme. Three directors have been granted shares in respect of a long term incentive scheme.

The emoluments of all the directors are paid by the ultimate parent Company which makes no recharge to the Company for directors' services. The directors are employees of the ultimate parent Company and are also directors of a number of fellow subsidiaries and it is not possible to make an accurate apportionment of the directors' emoluments in respect of each of the subsidiaries. Hence, no directors' emoluments are disclosed in the financial statements of the Company.

Notes to the financial statements

for the year ended 30 June 2014

6. Tax on profit on ordinary activities

	2014	2013
	£000	£000
Current tax charge		
UK Corporation tax on profits of the year	79	69
Prior period adjustment	(1)	39
Total current tax charge	<u>78</u>	<u>108</u>

Factors affecting the tax charge for the year ended 30 June 2014. The differences are explained below:

	2014	2013
	£000	£000
Profit on ordinary activities before tax	400	352
Tax charge at UK corporation tax rate of 22.5%* (2013: 23.75%)	90	84
Other non-allowable expenses	21	22
Prior period adjustment	(1)	39
Group relief received for nil consideration	(33)	(37)
Current tax charge for the period	<u>78</u>	<u>108</u>

* The UK tax reduced from 23% to 21% on 1 April 2013. The pro-rata tax rate for the year ended 30 June 2014 is 22.5%.

There is no unprovided deferred tax liability or unrecognised deferred tax asset in these financial statements.

Notes to the financial statements

for the year ended 30 June 2014

7. Fixed assets - Investments

	<i>Unlisted investments</i>	<i>Unlisted investments</i>
	<i>2014</i>	<i>2013</i>
	<i>£000</i>	<i>£000</i>
Opening balance as at 1 July	1,748	1,750
Acquisitions	3,747	6,995
Maturities	(3,495)	(6,995)
Amortisation of discount on acquisition	(1)	(2)
Closing balance as at 30 June	<u>1,999</u>	<u>1,748</u>

CBA Europe Limited held £1,750,000 worth of UK Treasury Bills, up until May 2014. Subsequently, the Company increased its investment in UK Treasury Bills by £250,000, funded from surplus cash deposits, and invested £2,000,000 in UK Treasury Bills, the most recent of which, will mature in Aug 2014.

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

8. Debtors

	<i>2014</i>	<i>2013</i>
	<i>£000</i>	<i>£000</i>
Amounts receivable from group undertaking	40	36
	<u>40</u>	<u>36</u>

9. Cash at bank and in hand

	<i>2014</i>	<i>2013</i>
	<i>£000</i>	<i>£000</i>
Cash on deposit with intergroup undertakings	252	300
Cash on deposit with NatWest Bank PLC	286	140
	<u>538</u>	<u>440</u>

10. Creditors: amounts falling due within one year

	<i>2014</i>	<i>2013</i>
	<i>£000</i>	<i>£000</i>
Accrued fees payable	56	46
Corporation tax	38	17
	<u>94</u>	<u>63</u>

Notes to the financial statements

for the year ended 30 June 2014

11. Dividends

The directors have not declared a dividend for the year ended 30 June 2014 (2013 : Nil).

12. Called up share capital

	<i>Authorised Capital</i>	
	<i>2014</i>	<i>2013</i>
	<i>£000</i>	<i>£000</i>
2,000,000 ordinary shares at £1 each	2,000	2,000
	<u>2,000</u>	<u>2,000</u>

	<i>Alloted, called up and fully paid</i>			
	<i>2014</i>	<i>2014</i>	<i>2013</i>	<i>2013</i>
	<i>£</i>	<i>No.</i>	<i>£</i>	<i>No.</i>
Ordinary shares at £1 each	<u>1,750,001</u>	<u>1,750,001</u>	<u>1,750,001</u>	<u>1,750,001</u>

13. Reconciliation of shareholders' funds and movement on reserves

	<i>Share capital</i>	<i>Profit and loss</i>	<i>Total</i>
	<i>£000</i>	<i>account</i>	<i>shareholders'</i>
		<i>£000</i>	<i>funds</i>
			<i>£000</i>
As at 1 July 2013	1,750	411	2,161
Profit for the financial year	-	322	322
As at 30 June 2014	<u>1,750</u>	<u>733</u>	<u>2,483</u>

On 17th November 2006, the Company issued 1,750,000 ordinary shares to its parent with a nominal value of £1 per share. On incorporation, one share with a nominal value of £1 was issued.

Notes to the financial statements

for the year ended 30 June 2014

14. Reconciliation of movements in shareholders' funds

	2014 £000	2013 £000
Profit for the financial year	322	244
Opening shareholders' funds	2,161	1,917
Net addition to shareholders' funds	322	244
Closing shareholders' funds	<u>2,483</u>	<u>2,161</u>

15. Contingent asset, liabilities and commitments

There are no contingent assets, liabilities and commitments in the current financial year (2013: £nil).

16. Parent undertaking

The Company's immediate and ultimate parent company, controlling party and largest and smallest group in which the Company's results are consolidated is Commonwealth Bank of Australia, which is incorporated in Australia.

Copies of its consolidated group financial statements, which include the Company, are available to the public from Darling Park 1, Level 18, 201 Sussex Street, Sydney New South Wales, Australia.