

5279332

**CBA (Europe) Finance Limited**  
Report and Accounts

30 June 1998



# CBA (Europe) Finance Limited

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Registered No. 3279332

## **DIRECTORS**

A J F Brown  
E E Latham  
J C C Marshall

## **SECRETARY**

J C C Marshall

## **AUDITORS**

Ernst & Young  
Rolls House  
7 Rolls Buildings  
Fetter Lane  
London EC4A 1NH

## **BANKERS**

Banco Centrale Hispanoamericano SA  
Madrid

## **REGISTERED OFFICE**

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

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 30 June 1998.

**RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to ESP 1,852,000 (loss for period ended 30 June 1997 - ESP 612,000). The directors do not recommend the payment of a dividend for the year ended 30 June 1998.

**PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The company's principal activity during the year was the making of investments.

**FUTURE DEVELOPMENT**

The company will continue its current business for the foreseeable future.

**YEAR 2000**

The directors have assessed the potential risks to the company's activities arising from the date change to the Year 2000 and due to the simplicity of the systems used believe the risks to be minimal.

**DIRECTORS AND THEIR INTERESTS**

The directors who held office at 30 June 1998 were as follows:

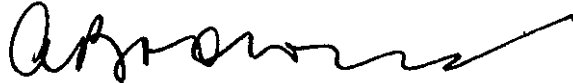
A J F Brown  
J C C Marshall  
E E Latham

No director was interested in the ordinary shares or preference shares of the company at 30 June 1998 or their date of appointment.

**AUDITORS**

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

On behalf of the board



A J F Brown  
Director

- 4 AUG 1998

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE  
ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. 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.

**REPORT OF THE AUDITORS**  
**to the members of CBA (Europe) Limited**

We have audited the accounts on pages 5 to 9, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described on page 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

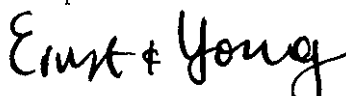
**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 30 June 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young  
Registered Auditor  
London

4. August 1998

# CBA (Europe) Finance Limited

## PROFIT AND LOSS ACCOUNT for the year ended 30 June 1998

		<i>Year ended 30 June 1998 ESP000</i>	<i>Period ended 30 June 1997 ESP000</i>
	<i>Notes</i>		
Income from other fixed asset investments	4	1,326,600	191,620
Other interest receivable and similar income - Group Undertakings		27,197	2,427
Other operating income		-	14,394
Other operating charges		750	(15,144)
Interest payable and similar charges	5	(1,352,150)	(193,909)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	<u>2,397</u>	<u>(612)</u>
Tax on profit/(loss) on ordinary activities	3	545	-
<b>PROFIT/(LOSS) RETAINED FOR THE FINANCIAL YEAR</b>		<u><u>1,852</u></u>	<u><u>(612)</u></u>

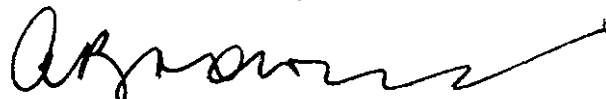
There are no recognised gains or losses other than the profit for the year of ESP 1,852,000 (period ended 30 June 1997 - loss ESP 612,000).

# CBA (Europe) Finance Limited

## BALANCE SHEET

at 30 June 1998

	Notes	1998 ESP000	1997 ESP000
<b>FIXED ASSETS</b>			
Investments	6	22,000,000	22,000,000
<b>CURRENT ASSETS</b>			
Amounts owed by parent undertaking		10,167	2,427
Prepayments and accrued income		191,620	191,620
Cash in hand and at bank		1,547	-
		203,334	194,047
<b>CREDITORS: amounts falling due within one year</b>			
Amounts owed to parent undertaking		191,382	191,382
Accruals and deferred income		10,167	3,177
Bank overdraft		-	100
Corporation tax		545	-
		202,094	194,659
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		1,240	(612)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		22,001,240	21,999,388
<b>CREDITORS: amounts falling due after more than one year</b>			
Amounts owed to parent undertaking	7	22,000,000	22,000,000
		1,240	(612)
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	-	-
Profit and loss account		1,240	(612)
<b>SHAREHOLDERS' FUNDS - EQUITY</b>		1,240	(612)



A J F Brown

Director

- 4 AUG 1998

NOTES TO THE ACCOUNTS

at 30 June 1998

1. ACCOUNTING POLICIES

*Accounting principles*

The accounts are prepared under the historical cost convention and in accordance with accounting principles generally accepted in the United Kingdom. The accounts, with the exception of note 8, are presented in Spanish Pesetas being the dominant currency in which the company operates.

*Foreign currencies*

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

*Derivative financial instruments*

The company has entered into interest rate swaps, a forward sale and a default option to hedge certain assets and liabilities. These are accounted for on an accruals basis consistent with the assets and liabilities they are hedging.

2. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

In the period to 30 June 1997 this was stated after charging auditors' remuneration of ESP 750,000. This was subsequently paid by the parent company, who will bear this cost in relation to the year to 30 June 1998. The company has no employees.

3. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	1998 ESP000	1997 ESP000
Based on profit/(loss) for the year:		
UK corporation tax at 31%	545	—
	<u>545</u>	<u>—</u>

The charge for the year has been reduced by brought forward losses.

4. INCOME FROM OTHER FIXED ASSET INVESTMENTS

	Year ended 30 June 1998 ESP000	Period ended 30 June 1997 ESP000
Unlisted	1,326,600	191,620
	<u>1,326,600</u>	<u>191,620</u>



# CBA (Europe) Finance Limited

## NOTES TO THE ACCOUNTS at 30 June 1998

### 5. INTEREST PAYABLE AND SIMILAR CHARGES

	<i>Year ended 30 June 1998 ESP000</i>	<i>Period ended 30 June 1997 ESP000</i>
Loan from a parent undertaking repayable within 5 years	1,324,950	191,382
Non-bank interest rate swap terminating within 5 years	27,197	2,427
Bank overdraft charges	3	100
	<u>1,352,150</u>	<u>193,909</u>

### 6. INVESTMENTS

	<i>1998 ESP000</i>	<i>1997 ESP000</i>
Unlisted investments		
Cost:		
At 1 July	22,000,000	-
Additions	-	22,000,000
At 30 June	<u>22,000,000</u>	<u>22,000,000</u>

### 7. AMOUNTS OWED TO GROUP UNDERTAKINGS

	<i>1998 ESP000</i>	<i>1997 ESP000</i>
Loans wholly repayable on 9 May 2002	<u>22,000,000</u>	<u>22,000,000</u>

### 8. CALLED UP SHARE CAPITAL

	<i>Authorised 1998 £</i>	<i>Authorised 1997 £</i>
Ordinary shares of £1 each	<u>100</u>	<u>100</u>

	<i>1998 No.</i>	<i>1997 No.</i>	<i>Allotted, called up and fully paid 1998 £</i>	<i>1997 £</i>
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

# CBA (Europe) Finance Limited

## NOTES TO THE ACCOUNTS at 30 June 1998

### 9. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	<i>Share capital ESP000</i>	<i>Profit and loss account ESP000</i>	<i>Total shareholders' funds ESP000</i>
At 1 July 1997	—	(612)	(612)
Profit for the year	—	1,852	1,852
	<hr/>	<hr/>	<hr/>
At 30 June 1998	—	1,240	1,240
	<hr/>	<hr/>	<hr/>

### 10. COMMITMENTS

The company has commitments in respect of interest rate swaps entered into to hedge certain assets and liabilities.

### 11. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under FRS 8 from disclosing details of transactions with parent and fellow subsidiary undertakings.

### 12. CASHFLOW STATEMENT

The company is a wholly owned subsidiary of Commonwealth Bank of Australia and has taken advantage of the exemption under FRS1 (revised) from preparing a cashflow statement.

### 13. PARENT UNDERTAKING

The company's parent undertaking is Commonwealth Bank of Australia, which is incorporated in Australia. Copies of its group accounts, which include the company, are available from 48 Martin Place, Sydney, Australia.