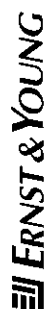


CBA (Europe) Finance Group

3279332

Report and Accounts

30 June 2003

 ERNST & YOUNG



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COMPANIES HOUSE 01/06/04

LD2 *LELCCU69* 0318
COMPANIES HOUSE 17/05/04

LD2 *LUNUNUN2* 0185
COMPANIES HOUSE 28/04/04

Registered No: 3279332

Directors

P J R Chiswell
J C C Marshall
B Parker

Secretary

J C C Marshall

Auditors

Ernst & Young LLP
1 More London Place
London SE1 2AF

Bankers

Commonwealth Bank of Australia
108-120 Pitt St
Sydney
New South Wales 2000

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

Directors' report

The directors present their report and accounts for the year ended 30 June 2003.

Results and dividends

The Group profit for the year, after taxation, amounted to AUD 18,201,000 (2002 – AUD 22,952,000). The directors do not recommend the payment of a dividend.

The accounts are presented in Australian dollars to reflect the underlying nature of the investments.

Principal activity and review of the business

The company invested in a new subsidiary, Burdekin Investments Limited, which invested £168 million in debt securities.

The company has also invested in two further subsidiaries being Pontoon (Funding) Plc and Quay (Funding) Plc. Both companies have issued structured bonds.

Finally, in June 2003, the company entered into a hire purchase contract with Calypso Europe Limited, a UK subsidiary of the Dover Corporation. The underlying assets were Automatic Telling Machines.

Future development

The directors of the company do not expect any significant change in the operations of the company.

Directors and their interests

The directors who held office at 30 June 2003 were as follows:

B Parker (appointed on 8 November 2002)
J C C Marshall
P J R Chiswell

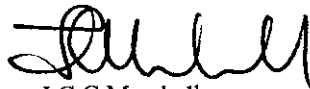
J C C Marshall holds one fully paid ordinary share of £1 in Pontoon (Funding) plc and one fully paid ordinary share of £1 in Quay (Funding) plc. Other than these holdings, no director was interested in the ordinary shares or preference shares of the company at 30 June 2003.

S Bigg resigned as director on 8 November 2002.

Auditors

A resolution to reappoint Ernst & Young LLP as the company's auditors has been made by the members at the Annual General Meeting held on 8 July 2003.

On behalf of the board



J C C Marshall
Director

20 APR 2004

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; and
- 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.

Independent auditors' report

to the members of CBA (Europe) Finance Limited

We have audited the group's accounts for the year ended 30 June 2003 which comprise the Group Profit and Loss Account, Group Balance Sheet, Company Balance Sheet and the related notes 1 to 17. These accounts have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities, the group's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the group is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 group'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 and of the group as at 30 June 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP

Registered Auditor

London

28th March 2004

Group profit and loss account

for the year ended 30 June 2003

		2003	2002
	Notes	AUD'000	AUD'000
Interest receivable and similar income	4	86,240	33,721
Interest receivable and similar income arising from investments	5	14,496	120
Interest payable and similar charges	6	(75,237)	(940)
Other external charges		(550)	(121)
Foreign exchange gains		1,124	5
Profit on ordinary activities before taxation	2	26,073	32,785
Tax on profit on ordinary activities	3	(7,872)	(9,833)
Profit for the financial year		18,201	22,952
Preference dividends		-	(17,805)
Profit retained for the financial year		18,201	5,147

The profit and loss account also represents the company's statement of total recognised gains and losses as required by Financial Reporting Standard 3.

Group balance sheet

at 30 June 2003

	Notes	2003 AUD'000	2002 AUD'000
Fixed assets			
Investments	7	442,543	41,312
Hire Purchase Contract	8	3,394	-
Loans and advances to group undertaking	9	1,782,432	-
		<u>2,228,369</u>	<u>41,312</u>
Current assets			
Prepayments and accrued income from group undertaking		23,861	4,440
Accrued interest income on investment securities		4,365	
Cash in hand and at related bank		856	160
Hire Purchase Contract	8	1,304	
Loans and advances to group undertaking	9	555,644	510,444
		<u>586,030</u>	<u>515,044</u>
Creditors: amounts falling due within one year			
Accruals and deferred income – group undertaking		2,184	73
Accruals and deferred income – other		21,400	
Corporation tax		8,170	9,832
Amount owed to group companies	10	419,762	-
Debt securities in issue	11	27,354	
		<u>478,870</u>	<u>9,905</u>
Net current assets		<u>107,160</u>	<u>505,139</u>
Total assets less current liabilities		<u>2,335,529</u>	<u>546,451</u>
Creditors: amounts falling due after more than one year			
Amounts owed to group companies	10	3,318	41,280
Debt securities in issue	11	1,782,434	-
Unamortised fees and net position in underlying swap transaction	12	25,854	-
		<u>523,923</u>	<u>505,171</u>
Capital and reserves			
Called up share capital	13	500,000	500,000
Foreign exchange revaluation reserve		551	
Profit and loss account	14	23,372	5,171
Shareholders' funds:			
Equity		23,923	5,171
Non-equity		<u>500,000</u>	<u>500,000</u>
	13	<u>523,923</u>	<u>505,171</u>



Director

20 APR 2004

Company balance sheet

at 30 June 2003

	Notes	2003 AUD'000	2002 AUD'000
Fixed assets			
Investments	7	415,452	41,448
Hire Purchase Contract	8	3,394	—
		<u>418,846</u>	<u>41,448</u>
Current assets			
Prepayments and accrued income		4,833	4,440
Cash in hand and at related bank		515	24
Hire Purchase Contract	8	1,304	—
Loan and advances to group companies	9	524,406	510,444
		<u>531,058</u>	<u>514,908</u>
Creditors: amounts falling due within one year			
Accruals and deferred income – group undertaking		2,105	73
Accruals and deferred income – other		181	—
Corporation tax		3,555	9,832
Amounts owed to group companies	10	419,762	—
		<u>425,603</u>	<u>9,905</u>
Net current assets			
		<u>105,455</u>	<u>505,003</u>
Total assets less current liabilities			
		<u>524,301</u>	<u>546,451</u>
Creditors: amounts falling due after more than one year			
Amounts owed to group companies	10	3,318	41,280
		<u>520,983</u>	<u>505,171</u>
Capital and reserves			
Called up share capital	13	500,000	500,000
Profit and loss account	14	20,983	5,171
Shareholders' funds:			
Equity		20,983	5,171
Non-equity		<u>500,000</u>	<u>500,000</u>
	14	<u>520,983</u>	<u>505,171</u>



Director

20 APR 2004

Notes to the accounts

at 30 June 2003

1. Accounting policies

A summary of the principal accounting policies applied consistently throughout the year are set out below:

a) Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

b) Related parties

The company has taken advantage of the exemption in Financial Reporting Standard 8 from disclosing transactions with related parties which are part of the group.

c) Cashflow statement

The company is a wholly owned subsidiary of Commonwealth Bank Australia and has taken advantage of the exemption under FRS 1 (revised) from preparing a cashflow statement.

d) 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.

e) Fixed asset investments

Investments are shown at cost unless, in the opinion of the directors, there has been an impairment in value, in which case an appropriate adjustment is made.

f) Derivative financial instruments

For group accounts hedge accounting has been used to minimise foreign exchange, interest rate and translation risk. Burdekin Investment Limited (a subsidiary of CBA Europe Ltd) has entered into cross currency swaps to hedge certain assets. These are accounted for on an accrual basis consistent with the assets and liabilities they are hedging.

g) Hire Purchase Contracts

The net investment in Hire Purchase contract is recorded on the balance sheet as a debtor. The rental receipts under hire purchase contract is apportioned between finance income and repayment of the debtor balance.

2. Profit on ordinary activities before taxation

This is stated after providing auditors' remuneration of AUD 64,000. CBA (Europe) Limited share is only AUD 15,000. The company has no employees.

Notes to the accounts

at 30 June 2003

3. Taxation

	2003 AUD'000	2002 AUD'000
Tax charge reconciles to the standard UK rate of 30% as follows:		
UK corporation tax at 30%	7,822	9,836
Previous year adjustment	-	(3)
Previous year over accrued expense	18	
Foreign Exchange variance on consolidation	32	
	<u>7,872</u>	<u>9,833</u>

4. Interest receivable and similar income

	2003 AUD'000	2002 AUD'000
Interest income receivable and similar income – group undertaking	85,061	32,638
Interest income receivable and similar income – other	1,179	1,083
	<u>86,240</u>	<u>33,721</u>

5. Interest receivable and similar income arising from investment

	2003 AUD'000	2002 AUD'000
Listed	14,496	-
Unlisted	-	120
	<u>14,496</u>	<u>120</u>

6. Interest payable and similar charges

	2003 AUD'000	2002 AUD'000
Interest payable to group companies	17,788	940
Interest payable on debt securities	57,449	-
	<u>75,237</u>	<u>940</u>

Notes to the accounts

at 30 June 2003

7. Investments

	<i>Group</i> 2003 <i>AUD'000</i>	<i>Company</i> 2003 <i>AUD'000</i>
Listed		
Cost:		
At 1 July 2002	-	-
Additions	443,657	124
Amortisation of Premium	(1,114)	-
At 30 June 2003	442,543	124
Unlisted		
Cost:		
At 1 July 2002	41,312	41,448
Additions	-	415,204
Maturity	(41,312)	(41,312)
Foreign exchange adjustment	-	(12)
At 30 June 2003	-	415,328
Total		
Cost:		
At 1 July 2002	41,312	41,448
Additions	443,657	415,328
Amortisation of Premium	(1,114)	-
Maturity	(41,312)	(41,312)
Foreign exchange adjustment	-	(12)
At 30 June 2003	442,543	415,452

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital as at 30 June 2003 are as follows:

	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
Burdekin Investments Limited (incorporated in Cayman Islands)	Ordinary shares	100%	Financial Services
Burdekin Investments Limited (incorporated in Cayman Islands)	Preference shares	100%	Financial Services
Pontoon (Funding) Plc	Ordinary shares	100%	Financial Services
Quay (Funding) Plc	Ordinary shares	100%	Financial Services

Notes to the accounts

at 30 June 2003

8. Hire Purchase Contract

	<i>Group</i>		<i>Company</i>	
	2003	2002	2003	2002
	AUD'000	AUD'000	AUD'000	AUD'000
Amount receivable under hire purchase contract:				
Within one year	1,484	-	1,484	-
In two to five years	3,584	-	3,584	-
	<u>5,068</u>	<u>-</u>	<u>5,068</u>	<u>-</u>
Less: Finance charges allocated to future periods	(370)	-	(370)	-
	<u>4,698</u>	<u>-</u>	<u>4,698</u>	<u>-</u>
Of which less than one year	1,304	-	1,304	-
Of which over one year	3,394	-	3,394	-
	<u>4,698</u>	<u>-</u>	<u>4,698</u>	<u>-</u>

9. Loans and advance to group undertaking

	<i>Group</i>		<i>Company</i>	
	2003	2002	2003	2002
	AUD'000	AUD'000	AUD'000	AUD'000
Maturity analysis:				
3 months or less	537,704	510,444	524,406	510,444
1 year or less but over 3 months	17,940	-	-	-
5 years or less but over 1 year	1,159,030	-	-	-
Over 5 years	623,402	-	-	-
	<u>2,338,076</u>	<u>510,444</u>	<u>524,406</u>	<u>510,444</u>

10. Amounts owed to group companies

	<i>Group</i>		<i>Company</i>	
	2003	2002	2003	2002
	AUD'000	AUD'000	AUD'000	AUD'000
Maturity analysis:				
1 year or less	419,762	-	419,762	-
2 years or less but over 1 year	1,468	-	1,468	-
5 years or less but over 2 years	1,850	-	1,850	-
Over 5 years	-	41,280	-	41,280
	<u>423,080</u>	<u>41,280</u>	<u>423,080</u>	<u>41,280</u>

Notes to the accounts

at 30 June 2003

11. Debt securities in issue

	2003	Group 2002	2003	Company 2002
	AUD'000	AUD'000	AUD'000	AUD'000
Bonds and medium term notes	1,782,434	-	-	-
Maturity analysis:				
1 year or less (balance sheet – current liabilities)	27,354	-	-	-
2 years or less but over 1 year	27,069	-	-	-
5 years or less but over 2 years	1,131,961	-	-	-
Over 5 years	623,404	-	-	-
	<u>1,809,788</u>	<u>-</u>	<u>-</u>	<u>-</u>
Of which less than one year	27,354	-	-	-
Of which over one year	<u>1,782,434</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,809,788</u>	<u>-</u>	<u>-</u>	<u>-</u>

12. Unamortised fees and net position in underlying swap transaction

	2003	Group 2002	2003	Company 2002
	AUD'000	AUD'000	AUD'000	AUD'000
Maturity analysis:				
2 years or less but over 1 years	3,029	-	-	-
5 years or less but over 2 years	18,156	-	-	-
Over 5 years	4,669	-	-	-
	<u>25,854</u>	<u>-</u>	<u>-</u>	<u>-</u>

13. Group and company called up share capital

	Authorised 2003 £	Authorised 2002 £
Ordinary shares of £1 each	100	100
	AUD	AUD
Preference shares of AUD 1 each	<u>1,500,000,000</u>	<u>1,500,000,000</u>

Notes to the accounts

at 30 June 2003

Group and company called up share capital (continued)

	<i>Allotted, called up and fully paid</i>			
	<i>2003</i>	<i>2002</i>	<i>2003</i>	<i>2002</i>
	<i>No.</i>	<i>No.</i>	<i>£</i>	<i>£</i>
Ordinary shares of £1 each	2	2	2	2
			<i>AUD'000</i>	
Preference shares of AUD 1 each				
At 1 July 2002			500,000	
At 30 June 2003			500,000	

14. Group reconciliation of shareholders' funds and movement on reserves

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Foreign exchange reserve</i>	<i>Total shareholders' funds</i>
	<i>AUD'000</i>	<i>AUD'000</i>	<i>AUD'000</i>	<i>AUD'000</i>
At 1 July 2002	500,000	5,171	-	505,171
Profit for the year	-	18,201	-	18,201
Foreign exchange difference	-	-	551	551
At 30 June 2003	500,000	23,372	551	523,923

Company reconciliation of shareholders' funds and movement on reserves

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Foreign exchange reserve</i>	<i>Total shareholders' funds</i>
	<i>AUD'000</i>	<i>AUD'000</i>	<i>AUD'000</i>	<i>AUD'000</i>
At 1 July 2002	500,000	5,171	-	505,171
Profit for the year	-	15,812	-	15,812
At 30 June 2003	500,000	20,983	-	520,983

15. Directors' Remuneration

No emoluments were received by the directors from the company or any other third party for the performance of their duties.

16. Employees

The company did not have any employees during the financial period.

Notes to the accounts

at 30 June 2003

17. Commitments

CBA (Europe) Finance Limited has an AUD 24,745,000 commitment to Veolia Environment SA, which expires in March 2006. Following year end Veolia has made no cash call on this balance. CBA (Europe) Finance Limited has an AUD 24,745,000 stand by facility with CBA London which expires March 2006.

18. 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.

19. Post Balance Sheet Event

On 11th of November 2003, the director's of the CBA (Europe) have declared a dividend of \$28m to current Preference Shareholders.

On the 14th November 2003, the company redeemed out of capital 500,000,000 preference shares of nominal value of 1 Australian dollar each in issue for 500,000,000 Australian dollars in aggregate in accordance with sections 171 and 172 of the Companies Act 1985.