



Investments

# Count First Australian Share Fund

**Annual Financial Report 2008**



Dear Investor

**Your Annual Financial Report**

I am pleased to present the reports for the financial year ended 30 June 2008 for the Colonial First State Count First Australian Share Fund.

This statement is the final component of the reporting information for the 2007–2008 financial year.

If you have any questions about the Annual Financial Report, please call Investor Services on **13 13 36** Monday to Friday, 8am to 7pm, Sydney time.

Yours sincerely,

A handwritten signature in blue ink that reads "Brian Bissaker". The signature is written in a cursive, flowing style.

**Brian Bissaker**

Chief Executive Officer

**COUNT FIRST AUSTRALIAN SHARE FUND**

**ABN 53 830 310 635**

**ARSN 087 562 178**

**FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2008**

**Responsible Entity of the Fund:**

**COLONIAL FIRST STATE  
INVESTMENTS LIMITED**

**ABN 98 002 348 352**

Level 29, 52 Martin Place  
SYDNEY NSW 2000

# COUNT FIRST AUSTRALIAN SHARE FUND

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# COUNT FIRST AUSTRALIAN SHARE FUND

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2008

The Directors of Colonial First State Investments Limited, the Responsible Entity of the Count First Australian Share Fund ("the Fund"), present their report together with the financial report of the Fund for the financial year ended 30 June 2008.

### Principal Activity

The principal activities of the Fund are to invest in accordance with the investment objectives and guidelines as set out in the Information Memorandum and in accordance with the provisions of the Fund's Constitution.

The Fund provides investors with exposure to securities listed on the Australian Stock Exchange via an investment in the Colonial First State Wholesale Imputation Fund. The Colonial First State Wholesale Imputation Fund is managed by Colonial First State Investments Limited.

There were no significant changes to the area of operations during the year under review.

The Fund was closed to new investors on 30 June 2006.

### Change of Auditors

Ernst & Young resigned as auditors and PricewaterhouseCoopers were appointed as auditors of the Fund on 30 November 2007.

### Date of Constitution and Registration of Fund

The dates of the Constitution and registration of the Fund with the Australian Securities & Investments Commission (ASIC) were 11 May 1999 and 9 June 1999 respectively.

### Review of Operations

#### Income

The quarterly income distributions per unit for the Fund for the years ended 30 June 2008 and 30 June 2007 are disclosed in Note 3 to the financial statements.

#### Exit Prices

The exit price is the price at which unitholders realise an entitlement in the Fund and is calculated by deducting a predetermined cost of selling (commonly known as the sell spread), if applicable, from the net asset value (NAV) of the Fund. NAV is calculated by taking the total fair value of all of the Fund's assets on a particular day, adjusting for any liabilities and then dividing the net Fund value by the total number of units held by unitholders on that day. Please refer to the current Product Disclosure Statement for the Count First Australian Share Fund for details of the current sell spread for the Fund.

The unit price representing the ex-distribution exit unit price as at 30 June 2008 was \$0.8258 (2007: \$1.1050).

#### Management Costs and Indirect Cost Ratio (ICR)

The Indirect Cost Ratio is the ratio of the Fund's management costs over the Fund's average net assets attributable for the year, expressed as a percentage.

Management cost include management fees, performance fees and other expenses or reimbursements deducted in relation to the Fund, but do not include transactional and operational costs such as brokerage. Management costs are not paid directly by the unitholders of the Fund.

The ICR of the Fund for the year ended 30 June 2008 is 1.76%.

# COUNT FIRST AUSTRALIAN SHARE FUND

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2008

### Review of Operations (continued)

#### Performance

The performance figures below have been calculated on an exit price to exit price basis with no allowance made for the taxation of these returns. Distributions paid have been treated as being reinvested and have been recognised in the period of entitlement.

	2008	2007
	%	%
Total performance	( 15.84)	20.04

### Responsible Entity and Directors

The Responsible Entity of the Funds is Colonial First State Investments Limited. The ultimate holding company is the Commonwealth Bank of Australia (ABN 48 123 123 124).

The Directors of the Responsible Entity in office during the year and up to the date of the report are:

Grahame Petersen	
Michael John Venter	
Brian Vincent Bissaker	
Paul Rayson	
Peter Robert Winney	
John Robert Dempsey	Resigned 15 January 2008
Bradley Brian Massey	Appointed 21 February 2008

The Responsible Entity is incorporated and domiciled in Australia and has its registered office at Level 29, 52 Martin Place, Sydney, New South Wales, 2000.

### Scheme Information

The Fund is a registered managed investment scheme domiciled in Australia and has its principal place of business at Level 29, 52 Martin Place, Sydney, New South Wales, 2000.

### Significant Changes in the State of Affairs

There was no significant change in the nature of the Fund's activities during the year.

### Matters Subsequent to the End of the Financial Year

No matters or circumstances have arisen since 30 June 2008 that have significantly affected, or may significantly affect:

- (i) the operations of the Fund in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Fund in future financial years.

# COUNT FIRST AUSTRALIAN SHARE FUND

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2008

### **Likely Developments and Expected Results of Operations**

The Fund is expected to continue to operate within the terms of its Constitution, and will continue to invest in accordance with its investment objectives and guidelines.

At the time of preparing this report the Responsible Entity is not aware of any likely developments which would impact upon the future operations of the Fund.

### **Indemnification and Insurance Premiums for Officers and auditors**

No insurance premiums are paid for out of the assets of the Fund in relation to insurance cover provided to Colonial First State Investments Limited or the auditors of the Fund. So long as the officers of Colonial First State Investments Limited act in accordance with the Constitution and the Corporations Act 2001, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund. The auditors of the Fund are in no way indemnified out of the assets of the Fund.

The Commonwealth Bank of Australia has paid insurance premiums for the benefit of the officers of the Responsible Entity and the Compliance Committee members. Details of the nature of the liabilities covered or the amount of the premium paid has not been included as such disclosure is prohibited under the terms of the insurance contracts.

### **Fees Paid to and Interest Held in the Fund By the Responsible Entity or its Associates**

Fees paid or payable to the Responsible Entity and its associates out of the Fund's assets during the year are disclosed in the Income Statement.

No fees were paid to the Directors of the Responsible Entity during the year out of the Fund's assets.

There are no interests in the Fund held by the Responsible Entity or its associates at the end of the financial year.

### **Interests in the Fund**

The units issued and redeemed in the Fund during the year and the number of units on issue at the end of the financial year are set out in Note 4 to the financial statements. The value of the Fund's assets at the end of the financial year is set out in the Balance Sheet.

### **Environmental Regulation**

The operations of the Fund are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law. There have been no known significant breaches of any other environmental requirements applicable to the Funds.

# COUNT FIRST AUSTRALIAN SHARE FUND

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2008

### Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act 2001 is set out on Page 5.

Signed in accordance with a resolution of the Directors of Colonial First State Investments Limited.

A handwritten signature in black ink, appearing to read 'Bradley Massey', written in a cursive style.

Bradley Brian Massey  
Director  
Sydney  
8 September 2008



## Auditor's independence declaration

As lead auditor for the audit of Count First Australian Share Fund for the year ended 30 June 2008, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Count First Australian Share Fund during the year.



AJ Wilson  
Partner  
PricewaterhouseCoopers

Sydney  
8 September 2008

**COUNT FIRST AUSTRALIAN SHARE FUND**

**INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2008**

		1/7/2007 - 30/06/2008 \$	1/7/2006 - 30/06/2007 \$
<b>Investment income</b>	Notes		
Interest income		28,806	31,296
Distribution income		3,278,643	8,572,324
Changes in fair value of financial instruments held for trading		(9,089,480)	393,723
Other income		923	665
Responsible Entity fees rebate		361,508	438,515
<b>Total investment income/(loss)</b>		<b>(5,419,600)</b>	<b>9,436,523</b>
<b>Expenses</b>			
Responsible Entity's performance fees		645,259	1,166,487
Other expenses		87	89
<b>Total operating expenses</b>		<b>645,346</b>	<b>1,166,576</b>
<b>Operating (loss)/profit attributable to unitholders</b>		<b>(6,064,946)</b>	<b>8,269,947</b>
Distributions to unitholders	3	(4,042,330)	(11,096,133)
Decrease in net assets attributable to unitholders from operations	4(a)	10,107,276	2,826,186
<b>Profit/(Loss) for the year</b>		<b>-</b>	<b>-</b>

The above Income Statement should be read in conjunction with the accompanying notes.

**COUNT FIRST AUSTRALIAN SHARE FUND**

**BALANCE SHEET  
AS AT 30 JUNE 2008**

<b>Assets</b>	Notes	<b>30/06/2008</b> \$	<b>30/06/2007</b> \$
Cash and cash equivalents		707,996	2,234,635
Trade and other receivables:			
- application monies		1,500	20,000
- interests		2,358	3,394
- others		31,545	48,019
Fee rebate due from Responsible Entity	6(c)	26,413	16,341
Financial instruments held for trading - related unlisted managed investment scheme		30,085,412	43,304,188
<b>Total assets</b>		<b>30,855,224</b>	<b>45,626,577</b>
<b>Liabilities</b>			
Trade and other payables:			
- redemptions		10,000	-
- others		39,674	556
Distribution payable		448,088	2,381,516
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>497,762</b>	<b>2,382,072</b>
<b>Net assets attributable to unitholders - liability</b>	4(a)	<b>30,357,462</b>	<b>43,244,505</b>
<b>Represented by:</b>			
Fair value of outstanding units based on redemption value		30,355,123	43,247,292
Adjustments to year end accruals		2,339	(2,787)
<b>Net assets attributable to unitholders</b>		<b>30,357,462</b>	<b>43,244,505</b>

The above Balance Sheet should be read in conjunction with the accompanying notes.

**COUNT FIRST AUSTRALIAN SHARE FUND**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2008**

	1/7/2007 - 30/06/2008 \$	1/7/2006 - 30/06/2007 \$
<b>Total equity at the beginning of the financial year</b>	-	-
Profit or loss for the year	-	-
Net income/(expense) recognised directly in equity		
<b>Total recognised income and expenses for the year</b>	-	-
Transactions with equity holders in their capacity as equity holders	-	-
<b>Total equity at the end of the financial year</b>	-	-

Under AIRFS, net assets attributable to unitholders are classified as a liability rather than equity. As a result there was no equity at the start or end of the year.

The above Statement of Changes in Equity should be read in conjunction with Note 4(a).

**COUNT FIRST AUSTRALIAN SHARE FUND**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2008**

	Note	1/7/2007 - 30/06/2008 \$	1/7/2006 - 30/06/2007 \$
<b>Cash flows from operating activities</b>			
Proceeds from sale of financial instruments held for trading		8,832,940	15,713,000
Payments for purchase of financial instruments held for trading		(1,425,001)	(5,859,999)
Interest received		29,842	30,217
Other income received		923	665
Responsible Entity fee paid		(277,905)	(757,000)
Other expenses paid		(87)	(89)
<b>Net cash from operating activities</b>	5(a)	7,160,712	9,126,794
<b>Cash flows from financing activities</b>			
Receipts from issue of units		316,105	239,429
Payment for redemption of units		(6,109,479)	(7,285,764)
Distributions paid		(2,893,977)	(2,648,817)
<b>Net cash used in financing activities</b>		(8,687,351)	(9,695,152)
<b>Net movement in cash and cash equivalents</b>		(1,526,639)	(568,358)
Add opening cash and cash equivalents brought forward		2,234,635	2,802,993
<b>Closing cash and cash equivalents carried forward</b>		707,996	2,234,635

See Note 5(b) for non-cash financing activities.

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

# COUNT FIRST AUSTRALIAN SHARE FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the Fund's Constitution and the requirements of the Corporations Act 2001, which includes Accounting Standards. Other mandatory professional reporting requirements have also been complied with.

The financial report is prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The Balance Sheet is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be settled within twelve months, except for financial assets held for trading, loans and net assets attributable to unitholders. The amounts expected to be recovered or settled after more than twelve months in relation to these balances cannot be reliably determined, except as otherwise stated.

The financial report was authorised for issue by the Directors of the Responsible Entity on 29 August 2008.

Both the functional and presentation currency of the Fund is Australian dollars.

#### (b) Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS').

#### (c) Investments in Financial Assets Held for Trading

##### *Classification*

The Fund's investments are classified as held for trading and initially recognised at fair value not including transaction costs, which are expensed in the income statement.

##### *Recognition/Derecognition*

The Fund recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

The derecognition of a financial instrument takes place when the Fund no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party.

##### *Measurement*

After initial recognition, the financial assets held for trading are revalued to fair value at each reporting date.

The fair value of units in unlisted Managed Investment Schemes is determined by reference to published bid prices at the close of business on the Balance Sheet date being the redemption price as established by the underlying Fund's Responsible Entity.

Gains or losses on investments held for trading are recognised in the Income Statement. Investments of the Fund which are considered to be held for trading are units in the Colonial First State Wholesale Imputation Fund.

# COUNT FIRST AUSTRALIAN SHARE FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (d) Investment Income

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be reliably measured. The following specific recognition criteria must also be met before income is recognised:

##### *Distribution income*

Distribution income is recognised when the right to receive the payment is established.

##### *Interest income*

Interest income is brought to account on an accrual basis.

#### (e) Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank, deposits at call with a futures clearing house or short term deposit with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents are as defined above, net of outstanding bank overdrafts.

#### (f) Trade and Other Receivables

Receivables are recognised and carried at the original invoice amount, less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of an amount is no longer probable. Bad debts are written off when identified.

Amounts are generally received within 30 days of being recorded as receivables.

#### (g) Trade and Other Payables

Liabilities for creditors are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received.

Payables include outstanding settlements on the purchase of financial assets held for trading and distributions payable. The carrying period is dictated by market conditions and is generally less than 30 days.

#### (h) Taxation

Under current legislation, the Fund is not subject to income tax provided the unitholders are presently entitled to the income of the Fund and the Fund fully distributes its taxable income.

#### (i) Distributions

In accordance with the Fund's Constitution, the Fund fully distributes its distributable income to unitholders. Distributions are payable at the end of each quarter. Such distributions are determined by reference to the taxable income of the Fund. Distributable income includes capital gains arising from the disposal of financial assets held for trading. Unrealised gains and losses on financial assets held for trading that are recognised as income are transferred to net assets attributable to unitholders and are not assessable and distributable until realised. Capital losses are not distributed to unitholders but are retained to be offset against any realised capital gains.

# COUNT FIRST AUSTRALIAN SHARE FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (j) Unit Prices

Unit prices are determined in accordance with the Fund's Constitution and are calculated as the net assets attributable to unitholders, or unitholders' funds of the Fund, divided by the number of units on issue. Financial assets held for trading for unit pricing purposes are valued on a "last sale" price basis.

#### (k) Terms and Conditions on Units

Each unit issued confers upon the unitholder an equal interest in the Fund, and is of equal value. A unit does not confer any interest in any particular asset or investment of the Fund. Unitholders have various rights under the Constitution and the Corporations Act 2001, including the right to:

- have their units redeemed;
- receive income distributions;
- attend and vote at meetings of unitholders; and
- participate in the termination and winding up of the Fund.

The rights, obligations and restrictions attached to each unit are identical in all respects.

#### (l) Net Assets Attributable to Unitholders

Under AASB 132 "Financial Instruments: Disclosure and Presentation", contractual obligations are regarded as liabilities. As unitholders have the ability to redeem units from the Fund, all net assets attributable to unitholders have been recognised as liabilities of the Fund, rather than as equity. The classification of net assets attributable to unitholders does not alter the underlying economic interest of the unitholders in the net assets and net profit attributable to unitholders of the Fund.

#### (m) Goods and Services Tax (GST)

Income, expenses and assets, with the exception of receivables and payables, are recognised net of the amount of GST to the extent that the GST is recoverable from the taxation authority. Where GST is not recoverable, it is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

Receivables and payables are stated inclusive of GST.

Reduced input tax credits (RITC) recoverable by the Fund from the Australian Taxation Authority are recognised as a receivable in the Balance Sheet.

Cash flows are included in the Cash Flow Statement on a gross basis. The GST component of cash flows, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

#### (n) Expense Recognition

Expenses are recognised in the Income Statement when the Fund has a present obligation (legal or constructive) as a result of a past event that can be reliably measured. Expenses are recognised in the Income Statement if expenditure does not produce future economic benefits that qualify for recognition in the Balance Sheet.



# COUNT FIRST AUSTRALIAN SHARE FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (o) New Application of Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2008 reporting periods. The impact of these new standards and interpretations is set below:

- AASB 8 "*Operating Segments*" and AASB 2007-3 "*Amendments to Australian Accounting Standards*" arising from AASB 8.

AASB 8 and AASB 2007-3 are effective for annual reporting periods beginning on or after 1 January 2009. The Funds have not adopted these standards early. Application of these standards will not affect any of the amounts recognised in the financial statements, but may affect the segment disclosures provided in Note 7.

- Revised AASB 101 "*Presentation of Financial Statements Revised*" and AASB 2007-8 "*Amendments to Australian Accounting Standards*" arising from AASB 101.

AASB 101 (Revised) is applicable to annual reporting beginning on or after 1 January 2009. The Fund has not adopted this standard early. It requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity but will not affect any amounts recognised in the financial statements. If the Fund has made a prior period adjustment or has re-classified items in the financial statement, it will need to disclose a third balance sheet, this one being at the beginning of the comparative period.

- AASB 132 *Financial Instruments: Presentation* and AASB 2008-2 *Amendments to Australian Accounting Standards - Puttable Financial Instruments and Obligations Arising on Liquidation* (Revised AASB 132).

Revised AASB 132 is applicable for reporting periods beginning on or after 1 January 2009. The Fund has not adopted this standard early. Application of this standard will not affect any of the amounts recognised in the financial statements as the Fund is obligated to distribute all of its taxable income in accordance with the Fund's Constitution. Accordingly, there will be no change to classification of unitholders' funds as a liability and therefore no impact on profit or loss and equity.

### 2. AUDITOR'S REMUNERATION

Auditor's remuneration in respect of auditing the financial report is fully paid by the Responsible Entity.

Other services provided by the auditors are the audit of the compliance plan of the Funds and tax compliance services. The auditors' non-audit remuneration is not paid by the Funds.

## COUNT FIRST AUSTRALIAN SHARE FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

#### 3. DISTRIBUTIONS TO UNITHOLDERS

The Responsible Entity adopts the policy of distributing as a minimum the net income for tax purposes. The amount shown as "Distribution payable" in the Balance Sheet represents the component of the final distribution for the year which had not been paid at balance date.

The amounts distributed or proposed to be distributed to unitholders in cents per unit (cpu) during the year were:

Quarter ended:	2008		2007	
	cpu	\$	cpu	\$
- 30 September	2.00	751,999	2.00	718,032
- 31 December	2.00	738,412	2.00	717,271
- 31 March	2.00	717,098	2.00	693,151
- 30 June	5.23	1,834,821	27.02	8,967,679
		4,042,330		11,096,133

#### 4. CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

The terms and conditions attached to units in the Fund can be found in Note 1 (k).

(a) **Movements in number of units and net assets attributable to unitholders during the year were as follows:**

	2008		2007	
	No.	\$	No.	\$
Opening balance	39,137,821	43,244,505	37,402,576	44,927,113
Applications	320,304	297,605	198,771	259,429
Redemptions	(6,009,410)	(6,159,153)	(5,683,336)	(7,285,764)
Units issued upon reinvestment of distributions	3,309,729	3,081,781	7,219,810	8,169,913
(Decrease)/Increase in net assets attributable to unitholders from operations	-	(10,107,276)	-	(2,826,186)
Closing Balance	36,758,444	30,357,462	39,137,821	43,244,505

#### (b) Capital Risk Management

The Fund manages its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unitholders.

**COUNT FIRST AUSTRALIAN SHARE FUND**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**5. CASH AND CASH EQUIVALENTS**

**(a) Reconciliation of net profit/(loss) attributable to unitholders to net cash from operating activities**

	2008 \$	2007 \$
Net profit attributable to unitholders	(6,064,946)	8,269,947
Proceeds from sale of financial instruments held for trading	8,832,940	15,713,000
Purchase of financial instruments held for trading	(1,425,001)	(5,859,999)
Changes in fair value of financial instruments held for trading	9,089,480	(393,723)
Distribution income reinvested	(3,278,643)	(8,572,324)
Changes in assets and liabilities:		
Interest receivables	1,036	(1,079)
Other receivables	6,402	(29,584)
Other payables	9,516	(17,880)
Responsible Entity fees	(10,072)	18,436
<b>Net Cash From Operating Activities</b>	<b>7,160,712</b>	<b>9,126,794</b>

**(b) Non-cash financing activities carried out during the year on normal commercial terms and conditions included:**

Reinvestment of unitholders distributions as disclosed in Statement of Changes in Net Asset Attributable to Unitholders and Note 4(a) under "Units issued upon reinvestment of distributions".

**(c) Terms and conditions on cash**

Cash at bank earns interest at a floating rate as determined by the financial institutions.

# COUNT FIRST AUSTRALIAN SHARE FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

### 6. RELATED PARTIES DISCLOSURES

#### (a) Responsible Entity

The Responsible Entity of the Fund is Colonial First State Investments Limited. The ultimate holding company is the Commonwealth Bank of Australia (the Bank).

The Responsible Entity is incorporated and domiciled in Australia and has its registered office at Level 29, 52 Martin Place, Sydney, New South Wales, 2000.

#### (b) Details of Key Management Personnel

##### (i) Key Management Personnel

The Directors of Colonial First State Investments Limited are considered to be Key Management Personnel. The Directors of the Responsible Entity in office during the year and up to the date of the report are:

Grahame Petersen	
Michael John Venter	
Brian Vincent Bissaker	
Paul Rayson	
Peter Robert Winney	
John Robert Dempsey	Resigned 15 January 2008
Bradley Brian Massey	Appointed 21 February 2008

##### (ii) Compensation of key management personnel

No amounts are paid by the Fund directly to the Directors of the Responsible Entity of the Fund.

The Directors of the Responsible Entity receive compensation in their capacity as Directors of the Responsible Entity. Directors are employed as executives of the Commonwealth Bank of Australia, and in that capacity, part of their role is to act as a Director of the Responsible Entity. Consequently, no compensation as defined in AASB 124: Related Parties is paid by the Funds to the Directors as Key Management Personnel.

# COUNT FIRST AUSTRALIAN SHARE FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

### 6. RELATED PARTIES DISCLOSURES (continued)

#### (c) Responsible Entity's Fees

The Responsible Entity receives performance fees based on the 25% out performance of the Fund against UBS Warburg Australian Bank Bill Index. Performance fee is charged for the Fund in lieu of the usual ongoing management fee.

Should the performance of the Fund in any month be below the UBS Warburg Australian Bank Bill Index, no fee is payable by the Fund for the month and the resulting negative performance fee will be deducted against future months' performance fees.

The Responsible Entity's performance fees for the years ended 30 June 2008 and 30 June 2007 are \$645,259 and \$1,166,487 respectively.

As the Fund hold units in Colonial First State Wholesale Imputation Fund, the Fund is entitled to receive management fee rebate. Management fee rebate receivable as at 30 June 2008 and 30 June 2007 are \$26,413 and \$16,341 respectively.

The amount of negative performance fees to be deducted against future months' performance fees as at 30 June 2008 is nil (2007: nil).

Where monies are invested in other schemes managed by the Responsible Entity, the management fees are rebated to the Fund and shown in the Income Statement as "Responsible Entity fee rebate". As the Fund hold units in the Colonial First State Wholesale Imputation Fund, the Fund is entitled to receive management fee rebate. Management fee rebate receivable as at 30 June 2008 and 30 June 2007 are \$26,413 and \$16,341 respectively.

#### (d) Bank and Deposit Accounts

The bank accounts of the Fund are held with the Commonwealth Bank of Australia. Fees and expenses are negotiated on an arm's length basis.

#### (e) Investing Activities

The Fund held an investment in the following Fund which is managed by Colonial First State Investments Limited.

Investment Name	Units Held at Year End  No.	Value of Investment at Year End  \$	Interest held in Investment at Year End  %	Units Purchased During Year  No.	Units Sold During Year  No.	Distribution Reinvested  \$
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Units in Colonial First State  
Wholesale Imputation Fund

- 2008	13,765,287	30,085,412	0.86%	1,842,732	3,263,372	3,278,644
- 2007	15,185,927	43,304,188	0.85%	4,883,778	5,167,148	8,572,324

### 7. SEGMENT INFORMATION

The Fund operates in one business segment, being investment management. The Fund operates from one geographic location being Australia, from where its investing activities are managed. Revenue is derived from distributions, interest, gains on the sale of investments, and unrealised changes in the value of investments.

# COUNT FIRST AUSTRALIAN SHARE FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

### 8. FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk (including price risk and interest rate risk) and liquidity risk.

The Fund's overall risk management programme focuses on ensuring compliance with the Fund's Constitution and seeks to maximise the returns derived for the level of risk to which the Fund is exposed. Financial risk management is carried out by the investment management department (Investment Manager) and regularly monitored by the Compliance Department of the Responsible Entity.

The Fund uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks.

#### (a) Market Risk

##### (i) Price Risk

The Fund's financial assets are indirectly exposed to price risk. This arises from investments held by the Fund for which prices in the future are uncertain. They are classified on the balance sheet at fair value through profit or loss. All investments present a risk of loss of capital. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

Market risk is minimised through ensuring that all investment activities are undertaken in accordance with established mandate limits and investment strategies. This is regularly monitored by the Compliance Department of the Responsible Entity.

The table on Note 8(b) summarises the impact of an increase/decrease of the Australian Share Indexes on the Fund's net assets attributable to unitholders at 30 June 2008. The analysis is based on the assumptions that the index increased by 30% or decreased by 15% (2007 - 30%/(15%)) with all other variables held constant and that the fair value of the Fund's portfolio of equity securities and derivatives moved according to the historical correlation with the index. The impact mainly arises from the reasonable possible change in the fair value of underlying unit price that invests in listed equities.

##### (ii) Interest rate risk

The Fund's exposure to interest rate risk is limited to its cash and cash equivalents, which earns a floating rate of interest.

# COUNT FIRST AUSTRALIAN SHARE FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

### 8. FINANCIAL RISK MANAGEMENT (continued)

#### (b) Summarised Sensitivity Analysis

The following table summarises the sensitivity of the Fund's operating profit and net assets attributable to unitholders price risk. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in interest rates and historical correlation of the Fund's investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the fund invests. As a result, historic variations in risk variables are not a definitive indicator of future variations in the risk variables.

	Count First Australian Share Fund			
	Interest rate risk		Price Risk	
	Impact on Operating Profit/(Loss) and Net Assets Attributable to Unitholders			
	-75 basis points	75 basis points	-15.00%	30.00%
	\$	\$	\$	\$
30/06/2008	(5,310)	5,310	(4,512,812)	9,025,624
30/06/2007	(16,760)	16,760	(6,495,628)	12,991,256

#### (c) Liquidity Risk

The Fund is exposed to daily cash redemptions of redeemable units. It therefore primarily holds investments that are traded in an active market and can be readily disposed.

The Fund's indirectly held securities are considered readily realisable, as they are listed on either the Australian Stock Exchange or other recognised stock exchanges.

The Fund's financial liabilities primarily consist of trade payables which include redemptions payable to unitholders at year end as well as other payables such as the accruals of management fees and distributions payable at year end. All financial liabilities of the Funds are contractually due within 30 days.

#### (d) Fair Value Estimation

The carrying amounts of the Fund's assets and liabilities at the balance sheet date approximate their fair values.

Investments in unlisted managed investment schemes are recorded at the redemption value per unit as reported by the Responsible Entity of the fund.

### 9. CONTINGENT LIABILITIES AND COMMITMENTS

As at 30 June 2008 the Fund has no contingent liabilities and commitments (2007 - none).

### 10. EVENTS AFTER BALANCE SHEET DATE

Since the reporting date no significant events have occurred that required reporting (2007 - none).

## COUNT FIRST AUSTRALIAN SHARE FUND

### DIRECTORS' DECLARATION FOR THE YEAR ENDED 30 JUNE 2008

In the opinion of the Directors of Colonial First State Investments Limited:

- a) the financial statements and notes to the financial statements of the Count First Australian Share Funds is in accordance with the Corporations Act 2001, including:
  - i) giving a true and fair view of the Funds' financial positions as at 30 June 2008 and of their performances for the year ended on that date; and
  - ii) complying with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- b) there are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable;

This declaration is made in accordance with a resolution of the directors.



Bradley Brian Massey  
Director  
Sydney  
8 September 2008



## Independent auditor's report to the unitholders of Count First Australian Share Fund

### Report on the financial report

We have audited the accompanying financial report of Count First Australian Share Fund (the Fund), which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for Count First Australian Share Fund.

#### *Directors' responsibility for the financial report*

The directors of Colonial First State Investments Limited (the responsible entity) are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

For further explanation of an audit, visit our website <http://www.pwc.com/au/financialstatementaudit>.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

**Independent auditor's report to the unitholders of  
Count First Australian Share Fund (continued)**

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

*Auditor's opinion on the financial report*

In our opinion:

- (a) the financial report of Count First Australian Share Fund is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Fund's financial position as at 30 June 2008 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

*Matters relating to the electronic presentation of the audited financial report*

This auditor's report relates to the financial report of Count First Australian Share Fund (the Fund) for the year ended 30 June 2008 included on Colonial First State Investments Limited's (the responsible entity) web site. The responsible entity's directors are responsible for the integrity of the Colonial First State Investments Limited's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.



PricewaterhouseCoopers



AJ Wilson  
Partner

Sydney  
8 September 2008



## Enquiries

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12476/FS464/0908

The Count First Australian Share Fund Product Disclosure Statement was issued on 1 April 2004.

We want what you want

**Colonial**  
**First State**