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**AEGIS LIMITED
ANNUAL REPORT**

For the year ended 30 June 2010

Directors' Report

The Directors have pleasure in presenting the Annual Report of Aegis Limited for the year ended 30 June 2010.

The shareholder of the Company has agreed to take advantage of the reporting concessions available to it under section 211(3) of the Companies Act 1993. Accordingly, there is no further information to be provided in this Annual Report other than the financial statements and audit report.

For and on behalf of the Board

S.B. McRobie
Director

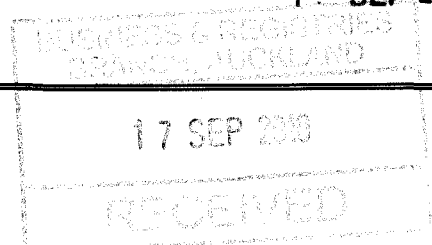
K.C. McDonald
Director

13 September 2010

13 September 2010

NPC# 27

1 SEP 2010



AEGIS LIMITED**Statement of Comprehensive Income***For the year ended 30 June**\$ thousands*

	Note	2010	2009
Administration Fee Income		11,960	10,381
Interest Income		533	739
Other Income		2	-
Total Operating Income		12,495	11,120
Operating Expenses	3	6,628	6,677
Net Profit before Taxation		5,867	4,443
Taxation	4	1,773	1,322
Net Profit after Taxation		4,094	3,121
Total Comprehensive Income		4,094	3,121

These statements are to be read in conjunction with the notes on pages 3 to 8 and the Auditor's Report on pages 9 and 10.



AEGIS LIMITED

Balance Sheet

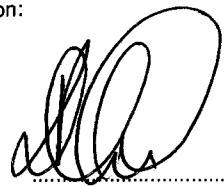
<i>As at 30 June</i>		2010	2009
<i>\$ thousands</i>	Note		
ASSETS			
Cash and Cash Equivalents	13	10,309	6,971
Securities		6	165
Trade and Other Receivables	5	174	146
Due from Related Parties	13	2	9
Property, Plant & Equipment	6	14	-
Intangible Assets	7	1,589	1,501
Deferred Taxation Asset	8	44	142
Total Assets		12,138	8,934
Financed by:			
LIABILITIES			
Current Taxation Liability		624	1,290
Due to Related Parties	13	89	189
Trade and Other Payables	9	539	663
Total Liabilities		1,252	2,142
SHAREHOLDER'S EQUITY			
Contributed Capital - Ordinary Shareholder	10	5,300	5,300
Retained Earnings	11	5,586	1,492
Total Shareholder's Equity		10,886	6,792
Total Liabilities and Shareholder's Equity		12,138	8,934

The Board of Directors authorised these financial statements for issue on:



S.B. McRobie
Director

13 September 2010



K.C. McDonald
Director

13 September 2010

These statements are to be read in conjunction with the notes on pages 3 to 8 and the Auditor's Report on pages 9 and 10.



AEGIS LIMITED

Notes to the financial statements

For the year ended 30 June 2010

1. STATEMENT OF ACCOUNTING POLICIES

The reporting entity, Aegis Limited ("the Company"), was incorporated in New Zealand on 3 January 1997 and is registered under the Companies Act 1993. Its registered office is Level 28, ASB Bank Centre, 135 Albert Street, Auckland. From 1 July 2008 the Company has been a wholly owned subsidiary of ASB Bank Limited, the ultimate parent of which is the Commonwealth Bank of Australia ("CBA"). It was previously owned by Sovereign Limited, a fellow subsidiary of CBA. The primary activity of the Company is financial services administration.

The financial statements of the Company are for the year ended 30 June 2010 and are presented in thousands of New Zealand dollars (NZD), unless otherwise stated.

The Company's Directors do not have the power to amend the financial statements once issued.

Statement of Compliance and Basis of Preparation

These financial statements have been drawn up in accordance with the requirements of the Companies Act 1993 and the Financial Reporting Act 1993. They have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"), applying the Framework for Differential Reporting for entities adopting the New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and its interpretations, as appropriate for profit-oriented entities that qualify for and apply differential reporting concessions.

The Company qualifies for Differential Reporting because it has no public accountability and there is no separation between its owners and governing body. All available reporting exemptions allowed under the Framework for Differential Reporting have been applied, except that the Company has accounted for income tax in accordance with NZ IAS 12 *Income Taxes*.

NZ IAS 1 *Presentation of Financial Statements* (Revised) has been adopted from 1 July 2009. The revised standard requires the presentation of a Statement of Comprehensive Income and a Statement of Changes in Equity, which replace the Income Statement and the Statement of Recognised Income and Expense. The Company has applied a differential reporting exemption available to it under NZ IAS 1 and does not present a Statement of Changes in Equity. The Company qualifies for this exemption as there have been no transactions between the Company and the Company's owners, or changes to opening retained earnings during either the current or previous reporting periods. Adoption of this standard has not resulted in any change to the Company's reported result or financial position.

The measurement base adopted is that of historical cost, as modified by the fair value measurement of Securities designated as at Fair Value through Profit or Loss.

PARTICULAR ACCOUNTING POLICIES

There have been no material changes to accounting policies in the year ended 30 June 2010. All policies have been applied on a basis consistent with that used in the year ended 30 June 2009.

(a) Revenue Recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and that the revenue can be reliably measured. The principal sources of revenue are administrative services income and interest income.

Interest Income is recognised using the effective interest rate method. Other revenue is recognised on an accruals basis.

(b) Expense Recognition

Interest Expense is recognised using the effective interest rate method. Payments made under operating leases are recognised in the Statement of Comprehensive Income on a straight-line basis over the term of the lease. Other expenses are recognised on an accruals basis.

(c) Financial Instruments

RECOGNITION AND DERECOGNITION

The Company recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement.

Financial assets are derecognised either when sold, or when the rights to receive cash flows from the financial assets have expired or have been transferred, or when the Company has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

CLASSIFICATION AND MEASUREMENT

The Company classifies financial instruments into one of the following categories at initial recognition: Financial Assets at Fair Value through Profit or Loss, Loans and Receivables and Other Financial Liabilities.



AEGIS LIMITED

Notes to the financial statements

For the year ended 30 June 2010

1. STATEMENT OF ACCOUNTING POLICIES (continued)

(c) Financial Instruments (continued)

Financial Assets at Fair Value through Profit or Loss

Securities in this category comprise investments in Unit Trusts and Managed Funds. They are recognised initially and subsequently at fair value, based on the bid price quoted by the Stock Exchange or fund manager. Purchases and sales of these securities are recorded on a trade date basis. Gains and losses arising from fair valuation are recognised in the Statement of Comprehensive Income.

Loans and Receivables

Assets in this category are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. They include Cash and Cash equivalents (cash on hand, bank current accounts, cash on deposit that is readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value), Amounts due from Related Parties and Trade and Other Receivables (Income Receivable, Prepayments, and Other Trade Debtors).

The carrying amounts of financial assets at cost or amortised cost are reviewed at each balance date to determine if there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. If the estimated recoverable amount is less than its carrying amount, the asset is written down to its estimated recoverable amount and an impairment loss is recognised in the Statement of Comprehensive Income. The estimated recoverable amount of receivables carried at amortised cost is calculated as the present value of the expected future cash flows discounted at the instrument's original effective interest rate for fixed rate receivables and the current effective interest rate for variable rate receivables. Short term balances are not discounted.

Other Financial Liabilities

Liabilities in this category are Trade and Other Payables including trade creditors and other liabilities, and Amounts due to Related Parties. They are measured initially at fair value of consideration and subsequently at amortised cost.

OFFSETTING FINANCIAL INSTRUMENTS

The Company offsets financial assets and financial liabilities and reports the net balance in the Balance Sheet where there is a legally enforceable right to set-off and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

(d) Property, Plant and Equipment

Property, Plant and Equipment are recognised in the Balance Sheet at cost less Accumulated Depreciation and Impairment Losses.

The cost of Property, Plant and Equipment less the estimated residual value is depreciated over their useful lives on a straight line basis. The range of useful lives of the major assets are:

Furniture and Fittings	5 - 25 years
Other Property, Plant and Equipment	2 - 25 years

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate at each balance date.

Assets are reviewed for impairment at least annually and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. Any impairment loss is recognised as an expense.

Where the Company expects the carrying amount of assets held within Property, Plant and Equipment to be recovered principally through a sale transaction rather than through continuing use, these assets are classified as Held for Sale.

(e) Intangible Assets

Intangible Assets comprise Internally Developed Software.

The Company generally expenses Computer Software costs in the year incurred. However, some costs associated with developing identifiable and unique software products controlled by the Company, including employee costs and an appropriate portion of relevant overheads are capitalised and treated as Intangible Assets. These assets are amortised using the straight line method over their useful lives (not exceeding three years).

Intangible Assets are subject to the same impairment review process as Property, Plant and Equipment. Any impairment loss is recognised under Operating Expenses in the Statement of Comprehensive Income.

(f) Taxation

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at balance date after taking advantage of all allowable deductions under current taxation legislation and any adjustment to tax payable in respect of previous financial years.



AEGIS LIMITED

Notes to the financial statements

For the year ended 30 June

2010

2009

\$ thousands

1. STATEMENT OF ACCOUNTING POLICIES (continued)

(f) Taxation (continued)

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at balance date. A deferred tax asset is recognised only to the extent that it is probable that a future taxable profit will be available against which the asset can be utilised.

2. AUDITOR'S REMUNERATION

PricewaterhouseCoopers is the appointed auditor of the New Zealand subsidiaries of the Commonwealth Bank of Australia ("the Group"). The Group audit fee is paid by ASB Bank Limited. During the year ended 30 June 2010 this included payment for audit services provided to the Company. For the year ended 30 June 2009 audit fees of \$32k were paid to PricewaterhouseCoopers. No fees for other services were paid to PricewaterhouseCoopers during the year ended 30 June 2010 (30 June 2009 Nil).

3. OPERATING EXPENSES

Amortisation of Intangible Assets	679	259
Depreciation	1	-
Salaries and Other Staff Expenses	3,910	4,014
Operating Lease Rentals	609	502
Other Operating Expenses	1,429	1,902
Total Operating Expenses	6,628	6,677

Salaries and Other Staff Expenses include salary costs for staff who are employed by Sovereign Services Limited and ASB Bank Limited.

ASB Bank Limited provides certain corporate services to the Company for which the Company is not charged. These include Human Resources, Legal, Taxation and certain IT related services.

4. TAXATION

Current Taxation	1,675	1,301
Deferred Taxation (Refer to Note 8)	98	21
Taxation Expense	1,773	1,322

Reconciliation of Effective Tax Rate

Net Profit before Taxation	5,867	4,443
Taxation at the Domestic Rate of 30%	1,760	1,333
Tax Effect of Expenses not Deductible for Taxation Purposes	15	4
Tax Effect of Prior Period Adjustments	8	(15)
Tax Effect of Change to Domestic Rate	(10)	-
Taxation Expense	1,773	1,322

Weighted Average Applicable Tax Rate	30.2%	29.8%
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In May 2010 legislation was passed to reduce the New Zealand corporate tax rate from 30% to 28% effective from the 2012 income tax year. The tax effect shown is the impact on the value of Deferred Taxation as a result of the reduction in the corporate tax rate from 1 July 2011 (refer to Note 8).

5. TRADE AND OTHER RECEIVABLES

Prepayments	-	14
Sundry Debtors	174	132
	174	146

6. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements	Furniture & Fittings and Equipment	Total
As at 30 June 2010			
Cost	5	10	15
Accumulated Depreciation	(1)	-	(1)
Total Property, Plant and Equipment	4	10	14

As at 30 June 2009 the Company did not have any Property Plant and Equipment.



AEGIS LIMITED

Notes to the financial statements

As at 30 June 2010 2009
 \$ thousands

7. INTANGIBLE ASSETS

Internally Developed Software

Cost	2,681	1,914
Accumulated Amortisation	(1,092)	(413)
Total Intangible Assets	1,589	1,501

8. DEFERRED TAXATION ASSET

Balance at Beginning of Year	142	163
Taxation Expense recognised in the Income Statement	(98)	(21)
Balance at End of Year	44	142

Deferred Taxation relates to:

Amortisation and Depreciation	(89)	17
Holiday Pay	74	69
Other Temporary Differences	59	56
Total Deferred Taxation Asset	44	142

The reduction in the corporate tax rate from 30% to 28% from the 2012 tax year has been taken into account in calculating the value of Deferred Taxation as at 30 June 2010.

9. TRADE AND OTHER PAYABLES

Employee Entitlements	251	238
Other Liabilities	288	425
	539	663

10. CONTRIBUTED CAPITAL

Ordinary Paid Up Capital	Number of Shares	2,000,002	2,000,002
	Total Value (\$ thousands)	5,300	5,300

There were no changes to issued capital during the year ended 30 June 2010 (30 June 2009 Nil).

All Ordinary Shares have equal voting rights and share equally in dividends and profit on winding up. Dividends are declared subject, in all cases, to the applicable Directors' resolutions being passed.

11. RETAINED EARNINGS/(ACCUMULATED LOSSES)

Balance at Beginning of Year	1,492	(1,629)
Net Profit after Taxation	4,094	3,121
Balance at End of Year	5,586	1,492

12. IMPUTATION AND POLICYHOLDER CREDIT ACCOUNTS

Dividends paid by companies may attach imputation credits representing the New Zealand tax already paid by the company or tax group on profits. New Zealand resident shareholders may claim a tax credit to the value of the imputation credit attached to dividends.

ASB Bank Limited and some of its subsidiaries have formed an imputation group with other members of the Commonwealth Bank of Australia Group ("ICA Group"). The Company is a member of the ICA Group. The closing imputation credit account balances presented below represent the imputation credits available to all members of the ICA Group.

Because a member of the ICA Group is a life insurance company, the ICA Group is required to maintain a policyholder credit account ("PCA"). A balance in a PCA can be transferred back to an imputation credit account and is therefore available to shareholders (and shareholders of other ICA Group members). The closing PCA balance for the current and comparative period is nil and no transactions occurred in either period.



AEGIS LIMITED

Notes to the financial statements

For the year ended 30 June / As at 30 June

2010

2009

12. IMPUTATION AND POLICYHOLDER CREDIT ACCOUNTS (continued)

	\$ millions	\$ millions
Imputation Credit Account		
Balance at Beginning of Year	56	13
Opening Balances of Associates Entering the ICA Group	-	5
Net Income Tax Paid	307	53
Imputation Credits Attached to Dividends Received	4	16
Imputation Credits Attached to Dividends Paid	(76)	(31)
Balance at End of Year	291	56

13. RELATED PARTY TRANSACTIONS AND BALANCES

During the year the Company has entered into transactions with ASB Bank Limited and its subsidiaries. These transactions were conducted on an arm's length basis and on normal commercial terms.

For the year ended 30 June / As at 30 June

2010

2009

\$ thousands

RELATED PARTY TRANSACTIONS

Interest Income received from ASB Bank Limited	533	739
Administration Fee Income received from Sovereign Services Limited	190	200
Payments to Sovereign Services Limited for expenses paid on behalf of the Company	-	2,504
Operating Lease payments to Westside Properties Limited (fellow subsidiary of CBA)	90	28
Payments to ASB Bank Limited for expenses paid on behalf of the Company	1,163	823
Payments to ASB Group Investments Limited (fellow subsidiary of ASB Bank Limited) for corporate services	526	728
Tax related payments to ASB Bank Limited	1,034	-
Tax related payments to ASB Group Investments Limited	213	-
Tax related payments to Sovereign Assurance Company Limited	1,104	-

RELATED PARTY BALANCES

Cash and Cash Equivalents with ASB Bank Limited	10,309	6,971
Due from Related Parties		
Amounts due from Jacques Martin New Zealand Limited	2	-
Amounts due from ASB Bank Limited	-	9
	2	9

Due to Related Parties

Amounts due to ASB Bank Limited	33	-
Amounts due to Sovereign Services Limited	24	34
Amounts due to Sovereign Assurance Company Limited	2	-
Amounts due to ASB Group Investments Limited	30	155
	89	189

During the year ended 30 June 2010 there were no dividends paid (30 June 2009 Nil).

14. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

As at 30 June 2010, the carrying value of loans and receivables measured at amortised cost was \$10,485k (30 June 2009 \$7,126k). This comprised Cash and Cash Equivalents, Trade and Other Receivables and Due from Related Parties. As at 30 June 2010 the carrying value of Securities designated as at Fair Value through Profit or Loss was \$6k (30 June 2009 \$165k).

As at 30 June 2010, the carrying value of financial liabilities measured at amortised cost was \$628k (30 June 2009 \$852k). This comprised Due to Related Parties and Trade and Other Payables.



AEGIS LIMITED

Notes to the financial statements

For the year ended 30 June / As at 30 June

15. CAPITAL COMMITMENTS

The Company had no capital commitments as at 30 June 2010 (30 June 2009 Nil).

16. CONTINGENT LIABILITIES

The Company had no other contingent liabilities as at 30 June 2010 (30 June 2009 Nil).

17. EVENTS AFTER THE BALANCE SHEET DATE

On 20 July 2010 the Directors declared a dividend of \$5,000,000 being \$2.50 per share to be paid on 21 July 2010.

As the result of a strategic review ASB Bank Limited has decided to divest the Company. As at the date of signing of these financial statements ASB Bank Limited had entered into exclusive negotiations with a preferred buyer to determine whether an acquisition of the Company could be finalised.

There are no other events subsequent to the Balance Sheet date which would materially affect the financial statements.



Auditor's Report

To the shareholder of AEGIS Limited

We have audited the financial statements on pages 1 to 8. The financial statements provide information about the past financial performance of the Company for the year ended 30 June 2010 and its financial position as at that date. This information is stated in accordance with the accounting policies set out on pages 3 to 5.

This report is made solely to the Company's shareholder in accordance with Section 205(1) of the Companies Act 1993. Our audit work has been undertaken so that we might state to the Company's shareholder those matters which we are required to state to them in an auditor's 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 shareholder for our audit work, for this report, or for the opinions we have formed.

Directors' Responsibilities

The Company's Directors are responsible for the preparation and presentation of the financial statements which give a true and fair view of the financial position of the Company as at 30 June 2010 and its financial performance for the year ended on that date.

Auditor's Responsibilities

We are responsible for expressing an independent opinion on the financial statements presented by the Directors and reporting our opinion to you.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- (a) the significant estimates and judgements made by the Directors in the preparation of the financial statements; and
- (b) whether the accounting policies are appropriate to the circumstances of the Company, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

We have no relationship with or interests in the Company other than in our capacity as auditors.

Auditor's Report
AEGIS Limited

Unqualified Opinion

We have obtained all the information and explanations we have required.

In our opinion:

- (a) proper accounting records have been kept by the Company as far as appears from our examination of those records; and
- (b) the financial statements on pages 1 to 8:
 - (i) comply with generally accepted accounting practice in New Zealand; and
 - (ii) give a true and fair view of the financial position of the Company as at 30 June 2010 and its financial performance for the year ended on that date.

Our audit was completed on 13 September 2010 and our unqualified opinion is expressed as at that date.

PriceWaterhouseCoopers

Chartered Accountants

Auckland