

Cash Management Trust

2011 Annual Financial Report

Investments

Colonial First State Investments Ltd
ABN 98 002 348 352
AFS Licence 232468



Dear Investor

Annual Financial Report

I am pleased to present the reports for the financial year ended 30 June 2011 for the Colonial First State Cash Management Trust.

This statement is the final component of the reporting information for the 2010–2011 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.

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

Brian Bissaker
Chief Executive Officer



COLONIAL FIRST STATE CASH MANAGEMENT TRUST

ARSN 087 562 963

ABN 95 185 180 475

FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2011

Responsible Entity of the Trust:

**COLONIAL FIRST STATE
INVESTMENTS LIMITED**

ABN 98 002 348 352

Ground Floor Tower 1, Sussex Street
SYDNEY NSW 2000

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

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COLONIAL FIRST STATE CASH MANAGEMENT TRUST

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2011

The Directors of Colonial First State Investments Limited, the Responsible Entity of the Colonial First State Cash Management Trust (the "Trust"), present their report together with the financial report for the financial period ended 30 June 2011.

Reporting Period

The current reporting period for the financial report is from 1 July 2010 to 30 June 2011. The comparative reporting period is from 1 July 2009 to 30 June 2010.

Principal Activity

The Trust continues to invest in accordance with the Fund's Constitution that requires all investment to have a Standard & Poor's AAA and A+ credit rating, maintaining an extremely strong capacity to meet investor requirements for access to funds "at call", while providing competitive short term money market returns.

In line with the conservative requirements of the AAA and A+ credit rating, the investment process continues to focus on maintaining asset quality.

The principal activity of the Trust is to invest in accordance with the investment objectives and guidelines as set out in the current Product Disclosure Statement and in accordance with the provision of the Trust's Constitution.

Date of Constitution and Registration of Trust

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

Review Of Operations

Unit Price

Units in the Trust are recorded at \$1.00 and interest is calculated and accrued daily.

Income

The quarterly distribution per unit for the Trust for the periods ended 30 June 2011 and 30 June 2010 is disclosed in Note 4 to the financial statements.

Management Costs and Indirect Cost Ratio (ICR)

Management costs include investment expenses, custody fees and management fees paid or payable as provided under the Constitution for the Trust. These costs are not paid directly by the unitholders of the Trust and do not include transactions costs and additional service fees.

The ICR of a Trust is expressed as a percentage, calculated as the Trust's management costs over average net assets.

The ICR for the Trust for the period is 1.10% (2010 - 1.10%).

Results

The net profit attributable to unitholders for the period ended 30 June 2011 was \$4,512,505 (2010: \$3,669,895).

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2011

Review Of Operations (continued)

Performance

The performance calculation for the Trust is represented by the total return. The total return of the Trust is shown below for the periods ended 30 June 2011 and 30 June 2010 and assumes all distributions were reinvested during that period. No allowance has been made for income tax.

	2011 %	2010 %
Return to investors	3.81	2.68

Responsible Entity and Directors

The Responsible Entity of the Trust 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 period and up to the date of the report are:

Grahame Anthony Petersen
Lynette Elizabeth Cobley
Brian Vincent Bissaker
Michael John Venter
Peter Robert Winney
Bradley Brian Massey
Gregg Johnston

Appointed on 4 July 2011.

Resigned on 4 July 2011.

The Responsible Entity is incorporated and domiciled in Australia and has its registered office at Ground Floor Tower 1, 201 Sussex Street, Sydney, New South Wales, 2000.

Scheme Information

The Trust 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.

Unit Pricing Adjustments Policy

There are a number of factors used to calculate unit prices. The key factors include asset valuations, liabilities, debtors, the number of units on issue and where relevant transaction costs. When the factors used to calculate the unit price are incorrect an adjustment to the unit price may be required. The Responsible Entity uses a variance of 0.05% in the unit price before correcting the unit price.

If a unit pricing error is greater than these tolerance levels the Responsible Entity will:

- compensate unitholders' accounts balance if they have transacted on the incorrect unit price or make other adjustments as the Responsible Entity may consider appropriate, or
- where unitholders' accounts are closed we will send them a payment if the amount of the adjustment is more than \$20.

These tolerance levels are consistent with regulatory practice guidelines and industry standards. In some cases we may compensate where the unit pricing error is less than the tolerance levels.

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2011

Significant Changes in the State of Affairs

There was no significant change in the nature of the Trust's activities during the period.

Matters Subsequent to the End of the Financial Period

No matter or circumstance has arisen since 30 June 2011 that has significantly affected, or may significantly affect:

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

Likely Developments and Expected Results of Operations

The Trust 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 Trust.

Indemnification and Insurance Premiums for Officers and auditors

No insurance premiums are paid for out of the assets of the Trust in relation to insurance cover provided to Colonial First State Investments Limited or the auditors of the Trust. 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 Trust against losses incurred while acting on behalf of the Trust. The auditors of the Trust are in no way indemnified out of the assets of the Trust.

The Commonwealth Bank of Australia (ABN 48 123 123 124) 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 have not been included as such disclosure is prohibited under the terms of the insurance contracts.

Fees Paid to and Interest Held in the Trust by the Responsible Entity or its Associates

Fees paid to the Responsible Entity and its associates out of the Trust's assets during the period are disclosed in the Statements of Comprehensive Income.

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

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

Interests in the Trust

The movement in units on issue in the Trust during the period is set out in Note 6(a) to the financial statements. The value of the Trust's assets at the end of the financial period is set out in the Balance Sheet.

Environmental Regulation

The Trust's operations 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 Trust.

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2011

Rounding of amounts to the nearest thousand dollars

The Trust is a registered scheme of a kind referred to in Class Order 98/0100 (as amended) issued by the Australian Securities & Investments Commission relating to the "rounding off" of amounts in the Directors' Report and the Financial Report. Amounts in the Directors' Report and the Financial Report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

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 the following page.

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



Bradley Brian Massey
Director
Sydney
30 August 2011

Auditor's Independence Declaration

As lead auditor for the audit of Colonial First State Cash Management Trust for the period ended 30 June 2011, 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 Colonial First State Cash Management Trust during the period.



A J Wilson
Partner
PricewaterhouseCoopers

Sydney
30 August 2011

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COLONIAL FIRST STATE CASH MANAGEMENT TRUST

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2011

	Note	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Investment income			
Interest income	3	5,866	5,224
Other income		3	-
Total investment income		5,869	5,224
Expenses			
Responsible Entity's management fees	8(c)	1,335	1,529
Other expenses		22	25
Total operating expenses		1,357	1,554
Operating profit attributable to unitholders		4,512	3,670
Distributions to unitholders	4	(4,580)	(3,661)
Change in net assets attributable to unitholders from operations	6(a)	68	(9)
Profit/(Loss) for the period		-	-
Other comprehensive income for the period		-	-
Total comprehensive income for the period		-	-

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

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

BALANCE SHEET AS AT 30 JUNE 2011

	Note	30/06/2011 \$'000	30/06/2010 \$'000
Assets			
Cash and cash equivalents		13,136	10,401
Trade and other receivables:			
- interests		21	52
- others		34	81
Financial assets held for trading	5	102,717	133,386
Total assets		115,908	143,920
Liabilities			
Trade and other payables:			
- redemptions		166	161
- others		4	2
Distribution payable		69	92
Fees due to Responsible Entity	8(c)	114	142
Total liabilities (excluding net assets attributable to unitholders)		353	397
Net assets attributable to unitholders - liability	6(a)	115,555	143,523
Represented by:			
Fair value of outstanding units based on redemption value		115,719	143,619
Adjustments arising from different unit pricing and AIFRS valuation principles		(2)	(2)
Under or (over) distributions		(162)	(94)
Net assets attributable to unitholders		115,555	143,523

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

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2011

	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Total equity at the beginning of the financial period	-	-
Profit or loss for the period	-	-
Other comprehensive income	-	-
Total comprehensive income for the financial period	-	-
Transactions with equity holders in their capacity as equity holders	-	-
Total equity at the end of the financial period	-	-

Under Australian Accounting Standards, 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 period.

The above Statement of Changes in Equity should be read in conjunction with Note 6(a).

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

CASH FLOW STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

	Note	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Cash flows from operating activities			
Proceeds from sale of financial instruments held for trading		1,025,429	1,001,458
Payments for purchase of financial instruments held for trading		(995,266)	(992,021)
Interest received		6,402	5,043
Other income received		3	-
Responsible Entity fee paid		(1,317)	(1,511)
Other expenses paid		(20)	(25)
Net cash from operating activities	7(a)	35,231	12,944
Cash flows from financing activities			
Receipts from issue of units		152,804	193,261
Payment for redemption of units		(185,064)	(201,901)
Distributions paid		(236)	(157)
Net cash used in financing activities		(32,496)	(8,797)
Net movement in cash and cash equivalents		2,735	4,147
Add opening cash and cash equivalents brought forward		10,401	6,254
Closing cash and cash equivalents carried forward		13,136	10,401

See Note 7(b) for non-cash financing activities.

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

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

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 Trust'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 unless otherwise stated. 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 26 August 2011.

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

The current reporting period for the financial report is from 1 July 2010 to 30 June 2011. The comparative reporting period is from 1 July 2009 to 30 June 2010.

(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 Trust's investments are classified as held for trading and initially recognised at fair value not including transaction costs, which are expensed in the Statement of Comprehensive Income.

Recognition/Derecognition

The Trust 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 Trust 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.

For financial assets held for trading that are actively traded in organised financial markets, fair value is determined by reference to Exchange quoted market bid prices at the close of business on the balance date.

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantively the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

Gains or losses on investments held for trading are recognised in the Statement of Comprehensive Income. Investments of the Trust which are considered to be held for trading are money market securities.

(d) Investment Income

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

Interest income

Income is recognised as the interest accrues (using the effective interest rate method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(e) Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheets comprise cash at bank, deposits at call in a futures and/or options cash account and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statements, 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, whether or not billed to the Trust.

Payables include outstanding settlements on the purchase of financial assets and liabilities 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 Trust is not subject to income tax provided the unitholders are presently entitled to the income of the Trust and the Trust fully distributes its taxable income.

(i) Distributions

In accordance with the Trust's Constitution, the Trust fully distributes its distributable income to unitholders. Distributions are payable quarterly. Such distributions are determined by reference to the taxable income of the Trust.

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Terms and Conditions on Units

Each unit issued confers upon the unitholder an equal interest in the Trust, and is of equal value. A unit does not confer any interest in any particular asset or investment of the Trust. 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 Trust.

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

(k) Net Assets Attributable to Unitholders

Units are redeemable at the unitholders' option and are classified as financial liabilities as the fund is required to distribute its taxable income. The units can be put back to the Fund at any time for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the end of the reporting period if unitholders exercised their right to redeem units in the Fund.

(l) 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 Trust 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.

(m) Expense Recognition

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

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) New Application of Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting periods. The impact of these new standards and interpretations is set out below:

- AASB 9 *Financial Instruments* and AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* (effective from 1 January 2013)

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption. AASB 9 permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not traded such as available-for-sale investments. The Trust will adopt AASB 9 from 1 January 2013. Management does not expect this will have a significant impact on the Trust's financial statements as the Trust does not hold any available-for-sale investments.

- Revised AASB 124 *Related Party Disclosures* and AASB 2009-12 *Amendments to Australian Accounting Standards* (effective from 1 January 2011)

In December 2009, the AASB issued a revised AASB 124 *Related Party Disclosures*. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The Trust will apply the amended standard from 1 July 2011. The amendments will not have any effect on the Trust's financial statements.

- AASB 2010-6 *Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets* (effective for annual reporting periods beginning on or after 1 July 2011)

In November 2010, the AASB issued AASB 2010-6 *Disclosures on Transfers of Financial Assets* which amends AASB 1 *First-time Adoption of Australian Accounting Standards* and AASB 7 *Financial Instruments: Disclosures* to introduce additional disclosures in respect of risk exposures arising from transferred financial assets. The amendments will affect particularly entities that sell, factor, securitise, lend or otherwise transfer financial assets to other parties. The amendments will not have any impact on the Trust's disclosures. The Trust intends to apply the amendment from 1 July 2011.

- Amendments to AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* (effective for annual reporting periods beginning on or after 1 July 2010 / 1 January 2011)

In June 2010, the AASB made a number of amendments to Australian Accounting Standards as a result of the IASB's annual improvements project. Management does not expect that any adjustments will be necessary as a result of applying the revised rules.

(o) Comparatives

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures and presentation in the current period.

(p) Use of Estimates

The Trust makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial period. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The fair value of the money market securities are determined by reference to the current market value of another instrument which is substantively the same.

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

2. AUDITORS' REMUNERATION

Auditors' 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 Trust and tax compliance services. The auditors' non-audit remuneration is not paid by the Trust.

3. INTEREST INCOME

The interest income of the Trust is summarised as follows:

	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Cash and cash equivalents	318	222
Money market securities	5,339	4,835
Fixed interest securities	209	167
Total Interest Income	5,866	5,224

4. DISTRIBUTIONS

The amounts distributed and the income rate distributed during the period were:

Period ended:	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	Income rate*		Income rate*	
	%	\$'000	%	\$'000
- 30 September	3.76	1,182	2.08	754
- 31 December	3.79	1,149	2.45	862
- 31 March	3.79	1,121	2.96	961
- 30 June	3.92	1,128	3.23	1,084
Distributions to unitholders		4,580		3,661

* - annualised rate

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

5. FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING INCLUDING HIERARCHY

The financial assets and liabilities held for trading of the Fund are tabled below. These are further classified using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements of fair value of these assets and liabilities.

The level in which instruments are classified in the hierarchy is based on the lowest level input that is significant to the fair value measurement in its entirety. Assessment of the significance of an input requires judgement after considering factors specific to the instrument.

The fair value of financial instruments traded in active markets (such as shares in listed companies and publicly traded derivatives) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Fund is the last sale price. These instruments are included in Level 1. Investments in unlisted managed investment schemes which have daily liquidity are also classified as Level 1.

The fair value of financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices or alternative pricing sources supported by observable inputs (such as money market securities) are classified within Level 2.

Investments classified within Level 3 have significant unobservable inputs, as they are infrequently traded. Level 3 instruments include shares in unlisted companies, certain unlisted unit trusts and certain corporate bonds. As observable inputs are not available for these instruments, valuation techniques such as discounted cash flows are used to derive fair value.

The various methods adopted in determining the fair value of the Fund's financial instruments are further explained in Note 1.

The tables below present the Fund's financial instruments recorded at fair value according to the fair value hierarchy.

Financial Assets Held for Trading:	30/06/2011			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Money Market Securities - Australian Money Market	102,717	-	102,717	-
Total Assets Held for Trading	102,717	-	102,717	-

Financial Assets Held for Trading:	30/06/2010			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Money Market Securities - Australian Money Market	133,386	-	133,386	-
Total Assets Held for Trading	133,386	-	133,386	-

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

6. CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

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

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

	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	No.'000	\$'000	No.'000	\$'000
Opening balance	143,619	143,523	148,567	148,462
Applications	152,802	152,802	193,263	193,263
Redemptions	(185,069)	(185,069)	(201,699)	(201,699)
Units issued upon reinvestment of distributions	4,367	4,367	3,488	3,488
Change in net assets attributable to unitholders from operations		(68)		9
Closing Balance	115,719	115,555	143,619	143,523

(b) Capital Risk Management

The Trust 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 Trust is subject to daily applications and redemptions at the discretion of unitholders.

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

7. CASH AND CASH EQUIVALENTS

(a) Reconciliation of Net Profit Attributable to Unitholders to Net Cash from Operating Activities

	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Net (loss)/profit attributable to unitholders	4,512	3,670
Proceeds from sale of financial instruments held for trading	1,025,429	1,001,458
Payments for purchase of financial instruments held for trading	(995,266)	(992,021)
Changes in assets and liabilities:		
Interest receivable	537	(181)
Other receivables	47	20
Responsible Entity fees	(28)	(2)
Net Cash (Used In)/From Operating Activities	35,231	12,944

(b) Non-cash financing activities carried out during the period 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 6(a) under "Units issued upon reinvestment of distributions".

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

7. CASH AND CASH EQUIVALENTS (continued)

(c) Terms and Conditions on Cash

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

8. RELATED PARTIES DISCLOSURES

(a) Responsible Entity

The Responsible Entity of the Trust 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 Ground Floor Tower 1, 201 Sussex Street, Sydney, New South Wales, 2000.

(b) Details of Key Management Personnel

(i) Key Management Personnel

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

Grahame Anthony Petersen

Lynette Elizabeth Cobley

Brian Vincent Bissaker

Michael John Venter

Appointed on 4 July 2011.

Peter Robert Winney

Bradley Brian Massey

Gregg Johnston

Resigned on 4 July 2011.

(ii) Compensation of key management personnel

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

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 Trust to the Directors as Key Management Personnel.

(c) Responsible Entity's Management Fees

Under the terms of the Constitution, the Responsible Entity is entitled to receive a monthly management fee which is expressed as a percentage of the total assets of the Trust (i.e. excluding liabilities). This fee is paid directly by the Trust on a monthly basis. The Constitution allows a maximum fee of 1.15% per annum. The fee charged to the Trust during the current period is 1.10% per annum (2010 - 1.10% per annum).

The Responsible Entity's fees for the periods ended 30 June 2011 and 30 June 2010 are \$1,335,091 and \$1,529,247 respectively. As at 30 June 2011 and 30 June 2010, the total amount owed to the Responsible Entity in relation to management fees are \$113,972 and \$141,758 respectively.

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

8. RELATED PARTIES DISCLOSURES (continued)

(d) Bank and Deposit Accounts

The bank account for the Trust is held with the Commonwealth Bank of Australia. Fees and expenses are negotiated on an arm's length basis. Various short term money market securities are from time to time transacted through the Commonwealth Bank of Australia which receives a fee which is negotiated on an arm's length basis.

(e) Unitholdings

Colonial First State Investments Limited, its affiliates and other Funds managed by Colonial First State Investments Limited as well as the Directors of Colonial First State Investments Limited do not hold any units in the Trust.

(f) Related Party Transactions

(i) Related parties

Transactions between the Trust and other registered Funds also managed by the Responsible Entity consisted of the sale of units in the Trust to related Managed Investment Schemes, purchases of units in related Managed Investment Schemes, and receipt and payment of distributions on normal commercial terms and conditions.

The amounts outstanding payable or receivable at period end represent the value of the units (financial liability of the Schemes) issued or held and any amount of interest expense payable or receivable.

(ii) Terms and conditions of transactions with related parties

All related party transactions are made in arms length transactions on normal commercial terms and conditions. Outstanding balances at period end are unsecured and settlement occurs in cash.

There have been no guarantees provided or received for any related party receivables.

(g) Investing Activities

The Trust had money market securities with the Bank and its related parties:

Counterparty	Market Value
	\$'000

Commonwealth Bank of Australia

- 2011	21,762
- 2010	13,735

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

9. SEGMENT INFORMATION

The Trust operates in one business segment, being investment management. The Trust also operates from one geographic location being Australia, from where its investing activities are managed. Revenue is derived mainly from interest.

10. FINANCIAL RISK MANAGEMENT

The Trust's activities expose it to a variety of financial risks: market risk (interest rate risk), credit risk and liquidity risk.

The Trust's overall risk management programme focuses on ensuring compliance with the Trust's Product Disclosure Statement/Information Memorandum and seeks to maximise the returns derived for the level of risk to which the Trust 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 Trust 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 ratings analysis for credit risk.

(a) Market Risk

(i) Interest rate risk

The Trust's investments in interest bearing financial assets are exposed to the risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The Trust is exposed to cash flow interest rate risk on financial instruments at variable rates. Financial instruments at fixed rates expose the Trust to fair value interest rate risk. The risk is measured using sensitivity analysis.

The table below summarises the Trust's exposure to interest rate risks. It includes the Trust's assets and liabilities at fair values.

	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
30/06/2011	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	13,136	-	-	13,136
Receivables	-	-	54	54
Financial assets held for trading	-	102,717	-	102,717
Financial liabilities				
Payables	-	-	(354)	(354)
	13,136	102,717	(300)	115,553
Net exposure	13,136	102,717	(300)	115,553

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(i) Interest rate risk (continued)

30/06/2010	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets				
Cash and cash equivalents	10,401	-	-	10,401
Receivables	-	-	133	133
Financial assets held for trading	-	133,386	-	133,386
Financial liabilities				
Payables	-	-	(397)	(397)
	10,401	133,386	(264)	143,523
Net exposure	10,401	133,386	(264)	143,523

An analysis of financial liabilities by maturities is provided in paragraph (d) below.

The table in Note 10 (b) summarises the impact of an increase/decrease of interest rates on the Trust's operating profit and net assets attributable to unitholders through changes in fair value of cash and cash equivalents or changes in future cash flows. The analysis is based on the assumption that interest rates changed by +/- 60 basis points (2010: +/- 60 basis points) from the year end rates with all other variables held constant. The impact mainly arises from changes in the fair value of cash and cash equivalents.

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

10. FINANCIAL RISK MANAGEMENT (continued)

(b) Summarised Sensitivity Analysis

The following table summarises the sensitivity of the Trust's operating profit or loss and net assets attributable to unitholders to interest rate 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. 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 and/or correlation between the performance of the economies and markets in which the Trust invests. As a result, historic variations in risk variables should not be used to predict future variations in the risk variables.

	Interest rate risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders	
	-60 basis points \$'000	+60 basis points \$'000
30/06/2011	(695)	695
	-60 basis points \$'000	+60 basis points \$'000
30/06/2010	(863)	863

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

10. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk

Credit risk primarily arises from investments in money market securities. Other credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions and amounts due from brokers.

The Trust invests in money market securities which have an investment grade as rated by the Standard & Poor's rating agency. For unrated assets a rating is assigned by the Investment Manager using an approach that is consistent with the approach used by rating agencies.

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of AA or higher (as determined by the Standard and Poor's or equivalent agency).

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets. An analysis of money market securities by rating is set out in the table below.

	30/06/2011 \$'000	30/06/2010 \$'000
Rating		
AAA	102,717	-
AA+	-	-
AA	-	133,386
AA-	-	-
A+	-	-
A	-	-
Total	102,717	133,386

(d) Liquidity risk

The Trust is exposed to daily cash redemptions of redeemable units. The Trust maintains adequate cash levels in order to meet redemption requests. The Trust's investments are also in short to medium term money market securities that can have maturity dates between one week and six months.

The Trust's financial liabilities, comprise trade and other payables and are contractually due within 30 days.

(e) Fair Value Estimation

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

Refer to Note 1 for the methods and assumptions adopted in determining fair values for investments.

11. CONTINGENT LIABILITIES AND COMMITMENTS

As at 30 June 2011 the Trust has no contingent liabilities and commitments (2010 - none).

12. EVENTS AFTER BALANCE SHEET DATE

Since the reporting date no significant events have occurred that required reporting (2010 - none).

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

DIRECTORS' DECLARATION FOR THE PERIOD ENDED 30 JUNE 2011

In accordance with a resolution of the Directors of Colonial First State Investments Limited, I state that:

In the opinion of the Directors:

- a) the financial statements and notes to the financial statements of the Colonial First State Cash Management Trust ("the Trust") are in accordance with the Corporations Act 2001, including:
 - i) giving a true and fair view of the Trust's financial position as at 30 June 2011 and of its performance for the period ended on that date; and
 - ii) complying with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable; and
- c) Note 1(b) confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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



Bradley Brian Massey
Director
Sydney
30 August 2011



Independent auditor's report to the unitholders of Colonial First State Cash Management Trust

Report on the financial report

We have audited the accompanying financial report of Colonial First State Cash Management Trust (the Trust), which comprises the balance sheet as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the period ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the Colonial First State Investments Limited (the Responsible Entity) are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply 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.

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

PricewaterhouseCoopers, ABN 52 780 433 757

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Independent auditor's report to the unitholders of Colonial First State Cash Management Trust (continued)

Independence

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

We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Colonial First State Investments Limited on 30 August 2011, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's opinion

In our opinion:

- (a) the financial report of Colonial First State Cash Management Trust is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Trust's financial position as at 30 June 2011 and of its performance for the period ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the Trust's 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 Colonial First State Cash Management Trust for the period ended 30 June 2011 included on the Colonial First State Investments Limited web site. The Responsible Entity's directors are responsible for the integrity of the Colonial First State Investments Limited 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 the financial report. 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

A J Wilson
Partner

Sydney
02 September 2011

Enquiries

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