

Cash Management Trust

2012 Annual Financial Report

Investments

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





Dear Investor

Annual Financial Report

We are pleased to present the reports for the financial year ended 30 June 2012 for the Colonial First State Cash Management Trust.

This statement is the final component of the reporting information for the 2011–2012 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 black ink, appearing to be 'L Elkins', written in a cursive style.

Linda Elkins
General Executive Officer

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

ARSN : 087 562 963

**FINANCIAL REPORT
FOR THE REPORTING PERIOD ENDED 30 JUNE 2012**

Responsible Entity of the Fund:

**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 REPORTING PERIOD ENDED 30 JUNE 2012

The Directors of Colonial First State Investments Limited, the Responsible Entity of the Colonial First State Cash Management Trust ("the Fund"), present their report together with the financial report of the Fund for the period from 1 July 2011 to 30 June 2012.

Reporting Period

The current reporting period for the financial report is from 1 July 2011 to 30 June 2012. The comparative reporting period is from 1 July 2010 to 30 June 2011.

Principal Activity

The fund's strategy is to invest in high quality money market securities, with short-to-medium-term maturities, to achieve a stable income stream.

The principal activity of the Fund 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 Fund's Constitution.

The Fund was closed to further applications from new members on 28 May 2012.

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 as follows:

Date of Constitution	11/05/1999
Date of Registration	9/06/1999

Review of Operations

Unit Price

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

Distribution and Income

The distributions and income rates for the Fund for the current and comparative reporting periods are disclosed in the "Distribution to Unitholders" note to the financial statements.

Performance

The performance figures below have been calculated on an exit price to exit price basis and 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.

The annualised return for the reporting periods were as follows:

	2012 %	2011 %
Annualised return	3.82	3.81

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

Responsible Entity and Directors

The Responsible Entity of the Fund 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 since incorporation and up to the date of the report are:

Annabel Fitzgerald Spring	Appointed on 14 October 2011.
Lynette Elizabeth Cobley	
Michael John Venter	Appointed on 4 July 2011.
Peter Robert Winney	
Bradley Brian Massey	
Peter John Taylor (Alternate to Annabel Fitzgerald Spring)	Appointed 7 November 2011.
Gregg Johnston	Resigned on 4 July 2011.
Grahame Anthony Petersen	Resigned on 14 October 2011.
Brian Vincent Bissaker	Resigned on 8 May 2012.

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 Fund is a registered managed investment scheme domiciled in Australia and has its principal place of business at Ground Floor Tower 1, 201 Sussex Street, 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.

Significant Changes in the State of Affairs

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

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

Matters Subsequent to the End of the Financial Period

No matters or circumstances have arisen since 30 June 2012 that have significantly affected, or may significantly affect:

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

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 the officers of the 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 have 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 reporting period are disclosed in the Statements of Comprehensive Income.

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

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

Interests in the Fund

The units issued and redeemed in the Fund during the period and the number of units on issue at the end of the financial period are set out in "Changes in Net Assets Attributable to Unitholders" note to the financial statements. The value of the Fund's assets at the end of the financial period are set out in the Balance Sheet and derived using the basis set

Environmental Regulation

The Fund'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 Fund.

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

Rounding of Amounts To The Nearest Thousand Dollars

The Fund 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
31 August 2012



Auditor's Independence Declaration

As lead auditor for the audit of Colonial First State Cash Management Trust for the year ended 30 June 2012, 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 year.

A handwritten signature in black ink, appearing to read 'A J Wilson', with a stylized flourish at the end.

A J Wilson
Partner
PricewaterhouseCoopers

31 August 2012

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

STATEMENT OF COMPREHENSIVE INCOME FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

	Note	1/07/2011 - 30/06/2012 \$'000	1/07/2010 - 30/06/2011 \$'000
Investment income			
Interest income	3	5,483	5,866
Other income		1	3
Total investment (loss)/income		5,484	5,869
Expenses			
Responsible Entity's management fees	8(c)	1,250	1,335
Other expenses		20	22
Total operating expenses		1,270	1,357
Operating (loss)/profit attributable to unitholders		4,214	4,512
Distributions to unitholders	4	(4,271)	(4,580)
Change in net assets attributable to unitholders from operations	6(a)	57	68
Profit/(Loss) for the period		-	-
Other comprehensive income for the period		-	-
Total comprehensive income for the period		-	-

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

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

BALANCE SHEET AS AT 30 JUNE 2012

	Note	30/06/2012 \$'000	30/06/2011 \$'000
Assets			
Cash and cash equivalents	7	14,892	13,136
Trade and other receivables:			
- application monies		944	-
- interests		33	21
- others		33	34
Financial assets held for trading	5	98,039	102,717
Total assets		113,941	115,908
Liabilities			
Bank overdraft		3	-
Trade and other payables:			
- redemptions		597	166
- others		9	4
Distribution payable		53	69
Fees due to Responsible Entity	8(c)	111	114
Total liabilities (excluding net assets attributable to unitholders)		773	353
Net assets attributable to unitholders - liability	6(a)	113,168	115,555
Represented by:			
Fair value of outstanding units based on redemption value		113,389	115,719
Adjustments arising from different unit pricing and AIFRS valuation principles		(2)	(2)
Unrealised gain/(loss) on financial assets		10	-
Under or (over) distributions		(229)	(162)
Net assets attributable to unitholders		113,168	115,555

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

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

STATEMENT OF CHANGES IN EQUITY FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

The Fund's net assets attributable to unitholders are classified as a liability under AASB 132 Financial Instruments Presentation. As such the Fund has no equity, and no items of changes in equity have been presented for the current and comparative reporting periods.

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

CASH FLOW STATEMENT FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

	Note	1/07/2011 - 30/06/2012 \$'000	1/07/2010 - 30/06/2011 \$'000
Cash flows from operating activities			
Proceeds from sale of financial instruments held for trading		1,566,280	1,025,429
Payments for purchase of financial instruments held for trading		(1,561,577)	(995,266)
Interest received		5,447	6,402
Other income received		(2)	5
Responsible Entity fee paid		(1,250)	(1,317)
Other expenses paid		(20)	(22)
Net cash from operating activities	7(a)	8,878	35,231
Cash flows from financing activities			
Receipts from issue of units		140,367	152,804
Payment for redemption of units		(147,289)	(185,064)
Distributions paid		(203)	(236)
Net cash used in financing activities		(7,125)	(32,496)
Net movement in cash and cash equivalents		1,753	2,735
Add opening cash and cash equivalents brought forward		13,136	10,401
Closing cash and cash equivalents carried forward		14,889	13,136

Non-cash financing activities are disclosed in part (b) under "Cash and Cash Equivalent" note the the financial statements.

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

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

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 24 August 2012. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

The current reporting period for the financial report is from 1 July 2011 to 30 June 2012. The comparative reporting period is from 1 July 2010 to 30 June 2011.

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

(b) Investments in Financial Assets and Liabilities 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 Statement of Comprehensive Income.

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.

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 sheet date.

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.

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) 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.

Interest income

Interest 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.

(d) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank, deposits at call with futures clearing house and short-term bank deposits 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.

(e) 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.

(f) 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 Fund.

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.

(g) 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 distribute their taxable income.

(h) Distributions to unitholders

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.

(i) 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.

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

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 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.

(k) 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 Funds from the Australian Taxation Office are recognised as receivables 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 is classified as operating cash flows.

(l) Expense Recognition

Expenses are recognised in the Statement of Comprehensive Income 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 Statements of Comprehensive Income if expenditure does not produce future economic benefits that qualify for recognition in the Balance Sheet.

(m) New Application of Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2012 reporting periods. The impact of these new standards and interpretations (to the extent relevant to the Fund) are set out below:

- AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (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 Fund will adopt AASB 9 from 1 January 2015. Management does not expect this will have a significant impact on the Fund's financial statements as the Fund does not hold any available-for-sale investments.

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) New Application of Accounting Standards (continued)

- AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective from 1 January 2013)

AASB 13 was released in September 2011. It explains how to measure fair value and aims to enhance fair value disclosures. Application of the new standard will impact the type of information disclosed in the notes to the financial statements. The Fund does not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period ending 30 June 2014.

* In December 2011, the IASB delayed the application date of IFRS 9 to 1 January 2015. The AASB is expected to make an equivalent amendment to AASB 9.

(n) Comparatives

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

(o) Use of estimates

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. 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.

(p) 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').

(r) Rounding of amounts to the nearest thousand dollars

The Fund 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.

(s) Applications and redemptions

Applications received for units in the Fund are recorded net of any entry fees payable prior to the issue of units in the Fund. Redemptions from the Fund are recorded gross of any exit fees payable after the cancellation of units redeemed.

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

2. AUDITOR'S REMUNERATION

Auditors' remuneration in respect of auditing the financial reports is fully paid by the Responsible Entity.

The Responsible Entity may recharge a portion of the Auditors' remuneration to the Fund. See the note under "Management Expenses Recharged" in the "Related Parties Disclosures" note to the Financial Statements.

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

3. INTEREST INCOME

The interest income of the Fund are summarised as follows:

	1/07/2011 - 30/06/2012 \$'000	1/07/2010 - 30/06/2011 \$'000
Cash and cash equivalents	409	318
Debt securities	5,074	5,548
Total Interest Income	5,483	5,866

4. DISTRIBUTIONS TO UNITHOLDERS

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

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

Period ended:	1/07/2011 - 30/06/2012 cpu	\$'000	1/07/2010 - 30/06/2011 cpu	\$'000
- 30 September	4.09	1,143	3.76	1,182
- 31 December	3.94	1,123	3.79	1,149
- 31 March	3.65	1,031	3.79	1,121
- 30 June	3.59	974	3.92	1,128
Distributions to unitholders		4,271		4,580

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

5. FAIR VALUE HIERARCHY OF FINANCIAL ASSETS AND LIABILITIES

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 measuring 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 bid 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 over-the-counter derivatives) 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 the "Summary of Significant Accounting Policies" note to the financial statements.

30/06/2012	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading:				
Debt Securities	98,031	-	98,031	-
Derivatives	8	8	-	-
Total Assets Held for Trading	98,039	8	98,031	-

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

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

6. CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

(a) Movements in number of units and net assets attributable to unitholders:

	1/07/2011 - 30/06/2012		1/07/2010 - 30/06/2011	
	No.'000	\$'000	No.'000	\$'000
Opening balance	115,719	115,555	143,619	143,523
Applications	141,306	141,306	152,802	152,802
Redemptions	(147,720)	(147,720)	(185,069)	(185,069)
Units issued upon reinvestment of distributions	4,084	4,084	4,367	4,367
Change in net assets attributable to unitholders from operations		(57)		(68)
Closing Balance	113,389	113,168	115,719	115,555

(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.

The Fund monitors the level of daily applications and redemptions relative to the liquid assets in the Fund. Liquid assets include cash and cash equivalents and financial assets classified as level 1 in the "Fair Value Hierarchy of Financial Assets and Liabilities" note to the financial statements.

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

7. CASH AND CASH EQUIVALENTS

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

	1/07/2011 - 30/06/2012 \$'000	1/07/2010 - 30/06/2011 \$'000
Net (loss)/profit attributable to unitholders	4,214	4,512
Proceeds from sale of financial instruments held for trading	1,566,280	1,025,429
Payments for purchase of financial instruments held for trading	(1,561,577)	(995,266)
Changes in assets and liabilities:		
Receivables and other assets	(34)	583
Payables and other liabilities	(5)	(27)
Net Cash (Used In)/From Operating Activities	8,878	35,231

(b) Non-cash Financing Activities Carried Out During the Reporting Period on Normal Commercial Terms and Conditions include:

- Reinvestment of unitholders distributions as disclosed under "Units issued upon reinvestment of distributions" in part (a) of the "Changes in Net Asset Attributable to Unitholders" note to the financial statements.

(c) Terms and Conditions on Cash

Cash at bank and in hand, cash held in collateral and deposits at call with a futures clearing house, earn interest at floating rate as determined by the financial institutions.

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

8. 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 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 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:

Annabel Fitzgerald Spring	Appointed on 14 October 2011.
Lynette Elizabeth Cobley	
Michael John Venter	Appointed on 4 July 2011.
Peter Robert Winney	
Bradley Brian Massey	
Peter John Taylor (Alternate to Annabel Fitzgerald Spring)	Appointed 7 November 2011.
Gregg Johnston	Resigned on 4 July 2011.
Grahame Anthony Petersen	Resigned on 14 October 2011.
Brian Vincent Bissaker	Resigned on 8 May 2012.

(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 Fund to the Directors as Key Management Personnel.

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

8. RELATED PARTIES DISCLOSURES (continued)

(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 management fees rate charged for the current and comparative reporting periods are as follows:

	2012 Management Fees %	June 2011 Management Fees %
Management fees rate for the reporting period	1.10	1.10

The Responsible Entity's management fees charged for the reporting periods ended 30 June 2012 and 30 June 2011 are as follows:

	1/07/2011 - 30/06/2012 \$	1/07/2010 - 30/06/2011 \$
Management fees charged for the reporting period	1,249,540	1,335,091

Fees due to the Responsible Entity as at the reporting period ended 30 June 2012 and 30 June 2011 are as follows:

	2012 \$	2011 \$
Fees due to at end of reporting period	111,494	113,972

(d) Management Expenses Recharged

No other management expenses are recharged to the Fund by the Responsible Entity.

(e) Bank and Deposit Accounts

The bank accounts and 11am deposit accounts for the Fund may be held with the Commonwealth Bank of Australia. Fees and expenses are negotiated on an arm's length basis. Various short term money market, fixed interest securities and foreign currency transactions 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.

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

8. RELATED PARTIES DISCLOSURES (continued)

(f) Units Held by Related Parties

There are no other Funds managed by the Responsible Entity or its affiliates that purchase or redeem units in the Fund.

(g) Related Party Transactions

Transactions between the Fund and other registered Funds, which are also managed by the Responsible Entity, consisted of the sale of units in the Fund 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 Scheme) issued or held and any amount of interest expense payable or receivable.

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.

(h) Investing Activities

The Fund has certain financial instruments issued by the Bank and its related parties as follows:

Commonwealth Bank of Australia

Fixed Interest and Discount securities - market value

2012 \$'000	2011 \$'000
24,078	21,762

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

9. FINANCIAL RISK MANAGEMENT

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

The Fund's overall risk management programme focuses on ensuring compliance with the Fund's Product Disclosure Statement/Information Memorandum and seeks to maximise the returns derived for the level of risk to which the Fund is exposed. The Fund uses derivative financial instruments to alter certain risk exposures. Financial risk management is carried out by the respective investment management departments (Investment Managers) 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 ratings analysis for credit risk.

(a) Market Risk

Interest rate risk

The Fund which have 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 Fund is exposed to cash flow interest rate risk on financial instruments with variable interest rates. Financial instruments with fixed rates expose the Funds to fair value interest rate risk. The risk is measured using sensitivity analysis.

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

30/06/2012	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets				
Cash and cash equivalents	14,892	-	-	14,892
Receivables	-	-	1,010	1,010
Financial assets held for trading	-	98,031	-	98,031
Derivatives	-	8	-	8
Financial liabilities				
Payables	-	-	(770)	(770)
Bank overdraft	(3)	-	-	(3)
Net exposure	14,889	98,039	240	113,168
30/06/2011				
Financial assets				
Cash and cash equivalents	13,136	-	-	13,136
Receivables	-	-	55	55
Financial assets held for trading	-	102,717	-	102,717
Financial liabilities				
Payables	-	-	(353)	(353)
Net exposure	13,136	102,717	(298)	115,555

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

Interest rate risk (continued)

An analysis of financial liabilities by maturities is provided under "Liquidity Risk" of the "Financial Risk Management" note to the financial Statements.

The table in part (b) under "Summarised Sensitivity Analysis" of the "Financial Risk Management" note to the financial statements, summarises the impact of an increase/decrease of interest rates on the Fund's operating profit and net assets attributable to unitholders through changes in fair value or changes in future cash flows. The analysis is based on the assumption that interest rates changed by +/- 60 basis points (2011: +/- 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 debt securities.

(b) Summarised Sensitivity Analysis

The following table summarises the sensitivity of the Fund'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 and foreign exchange rates, historical correlation of the Fund's investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less 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, markets and securities in which the Fund 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
30/06/2012	(678)	678
	-60 basis points \$'000	+60 basis points \$'000
30/06/2011	(695)	695

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

9. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk

The Fund is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due. Credit risk primarily arises from investments in debt securities and derivative products. Other credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions, amounts due from brokers and other receivables.

The Fund 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 Compliance Department of the Responsible Entity regularly monitors the credit risks that arise from holding these securities.

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a high credit rating.

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

	30/06/2012 \$'000	30/06/2011 \$'000
Rating		
AAA	78,051	102,717
A	19,980	-
Total	98,031	102,717

(d) 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. Only a limited proportion of its assets are held in investments not actively traded on a stock exchange.

The Fund's listed securities are considered readily realisable, as they are listed on either the Australian Stock Exchange or other recognised International Stock Exchanges.

The Fund may, from time to time, invest in derivative contracts traded over the counter, which are not traded in an organised market and may be illiquid. As a result, the Fund may not be able to quickly liquidate its investments in these instruments at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer or counterparty. Investments with a higher liquidity risk have been disclosed under "Level 3" in the "Fair Value Hierarchy of Financial Assets and Liabilities" note to the financial statements.

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

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

9. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

The table below analyses the Fund's derivative financial instruments into relevant maturity groupings based on the remaining period to the contractual maturity date at the year end date. The amounts disclosed in the table are the contractual undiscounted gross cash flows expected to be paid or received, determined by reference to the conditions existing at the reporting period end date. The contractual amounts can be settled on a gross or net basis.

	Less than 1 month \$'000	1 - 3 months \$'000	3 - 12 months \$'000	1 - 2 years \$'000	2 - 3 years \$'000	More than 3 years \$'000	Total \$'000
30/06/2012							
Derivatives:							
Inflows	-	8	-	-	-	-	8
(Outflows)	-	-	-	-	-	-	-
30/06/2011							
Derivatives:							
Inflows	-	-	-	-	-	-	-
(Outflows)	-	-	-	-	-	-	-

(e) Fair Value Estimation

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

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

10. DERIVATIVE FINANCIAL INSTRUMENTS

In the normal course of business Fund may enter into transactions in various derivative financial instruments which have certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative transactions include many different instruments such as forwards, futures and options. Derivatives are considered to be part of the investment process and the use of derivatives is an essential part of these Funds' portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- hedging to protect an asset or liability of the Fund against a fluctuation in market values or to reduce volatility
- a substitution for trading of physical securities
- adjusting asset exposures within the parameters set in the investment strategy, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of these Funds.

Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities. Changes in futures contracts' values are usually settled net daily with the exchange. Interest rate futures are contractual obligations to receive or pay a net amount based on changes in interest rates at a future date at a specified price, established in an organised market.

The Fund's derivative financial instruments at reporting period end are detailed below:

	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
	30/06/2012 \$'000	\$'000	\$'000	30/06/2011 \$'000	\$'000	\$'000
- Interest rate futures	(5,803)	8	-	-	-	-
	(5,803)	8	-	-	-	-

11. SEGMENT INFORMATION

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

12. CONTINGENT LIABILITIES AND COMMITMENTS

As at 30 June 2012, the Fund did not have any contingent liabilities or commitments (30 June 2011 - None).

13. EVENTS AFTER BALANCE SHEET DATE

No significant events have occurred since balance sheet date which would impact on the financial position of the Fund disclosed in the Balance Sheet as at 30 June 2012 or on the results and cash flows of the Fund for the reporting period ended on that date.

COLONIAL FIRST STATE CASH MANAGEMENT TRUST

DIRECTORS' DECLARATION FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

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

- a) the financial statements and notes to the financial statements of the Colonial First State Cash Management Trust ("the Fund") are in accordance with the Corporations Act 2001, including:
 - i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - ii) giving a true and fair view of the Fund's financial position as at 30 June 2012 and of its performance for the reporting period ended on that date, and
- b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable, and
- c) the financial statements comply with International Financial Reporting Standards issued by the International Accounting Standards Board as stated in Note 1.

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



Bradley Brian Massey
Director
Sydney
31 August 2012



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 2012, and the statement of comprehensive income, 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.

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 opinion.

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Independence

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

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 2012 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.

A handwritten signature in dark ink that reads 'PricewaterhouseCoopers' in a cursive, flowing script.

PricewaterhouseCoopers

A handwritten signature in dark ink, appearing to be 'A J Wilson', written in a stylized, cursive script.

A J Wilson
Partner

31 August 2012

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Enquiries

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