

# Cash Management Trust

## 2013 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 2013 for the Colonial First State Cash Management Trust.

This statement is the final component of the reporting information for the 2012–2013 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'.

Linda Elkins  
Executive General Manager

# **COLONIAL FIRST STATE CASH MANAGEMENT TRUST**

ARSN : 087 562 963

## **FINANCIAL REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2013**

**Responsible Entity of the Fund**

**COLONIAL FIRST STATE INVESTMENTS LIMITED**

**ABN: 98 002 348 352**

Ground Floor Tower 1, 201 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 2013

The Directors of Colonial First State Investments Limited, the Responsible Entity of the Fund as stated above, present their report together with the Financial Report of the Fund for the reporting period as stated below.

### Reporting Period

The current reporting period for the financial report is from 01 July 2012 to 30 June 2013. The comparative reporting period is from 01 July 2011 to 30 June 2012.

### Date of Constitution and Date of Registration of the Fund

The date of Constitution and Registration of the Fund with the Australian Securities & Investment Commission (ASIC) are as follows:

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

### Principal Activities

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.

### 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 (ASIC) 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 the Class Order, unless otherwise stated.

### Comparatives

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

### Review of Operations

The Funds provide investors access to a broad range of investments including money market securities, fixed interest securities, listed property securities, Australian listed equities, International equities and diversified investments.

### Income

The result of the operation for the Fund for the current and previous reporting periods are tabled below:

	Period ended 30/06/2013 \$'000	Period ended 30/06/2012 \$'000
Operating profit/(loss) attributable to unitholders	2,569	4,214

# COLONIAL FIRST STATE CASH MANAGEMENT TRUST

## DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

### Review of Operations (continued)

#### Distribution to unitholders

The total amount distributed to unitholders for the current and previous reporting period are as follows:

	Period ended 30/06/2013 \$'000	Period ended 30/06/2012 \$'000
Amount distributed during the reporting periods	2,605	4,271

Details of the income distributions for the reporting periods ended 30 June 2013 and 30 June 2012 are disclosed in the "Distributions to Unitholders" note to the financial statements.

#### Exit Prices

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

### 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 during the period and up to the date of the report are:

Name of Director	Date of Appointment or resignation
Annabel Spring	Appointed on 14 October 2011.
Linda Elkins	Appointed on 1 January 2013.
Michael John Venter	Appointed on 4 July 2011.
Anne Ward	Appointed on 1 January 2013.
Penelope James	Appointed on 1 January 2013.
Peter Hodgett	Appointed on 1 January 2013.
Peter Taylor *	Appointed on 7 November 2011.
Peter Robert Winney	Resigned on 1 January 2013.
Bradley Brian Massey	Resigned on 1 January 2013.
Lynette Cobley	Resigned on 1 January 2013.

\* Alternate director to Annabel Spring.

### 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.

# **COLONIAL FIRST STATE CASH MANAGEMENT TRUST**

## **DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2013**

### **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 0.30% (0.05% for a cash investment option) 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, the Responsible Entity may compensate where the unit pricing error is less than the tolerance levels.

### **Significant Changes in the State of Affairs**

There were no significant changes in the nature of the Fund's activities during the reporting period.

### **Matters Subsequent to the End of the Reporting Period**

No matters or circumstances have arisen since the end of the current reporting period 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 Fund in future financial periods.

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

No insurance premiums are paid for out of the assets of the Fund in relation to insurance cover provided to Colonial First State Investments Limited or the auditor 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 auditor of the Fund is 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.

### **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 their 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.

# **COLONIAL FIRST STATE CASH MANAGEMENT TRUST**

## **DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2013**

### **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 Statement of Comprehensive Income.

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

There are no interests in the Fund held by the Responsible Entity or its associates at the end of the reporting 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 is set out in the Balance Sheet.

### **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.

### **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 in the following page.

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



Linda Elkins  
Director  
Sydney  
2 September 2013





## Auditor's Independence Declaration

As lead auditor for the audit of Colonial First State Cash Management Trust for the year ended 30 June 2013, 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 long horizontal stroke extending to the right.

A J Wilson  
Partner  
PricewaterhouseCoopers

2 September 2013

# COLONIAL FIRST STATE CASH MANAGEMENT TRUST

## STATEMENT OF COMPREHENSIVE INCOME FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

		1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000
Note			
<b>Investment Income</b>			
Interest income		3,774	5,483
Changes in fair value of financial instruments held for trading		(1)	-
Other income		-	1
<b>Total investment Income/(loss)</b>		<b>3,773</b>	<b>5,484</b>
<b>Expenses</b>			
Responsible Entity's management fees		1,163	1,250
Expenses recharged		23	-
Other expenses		18	20
<b>Total operating expenses</b>		<b>1,204</b>	<b>1,270</b>
<b>Operating profit/(loss) attributable to unitholders</b>		<b>2,569</b>	<b>4,214</b>
Distributions to unitholders		(2,605)	(4,271)
Change in net assets attributable to unitholders from operations		36	57
<b>Profit/(Loss) for the period</b>		<b>-</b>	<b>-</b>
Other comprehensive income for the period		-	-
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>

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 2013

	Note	2013 \$'000	2012 \$'000
<b>Assets</b>			
Cash and cash equivalents		14,557	14,892
Trade and other receivables:			
- application monies		-	944
- interests		15	33
- others		31	33
Responsible Entity fee rebate		-	-
Financial assets held for trading		93,204	98,039
<b>Total assets</b>		<b>107,807</b>	<b>113,941</b>
<b>Liabilities</b>			
Bank overdraft		-	3
Trade and other payables:			
- redemptions		73	597
- others		16	9
Distribution payable		29	53
Fees due to Responsible Entity		107	111
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>225</b>	<b>773</b>
<b>Net assets attributable to unitholders - liability</b>		<b>107,582</b>	<b>113,168</b>
<b>Represented by:</b>			
Fair value of outstanding units based on redemption value		107,840	113,389
Adjustments arising from different unit pricing and AIFRS valuation principles		(1)	(2)
Under or (over) distributions		(264)	(229)
Adjustment to period end accruals		7	10
<b>Net assets attributable to unitholders</b>		<b>107,582</b>	<b>113,168</b>

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 REPORTING PERIOD ENDED 30 JUNE 2013**

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 2013

	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000
Note		
<b>Cash flows from operating activities</b>		
Proceeds from sale of financial instruments held for trading	951,203	1,566,280
Payments for purchase of financial instruments held for trading	(946,314)	(1,561,577)
Repayment or (payment) of mortgage assets		
Interest received	3,738	5,447
Responsible Entity fee received/(paid)	(1,166)	(1,250)
Interest paid	-	-
Other expenses refund/(paid)	(41)	(22)
Payment for brokerage costs	-	-
<b>Net cash (used in)/from operating activities</b>	<b>7,420</b>	<b>8,878</b>
<b>Cash flows from financing activities</b>		
Receipts from issue of units	121,353	140,367
Payment for redemption of units	(128,949)	(147,289)
Distributions paid	(156)	(203)
<b>Net cash (used in)/from financing activities</b>	<b>(7,752)</b>	<b>(7,125)</b>
<b>Net movement in cash and cash equivalents</b>	<b>(332)</b>	<b>1,753</b>
Add opening cash and cash equivalents brought forward	14,889	13,136
<b>Closing cash and cash equivalents carried forward</b>	<b>14,557</b>	<b>14,889</b>

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

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 REPORTING PERIOD ENDED 30 JUNE 2013**

### **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 Fund is a for-profit unit trust for the purpose of preparing the financial statements.

The financial report was authorised for issue by the Directors of the Responsible Entity on 27 August 2013. 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 01 July 2012 to 30 June 2013. The comparative reporting period is from 01 July 2011 to 30 June 2012.

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

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

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").

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.

#### **(b) Investments in Financial Assets and Liabilities Held for Trading**

##### **(i) 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 Statements of Comprehensive Income.

# COLONIAL FIRST STATE CASH MANAGEMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

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

#### (b) Investments in Financial Assets and Liabilities Held for Trading (continued)

##### (ii) 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.

##### (iii) 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.

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.

#### (c) Investment Income

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

##### (i) 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.

##### (ii) Changes in Fair Value of Financial Assets Held for Trading

Gains or losses on investments held for trading are calculated and recognised as the difference between the fair value at sale, or at period end, and the fair value at the previous valuation point are recognised. This includes both realised and unrealised gains and losses.

#### (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.

# COLONIAL FIRST STATE CASH MANAGEMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

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

#### (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 distributes its taxable income.

#### (h) Distributions to Unitholders

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

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

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

#### (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.



# COLONIAL FIRST STATE CASH MANAGEMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

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

#### (k) Applications and Redemptions

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

#### (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 Fund from the Australian Taxation Office are recognised as receivables in the Balance Sheets.

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.

#### (m) 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 Statement of Comprehensive Income if expenditure does not produce future economic benefits that qualify for recognition in the Balance Sheet.

#### (n) Use of Estimates

The Fund 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.

#### (o) Unit Prices

Unit prices for the Fund are recorded at \$1.00 per unit.

# COLONIAL FIRST STATE CASH MANAGEMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

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

#### (p) Transactions in Foreign Currencies

The Fund mainly transacts in Australian currency.

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

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2013 reporting periods and have not been early adopted by the Fund. The director's assessment of the impact of these new standards (to the extent relevant to the fund) and interpretations is set out below:

- AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) and AASB 2012-6 Amendments to Australian Accounting Standards - Mandatory Effective Date of AASB 9 and Transition Disclosures (effective from 1 January 2015)
- AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 but is available for early adoption. The directors do not expect this to have a significant impact on the recognition and measurement of the Fund's financial instruments as they are carried at fair value through profit and loss.
- 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 will adopt the new standard from its operative date, which means that it would be applied in the annual reporting period ending 30 June 2014. The directors do not expect this to have a significant impact on the Fund.

### 2. AUDITOR'S REMUNERATION

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

The Responsible Entity may recharge a portion of the Auditor's 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 auditor are the audit of the compliance plan of the Fund and tax compliance services. The auditor's non-audit remuneration is not paid by the Fund.

### 3. INTEREST INCOME

The interest income of the Fund are summarised as follows:

	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000
Cash and cash equivalents	380	409
Debt securities	3,394	5,074
<b>Total Interest Income</b>	<b>3,774</b>	<b>5,483</b>

# COLONIAL FIRST STATE CASH MANAGEMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

### 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 represent the component of the final distribution for the reporting period which had not been paid at balance date.

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

	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	Annualised Income Rate		Annualised Income Rate	
	%		%	
Distribution Periods ended:	cpu	\$'000	cpu	\$'000
- 30 September	3.02	771	4.09	1,143
- 31 December	2.47	687	3.94	1,123
- 31 March	2.35	580	3.65	1,031
- 30 June	2.08	567	3.59	974
<b>Distributions to unitholders</b>		<b>2,605</b>		<b>4,271</b>

### 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 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 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.

# COLONIAL FIRST STATE CASH MANAGEMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

### 5. FAIR VALUE HIERARCHY OF FINANCIAL ASSETS AND LIABILITIES (continued)

2013	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Financial Assets Held for Trading:</b>				
Debt Securities	93,204	-	93,204	-
<b>Total Assets Held for Trading</b>	<b>93,204</b>	<b>-</b>	<b>93,204</b>	<b>-</b>
2012	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Financial Assets Held for Trading:</b>				
Debt Securities	98,031	-	98,031	-
Derivatives	8	8	-	-
<b>Total Assets Held for Trading</b>	<b>98,039</b>	<b>8</b>	<b>98,031</b>	<b>-</b>

### 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:

	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	No.'000	\$'000	No.'000	\$'000
Opening balance	113,389	113,168	115,719	115,555
Applications	120,404	120,404	141,306	141,306
Redemptions	(128,426)	(128,427)	(147,720)	(147,720)
Units issued upon reinvestment of distributions	2,473	2,473	4,084	4,084
Change in net assets attributable to unitholders from operations		(36)		(57)
<b>Closing Balance</b>	<b>107,840</b>	<b>107,582</b>	<b>113,389</b>	<b>113,168</b>

#### (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 2013

### 7. CASH AND CASH EQUIVALENTS

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

	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000
Net profit/(loss) attributable to unitholders	2,569	4,214
Proceeds from sale of financial instruments held for trading	951,203	1,566,280
Payments for purchase of financial instruments held for trading	(946,314)	(1,561,577)
Repayment of mortgage assets		
Changes in fair value of financial instruments held for trading	1	-
Changes in assets and liabilities:		
Receivables and other assets	(35)	(34)
Payables and other liabilities	(4)	(5)
<b>Net Cash From/(Used In) Operating Activities</b>	<b>7,420</b>	<b>8,878</b>

#### (b) Non-cash Financing Activities Carried Out During the Reporting Periods 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.
- Participation in dividend reinvestment plans as disclosed under "Distribution or Dividend Income Reinvested" in part (a) of the "Cash and Cash Equivalents" 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.

#### (d) Derivative Cash Accounts

Included in the cash and cash equivalents are derivative cash accounts which comprise of cash held as collateral for derivative transactions.

	2013 \$'000	2012 \$'000
Derivate cash accounts at the end of the reporting periods	-	(3)

# COLONIAL FIRST STATE CASH MANAGEMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

### 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:

Name of Director	Date of Appointment or Resignation
Annabel Spring	Appointed on 14 October 2011.
Linda Elkins	Appointed on 1 January 2013.
Michael John Venter	Appointed on 4 July 2011.
Anne Ward	Appointed on 1 January 2013.
Penelope James	Appointed on 1 January 2013.
Peter Hodgett	Appointed on 1 January 2013.
Peter Taylor *	Appointed on 7 November 2011.
Peter Robert Winney	Resigned on 1 January 2013.
Bradley Brian Massey	Resigned on 1 January 2013.
Lynette Cobley	Resigned on 1 January 2013.

\* Alternate director to Annabel Spring.

##### (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.

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

Under the terms of the Constitution, the Responsible Entity is entitled to receive monthly management fees which are expressed as a percentage of the total assets of the Fund (i.e. excluding liabilities). Management fees are paid directly by the Fund. The table below shows the current fee rates charged.

Where monies are invested into other funds managed by the Responsible Entity the management fees are calculated after rebating fees charged in the underlying funds. As a consequence, the amounts shown in the Statement of Comprehensive Income reflect only the amount of fees charged directly to the Fund.

# COLONIAL FIRST STATE CASH MANAGEMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

### 8. RELATED PARTIES DISCLOSURES (continued)

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

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

	2013 %	2012 %
Management fees rate for the reporting periods	1.10	1.10

The Responsible Entity's management fees charged/(refunded) for the reporting periods are as follows:

	1/07/2012 - 30/06/2013 \$	1/07/2011 - 30/06/2012 \$
Management fees charged/(refunded) for the reporting periods	1,186,350	1,249,540

Fees due to/(refund from) the Responsible Entity as at the end of the reporting period.

	1/07/2012 - 30/06/2013 \$	1/07/2011 - 30/06/2012 \$
Fees due to/(refund from) the Responsible Entity as at the end of the reporting periods	106,669	111,494

#### (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.

#### (f) Units Held by Related Parties

There is no interest of Colonial First State Investments Limited and its associates in the Fund.

#### (g) Related Party Transactions

The Fund may transact between the Fund and other registered Funds, which are also managed by the Responsible Entity. These transactions are normally consist of the sale of units in the Fund to related Managed Investment Schemes or 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 Fund) issued or held and any amount of interest expense payable or receivable.

# COLONIAL FIRST STATE CASH MANAGEMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

### 8. RELATED PARTIES DISCLOSURES (continued)

#### (i) 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.

#### (ii) Guarantees

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

#### (h) Investing Activities

#### (i) Related Managed Investment Schemes

The Fund did not invest in any related managed investment schemes.

#### (ii) Related Listed Securities

The Fund did not invest in any related listed securities.

#### (iii) Other related Financial Instruments

The Fund has certain financial instruments issued by the Bank and its associates.

	2013 \$'000	2012 \$'000
Future and Options - market value	-	-
Fixed Interest and Discount securities - market value	28,073	24,078



# COLONIAL FIRST STATE CASH MANAGEMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

### 9. FINANCIAL RISK MANAGEMENT

Investing activities of a Fund may expose it to a variety of financial risks: market risk (including price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk.

Investing activities of a Fund may expose it to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk.

The overall risk management programme focuses on ensuring compliance with its Product Disclosure Statement/Information Memorandum and seeks to maximise the returns derived for the level of risk to which the Fund is exposed. A Fund may use 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.

#### (a) Market Risk

##### (i) Interest Rate Risk

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 Fund to fair value interest rate risk. The risk is measured using sensitivity analysis.

The Fund may also enter into derivative financial instruments to mitigate the risk of future interest rate changes in accordance with the risk policies and guidelines of the Investment Managers. These transactions are regularly monitored by the Compliance Department of the Responsible Entity. The table below summarises the Fund's exposure to interest rate risks. It includes the Fund's assets and liabilities at fair values.

	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>30/06/2013</b>				
<b>Financial assets</b>				
Cash and cash equivalents	14,557	-	-	14,557
Receivables	-	-	46	46
Financial assets held for trading	-	93,204	-	93,204
Derivatives	-	-	-	-
<b>Financial liabilities</b>				
Payables	-	-	(225)	(225)
Bank overdraft	-	-	-	-
Financial liabilities held for trading - Derivatives	-	-	-	-
<b>Net exposure</b>	<b>14,557</b>	<b>93,204</b>	<b>(179)</b>	<b>107,582</b>
<b>30/06/2012</b>				
<b>Financial assets</b>				
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
<b>Financial liabilities</b>				
Payables	-	-	(770)	(770)
Bank overdraft	(3)	-	-	(3)
Financial liabilities held for trading - Derivatives	-	-	-	-
<b>Net exposure</b>	<b>14,889</b>	<b>98,039</b>	<b>240</b>	<b>113,168</b>

# COLONIAL FIRST STATE CASH MANAGEMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (a) Market Risk (continued)

##### (i) 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 increase or decrease by a "predetermined 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. The "predetermined basis points" are disclosed in the table below.

#### (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, foreign exchange risk and other price risk. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in interest rates and 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.

The Fund may not be subject to all these risks and are denoted with "-" in the table below.

	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
30/06/2013	-50 basis points \$'000	+50 basis points \$'000	-10.00% \$'000	10.00% \$'000	0.00% \$'000	0.00% \$'000
	( 539)	539	-	-	-	-
30/06/2012	-60 basis points \$'000	+60 basis points \$'000	-9.30% \$'000	9.30% \$'000	0.00% \$'000	0.00% \$'000
	( 678)	678	-	-	-	-

# COLONIAL FIRST STATE CASH MANAGEMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (c) Credit risk

A 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.

A Fund may transacts in derivatives in the over the counter (OTC) markets. OTC derivatives are entered into directly with the counterparty as there is no Clearing House arrangement. Such transactions are only dealt through suitably credit-worthy counterparties. The maximum exposure to credit risk for these OTC derivatives is the contract/notional amount, as shown in the "Derivative Financial Instruments" note to the financial statements.

The Fund invests in debt 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.

	30/06/2013 \$'000	30/06/2012 \$'000
<b>Rating</b>		
AAA	51,639	78,051
AA+	-	-
AA	-	-
AA-	-	-
A+	-	-
A	8,991	19,980
A-	-	-
Others	-	-
Non rated	32,574	-
<b>Total</b>	<b>93,204</b>	<b>98,031</b>

# COLONIAL FIRST STATE CASH MANAGEMENT TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (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, invests 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 their 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.

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
<b>30/06/2013</b>							
Derivatives:							
Inflows	-	-	-	-	-	-	-
(Outflows)	-	-	-	-	-	-	-
<b>30/06/2012</b>							
Derivatives:							
Inflows	-	8	-	-	-	-	8
(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 2013

### 10. DERIVATIVE FINANCIAL INSTRUMENTS

In the normal course of business the 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.

The Fund did not enter into transactions in any derivative financial instruments during the current and previous reporting periods.

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 the Fund's portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- hedging to protect an asset or liability 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 the Fund.

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.

Derivative financial instruments of the Fund at reporting period end are detailed below:

	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
		30/06/2013			30/06/2012	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
- Interest rate futures	-	-	-	(5,803)	8	-
- Interest rate swaps	-	-	-	-	-	-
- Credit default swaps	-	-	-	-	-	-
- Warrants	-	-	-	-	-	-
- Others	-	-	-	-	-	-
	-	-	-	(5,803)	8	-

# **COLONIAL FIRST STATE CASH MANAGEMENT TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013**

### **11. CONTINGENT LIABILITIES AND COMMITMENTS**

The Fund did not have any contingent liabilities or commitments at the end of the current and previous reporting period.

### **12. EVENTS AFTER BALANCE SHEET DATE**

No significant events have occurred since balance sheet date which would impact on the financial positions of the Fund disclosed in the Balance Sheet as at 30 June 2013 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 2013

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

- a) the financial statements and notes to the financial statements of the above mentioned 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 2013 and of its performances 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.



Linda Elkins  
Director  
Sydney  
2 September 2013



## **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 Fund), which comprises the balance sheet as at 30 June 2013, 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 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. Those 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.

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

### ***Independence***

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

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**PricewaterhouseCoopers, ABN 52 780 433 757**  
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### 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 Fund's financial position as at 30 June 2013 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 Fund's financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

*RicewaterhouseCoopers*

RricewaterhouseCoopers

A J Wilson  
Partner

Sydney  
2 September 2013

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## Enquiries

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