

BWA Cash Management Trust

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Annual Financial Report 30 June 2010



Contents

<u>Directors' Report</u>	<u>1</u>
<u>Auditors' Independence Declaration</u>	<u>3</u>
<u>Statement of Comprehensive Income</u>	<u>4</u>
<u>Statement of Changes in Equity</u>	<u>5</u>
<u>Balance Sheet</u>	<u>6</u>
<u>Statement of Cash Flows</u>	<u>7</u>
<u>Notes to the Financial Statements</u>	<u>8</u>
<u>Directors' Declaration</u>	<u>16</u>
<u>Independent Auditor's Report</u>	<u>17</u>

BWA Cash Management Trust

Directors' Report

The directors of BWA Managed Investments Ltd, the Responsible Entity of the BWA Cash Management Trust (the Trust), present their report together with the financial report of the Trust for the year ended 30 June 2010 and the auditor's report thereon.

Responsible Entity

The registered office and principal place of business of the Responsible Entity and the Trust is Level 34, Bankwest Tower, 108 St Georges Terrace, Perth, Western Australia.

Directors

The directors of the Responsible Entity at any time during or since the end of the financial year are:

Name	
P R Winney (Chairman)	
B V Bissaker	
B B Massey	
G Johnston	Appointed 16 September 2009
P Rayson	Resigned 1 October 2009

Secretaries

The secretaries of the Responsible Entity at any time during or since the end of the financial year are:

Name	
J F Greenhalgh	
H X N Phan	

Principal Activities

The Trust is a registered managed investment scheme domiciled in Australia.

The principal activity of the Trust during the financial year was the pooling of investor funds. The investment of these funds continued to be in accordance with the investment policy of the Trust as outlined in the current Product Disclosure Statement

There were no significant changes in the nature of the Trust's activities during the financial year.

The Trust did not have any employees during the financial year.

Review of Operations

The Trust maintained all investor funds in an 'at call' deposit held with the Bank of Western Australia Ltd ("Bankwest"), a subsidiary of the Responsible Entity's parent company Commonwealth Bank of Australia. Investment income earned by the Trust was derived solely from this 'at call' deposit.

Results for the Financial Year

	2010		2009	
	\$	Cents per unit	\$	Cents per unit
Investment income	23,848,281	3.77	28,132,112	4.81
Interim distributions paid	21,704,246	3.43	26,061,052	4.46
Final distributions payable	69,012	0.01	51,805	0.01

Performance

The distributions paid or payable to retail and wholesale clients ranged between 2.60% and 4.58% for the financial year (2009: 2.60% and 6.98%).

Interests of the Responsible Entity

Fees based on the Management Expense Ratio (MER) and paid to the Responsible Entity out of Trust property during the financial year amounted to \$2,075,023 (2009: \$2,019,255). For retail clients of the Trust the MER was fixed at 0.60% for the financial year (2009: 0.60%) (or \$60 for every \$10,000 invested). For wholesale clients of the Trust the MER is separately negotiated and agreed.

The Responsible Entity did not hold any units in the Trust during the financial year (2009: \$Nil).

BWA Cash Management Trust Directors' Report (Continued)

State of Affairs

In the opinion of the directors of the Responsible Entity there were no significant changes in the state of affairs of the Trust that occurred during the financial year.

Likely Developments

Further information about likely developments in the operations of the Trust and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Trust.

Environmental Regulation

The Trust's operations are not subject to any significant environmental regulation under either Commonwealth, State or Territory legislation.

Events Subsequent to Balance Date

There has not arisen in the interval between the end of the financial year and the date of this report any item, event or transaction which significantly affects, or may significantly affect the operations of the Trust, the results of those operations or the state of affairs of the Trust in subsequent financial years.

Insurance and Indemnity of Directors and Officers of the Responsible Entity

During the financial year, the officers of the Responsible Entity of the Trust, including directors, general managers, company secretaries and other executive officers were covered by insurance obtained by the Responsible Entity's parent companies. This insurance indemnifies Directors and Officers against allegations of wrongdoing (other than intentional wrongdoing).

The Directors and Officers of the Responsible Entity of the Trust have been provided a Deed of Access, Insurance and Indemnity (Deed) by Commonwealth Bank of Australia. The Deed requires Commonwealth Bank of Australia to provide insurance for the Directors and Company Secretaries and to indemnify the officer or former officer against all liabilities to another person that may arise from his or her position as a director or officer of the Responsible Entity, except where the liability arises from conduct involving a lack of good faith.

The Trust has not indemnified the auditor of the Trust and no insurance premiums are paid out of the Trust's assets in relation to insurance cover for the Responsible Entity, its officers and employees or the auditors of the Trust.

Lead Auditor's Independence Declaration

The Lead Auditor's Independence Declaration is set out on Page 3 and forms part of the Directors' Report for the year ended 30 June 2010.

This report is made in accordance with a resolution of the directors of BWA Managed Investments Ltd:



Bradley Brian Massey

Director

Dated at Sydney this 20th day of September 2010

PricewaterhouseCoopers
ABN 52 780 433 757

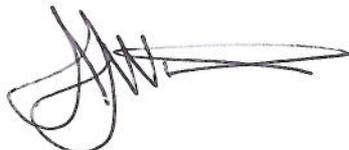
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Auditor's Independence Declaration

As lead auditor for the audit of BWA Cash Management Trust for the year ended 30 June 2010, 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 BWA Cash Management Trust during the period.



AJ Wilson
Partner
PricewaterhouseCoopers

Sydney
20 September 2010

BWA Cash Management Trust

Statement of Comprehensive Income For the year ended 30 June 2010

	Note	2010 \$	2009 \$
Investment income			
Interest income		<u>23,848,281</u>	<u>28,132,112</u>
Total investment income		23,848,281	28,132,112
Expenses			
Responsible Entity fees	9	<u>(2,075,023)</u>	<u>(2,019,255)</u>
Profit from operating activities attributable to unitholders		21,773,258	26,112,857
Distributions to unitholders	6	<u>(21,773,258)</u>	<u>(26,112,857)</u>
Profit for the year		-	-
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income		-	-

The Statement of Comprehensive Income is to be read in conjunction with the notes to the financial statements set out on pages 8 to 15.

BWA Cash Management Trust

Statement of Changes in Equity For the year ended 30 June 2010

	2010	2009
	\$	\$
Balance at 1 July 2009	-	-
Profit for the year	-	-
Other comprehensive income	-	-
Total comprehensive income	<u>-</u>	<u>-</u>
Transactions with equity holders in their capacity as equity holders	<u>-</u>	<u>-</u>
Balance at 30 June 2010	<u>-</u>	<u>-</u>

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

The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements set out on pages 8 to 15.

BWA Cash Management Trust

Balance Sheet As at 30 June 2010

	Note	2010 \$	2009 \$
Assets			
Cash and cash equivalents		590,445,947	658,606,813
Loans and receivables:			
Interest and other receivables	9	<u>85,822</u>	<u>71,249</u>
Total assets		590,531,769	658,678,062
Liabilities			
Financial liabilities measured at amortised cost:			
Payables		16,810	19,444
Distribution payable	6	<u>69,012</u>	<u>51,805</u>
Total liabilities (excluding net assets attributable to unitholders)		85,822	71,249
Net assets attributable to unitholders - liability	5	<u>590,445,947</u>	<u>658,606,813</u>
Represented by:			
Net assets attributable to unitholders at redemption price		<u>590,445,947</u>	<u>658,606,813</u>

The Balance Sheet is to be read in conjunction with the notes to the financial statements set out on pages 8 to 15.

BWA Cash Management Trust

Statement of Cash Flows For the year ended 30 June 2010

	Note	2010 \$	2009 \$
Cash flows from operating activities			
Interest received		23,831,635	28,173,670
Responsible entity fees paid		<u>(2,075,584)</u>	<u>(2,019,130)</u>
Net cash flows from operating activities	7	21,756,051	26,154,540
Cash flows from financing activities			
Proceeds from the issue of redeemable units	5	1,823,329,357	1,704,419,154
Payments on the redemption of redeemable units	5	<u>(1,891,490,223)</u>	<u>(1,547,138,007)</u>
Distributions paid	7	<u>(21,756,051)</u>	<u>(26,154,540)</u>
Net cash flows from financing activities		(89,916,917)	131,126,607
Net increase in cash and cash equivalents		(68,160,866)	157,281,147
Cash and cash equivalents at beginning of year		658,606,813	501,325,666
Cash and cash equivalents at end of year		<u>590,445,947</u>	<u>658,606,813</u>

The Statement of Cash Flows is to be read in conjunction with the notes to the financial statements set out on pages 8 to 15.

Notes to the Financial Statements

BWA Cash Management Trust For the year ended 30 June 2010

Note 1 Reporting Entity

The BWA Cash Management Trust ("the Trust") is a registered managed investment scheme under the *Corporations Act 2001*. The financial report of the Trust is for the year ended 30 June 2010.

Note 2 Basis of Preparation

(a) Statement of compliance

This financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The financial report of the Trust complies with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB).

The Trust has applied the revised AASB 101 *Presentation of Financial Statements* which became effective on 1 January 2009. The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity. All non-owner changes in equity must now be presented in the statement of comprehensive income. As a consequence, the Trust had to change the presentation of its financial statements. Comparative information has been re-presented so that it is also in conformity with the revised standard.

The financial statements were approved by the Board of Directors of BWA Managed Investments Ltd (the Responsible Entity) on 20 September 2010.

(b) Functional and presentation currency

The financial report is presented in Australian dollars, which is the Trust's functional currency.

(c) Application of accounting standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2010 reporting periods. The impact of these new standards and interpretations is set out below:

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

AASB 9 *Financial Instruments* addresses the classification and measurement of financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not traded. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss. The Trust will adopt AASB 9 from 1 January 2013. Application of this standard will not have a significant impact on the Trust's financial statements as the Trust does not hold any available-for-sale investments.

- (ii) AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* [AASB 5, 8, 101, 107, 117, 118, 136 and 139].

In May 2009 the AASB issued a number of improvements to AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*, AASB 8 *Operating Segments*, AASB 101 *Presentation of Financial Statements*, AASB 101 *Statement of Cash Flows*, AASB 117 *Leases*, AASB 118 *Revenue*, AASB 136 *Impairment of Assets* and AASB 139 *Financial Instruments, Recognition and Measurement*. The Trust will apply the revised Standards from 1 July 2010. The Trust does not expect that any adjustments will be necessary as a result of applying the revised rules.

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

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

Notes to the Financial Statements (Continued)

BWA Cash Management Trust For the year ended 30 June 2010

Note 3 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in the financial report.

(a) Cash and cash equivalents

Cash comprises current deposits 'at call' with the Bank of Western Australia Ltd ("Bankwest"), a subsidiary of the Responsible Entity's ultimate parent company Commonwealth Bank of Australia. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(b) Loans and receivables

Loans and receivables includes interest accrued on cash held on deposit 'at call' with Bankwest which is unpaid as at balance date.

(c) Payables

Payables includes the Responsible Entity fee owing by the Trust which is unpaid as at balance date.

(d) Finance costs

Distributions paid and payable to unitholders are recognised in the Statement of Comprehensive Income as finance costs and as a liability where not paid at balance date, as unitholders are presently entitled to the distributable income as at 30 June 2010 under the Trust Constitution. Distributions paid are included in cash flows from financing activities in the Statement of Cash Flows.

(e) Interest income

Interest income arises from cash and cash equivalents and is recognised in the Statement of Comprehensive Income as it accrues using the effective interest method. Interest income includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of any interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis.

(f) Expenses

All expenses, including the Responsible Entity fee, are recognised in the Statement of Comprehensive Income on an accruals basis.

(g) Distributions and taxation

Under current legislation the Trust is not subject to income tax as its taxable income (including assessable realised capital gains) is distributed in full to the unitholders. The Trust fully distributes its distributable income, calculated in accordance with the Trust Constitution and applicable taxation legislation, to the unitholders who are presently entitled to the income under the Trust Constitution.

(h) Goods and services tax

The Responsible Entity fee and other expenses are recognised net of the amount of goods and services tax (GST) recoverable from the Australian Taxation Office (ATO) as a reduced input tax credit (RITC). Payables are stated with the amount of GST included. The net amount of GST recoverable from the ATO is included in loans and receivables in the Balance Sheet. Cash flows are included in the Statement of Cash Flows on a gross basis.

(i) Financial assets and liabilities

Classification

Financial assets that are classified as loans and receivables include balances due from financial institutions and accounts receivable. Financial liabilities that are not at fair value through profit or loss include net assets attributable to Unitholders, the Responsible Entity fee and accounts payable.

Recognition

The Trust recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument. Financial liabilities are not recognised unless one of the parties has performed.

Notes to the Financial Statements (Continued)

BWA Cash Management Trust For the year ended 30 June 2010

Note 3 Significant Accounting Policies (Continued)

(i) Financial assets and liabilities (Continued)

Measurement

Financial assets classified as loans and receivables are carried at amortised cost using the effective interest rate method, less impairment losses, if any. Financial liabilities are measured at amortised cost using the effective interest rate. Financial liabilities arising from the redeemable units issued by the Trust are carried at the redemption amount representing the investor's right to a residual interest in the Trust's assets, which is effectively fair value at the reporting date.

Impairment

Financial assets stated at amortised cost are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indication exists, impairment testing is carried out and an impairment loss is recognised in the Statement of Comprehensive Income as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

If in a subsequent period the amount of an impairment loss recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through the Statement of Comprehensive Income.

Derecognition

The Trust derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

(j) Redeemable units

All redeemable units issued by the Trust provide the investors with the right to require redemption for cash and give rise to a financial liability. In accordance with the current Product Disclosure Statement the Trust is contractually obliged to redeem units at redemption price, which includes an allowance for transaction costs that would be incurred by the Trust on disposal of its assets required to fund the redemptions.

(k) Unit prices

The unit price is based on unit price accounting outlined in the Trust Constitution and current Product Disclosure Statement.

Note 4 Auditors' Remuneration

Fees for audit services rendered to the Trust are borne by Responsibility Entity's ultimate parent entity, Commonwealth Bank of Australia and are included within the results of that entity.

Note 5 Net Assets Attributable to Unitholders

	2010		2009	
	Units	\$	Units	\$
Opening balance	658,606,813	658,606,813	501,325,666	501,325,666
Applications	1,823,329,357	1,823,329,357	1,704,419,154	1,704,419,154
Redemptions	(1,891,490,223)	(1,891,490,223)	(1,547,138,007)	(1,547,138,007)
Change in net assets attributable to unitholders	-	-	-	-
Closing balance	590,445,947	590,445,947	658,606,813	658,606,813

Note 6 Distributions Paid and Payable

	2010		2009	
	\$	Cents per unit	\$	Cents per unit
Interim distributions paid - monthly	21,704,246	3.43	26,061,052	4.46
Final distributions paid - June	69,012	0.01	51,805	0.01
	21,773,258	3.44	26,112,857	4.47

Note 7 Reconciliation of Cash Flows from Operating Activities

	2010	2009
	\$	\$
Profit from operating activities attributable to unitholders	21,773,258	26,112,857
<i>Changes in operating assets and liabilities:</i>		
(Increase) / Decrease in receivables	(14,573)	40,458
(Decrease) / Increase in payables	(2,634)	1,225
Net cash flows from operating activities	21,756,051	26,154,540

Notes to the Financial Statements (Continued)

BWA Cash Management Trust For the year ended 30 June 2010

Note 8 Risk Management

(a) Risk management framework

Identification, measurement and management of the risks facing the Trust is a strategic priority for the Responsible Entity. The Trust's investing activities expose it to various types of risk that are associated with the financial products and markets in which it invests. The Responsible Entity relies on the comprehensive framework developed by the Colonial First State business unit of the Commonwealth Bank of Australia to monitor and maintain high standards of risk management. The comprehensive framework covers the functions on accountability, oversight, measurement and reporting processes for risk management.

The Trust has exposure to the following risks from its use of financial products:

- Market risk
- Credit risk
- Liquidity risk
- Operational risk

This note presents information about the Trust's exposure to each of the above risks and the Responsible Entity's objectives, policies and processes for measuring and managing these risks.

(b) Market risk

Market risk is the risk that movements in interest rates will affect the Trust's results.

Interest rate risk

Interest rate risk is the risk of changes in the shape and direction of interest rates (yield curve risk) as well as mismatches in the repricing term of assets and liabilities.

Management of interest rate risk

Interest bearing financial assets and interest bearing financial liabilities mature or reprice in the short term, no longer than twelve months. As a result, the Trust is subject to limited exposure to interest rate risk due to fluctuations in the prevailing levels of market interest rates. The table below summarises the interest rate exposures of the Trust:

As at 30 June 2010	At call \$	Non-interest bearing \$	Total \$
Assets			
Cash and cash equivalents	590,445,947	-	590,445,947
Loans and receivables:			
Interest and other receivables	-	85,822	85,822
	590,445,947	85,822	590,531,769
Liabilities			
Net assets attributable to unitholders	590,445,947	-	590,445,947
Financial liabilities measured at amortised cost:			
Payables	-	16,810	16,810
Distribution payable	-	69,012	69,012
	590,445,947	85,822	590,531,769

Notes to the Financial Statements (Continued)

BWA Cash Management Trust For the year ended 30 June 2010

(b) Market risk (Continued)

As at 30 June 2009	At call \$	Non-interest bearing \$	Total \$
Assets			
Cash and cash equivalents	658,606,813	-	658,606,813
Loans and receivables:			
Interest and other receivables	-	71,249	71,249
	<u>658,606,813</u>	<u>71,249</u>	<u>658,678,062</u>
Liabilities			
Net assets attributable to unitholders	658,606,813	-	658,606,813
Financial liabilities measured at amortised cost:			
Payables	-	19,444	19,444
Distribution payable	-	51,805	51,805
	<u>658,606,813</u>	<u>71,249</u>	<u>658,678,062</u>

Sensitivity analysis

The nature of the operations of the Trust are such that changes in interest rates do not have an impact on profit.

(c) Credit risk

Credit risk is a risk of financial loss resulting from the failure of a counterparty to meet an obligation or commitment that it has entered into with the Trust.

Management of credit risk

Day to day management of credit risk is undertaken by management of the Responsible Entity in compliance with policies approved by the Board.

Financial assets subject to credit risk

The Trust's maximum exposures to credit risk are:

	2010 \$	2009 \$
Cash and cash equivalents	590,445,947	658,606,813
Loans and receivables		
Interest and other receivables	85,822	71,249
	<u>590,531,769</u>	<u>658,678,062</u>

External credit rating of financial assets neither passed due nor impaired

	2010 Rated A or above \$	2009 Rated A or above \$
Cash and cash equivalents with Bankwest	590,445,947	658,606,813
Loans and receivables from Bankwest	85,822	71,249
	<u>590,531,769</u>	<u>658,678,062</u>

Concentration of risks of financial assets with credit exposure

(i) Geographical sectors

The Trust's exposure to geographic regions at balance sheet date is limited to Australia.

(ii) Industry sectors

The Trust's exposure to industry sectors at balance sheet date is limited to the financial sector.

(d) Liquidity risk

Liquidity risk is the risk that the Trust does not have sufficient financial resources to meet its obligations when they become due, or will have to do so at excessive cost.

Management of liquidity risk

The Trust's liquidity policy is designed to ensure it has sufficient funds to meet its obligations as they fall due. There are two aspects to this risk. First, the Trust Constitution provides for the daily application and redemption of units and as a result the Trust must ensure that it has sufficient funds to meet Unitholder redemptions at any time. Second, the Trust must be able to cope with unforeseen outflows.

Notes to the Financial Statements (Continued)

BWA Cash Management Trust For the year ended 30 June 2010

(d) Liquidity risk (Continued)

Exposure to liquidity risk

Contractual maturities for financial liabilities on a gross cashflow basis are analysed as follows:

As at 30 June 2010	At call \$	Up to 1 month \$	1 to 3 months \$	Total \$
Payables	-	5,374	11,436	16,810
Distribution payable	-	69,012	-	69,012
Net assets attributable to unitholders	<u>590,445,947</u>	<u>-</u>	<u>-</u>	<u>590,445,947</u>
	<u>590,445,947</u>	<u>74,386</u>	<u>11,436</u>	<u>590,531,769</u>
As at 30 June 2009	At call \$	Up to 1 month \$	1 to 3 months \$	Total \$
Payables	-	5,935	13,509	19,444
Distribution payable	-	51,805	-	51,805
Net assets attributable to unitholders	<u>658,606,813</u>	<u>-</u>	<u>-</u>	<u>658,606,813</u>
	<u>658,606,813</u>	<u>57,740</u>	<u>13,509</u>	<u>658,678,062</u>

(e) Operational risk

The Responsible Entity of the Trust is responsible for monitoring the implementation of and adherence to those aspects of the risk management framework relating to operational and regulatory risk across the Trust.

The Responsible Entity of the Trust operates a business continuity plan that focuses on the recovery of major customer service and other Trust operations and on key technology platforms. This plan is designed to deal with relatively minor disruptions to the Trust's operations, through to business recovery after a major event. The plan is tested regularly, including back up facilities for premises and computer systems. Appropriate insurance cover is in place to protect the interests of the Trust and the Responsible Entity, its directors and officers.

(f) Capital management

The Trust considers its capital to be net assets attributable to unitholders. The Trust manages its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability.

The objective of the Trust is to provide Unitholders with returns in accordance with the Product Disclosure Statement ("PDS"). The Trust aims to deliver this objective through investing in bank deposits with Bankwest, an Authorised Deposit-Taking Institution regulated by the Australian Prudential Regulation Authority. The investments are made in accordance with the PDS and the Trust Constitution.

There have been no material changes in the Trust's management of capital during the period 1 July 2009 to 30 June 2010.

(g) Fair value of assets and liabilities

Balance as at 30 June 2010	Carrying Value \$	Fair value \$
Assets		
Cash and cash equivalents	590,445,947	590,445,947
Loans and receivables		
Interest and other receivables	85,822	85,822
Total financial assets	<u>590,531,769</u>	<u>590,531,769</u>
Liabilities		
Net assets attributable to unitholders	590,445,947	590,445,947
Financial liabilities measured at amortised cost:		
Payables	16,810	16,810
Distribution payable	69,012	69,012
Total financial liabilities	<u>590,531,769</u>	<u>590,531,769</u>

Notes to the Financial Statements (Continued)

BWA Cash Management Trust For the year ended 30 June 2010

(g) Fair value of assets and liabilities (Continued)

Balance as at 30 June 2009	Carrying Value \$	Fair value \$
Assets		
Cash and cash equivalents	658,606,813	658,606,813
Loans and receivables		
Interest and other receivables	71,249	71,249
Total financial assets	658,678,062	658,678,062
Liabilities		
Net assets attributable to unitholders	658,606,813	658,606,813
Financial liabilities measured at amortised cost:		
Payables	19,444	19,444
Distribution payable	51,805	51,805
Total financial liabilities	658,678,062	658,678,062

Note 9 Related Parties

Responsible Entity

The Responsible Entity of the BWA Cash Management Trust is BWA Managed Investments Ltd (ABN 97 108 678 397). The Responsible Entity's parent is Capital 121 Pty Ltd and its ultimate parent entity is Commonwealth Bank of Australia, a company incorporated in Australia and listed on the Australian Securities Exchange.

Key Management Personnel

The Trust does not employ personnel in its own right. However it is required to have an incorporated Responsible Entity to manage the activities of the Trust under the *Corporations Act 2001* and this is considered to be the key management personnel. The directors of the Responsible Entity are key management personnel of that entity and their names are disclosed in the Directors' Report.

The Responsible Entity is entitled to a management fee which is calculated as a proportion of net assets attributable to unitholders. During the financial year the Trust expensed an amount of \$2,075,023 (2009: \$2,019,255) and at balance date an amount of \$5,374 (2009: \$5,935) owing to the Responsible Entity was included in payables.

No compensation is paid directly by the Trust to directors, or other key management personnel, of the Responsible Entity.

The Trust has not made, guaranteed or secured, directly or indirectly, any loans to the Responsible Entity, its directors or its director-related entities at any time during the financial year.

Apart from the details disclosed in this note, no material contracts were entered into by the Trust with the Responsible Entity, its directors or its director-related entities since the end of the previous financial year and there were no such material contracts subsisting at year end.

Related party transactions

All transactions with related parties are conducted on normal commercial terms and conditions. From time to time the Responsible Entity, its directors or its director-related entities may invest in or withdraw from the Trust. These investments or withdrawals are on the same terms and conditions as those entered into by other Trust investors and are trivial and domestic in nature.

Entities related to the Responsible Entity invested in the Trust on terms and conditions comparable to other wholesale investors. The total investment by these related entities as at 30 June 2010 was \$39,983,373 (2009: \$73,297,081).

	2010 \$	2009 \$
St Andrew's Australia Pty Ltd	9,786,318	9,957,917
St Andrew's Life Insurance Pty Ltd	24,311,968	55,327,227
St Andrew's Insurance (Australia) Pty Ltd	5,885,087	5,190,249
St Andrew's Wealth Management Ltd	-	1,422,695
Whittaker Macnaught Pty Ltd	-	1,398,993
	39,983,373	73,297,081

Notes to the Financial Statements (Continued)

BWA Cash Management Trust For the year ended 30 June 2010

Note 9 Related Parties (Continued)

Related party investments held by the Trust

The Trust has no investment in the Responsible Entity or its associates. The Trust is only authorised to deal in high quality cash products (minimum Standard & Poor BBB rated) managed by the Responsible Entity or its associates. Details of the Trust's investments with related parties are as follows:

	2010	2009	2010	2009
	Cash and cash	Cash and cash	Interest received	Interest received
	equivalents	equivalents	and receivable	and receivable
	\$	\$	\$	\$
'At call' deposit with Bankwest (Credit rating : AA)	590,445,947	658,606,813	23,848,281	28,132,112

Interest and other receivables from related parties as at the reporting date are included within loans and receivables and are as follows :

	2010	2009
	\$	\$
Interest receivable on 'at call' deposit with Bankwest	74,386	57,740
Other receivables from Bankwest	11,436	13,509
	85,822	71,249

The Trust has a net intercompany loan account with BWA Managed Investments Ltd and at balance date an amount owing \$11,436 (2009: \$13,509) was included in payables. This loan is interest free and repayable within twelve months.

Note 10 Commitments and Contingencies

There are no commitments, contingent liabilities or contingent assets at 30 June 2010 (2009: \$Nil).

Note 11 Events Subsequent to Reporting Date

There has not arisen in the interval between the balance date and the date of this report any items, transactions or events of a material and unusual nature likely, in the opinion of the directors of the Responsible Entity, to affect significantly the operations of the Trust, the results of those operations, or the state of affairs of the Trust, in subsequent financial years.

Directors' Declaration

In the opinion of the directors of BWA Managed Investments Ltd, the Responsible Entity of the BWA Cash Management Trust:

(a) the financial statements and notes, set out on pages 4 to 15 are in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Trust's financial position as at 30 June 2010 and of its performance for the financial year ended on that date;
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors of BWA Management Investments Ltd.



Bradley Brian Massey

Director

Dated at Sydney this 20th day of September 2010

Independent auditor's report to the unitholders of BWA Cash Management Trust

Report on the financial report

We have audited the accompanying financial report of BWA Cash Management Trust (the Trust), which comprises the balance sheet as at 30 June 2010, 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 for BWA Cash Management Trust.

Directors' responsibility for the financial report

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

Auditor's responsibility

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

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

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

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

Liability limited by a scheme approved under Professional Standards Legislation

**Independent auditor's report to the unitholders of BWA Cash Management Trust
(continued)**

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

Independence

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

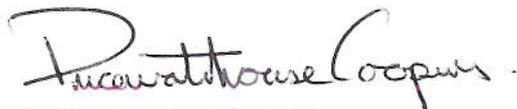
Auditor's opinion

In our opinion:

- (a) the financial report of BWA 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 2010 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the financial report of BWA Cash Management Trust (the Trust) for the year ended 30 June 2010 included on BWA Managed Investments Limited (the responsible entity) web site. The responsible entity's directors are responsible for the integrity of the BWA Managed Investments Limited web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.


PricewaterhouseCoopers


A.J. Wilson
Partner

Sydney
20 September 2010

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