

BWA Cash Management Trust

ARSN 110 965 761
ABN 46 190 401 396

Annual Report 30 June 2013

Issued by: Colonial First State Investments Limited
ABN 98 002 348 352 | AFS Licence 232468

BWA Managed Investments



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BWA Cash Management Trust

Directors' Report

The directors of Colonial First State Investments Ltd, the Responsible Entity of BWA Cash Management Trust ("the Trust"), present their report together with the financial report of the Trust for the year ended 30 June 2013 and the auditor's report thereon.

Responsible Entity

The registered office of the Responsible Entity is Ground Floor Tower 1, 201 Sussex Street, Sydney, New South Wales. The principal place of business of the Trust is Level 8, Bankwest Place, 300 Murray Street, Perth, Western Australia.

Directors

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

Name	
A Ward	Appointed 1 January 2013
A F Spring	
P J Taylor (Alternate Director to A F Spring)	
L E Cobley	Resigned 1 January 2013
P James	Appointed 1 January 2013
P Hodgett	Appointed 1 January 2013
M J Venter	
P R Winney	Resigned 1 January 2013
B B Massey	Resigned 1 January 2013
L Elkins	Appointed 1 January 2013

Secretaries

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

Name	
J F Greenhalgh	
R K Pierro	Resigned 7 December 2012
B Watts	Appointed 14 June 2013

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.

The Responsible Entity closed the Trust to new investors from 15 June 2012. Existing unitholders are not affected by this closure and can continue to transact on their accounts without change.

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 a Bankwest 'at call' deposit issued by 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

	2013		2012	
	\$	Cents per unit	\$	Cents per unit
Investment income	9,926,034	3.29	16,260,728	4.47
Interim distributions paid	8,276,813	2.75	14,344,350	3.94
Final distributions payable	50,952	0.02	54,789	0.02

Performance

The distributions paid or payable to retail and wholesale clients ranged between 2.25% and 3.58% for the financial year (2012: 3.00% and 4.83%).

BWA Cash Management Trust Directors' Report (Continued)

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 \$1,598,269 (2012: \$1,861,589). For retail clients of the Trust the MER was fixed at 0.60% for the financial year (2012: 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 (2012: \$Nil).

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 (the "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.

Auditor's Independence Declaration

The Auditor's Independence Declaration is set out on Page 3 and forms part of the Directors' Report for the year ended 30 June 2013.

This report is made in accordance with a resolution of the directors of Colonial First State Investments Ltd:



Linda Elkins

Director

Dated at Sydney this 2nd day of September 2013



Auditor's Independence Declaration

As lead auditor for the audit of BWA 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 BWA Cash Management Trust during the period.

A handwritten signature in black ink, appearing to read 'Justin Carroll', written in a cursive style.

Justin Carroll
Partner
PricewaterhouseCoopers

Perth
2 September 2013

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BWA Cash Management Trust

Statement of Comprehensive Income For the year ended 30 June 2013

	Note	2013 \$	2012 \$
Investment income			
Interest income		<u>9,926,034</u>	<u>16,260,728</u>
Total investment income		<u>9,926,034</u>	<u>16,260,728</u>
Expenses			
Responsible entity fees	9	<u>(1,598,269)</u>	<u>(1,861,589)</u>
Profit from operating activities attributable to unitholders		<u>8,327,765</u>	<u>14,399,139</u>
Distributions to unitholders	6	<u>(8,327,765)</u>	<u>(14,399,139)</u>
Profit for the year		<u>-</u>	<u>-</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income		<u>-</u>	<u>-</u>

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 2013

	2013	2012
	\$	\$
Balance at 1 July 2012	-	-
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 2013	<u>-</u>	<u>-</u>

Under Australian Accounting Standards, net assets attributable to unitholders are classified as a liability rather than equity. As a result there was no equity at the start or end of the 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 2013

	Note	2013 \$	2012 \$
Assets			
Cash and cash equivalents		265,890,206	324,932,388
Loans and receivables:			
Interest and other receivables	9	<u>65,011</u>	<u>74,234</u>
Total assets		265,955,217	325,006,622
Liabilities			
Financial liabilities measured at amortised cost:			
Payables		14,059	19,445
Distribution payable	6	<u>50,952</u>	<u>54,789</u>
Total liabilities (excluding net assets attributable to unitholders)		65,011	74,234
Net assets attributable to unitholders - liability	5	<u>265,890,206</u>	<u>324,932,388</u>
Represented by:			
Net assets attributable to unitholders at redemption price		<u>265,890,206</u>	<u>324,932,388</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 2013

	Note	2013 \$	2012 \$
Cash flows from operating activities			
Interest received		9,933,205	16,247,236
Responsible entity fees paid		<u>(1,601,603)</u>	<u>(1,857,402)</u>
Net cash flows from operating activities	7	8,331,602	14,389,834
Cash flows from financing activities			
Proceeds from the issue of redeemable units	5	1,211,888,355	1,381,705,347
Payments on the redemption of redeemable units	5	<u>(1,279,262,139)</u>	<u>(1,453,583,755)</u>
Net cash flows from financing activities		(67,373,784)	(71,878,408)
Net decrease in cash and cash equivalents		(59,042,182)	(57,488,574)
Cash and cash equivalents at beginning of year		324,932,388	382,420,962
Cash and cash equivalents at end of year		<u>265,890,206</u>	<u>324,932,388</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 2013

Note 1 Reporting Entity

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 2013.

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 financial statements were approved by the Board of Directors of the Responsible Entity on 2 September 2013.

(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 2013 reporting periods. The impact of these new standards (to the extent relevant to the Trust) and interpretations is set out below:

- (i) AASB 9 *Financial Instruments*, AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9*, 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. Application of this standard will not have a significant impact on the recognition and measurement of the Trust's financial instruments as they are carried at fair value through profit or loss.

- (ii) 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 Trust does not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period ending 30 June 2014. Application of this standard is not expected to have a significant impact on the Trust.

There are no other standards that are not yet effective and that are expected to have a material impact on the Trust in the current or future reporting periods and on foreseeable future transactions.

Notes to the Financial Statements (Continued)

BWA Cash Management Trust For the year ended 30 June 2013

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 Bankwest 'at call' deposits issued by the Responsible Entity's 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 2013 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.

Notes to the Financial Statements (Continued)

BWA Cash Management Trust For the year ended 30 June 2013

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.

(l) Comparatives

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

Note 4 Auditor's Remuneration

Fees for audit services rendered to the Trust are borne by the 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

	2013		2012	
	Units	\$	Units	\$
Opening balance	324,932,388	324,932,388	382,420,962	382,420,962
Applications	1,211,888,355	1,211,888,355	1,381,705,347	1,381,705,347
Redemptions	(1,279,262,139)	(1,279,262,139)	(1,453,583,755)	(1,453,583,755)
Units issued upon reinvestment of distributions	8,331,602	8,331,602	14,389,834	14,389,834
Change in net assets attributable to unitholders	-	-	-	-
Closing balance	265,890,206	265,890,206	324,932,388	324,932,388

Note 6 Distributions Paid and Payable

	2013		2012	
	\$	Cents per unit	\$	Cents per unit
Interim distributions paid - monthly	8,276,813	2.75	14,344,350	3.94
Final distributions paid - June	50,952	0.02	54,789	0.02
	8,327,765	2.77	14,399,139	3.96

Note 7 Reconciliation of Cash Flows from Operating Activities

	2013	2012
	\$	\$
Profit from operating activities attributable to unitholders	8,327,765	14,399,139
<i>Changes in operating assets and liabilities:</i>		
Decrease / (Increase) in receivables	9,223	(11,901)
(Decrease) / Increase in payables	(5,386)	2,596
Net cash flows from operating activities	8,331,602	14,389,834

Notes to the Financial Statements (Continued)

BWA Cash Management Trust For the year ended 30 June 2013

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 to monitor and maintain high standards of risk management throughout the Commonwealth Bank of Australia Group. 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 applicable to the Trust 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).

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 2013

	At call \$	Non-interest bearing \$	Total \$
Assets			
Cash and cash equivalents	265,890,206	-	265,890,206
Loans and receivables:			
Interest and other receivables	-	65,011	65,011
	<u>265,890,206</u>	<u>65,011</u>	<u>265,955,217</u>
Liabilities			
Net assets attributable to unitholders	265,890,206	-	265,890,206
Financial liabilities measured at amortised cost:			
Payables	-	14,059	14,059
Distribution payable	-	50,952	50,952
	<u>265,890,206</u>	<u>65,011</u>	<u>265,955,217</u>

Notes to the Financial Statements (Continued)

BWA Cash Management Trust For the year ended 30 June 2013

(b) Market risk (Continued)

As at 30 June 2012	At call \$	Non-interest bearing \$	Total \$
Assets			
Cash and cash equivalents	324,932,388	-	324,932,388
Loans and receivables:			
Interest and other receivables	-	74,234	74,234
	<u>324,932,388</u>	<u>74,234</u>	<u>325,006,622</u>
Liabilities			
Net assets attributable to unitholders	324,932,388	-	324,932,388
Financial liabilities measured at amortised cost:			
Payables	-	19,445	19,445
Distribution payable	-	54,789	54,789
	<u>324,932,388</u>	<u>74,234</u>	<u>325,006,622</u>

Sensitivity analysis

The table below summarises the sensitivity of the Trust's interest income due to fluctuations in market interest rates. The analysis is based on the assumption that interest rates changed by +/- 50 basis points (2012: +/- 60 basis points) from the year end rates with all other variables held constant. These reasonably possible movements in interest rates have been calculated based on management's best estimate, having regard to a number of factors, including the historical levels of changes in interest rates. However, actual movements in these rates 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 economies and markets. As a result, historic variations in these rates should not be used to predict future variations in these rates.

	2013		2012	
	+ 50 bps \$	- 50 bps \$	+ 60 bps \$	- 60 bps \$
Change in interest income	1,329,451	(1,329,451)	1,949,594	(1,949,594)

(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 of Directors of the Responsible Entity.

Financial assets subject to credit risk

The Trust's maximum exposures to credit risk are:

	2013 \$	2012 \$
Cash and cash equivalents	265,890,206	324,932,388
Loans and receivables		
Interest and other receivables	65,011	74,234
	<u>265,955,217</u>	<u>325,006,622</u>

External credit rating of financial assets neither passed due nor impaired

	2013 Rated A or above \$	2012 Rated A or above \$
Cash and cash equivalents with Bankwest	265,890,206	324,932,388
Loans and receivables from Bankwest	65,011	74,234
	<u>265,955,217</u>	<u>325,006,622</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.

Notes to the Financial Statements (Continued)

BWA Cash Management Trust For the year ended 30 June 2013

(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.

Exposure to liquidity risk

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

As at 30 June 2013	At call \$	Up to 1 month \$	1 to 3 months \$	Total \$
Payables	-	6,177	7,882	14,059
Distribution payable	-	50,952	-	50,952
Net assets attributable to unitholders	265,890,206	-	-	265,890,206
	265,890,206	57,129	7,882	265,955,217

As at 30 June 2012	At call \$	Up to 1 month \$	1 to 3 months \$	Total \$
Payables	-	9,511	9,934	19,445
Distribution payable	-	54,789	-	54,789
Net assets attributable to unitholders	324,932,388	-	-	324,932,388
	324,932,388	64,300	9,934	325,006,622

(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 Bankwest 'at call' deposits issued by the Responsible Entity's parent company Commonwealth Bank of Australia, 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 2012 to 30 June 2013.

(g) Fair value of assets and liabilities

Balance as at 30 June 2013	Carrying Value \$	Fair value \$
Assets		
Cash and cash equivalents	265,890,206	265,890,206
Loans and receivables		
Interest and other receivables	65,011	65,011
Total financial assets	265,955,217	265,955,217
Liabilities		
Net assets attributable to unitholders	265,890,206	265,890,206
Financial liabilities measured at amortised cost:		
Payables	14,059	14,059
Distribution payable	50,952	50,952
Total financial liabilities	265,955,217	265,955,217

Notes to the Financial Statements (Continued)

BWA Cash Management Trust For the year ended 30 June 2013

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

Balance as at 30 June 2012	Carrying Value \$	Fair value \$
Assets		
Cash and cash equivalents	324,932,388	324,932,388
Loans and receivables		
Interest and other receivables	74,234	74,234
Total financial assets	325,006,622	325,006,622
Liabilities		
Net assets attributable to unitholders	324,932,388	324,932,388
Financial liabilities measured at amortised cost:		
Payables	19,445	19,445
Distribution payable	54,789	54,789
Total financial liabilities	325,006,622	325,006,622

Note 9 Related Parties

Responsible Entity

The Responsible Entity of BWA Cash Management Trust is Colonial First State Investments Ltd (ABN 98 002 348 352). 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 \$1,598,269 (2012: \$1,861,589) and at balance date an amount of \$6,177 (2012: \$9,511) 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.

During the financial year, no entities related to the Responsible Entity invested in the Trust (2012: \$Nil).

Notes to the Financial Statements (Continued)

BWA Cash Management Trust For the year ended 30 June 2013

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:

	2013	2012	2013	2012
	Cash and cash equivalents	Cash and cash equivalents	Interest received and receivable	Interest received and receivable
	\$	\$	\$	\$
'At call' deposit with Bankwest (Credit rating : AA-)	265,890,206	324,932,388	9,926,034	16,260,728

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

	2013	2012
	\$	\$
Interest receivable on 'at call' deposit with Bankwest	57,129	64,300
Other receivables from Bankwest	7,882	9,934
	65,011	74,234

The Trust has a net intercompany loan account with Colonial First State Investments Ltd and at balance date an amount owing \$7,882 (2012: \$9,934) 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 2013 (2012: \$Nil).

Note 11 Events Subsequent to Reporting Date

There have 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 Colonial First State Investments Ltd, the Responsible Entity of 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 2013 and of its performance for the financial year ended on that date;
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Corporations Regulations 2001* and other mandatory professional reporting requirements; 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 Colonial First State Investments Ltd.



Linda Elkins

Director

Dated at Sydney this 2nd day of September 2013



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 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 Ltd ("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 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standard.

Auditor's responsibility

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

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

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

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

Independence

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

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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 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 Trust's financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers' in a cursive script.

PricewaterhouseCoopers

A handwritten signature in black ink that reads 'Justin Carroll' in a cursive script.

Justin Carroll
Partner

Perth
2 September 2013

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