

# BT Investor Choice Funds

Annual Report

Westpac Cash Management Trust

ARSN 088 187 928

for the year ended 30 June 2020

The Responsible Entity of the Fund is Westpac Financial Services Limited  
ABN 20 000 241 127, AFSL No. 233716.

The repayment of capital and the performance of the Fund is not guaranteed  
by either the Responsible Entity, Westpac Banking Corporation or member  
companies of the Westpac Group.

# **Westpac Cash Management Trust**

ARSN 088 187 928

**Annual report - for the year ended  
30 June 2020**

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## Annual report - for the year ended 30 June 2020

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These financial statements cover Westpac Cash Management Trust as an individual entity.

The Responsible Entity of Westpac Cash Management Trust is Westpac Financial Services Limited (ABN 20 000 241 127). The Responsible Entity's registered office is Level 18, 275 Kent Street, Sydney, NSW 2000.

## Directors' report

The directors of Westpac Financial Services Limited, the Responsible Entity of the Westpac Cash Management Trust ("the Trust"), present their report together with the Trust's financial statements for the year ended 30 June 2020.

### Principal activities

During the year, the Trust continued to invest into the Pandal Liquidity Management Trust in accordance with the provisions of the governing documents. Through this investment, the Trust was exposed to money market securities.

The Trust did not have any employees during the year.

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

### Directors

The following persons held office as directors of Westpac Financial Services Limited during the year or since the end of the year and up to the date of this report:

Vicki Allen  
Jonathan Sweeney  
Susan Thomas  
Katherine Vincent  
Andrew Walker (resigned 30 September 2019)

### Review and results of operations

Effective 12 March 2020, the Responsible Entity Fee relating to the Trust was reduced from 0.82% to 0.70% per annum and expense recoveries were reduced to 0% per annum. Effective 27 March 2020, the Responsible Entity fee was further reduced from 0.70% to 0.45% per annum.

The directors and management continue to assess the potential financial and other impacts to the Trust of the actions taken to address the coronavirus (COVID-19) outbreak. The current high-level of uncertainty regarding the severity and length of the outbreak and the depth and duration of the associated effects on economic and business activity and on investment markets has impacted investment outcomes and increased volatility in investment performance during the year.

There have been no other significant changes to the Trust's operations since the previous financial year. The Trust continued to invest in accordance with the investment objectives and guidelines as set out in the governing documents of the Trust and the provisions of the Trust's Constitution.

The performance of the Trust, as represented by the results of its operations, was as follows:

	Year ended	
	30 June 2020	30 June 2019
Operating profit/(loss) (\$'000)	<b>105</b>	419
<i>Distributions</i>		
Distributions paid and payable (\$'000)	<b>105</b>	419

**Directors' report (continued)**

**Fund performance**

The table below presents the performance of the Trust represented by the total annual return, which is calculated as the aggregation of the percentage capital growth and percentage distribution of income. The total annual return is shown for each of the past five years to 30 June 2020 and assumes that all distributions were re-invested during that period.

	<b>2020</b>	2019	2018	2017	2016
	%	%	%	%	%
Distribution of income	<b>0.28</b>	1.04	0.96	1.05	1.34
Total return	<b>0.28</b>	1.04	0.96	1.05	1.34

Consistent with the statements in the governing documents of the Trust, future performance is not guaranteed. Investors should exercise care in using past performance as a predictor of future performance.

The key differences, if any, between net assets for unit pricing purposes and net assets as reported in the financial statements prepared under Australian Accounting Standards have been outlined below:

	<b>As at</b>	
	<b>30 June 2020</b>	30 June 2019
	\$'000	\$'000
Redemption value of outstanding units	<b>35,699</b>	38,431
Adjustment for differences in valuation inputs	-	-
Net assets attributable to unitholders	<b>35,699</b>	38,431

**Significant changes in the state of affairs**

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

**Matters subsequent to the end of the financial year**

Effective 17 August 2020, the Responsible Entity fee was reduced from 0.45% to 0.38% per annum.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect:

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

## **Directors' report (continued)**

### **Likely developments and expected results of operations**

The Trust will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Trust and in accordance with the provisions of the Trust's Constitution.

The results of the Trust's operations will be affected by a number of factors, including the performance of investment markets in which the Trust invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

At the date of signing there is a high level of uncertainty regarding the depth and duration of the impacts on global and domestic economies, business activity and investment market indices from actions taken to address the COVID-19 outbreak. The directors and management will continue to manage and monitor this situation.

### **Indemnity and insurance of officers**

No insurance premiums are paid for out of the assets of the Trust for insurance cover provided to the officers of the Responsible Entity.

### **Indemnity of auditors**

The auditors of the Trust are in no way indemnified out of the assets of the Trust.

### **Fees paid to and interests held in the Trust by the Responsible Entity or its associates**

Fees paid to the Responsible Entity and its associates out of Trust property during the year are disclosed in note 10 to the financial statements.

No fees were paid out of Trust property directly to the directors of the Responsible Entity during the year.

The number of interests in the Trust held by the Responsible Entity or its associates as at the end of the financial year are disclosed in note 10 to the financial statements.

### **Interests in the Trust**

The movement in units on issue in the Trust during the year is disclosed in note 7 to the financial statements.

The value of the Trust's assets and liabilities is disclosed in the balance sheet and derived using the basis set out in note 2 to the financial statements.

### **Environmental regulation**

The operations of the Trust are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

### **Rounding of amounts to the nearest thousand dollars**

Amounts in the Directors' report have been rounded to the nearest thousand dollars in accordance with *Australian Securities & Investments Commission ("ASIC") Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless otherwise indicated.

**Directors' report (continued)**

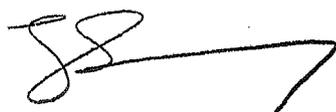
**Auditor's independence declaration**

A copy of the auditor's independence declaration, as required under section 307C of the *Corporations Act 2001*, is set out on page 6.

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

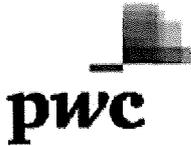


Director



Director

Sydney  
3 September 2020



## *Auditor's Independence Declaration*

As lead auditor for the audit of Westpac Cash Management Trust for the year ended 30 June 2020, 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.

A handwritten signature in black ink, appearing to read 'Darren Ross', is written over a large, thin-lined signature box.

Darren Ross  
Partner  
PricewaterhouseCoopers

Sydney  
3 September 2020

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**Westpac Cash Management Trust**  
**Statement of comprehensive income**  
**For the year ended 30 June 2020**

**Statement of comprehensive income**

	Notes	Year ended	
		30 June 2020 \$'000	30 June 2019 \$'000
<b>Income</b>			
Interest income		11	28
Distribution income		410	820
<b>Total income/(loss)</b>		<b>421</b>	<b>848</b>
<b>Expenses</b>			
Responsible Entity's fees	10(d)	269	334
Other operating expenses	5	47	95
<b>Total operating expenses</b>		<b>316</b>	<b>429</b>
<b>Operating profit/(loss)</b>		<b>105</b>	<b>419</b>
<b>Profit/(loss) for the year</b>		<b>105</b>	<b>419</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>105</b>	<b>419</b>

*The above statement of comprehensive income should be read in conjunction with the accompanying notes.*

**Westpac Cash Management Trust**  
**Balance sheet**  
**As at 30 June 2020**

**Balance sheet**

	Notes	As at	
		30 June 2020 \$'000	30 June 2019 \$'000
<b>Assets</b>			
Cash and cash equivalents	9	35,806	38,570
Accrued income		17	61
<b>Total assets</b>		<b>35,823</b>	<b>38,631</b>
<b>Liabilities</b>			
Distribution payable	8	22	95
Payables		102	105
<b>Total liabilities</b>		<b>124</b>	<b>200</b>
<b>Net assets attributable to unitholders - equity</b>	7	<b>35,699</b>	<b>38,431</b>

*The above balance sheet should be read in conjunction with the accompanying notes.*

**Westpac Cash Management Trust**  
**Statement of changes in equity**  
**For the year ended 30 June 2020**

**Statement of changes in equity**

	Notes	Year ended	
		30 June 2020 \$'000	30 June 2019 \$'000
<b>Total equity at the beginning of the financial year</b>		<b>38,431</b>	43,467
<b>Comprehensive income for the year</b>			
Profit/(loss) for the year		<b>105</b>	419
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>105</b>	419
<b>Transactions with unitholders</b>			
Applications	7	<b>4,685</b>	2,905
Redemptions	7	<b>(7,574)</b>	(8,317)
Units issued upon reinvestment of distributions	7	<b>157</b>	376
Distributions paid and payable	8	<b>(105)</b>	(419)
<b>Total transactions with unitholders</b>		<b>(2,837)</b>	(5,455)
<b>Total equity at the end of the financial year</b>		<b>35,699</b>	38,431

*The above statement of changes in equity should be read in conjunction with the accompanying notes.*

**Westpac Cash Management Trust**  
**Statement of cash flows**  
**For the year ended 30 June 2020**

**Statement of cash flows**

	Year ended	
	30 June 2020	30 June 2019
Notes	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Interest received	11	28
Distributions received	454	831
Responsible Entity's fees received/(paid)	(308)	(345)
Payment of other expenses	(69)	(99)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>88</b>	<b>415</b>
12(a)		
<b>Cash flows from financing activities</b>		
Proceeds from applications by unitholders	4,685	2,953
Payments for redemptions by unitholders	(7,516)	(8,313)
Distributions paid	(21)	(50)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(2,852)</b>	<b>(5,410)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(2,764)</b>	<b>(4,995)</b>
Cash and cash equivalents at the beginning of the year	<b>38,570</b>	<b>43,565</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>35,806</b>	<b>38,570</b>
9		
Non-cash transactions	12(b)	

*The above statement of cash flows should be read in conjunction with the accompanying notes.*

## **1 General information**

These financial statements cover Westpac Cash Management Trust ("the Trust") as an individual entity. The Trust was constituted on 11 March 1987.

The Responsible Entity of the Trust is Westpac Financial Services Limited ("the Responsible Entity"). The Responsible Entity's registered office is Level 18, 275 Kent Street, Sydney, NSW 2000. The financial statements are presented in Australian currency.

During the year, the Trust continued to invest into the Pandal Liquidity Management Trust in accordance with the provisions of the governing documents. Through this investment, the Trust was exposed to money market securities.

The financial statements were authorised for issue by the directors of the Responsible Entity on 3 September 2020. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

## **2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

### **(a) Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Accounting Standards Board and the *Corporations Act 2001* in Australia. The Trust is a for-profit unit trust for the purpose of preparing the financial statements.

The financial statements are 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 do not distinguish between current and non-current. All balances are expected to be recovered or settled within 12 months, except for financial assets at fair value through profit or loss.

The Trust manages financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such it is expected that a portion of the portfolio will be realised within 12 months, however an estimate cannot be reliably determined at the end of the reporting period.

In the case of net assets attributable to unitholders, the units are redeemed on demand at the unitholder's option. However holders of these instruments typically retain them for the medium to long term. As such the amount expected to be settled within 12 months cannot be reliably determined at the end of the reporting period.

#### *(i) Compliance with International Financial Reporting Standards*

The financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

#### *(ii) Comparatives*

Certain comparative figures have been restated to conform with the financial statement presentation adopted for the current year.

#### *(iii) New and amended standards adopted by the Trust*

Other than as noted below, there are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2019 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

## **2 Summary of significant accounting policies (continued)**

### **(a) Basis of preparation (continued)**

*(iii) New and amended standards adopted by the Trust (continued)*

#### *Adoption of AASB 16 Leases ("AASB 16")*

AASB 16 became effective for annual periods beginning on or after 1 January 2019. The adoption of this standard had no impact on the Trust's accounting policies nor the amounts recognised in the financial statements as the Trust does not hold leases.

### **(b) Financial instruments**

As the Trust invests in cash and cash equivalents, as at 30 June 2020 and 30 June 2019, the Trust did not have any financial assets and liabilities measured at fair value.

### **(c) Net assets attributable to unitholders**

Units are redeemable at the unitholder's option, however applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of unitholders. The units are classified as equity as the Trust has only one class of units and no contractual obligation to pay distributions.

A unitholder can redeem units at any time for cash based on the redemption price, which is equal to a proportionate share of the Trust's net asset value.

Units are classified as equity when they satisfy the following criteria under AASB 132 *Financial Instruments: Presentation*:

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Trust's liquidation,
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical,
- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Trust, and it is not a contract settled in the Trust's own equity instruments, and
- the total expected cash flows attributed to the puttable financial instrument over its life are based substantially on the profit or loss of the Trust.

### **(d) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash at bank, deposits held at call with financial institutions and investments in cash management trusts.

Payments and receipts relating to the purchase and sale of financial assets are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Trust's main income generating activity.

### **(e) Accrued income**

Accrued income may include amounts owed to the Trust for trust distributions and interest. Trust distributions are accrued when the right to receive payment is established. Interest is accrued from the time of last payment. Amounts are generally received within 45 days of being recorded as receivables.

### **(f) Unsettled sales/purchases**

Unsettled sales/purchases represent receivables for securities sold and/or payables for securities purchased that have been contracted for but not yet delivered by the end of the reporting period.

## **2 Summary of significant accounting policies (continued)**

### **(f) Unsettled sales/purchases (continued)**

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Trust measures the loss allowance on unsettled sales/purchases at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Trust measures the loss allowance at an amount equal to 12-month expected credit losses. The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses.

### **(g) Receivables**

Receivables include such items as Reduced Input Tax Credits ("RITC") and application monies receivable from unitholders.

### **(h) Payables**

Payables include liabilities, accrued expenses and redemption monies owing by the Trust which are unpaid as at the end of the reporting period.

Where the Responsible Entity has attributed income, a separate distribution payable is recognised in the balance sheet as at the end of each reporting period where this amount remains unpaid as at the end of the reporting period.

### **(i) Investment income**

Interest income is recognised in the statement of comprehensive income for all financial instruments that are not held at fair value through profit or loss as it accrues.

Trust distributions (including distributions from cash management trusts) are recognised on an entitlements basis.

### **(j) Expenses**

All expenses, including Responsible Entity's fees, are recognised in the statement of comprehensive income on an accruals basis.

### **(k) Income tax**

Under current legislation, the Trust is not subject to income tax provided it attributes or distributes (as appropriate) the entirety of its taxable income to its unitholders.

### **(l) Distributions**

In accordance with the Trust's Constitution, the Responsible Entity is entitled to determine the amounts to be distributed to unitholders. The distributions are recognised in the statement of changes in equity.

### **(m) Goods and Services Tax ("GST")**

The GST incurred on the costs of various services provided to the Trust, such as management fees, has been passed onto the Trust. The Trust qualifies for RITC, hence fees and other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office ("ATO"). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the balance sheet. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

### **(n) Use of estimates**

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

For certain other financial instruments, including unsettled sales and purchases and payables, the carrying amounts approximate fair value due to the short-term nature of these financial instruments.

## **2 Summary of significant accounting policies (continued)**

### **(o) New accounting standards and interpretations**

A number of new accounting standards and interpretations have been published that are not mandatory for the 30 June 2020 reporting period. None of these are expected to have a material effect on the financial statements of the Trust.

### **(p) Rounding of amounts**

The Trust is an entity of the kind referred to in *Australian Securities & Investments Commission ("ASIC") Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, relating to the 'rounding off' amounts in the financial statements. Amounts in the financial statements have been rounded off to the nearest thousand dollars, unless otherwise indicated.

## **3 Financial risk management**

The Trust's activities 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.

The Trust's overall risk management program focuses on ensuring compliance with its governing documents and seeks to maximise the returns derived for the level of risk to which the Trust is exposed. Financial risk management is carried out by the investment manager in accordance with board approved policies.

The Trust uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and price risks and ratings analysis for credit risk.

The investment manager mitigates these financial risks through diversification and a careful selection of securities within specified limits.

The Trust's performance exceptions to its benchmark are reported to the board on a regular basis.

The directors and management continue to assess the potential financial and other impacts to the Trust of the actions taken to address the coronavirus (COVID-19) outbreak. The current high-level of uncertainty regarding the severity and length of the outbreak and the depth and duration of the associated effects on economic and business activity and on investment markets has impacted investment outcomes and increased volatility in investment performance during the year.

At the date of signing there is a high level of uncertainty regarding the depth and duration of the impacts on global and domestic economies, business activity and investment market indices from actions taken to address the COVID-19 outbreak. The directors and management will continue to manage and monitor this situation.

### **(a) Market risk**

#### *(i) Price risk*

Price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices.

There is no significant direct price risk in this Trust.

#### *(ii) Foreign exchange risk*

Foreign exchange risk arises as the value of monetary securities denominated in other currencies fluctuates due to changes in exchange rates. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk and not foreign exchange risk.

The Trust does not hold any monetary assets denominated in currencies other than the Australian dollar as at 30 June 2020 and 30 June 2019.

### 3 Financial risk management (continued)

#### (a) Market risk (continued)

##### (iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Changes in interest rates can have a direct or indirect impact on the investment value and/or returns of all types of assets.

The Trust's interest bearing financial assets expose it to interest rate risk. Interest rate risk from these investments is reported as a component of interest rate risk for the purposes of the sensitivity analysis.

Exceptions to compliance are reported to the board on a regular basis.

The table presented in note 3(b) summarises sensitivity analysis to interest rate risk.

#### (b) Summarised sensitivity analysis

The following table summarises the sensitivity of the operating profit and net assets attributable to unitholders to interest rate risk. The analysis is based on reasonably possible movements in the risk variables applied to the Trust's net assets. The reasonably possible movements in the risk variables have been determined based on management estimates, having regard to a number of factors including historical levels of changes in market indices, security prices and/or benchmark returns, interest rates and foreign exchange rates. However actual movements in the risk variables may be greater or less than anticipated due to a number of factors. As a result historic variations in risk variables are not a definitive indicator of future variations in the risk variables.

The reasonably possible movements in the risk variables are based on long term averages consistent with the investing profile of the Trust.

	Impact on operating profit/(loss)/Net assets attributable to unitholders	
	Interest rate risk	
	-0.25%	+0.50%
	(2019: -1.00%)	(2019: +1.00%)
<b>As at</b>	<b>\$'000</b>	<b>\$'000</b>
<b>30 June 2020</b>	<b>(90)</b>	<b>179</b>
30 June 2019	(386)	386

In determining the impact of an increase/(decrease) in net assets attributable to unitholders arising from market risk, the Responsible Entity has considered prior period and expected future movements of the portfolio based on market information.

#### (c) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when they fall due, causing a financial loss to the Trust.

Credit risk primarily arises from cash and cash equivalents, deposits with banks and other financial institutions and amounts due from brokers.

The assets of the Trust are not impaired.

### 3 Financial risk management (continued)

#### (c) Credit risk (continued)

The Trust determines credit risk and measures expected credit losses for financial assets measured at amortised cost using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any expected credit loss. Management considers the probability of default to be close to zero as these financial assets have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be insignificant to the Trust.

Investments in unlisted unit trusts are exposed to credit risk.

Concentrations of direct credit risk are minimised primarily by:

- ensuring counterparties, together with the respective credit limits, are approved,
- ensuring that transactions are undertaken with a number of counterparties.

Exceptions to compliance are reported to the board on a regular basis.

There were no significant direct concentrations of credit risk to counterparties as at 30 June 2020 or 30 June 2019.

#### (d) Liquidity risk

Liquidity risk is the risk that sufficient cash resources may not be able to be generated to settle obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Trust is exposed to daily cash redemptions of redeemable units. The liquidity risk associated with the need to meet redemption requests is mitigated by maintaining adequate liquidity to fulfil usual redemption volumes.

The risk management guidelines adopted are designed to minimise liquidity risk through:

- ensuring that there is no significant exposure to illiquid or thinly traded financial instruments, and
- applying limits to ensure there is no concentration of liquidity risk to a particular counterparty.

Exceptions to the above are reported to the board on a regular basis.

#### (i) Maturities of non-derivative financial liabilities

The non-derivative financial liabilities of the Trust comprise distribution payable, unsettled purchases and payables. These have no contractual maturities but are typically settled within 30 days.

### 4 Fair value measurement

As the Trust invests in cash and cash equivalents only as at 30 June 2020 and 30 June 2019, the Trust did not have any financial assets and liabilities measured at fair value.

Unlisted unit trusts are valued at the redemption value per unit as reported by the managers of such funds.

### 5 Other operating expenses

	Year ended	
	30 June 2020 \$'000	30 June 2019 \$'000
Reimbursable expenses	47	95
Total other operating expenses	47	95

## 6 Remuneration of auditors

	Year ended	
	30 June 2020	30 June 2019
	\$	\$
<i>Audit and other assurance services</i>		
Audit of financial statements	13,814	13,346
Other services*	1,394	1,347
Total remuneration for audit and other assurance services	15,208	14,693

\* Other services include compliance plan audit and controls reporting.

Audit fees were included in reimbursable expenses for the years ended 30 June 2020 and 30 June 2019.

## 7 Net assets attributable to unitholders

Movements in the number of units and net assets attributable to unitholders during the year were as follows:

	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	No. '000	No. '000	\$'000	\$'000
Opening balance	38,431	43,467	38,431	43,467
Profit/(loss) for the year	-	-	105	419
Applications	4,685	2,905	4,685	2,905
Redemptions	(7,574)	(8,317)	(7,574)	(8,317)
Units issued upon reinvestment of distributions	157	376	157	376
Distributions paid and payable	-	-	(105)	(419)
Closing balance	35,699	38,431	35,699	38,431

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

### (a) Capital risk management

Management manages the Trust's net assets attributable to unitholders as capital. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Trust is subject to daily applications and redemptions at the discretion of unitholders.

Management monitors the level of daily applications and redemptions relative to the liquid assets in the Trust. In the event of a significant redemption, as permitted under the governing documents, management may decide to pay a special distribution and/or may delay payment of the redemption amount.

**8 Distributions to unitholders**

	Year ended	
	30 June 2020	30 June 2019
	\$'000	\$'000
Distributions paid		
- 30 September	46	111
- 31 December	18	108
- 31 March	19	105
Distribution payable		
- 30 June	22	95
	<b>105</b>	<b>419</b>

**9 Cash and cash equivalents**

	As at	
	30 June 2020	30 June 2019
	\$'000	\$'000
Cash at bank	2,001	2,003
Cash management trusts	33,805	36,567
Total cash and cash equivalents	<b>35,806</b>	<b>38,570</b>

**10 Related party transactions**

**(a) Responsible Entity**

The Responsible Entity of the Trust is Westpac Financial Services Limited (ABN 20 000 241 127), a wholly owned subsidiary of Westpac Financial Services Group Ltd (ABN 50 000 326 312). The ultimate parent entity is Westpac Banking Corporation (ABN 33 007 457 141). The registered office of the Responsible Entity and the Trust is Level 18, 275 Kent Street, Sydney, NSW 2000.

**(b) Directors**

The directors of Westpac Financial Services Limited during the financial year or since the end of the year and up to the date of this report were as follows:

Vicki Allen  
Jonathan Sweeney  
Susan Thomas  
Katherine Vincent  
Andrew Walker (resigned 30 September 2019)

## 10 Related party transactions (continued)

### (c) Other key management personnel

Name	Position	Employer
Alastair Welsh*	Acting Chief Executive, Business	Westpac Banking Corporation
Guilherme De Menezes Lima**	Chief Executive, Business	Westpac Banking Corporation
Jason Yetton**	Chief Executive, Specialist Businesses	Westpac Banking Corporation
Melinda Howes	General Manager, BT Superannuation, Specialist Businesses	Westpac Banking Corporation

\* Alastair Welsh was no longer classified as key management personnel when Guilherme De Menezes Lima was appointed Chief Executive, Business effective 2 December 2019.

\*\* Guilherme De Menezes Lima was no longer classified as key management personnel when Jason Yetton was appointed Chief Executive, Specialist Businesses effective 18 May 2020 due to a change in the structure of Westpac Banking Corporation.

There was no other person with responsibility for planning, directing and controlling the activities of the Trust, directly or indirectly, during the financial year.

### (d) Responsible Entity's/manager's fees and other transactions

For the period 1 July 2019 to 11 March 2020, the Trust incurred a total management fee of 0.82% (inclusive of GST, net of RITC available to the Trust) per annum. Having regard to changes in official RBA cash interest rates in March 2020, effective 12 March 2020, the management fee was reduced to 0.70% per annum. Effective 27 March 2020, the management fee was further reduced to 0.45% per annum. This fee was reduced again to 0.38% from 17 August 2020 (2019: 0.82%).

In addition, the Responsible Entity is entitled to be reimbursed out of the Trust for costs or expenses in connection with the keeping and preparation of accounting records and the maintenance of the register.

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the year and amounts payable/(receivable) at the end of each reporting period between the Trust and the Responsible Entity were as follows:

	30 June 2020 \$'000	30 June 2019 \$'000
Management fees incurred by the Trust	269	334
Administration expenses incurred by the Responsible Entity which are reimbursed in accordance with the Trust's governing documents #	47	95
Aggregate amounts payable/(receivable) to/(from) the Responsible Entity at the end of the reporting period	40	102

# This represents the amount paid out of the Trust to the Responsible Entity. In addition to this amount, the total fees charged also include the fee charged in the underlying fund.

Where the Trust invests into another fund, the Responsible Entity's fees are calculated after rebating the fee charged in the underlying fund. As a consequence, the amounts shown in the statement of comprehensive income reflect only the amount of the fees charged directly to the Trust.

### (e) Related party unitholdings

Parties related to the Trust (including the Responsible Entity, its related parties and other funds managed by the Responsible Entity) hold no units in the Trust (2019: Nil).

## **10 Related party transactions (continued)**

### **(f) Transactions with key management personnel**

Key management personnel services are provided by Westpac Financial Services Limited and included in the management fees disclosed in (d) above. There is no separate charge for these services. There was no compensation paid directly by the Trust to any of the key management personnel.

The Trust has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

#### *Key management personnel unitholdings*

At 30 June 2020 no key management personnel held units in the Trust (2019: Nil).

### **(g) Investments**

The Trust did not hold any investments in the Responsible Entity or its related parties during the year (2019: Nil).

### **(h) Other transactions within the Trust**

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Trust during the financial year and there were no material contracts involving key management personnel's interests existing at the end of the reporting period.

## **11 Structured entities**

A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control. Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities. Depending on the Trust's power over the activities of the entity and its exposure to and ability to influence its own returns, it may control the entity. However, the Trust applies the Investment Entity Exemption available under AASB 10 *Consolidated Financial Statements* and therefore does not consolidate its controlled entities. In other cases it may have exposure to such an entity but not control it.

An interest in a structured entity is any form of contractual or non-contractual involvement which creates variability in returns arising from the performance of the entity for the Trust. Such interests include holdings of units in unlisted trusts. The nature and extent of the Trust's interests in structured entities are summarised in note 9. Income earned and realised and unrealised gains/(losses) from structured entity investments are disclosed within the statement of comprehensive income.

The Trust has exposures to unconsolidated structured entities through its investment activities. The Trust's maximum exposure to loss is restricted to the carrying value of the asset.

The Trust's overall risk management program focuses on ensuring compliance with its governing documents and seeks to maximise the returns derived for the level of risk to which the Trust is exposed. The risks associated with the investments are referred to in note 3.

During the year the Trust did not provide financial support to unconsolidated structured entities and has no intention of providing financial or other support.

The Trust's investment strategy entails investments in other funds on a regular basis. The Trust intends to continue investing in other funds.

As at 30 June 2020, there were no capital commitment obligations other than what is in unsettled sales or unsettled purchases in the balance sheet (2019: \$Nil).

**12 Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities**

	Year ended	
	30 June 2020	30 June 2019
	\$'000	\$'000
<b>(a) Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities</b>		
Operating profit/(loss) for the year	105	419
Net change in accrued income and receivables	44	11
Net change in payables	(61)	(15)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>88</b>	<b>415</b>

**(b) Non-cash transactions**

Distribution payments satisfied by the issue of units reinvested under the distribution reinvestment plan	157	376
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**13 Events occurring after the reporting period**

Effective 17 August 2020, the Responsible Entity fee was reduced from 0.45% to 0.38% per annum.

No other significant events have occurred since the end of the reporting period which would impact on the financial position of the Trust disclosed in the balance sheet as at 30 June 2020 or on the results and cash flows of the Trust for the year ended on that date.

**14 Contingent assets and liabilities and commitments**

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2020 and 30 June 2019.

**Directors' declaration**

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 7 to 21 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 Trust's financial position as at 30 June 2020 and of its performance for the financial year ended on that date,
- (b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable, and
- (c) note 2(a) confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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



Director



Director

Sydney  
3 September 2020



## *Independent auditor's report*

To the unitholders of Westpac Cash Management Trust

### *Our opinion*

In our opinion:

The accompanying financial report of Westpac Cash Management Trust (the Trust) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Trust's financial position as at 30 June 2020 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### ***What we have audited***

The financial report comprises:

- the balance sheet as at 30 June 2020
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

### *Basis for opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

### ***Independence***

We are independent of the Trust in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### *Other information*

The directors of the Responsible Entity are responsible for the other information. The other information comprises the information included in the Trust's annual report for the year ended 30 June 2020, including the directors' report, but does not include the financial report and our auditor's report thereon.

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Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of the directors of the Responsible Entity for the financial report*

The directors of the Responsible Entity of the Trust 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 of the Responsible Entity determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors of the Responsible Entity are responsible for assessing the ability of the Trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Responsible Entity either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

*Auditor's responsibilities for the audit of the financial report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:  
[http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

  
PricewaterhouseCoopers

  
Darren Ross  
Partner

Sydney  
3 September 2020



## For more information

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### Disclaimer

BT Funds Management Limited ABN 63 002 916 458, AFSL No. 233724, BT Funds Management No. 2 Limited ABN 22 000 727 659, AFSL No. 233720 and Westpac Financial Services Limited ABN 20 000 241 127, AFSL No. 233716 are the responsible entities and issuer of units in the BT Investment Funds. BT Funds Management Limited ABN 63 002 916 458, AFSL No. 233724 is the responsible entity and issuer of units in the BT Premium Cash Fund. BT Funds Management Limited ABN 63 002 916 458, AFSL No. 233724 and BT Funds Management No. 2 Limited ABN 22 000 727 659, AFSL No. 233720 are the responsible entities and issuer of units in the BT Classic Investment Funds. BT Funds Management No. 2 Limited ABN 22 000 727 659, AFSL No. 233720 is the responsible entity and issuer of units in the BT Global Share Fund. Westpac Financial Services Limited ABN 20 000 241 127, AFSL No. 233716 is the responsible entity and issuer of units in the BT Investor Choice Funds.

A Product Disclosure Statement (PDS) is available for BT Investment Funds, BT Classic Investment Funds, BT Investor Choice Funds and BT Premium Cash Fund can be obtained by calling 132 135, or visiting [bt.com.au](http://bt.com.au). The responsible entity of each investment option is set out in the relevant PDS or disclosure document. You should obtain and consider the PDS or relevant disclosure document before deciding whether to acquire, continue to hold or dispose of interests in the investment options. This information has been prepared without taking account of your objectives, financial situation or needs. Because of this you should, before acting on this information, consider its appropriateness, having regard to your objectives, financial situation and needs. BTFG's Financial Services Guide can be obtained by calling 132 135, or visiting [bt.com.au](http://bt.com.au).

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The tax position described is a general statement and is for guidance only. It has not been prepared by a registered tax agent. It does not constitute tax advice and is based on current tax laws and our interpretation. Your individual situation may differ and you should seek independent professional tax advice. Past performance is not a reliable indicator of future performance.