



6 August 2001

The Auditor-General  
New South Wales  
234 Sussex Street  
SYDNEY NSW 2000

Dear Sir

I enclose herewith the Financial Statements and accompanying supporting notes to the Accounts, of the Upper Parramatta River Catchment Trust for the year ended 30 June 2001.

Yours faithfully,

Greg Otter  
Administration Officer



FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2001

STATEMENT IN ACCORDANCE WITH  
THE PUBLIC FINANCE AND AUDIT ACT, 1983

In our opinion, the Financial Statements consisting of the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and Notes attached thereto for the year ended 30 June 2001 exhibit a true and fair view of the financial position and transactions of the Upper Parramatta River Catchment Trust.

The financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act, 1983 and the Public Finance and Audit Regulation, 2000 and with the Treasurer's Directions as they relate to the preparation of accounts.

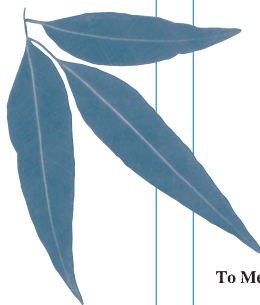
We are not aware at this time of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

This certificate is given for and on behalf of the Trust.

Axel Tennie  
Deputy Chairman  
6/8/2001

George Whitehouse  
Chairman  
6/8/2001





GPO BOX 12  
SYDNEY NSW 2001

**INDEPENDENT AUDIT REPORT**

**UPPER PARRAMATTA RIVER CATCHMENT TRUST**

To Members of the New South Wales Parliament and Members of the Trust

**Scope**

I have audited the accounts of the Upper Parramatta River Catchment Trust for the year ended 30 June 2001. The Members of the Trust are responsible for the financial report consisting of the accompanying statement of financial position, statement of financial performance and statement of cash flows, together with the notes thereto, and the information contained therein. My responsibility is to express an opinion on the financial report to Members of the New South Wales Parliament and Members of the Trust based on my audit as required by sections 34 and 41C(1) of the *Public Finance and Audit Act 1983* (the Act).

My audit has been conducted in accordance with the provisions of the Act and Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates.

These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the requirements of the Act, Accounting Standards and other mandatory professional reporting requirements, in Australia, so as to present a view which is consistent with my understanding of the Trust's financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

**Audit Opinion**

In my opinion, the financial report of the Upper Parramatta River Catchment Trust complies with section 41B of the Act and presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements the financial position of the Trust as at 30 June 2001 and the results of its operations and its cash flows for the year then ended.

R Hegarty FCPA  
Director of Audit  
(duly authorised by the Auditor-General of New South Wales  
under section 41C(1A) of the Act)

SYDNEY  
25 October 2001

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**Upper Parramatta River Catchment Trust  
STATEMENT OF FINANCIAL PERFORMANCE  
for the year ended 30 JUNE 2001**

	Notes	2001 \$	2000 \$
<b>Revenues from ordinary activities</b>			
River Management Service Charge	3	2,245,550	2,164,326
Contributions To Trust By External Bodies	4	364,874	641,479
Interest on Investments	5	174,719	131,264
Interest on GST Input Tax Credits		149	–
Bank Interest		28,655	11,988
Sales of Publications		1,560	1,533
Profit on Disposal of Motor Vehicle		8,255	–
Miscellaneous		12,230	2,133
		<u>2,835,992</u>	<u>2,952,723</u>
<b>Expenses from ordinary activities</b>			
Solve Existing Flooding Problems	6	1,668,566	212,339
Contain Future Flood Potential	7	308,487	295,327
Water Quality	8	291,824	192,918
Vegetation & Creek Bank Management	9	335,629	245,694
Community Involvement	10	164,658	138,502
Corporate Services	11	604,414	457,754
Depreciation Expense	13	89,688	80,822
		<u>3,463,266</u>	<u>1,623,356</u>
		<u>(627,274)</u>	<u>1,329,367</u>
<b>Deficit/Surplus from ordinary activities</b>			
<b>Total revenues, expenses and valuation adjustments recognised directly in equity</b>		–	–
<b>Total changes in equity other than resulting from transactions with owners as owners</b>		<u>(627,274)</u>	<u>1,329,367</u>

NOTE: THE ABOVE 'STATEMENT OF FINANCIAL PERFORMANCE' IS TO BE READ IN CONJUNCTION WITH THE ATTACHED 'STATEMENT OF FINANCIAL POSITION', 'STATEMENT OF CASH FLOWS' AND 'NOTES TO AND FORMING PART OF THE ACCOUNTS'.





Upper Parramatta River Catchment Trust  
STATEMENT OF FINANCIAL POSITION  
as at 30 JUNE 2001

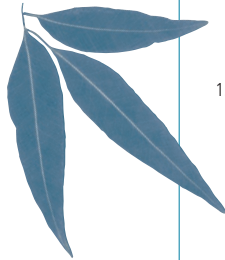
	Notes	2001 \$	2000 \$
<b>CURRENT ASSETS</b>			
Cash Assets	20	212,248	399,190
Investments	20	2,047,910	2,701,542
Receivables	12	137,000	43,240
Prepayments		46,718	18,515
		<u>2,443,876</u>	<u>3,162,487</u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	13	8,800,750	8,792,167
		<u>8,800,750</u>	<u>8,792,167</u>
<b>TOTAL ASSETS</b>		<u>11,244,626</u>	<u>11,954,654</u>
<b>CURRENT LIABILITIES</b>			
Payables	14	51,299	143,081
Provisions	15	19,406	10,378
		<u>70,705</u>	<u>153,459</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	2(c)	6,418	6,418
		<u>6,418</u>	<u>6,418</u>
<b>TOTAL LIABILITIES</b>		<u>77,123</u>	<u>159,877</u>
<b>NET ASSETS</b>		<u>11,167,503</u>	<u>11,794,777</u>
<b>EQUITY</b>			
Accumulated Funds	22	11,167,503	11,794,777
<b>TOTAL EQUITY</b>		<u>11,167,503</u>	<u>11,794,777</u>

NOTE: THE ABOVE 'STATEMENT OF FINANCIAL POSITION' IS TO BE READ IN CONJUNCTION WITH THE ATTACHED 'STATEMENT OF FINANCIAL PERFORMANCE', 'STATEMENT OF CASH FLOWS' AND 'NOTES TO AND FORMING PART OF THE ACCOUNTS'.

Upper Parramatta River Catchment Trust  
STATEMENT OF CASH FLOWS  
for the year ended 30 JUNE 2000

	Notes	2001 \$	2000 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments To Suppliers And Employees</b>			
Solve Existing Flooding Problems		(1,691,293)	(217,677)
Contain Future Flood Potential		(337,506)	(290,139)
Water Quality		(290,801)	(204,360)
Vegetation & Creek Bank Management		(321,538)	(253,197)
Community Involvement		(179,786)	(133,685)
Corporate Services		(625,816)	(484,783)
GST Paid		(202,951)	–
		<u>(3,649,691)</u>	<u>(1,583,841)</u>
<b>Receipts from Customers</b>			
River Management Service Charge		2,224,724	2,147,869
Contributions to Trust		400	31,378
Interest Received		203,240	145,587
Sales of Publications		1,535	1,317
GST Refunds from Australian Taxation Office		92,530	–
Miscellaneous Receipts		12,230	2,133
Contributions from Government		364,474	610,100
		<u>2,899,133</u>	<u>2,938,384</u>
<b>Net Cash(Used in)/ Provided in Operating Activities</b>	20(b)	<u>(750,558)</u>	<u>1,354,543</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Plant and Equipment		(100,672)	(32,450)
Proceeds from Sale of Motor Vehicles		10,656	(56,439)
		<u>(90,016)</u>	<u>(88,889)</u>
<b>Net Cash Used In Investing Activities</b>		<u>(90,016)</u>	<u>(88,889)</u>
<b>Net Increase(Decrease) In Cash Held</b>		<u>(840,574)</u>	<u>1,265,654</u>
<b>Cash at Beginning of the Financial Year</b>	20(a)	<u>3,100,732</u>	<u>1,835,078</u>
<b>Cash at End of the Financial Year</b>	20(a)	<u>2,260,158</u>	<u>3,100,732</u>

NOTE: THE ABOVE 'STATEMENT OF CASH FLOWS' IS TO BE READ IN CONJUNCTION WITH THE ATTACHED 'STATEMENT OF FINANCIAL PERFORMANCE', 'STATEMENT OF FINANCIAL POSITION' AND 'NOTES TO AND FORMING PART OF THE ACCOUNTS'.



**Upper Parramatta River Catchment Trust**  
**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**for the year ended 30 June 2001**

**1. REPORTING ENTITY**

The Upper Parramatta River Catchment Trust was constituted under the Water Supply Authorities Act, 1987 on 5th April 1989. This act was repealed by Schedule 7 of the Water Management Act 2000. The Trust now operates under Section 285 of the Water Management Act 2000. The purpose and objective of the Trust is, subject to the control and direction of the Minister, to assume responsibility for mitigating the impacts of flooding, control trunk drainage surcharge, water quality and related matters for the Parramatta River catchment upstream of the tidal limit.

The catchment includes parts of the Cities of Blacktown, Parramatta and Holroyd and the lands administered by the Baulkham Hills Shire Council.

**2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND METHODS**

**(A) Basis of Accounting**

- (1) The Trust's financial statements are a general purpose financial report which has been prepared on an accrual basis and in accordance with applicable Australian Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board (AASB), the provisions of the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2000 and the Treasurer's Directions. In the absence of applicable Accounting Standards, other authoritative pronouncements of the AASB or Urgent Issues Group Consensus Views, the hierarchy of other pronouncements as outlined in AAS 6 "Accounting Policies" is considered.
- (2) The statements have also been prepared under the historical cost convention using accrual accounting and do not take into account changing money values or, the current value of non-monetary assets.
- (3) All non current assets are brought to account at 'cost' being the amount given up at the date of acquisition including costs incidental to that acquisition. The assets 'Motor Vehicles', 'Office Equipment' and 'Darling Mills Creek' are depreciated under straight line basis over their useful lives to the Trust.

Life Expectancy of These Non-Current Assets	Years
Motor Vehicles	5
Office Computer Equipment	3
Office Furniture and Equipment	7
Darling Mills Creek Capital Works	200

- (4) Individual items of property plant and equipment with an acquisition cost greater than \$5,000 are capitalised in the accounts. Items with an acquisition cost of less than \$500 are generally expensed. Individual assets which cost between \$500 and \$5,000 and form part of a network which together exceed \$5,000 are capitalised.
- (5) The format of the accounts has been adopted to show the total cost of co-ordinating and/or undertaking various catchment management activities over the life of the Trust to mitigate flooding and generally improve the condition of the catchment. The format is consistent with Key Performance Areas.
- (6) With the exception of major works known as being at Darling Mills Creek, all works have been handed over to local authorities and minor plant and equipment will ultimately be disposed of with the proceeds used for Trust objectives. Accordingly, what may normally have been regarded as capital expenditure is written off as incurred except as referred to in Note 2 (A)(3).

The Darling Mills Creek works comprise a major flood retarding basin and ancillary environmental measures to remedy existing degradation of the Excelsior Reserve bushland and to mitigate any adverse impacts resulting from the retarding basin, and designed to protect the Parramatta Central

Business District, North Rocks, Northmead and most flood liable areas at North Parramatta and much of Rosehill. The works differ from other works constructed by the Trust in that previous works benefit particular councils interest where this work benefits multiple councils and in particular the CBD of Parramatta.

- (7) The 'Statement of Cash Flows' has been prepared using the direct method in accordance with AAS28.
- (8) The accounting policies applied in this year are consistent with those adopted in the previous year.
- (9) Revenue Recognition

A River Management Service Charge is levied by Sydney Water Corporation Limited on behalf of the Trust on ratepayers within the Upper Parramatta River Catchment Area. These charges are recognised as income in the year they are levied.

**(B) Tax Status**

The Trust is exempt from the payment of Income Tax.

**(C) Superannuation, Long Service Leave, Annual Leave and Sick Leave Entitlements**

The Trust currently has some officers working for it under secondment from the Department of Land and Water Conservation.

Payroll administration is being performed by the Department of Land and Water Conservation for both seconded officers and the Trust's own employees. As the Department remains liable to its officers for long service leave and superannuation, the Trust is paying to the Department salaries and on-cost thereon to discharge the liability that arises during the period and consequently no "provision" is made in the Trust's accounts for either superannuation or long service leave, for those personnel.

The Trust, effective from 27th July 1998 employed an officer who had acquired long service leave entitlement from prior employment. The value of the entitlement was paid to the Trust and is included in the Statement of Financial Position as a Non Current Liability.

**Sick Leave**

A liability for sick leave is not recognised in the accounts, as sick leave is not payable on termination and the average sick leave taken is less than entitlements accruing.

**Provision for Annual Leave**

This item represents the accumulated liability for the Trust's own employees regarding their annual leave entitlements. The total annual leave expense has been apportioned between the key performance areas in the 'Statement of Financial Performance'.

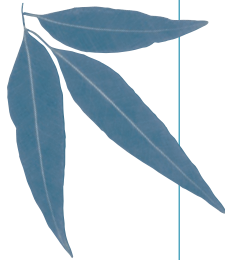
**3. RIVER MANAGEMENT SERVICE CHARGE**

Sydney Water Corporation Limited issues the bills to and collects the "River Management Service Charge" from those ratepayers (who are liable within the Upper Parramatta River Catchment area) on behalf of the Trust, in accordance with an agreement dated 22nd November 1989.

Sydney Water Corporation Limited has advised that income earned from the levying of the "River Management Service Charge" for the year ended 30 June 2001 was \$2,245,550 (30 June 2000 – \$2,164,326).

The Trust paid the Sydney Water Corporation Limited \$77,900 in the 2000/2001 financial year (30 June 2000 – \$77,900) for Commission fees for the service provided. See also Note 2(A)(9).





#### 4. CONTRIBUTION BY EXTERNAL BODIES

During the year ended 30 June 2001, the Trust benefited by grants and contributions to the Trust towards the following works:

From	Towards	2001 \$	2000 \$
Department of Land and Water Conservation	Streamwatch	–	25,000
	Creek Bank Improvements	–	80,000
	Lake Parramatta Water Quality	–	4,700
	Biodiversity Study	–	14,400
	Upper Toongabbie Creek Floodworks Stage 1B	300,000	436,000
Environmental Trust	Creek Bank Improvements	–	50,000
Baulkham Hills Shire Council	Stormwater Management Plan	4,259	2,691
	Streamwatch Awards	500	–
Blacktown City Council	Station Rd Culvert	17,311	–
	Streamwatch Awards	100	100
Holroyd City Council	Stormwater Management Plan	6,325	1,200
	Streamwatch Awards	100	100
Parramatta City Council	Catchment Cycleway Plan	5,000	–
	Stormwater Management Plan	18,050	27,188
	Streamwatch Awards	200	100
Roads & Traffic Authority	Catchment Cycleway Plan	10,000	–
Sydney Water	Community Education	2,629	–
Lever Rexona	Streamwatch Awards	400	–
		<u>364,874</u>	<u>641,479</u>

#### 5. INTEREST ON INVESTMENTS

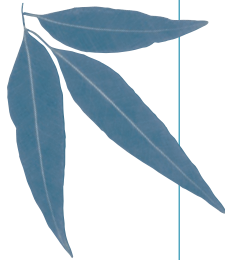
The Trust invests surplus funds on the short term money market. Interest earned on investments for the year ended 30 June 2001 was \$174,719 (30 June 2000 – \$131,264).

As the nature of the Trust's investments is Fixed Deposits at the Bank, the value is not impacted by movement of the market and related risk. Specifically, the investments are non speculative and carry virtually no risk.

#### KEY PERFORMANCE AREAS

	2001 \$	2000 \$
<b>6. SOLVE EXISTING FLOODING PROBLEMS</b>		
Designs	14,297	4,730
Construction	1,525,665	83,468
Investigation	128,604	124,141
	<u>1,668,566</u>	<u>212,339</u>
<b>7. CONTAIN FUTURE FLOOD POTENTIAL</b>		
Development Controls	79,727	131,214
Data Collection	42,134	44,641
Asset Maintenance	186,626	119,472
	<u>308,487</u>	<u>295,327</u>
<b>8. WATER QUALITY</b>		
Water Quality Monitoring	31,993	17,288
Streamwatch	97,666	87,749
Lake Parramatta	–	29,447
Support Stormwater Management Plan	128,713	40,933
Review/Supervision/Support by Trust	33,452	17,501
	<u>291,824</u>	<u>192,918</u>
<b>9. VEGETATION AND CREEK BANK MANAGEMENT</b>		
Green Corridors Strategy	141,916	124,230
Creek Bank Improvements – Bush Regeneration – Nursery	133,549	97,902
Catchment Cycleway Plan	30,217	–
Review/Supervision by Trust	29,947	23,562
	<u>335,629</u>	<u>245,694</u>
<b>10. COMMUNITY INVOLVEMENT</b>		
Relates to:		
• Encourage participation by affected residents/property owners in the supervision of studies into flooding of their area		
• Publish and Distribute Trust newsletters	164,658	138,502
• Prepare talks and displays at various local venues		
• Creek Signs		
	<u>164,658</u>	<u>138,502</u>
<b>11. CORPORATE SERVICES</b>		
Maintenance of computer accessed data base of all catchment properties paid to Sydney Water Corporation Limited	1,500	6,501
Office staff operating costs.	419,181	315,637
Review cut of flood works	10,920	–
Further improve the range of staff skills.		
Equipment purchases	660	2,900
Trustee and meeting expenses	77,986	30,171
Minister, Government and Annual Report	15,407	24,264
Commission paid to Sydney Water Corporation Limited for Revenue collection	77,900	77,900
Refund of Service Charges	860	381
	<u>604,414</u>	<u>457,754</u>





## 12. RECEIVABLES

As explained in Note 3, the Sydney Water Corporation Limited issues the Bills for and collects the 'River Management Service Charge'. Sydney Water Corporation Limited has advised the accounts receivable at 30 June 2001. As the 'River Management Service Charge' is a charge on the land no need arises for a 'Provision for Doubtful Debts'. The 'Receivables' comprise:

	2001 \$	2000 \$
Sydney Water Corporation Limited for River Management Service Charges	41,818	20,992
External customers	3,298	12,812
Australian Taxation Office	82,314	–
	<u>127,430</u>	<u>33,804</u>
Interest Receivable	9,570	9,436
	<u>137,000</u>	<u>43,240</u>

All trade and other debtors are recognised as amounts receivable at balance date. The Trust's terms of trade is seven days. Collectability of all debtors is reviewed on an ongoing basis. The carrying amount of receivables approximates net fair value.

## 13. PROPERTY PLANT AND EQUIPMENT

Cost	Motor Vehicles	Office Equipment	Darling Mills Creek Works	Total
	\$	\$	\$	\$
At 1 July 2000	63,098	121,896	8,881,321	9,066,315
Additions	64,340	36,333	–	100,673
	<u>127,438</u>	<u>158,229</u>	<u>8,881,321</u>	<u>9,166,988</u>
Disposals	21,809	–	–	21,809
At 30 June 2001	<u>105,629</u>	<u>158,229</u>	<u>8,881,321</u>	<u>9,145,179</u>
<b>Depreciation</b>				
At 1 July 2000	37,084	76,131	160,933	274,148
Depreciation for year	18,090	27,192	44,406	89,688
	<u>55,174</u>	<u>103,323</u>	<u>205,339</u>	<u>363,836</u>
Disposal	19,407	–	–	19,407
At 30 June 2001	<u>35,767</u>	<u>103,323</u>	<u>205,339</u>	<u>344,429</u>
<b>Carrying Value</b>				
30 June 2001	69,862	54,906	8,675,982	8,800,750
30 June 2000	26,014	45,765	8,720,388	8,792,167

The Trust considers that the carrying Value of Motor Vehicles and Office Equipment reasonably approximates market value.

### Revaluation of Property Plant and Equipment Policy

Property, plant and equipment are listed at historical cost. In accordance with Treasurer's Direction TC G1991/20 the Entity's assets will be revalued every five years. The completion of the Darling Mills Creek Retarding Basin was reached on 28 August 1996.

## 14. PAYABLES

	2001 \$	2000 \$
Trade creditors	25,890	18,182
Accruals	25,409	124,899
	<u>51,299</u>	<u>143,081</u>

The liabilities are recognised for amounts due to be paid in the future for goods or services received whether or not invoiced. Amounts owing to suppliers are generally settled within 30 days and are carried at contractual rate.

## 15. PROVISIONS

This item represents the accumulated liability of the Trust to its five employees for annual leave entitlements as at 30 June 2001. Total Annual Leave expense of \$24,199 (30 June 2000 – \$21,487) has been apportioned between the Key Performance Areas in the 'Statement of Financial Performance'.

## 16. CONTINGENT LIABILITIES

There was no contingent liabilities of any significance as at 30 June 2001. (30 June 2000 – \$16,000).

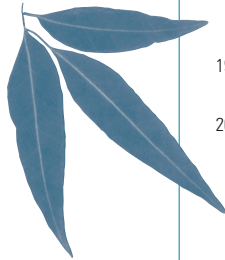
## 17. COMMITMENTS – CONTRIBUTIONS TO COUNCILS

The Trust in conjunction with the Council of the Cities of Blacktown, Holroyd and Parramatta and the Council of Baulkham Hills Shire undertake works to achieve the Trust's objectives as stated in Note 1. The Trust has made offers to the Councils to fund works on the basis of contributions by Councils and the Trust. Some offers have been accepted by Council resulting in commitments to pay upon completion of defined events. The schedule hereunder enumerates the commitments carried from 30 June 2001 to the future year. The contributions are not liable for Goods and Services tax.

	2001 \$	2000 \$
<b>Parramatta City Council</b>		
Pendle Hill Creek Floodway (Stages 3 & 4)	261,613	263,093
Lake Parramatta Wetland	27,800	27,800
Reconstruct Greystanes Creek at Toongabbie Bowling Club	–	129,718
<b>Baulkham Hills Shire Council</b>		
Green Corridors Management Strategy	50,000	–
Bank Stabilisation Darling Mills Creek	115,000	–
Stabilise Muirfield Golf Course Basin	60,000	–
Gooden Reserve Catchment	–	80,000
Lindsey Street Overland Flowpath	–	30,000
Gollan Avenue Voluntary Acquisition	–	109,500
<b>Holroyd City Council</b>		
Green Corridors Management Strategy	34,103	30,000
Support Industrial Audits	–	5,000
<b>Blacktown City Council</b>		
Bedivere/Meshn Streets Pipe Amplification	–	80,000
Green Corridors Management Strategy	50,000	40,000
Myrtle/Ollier Streets Basin	500,000	–
	<u>1,098,516</u>	<u>795,111</u>

The timing of the payment of these amounts is controlled upon the acceptance by Councils of the offer of financial support and the performance of the Works and consequently the payment timing is not quantifiable.





18. AUDITOR'S REMUNERATION

The Audit Office of NSW performed the audit of the Financial Report of the Trust for the year ended 30 June 2001 for a fee of \$9,500 (30 June 2000 – \$8,700).

19. CONSULTANCY FEES

Amounts paid to consultants during the year were \$294,887 (30 June 2000 – \$193,290).

20. NOTES TO THE 'STATEMENT OF CASH FLOWS'

(a) Reconciliation of Cash

For the purposes of the "Statement of Cash Flows", cash includes cash on hand and in banks and investments in short term fixed deposits at the Bank. Cash at the end of the reporting period as shown in the 'Statement of Cash Flows' is reconciled to the related items in the Balance Sheet as follows:

	2001	2000
	\$	\$
Investments	2,047,910	2,701,542
Cash at Commonwealth Bank	123,037	398,690
Cash at Westpac Bank	89,061	350
Cash on Hand	150	150
	2,260,158	3,100,732

(b) Reconciliation of 'Net Cash Provided/(Used) from Operating Activities' to Operating Surplus/(Deficiency).

	2001	2000
	\$	\$
Operating (Deficiency)/Surplus	(627,274)	1,329,367
Non cash items		
Depreciation	89,688	80,822
Profit on Disposal of Motor Vehicle	(8,255)	
Changes in Assets and Liabilities		
Increase in Prepayments	(28,203)	(2,804)
Increase in Receivables	(93,760)	(24,368)
Decrease in Payables	(91,782)	(27,494)
Increase/(Decrease) in Provisions	9,028	(980)
Net Cash (Used in)/Provided From Operating Activities	(750,558)	1,354,543

21. FINANCIAL INSTRUMENTS

(a) Financial Instruments and derivatives

The Trust is not exposed to significant risks from movements in foreign exchange rates as there are no financial assets and liabilities denominated in foreign currencies. The Trust does not participate in any type of hedging transaction or derivatives.

(b) Interest Rate Risk

Interest rate risk is the risk that the value of the instruments will fluctuate due to changes in market interest rates. The Trust's exposure to interest rate risks and the effective interest rates of financial assets and liabilities at the balance date are as follows:

		Effective Interest Rates	Floating Interest Rate	Fixed Interest Rate Maturity 1 year or less	Non Interest Bearing	Total Carrying amount as per the Balance Sheet
<b>Financial Assets</b>	<b>Notes</b>					
Investments	20	4.90	–	2,047,910	–	2,047,910
Cash at Commonwealth Bank	20	3.95	123,037	–	–	123,037
Cash at Westpac Bank	20	2.30	89,061	–	–	89,061
Interest Receivable Accrued	12	4.90	1,832	7,738	–	9,570
Receivable	12	–	–	–	137,000	137,000
			213,930	2,055,648	137,000	2,406,578
<b>Financial Liabilities</b>						
Payables	14	–	–	–	51,299	51,299
			–	–	51,299	51,299

(c) Credit Risk

Credit risk is the risk of financial loss arising from another party to a contract/or financial position failing to discharge a financial obligation thereunder. The Trust's maximum exposure to credit risk is represented by the carrying amounts of the financial assets included in the balance sheet.

22. EQUITY

	2001	2000
	\$	\$
At 1 July 2000	11,794,777	10,465,410
Transactions with owners as owners	–	–
Other than transactions with owners as owners		
(Deficit)/Surplus for the year	(627,274)	1,329,367
	11,167,503	11,794,777

