

Fiordland Conservation Trust

# Annual report 2009

*for the year ended 30 June*





## Executive Summary

Now into the second year of operation, the Fiordland Conservation Trust has a strong base to work from with the development of governing documentation, a business plan, and the contracted services of a Trust Manager. While 2007/08 was predominantly a set up phase for the Trust, two projects were still achieved. 2008/09 has seen a rapid expansion in projects, which are either completed, in their fundraising, planning or preparation stages.

Funds on hand currently sit at just under \$50,000, with \$36,000 of this tagged for specific projects, leaving general funds of approximately \$14,000.

Key activities undertaken by the Trust since inception include:

- Trust incorporated under the Charitable Trusts Act 1957 on 18 September 2007
- Development of the Trusts vision, mission, strategic and annual goals completed
- March 2008 – South Island Robin Transfer to Secretary Island completed, \$5,000
- April 2008 – Saddleback recovery to Chalky Island completed, Peregrine Wines \$5,000
- September 2008 – Trap replacement, Pomona Island completed, Gary Chisholm Family Trust \$5,200
- October 2008 – Contracted the services of a Trust Manager
- Cleddau Delta Restoration Project 2008/09 – set up and monitoring of traps, Eco Tours \$4,000
- Sinbad Valley Project – Major corporate sourced, funding applications underway, work on project begins July 2009, Sponsorship to be announced August 09, Set up - \$40,000, Ongoing - \$35,000 pa
- Kepler Peninsular Backyard Birdsong Project – in formation phase, a major community and corporate funded project covering a majority of the Kepler Peninsular, Set up - \$150,000, Ongoing - \$50,000 pa
- Indian Island Pest Eradication – a major one-off eradication project to be undertaken in winter 2009/10 on this historically significant Island. Project adopted by Fiordland Ecology Holidays, \$70,000
- Crested Grebe Lakeshore Project – protecting the vulnerable and rare nest sites of this bird, adopted by the local youth group who in conjunction with DOC are servicing a trap line on the lake edge
- Chalky Island Robin transfer – reintroduction of robins to this pest free island, to be undertaken in March 2010, project is funded by Chalkydigits clothing company through the proceeds from the sale of their robin badges, \$6,850
- March 2009 – hosted the Royal New Zealand Ballet as a fundraising exercise in conjunction with Fiordland Health Trust, raised a total of \$13,599, with \$6799.50 going to both trusts
- Donation Box income received of over \$2,500 since set up of the Trust
- Over \$900 raised through the sale of stoat traps made and sold by Alistair Jukes on behalf of the Trust

## An Introduction from the Chairman

It is with pleasure that we present the first annual report of the Fiordland Conservation Trust. We have included the first two years results of the Trust as the first years activities were mainly around establishing the Trust.

It is also very important that the facts in establishing the trust are recorded.

In early 2007 some discussions were held between Kim Hollows of Te Anau and Kevin O'Connor – Conservator for the Department of Conservation's Southland Region. Kim had become aware of a need for a way where funds from businesses and public could be directed to important conservation projects. There appears to be a growing need amongst the public who wish to support Conservation where their donations are used in a responsible and transparent way.

A meeting of interested people in May 2007 at Te Anau began the process of establishing what is now known as the Fiordland Conservation Trust.

In October 2007 we were privileged to have the company of their Excellencies the Governor General Sir Anand Satyanand and Lady Susan Satyanand at an evening at Fiordland Lodge to launch the Trust. Kevin O'Connor, then Southland Conservator for the Department of Conservation, and his staff did a tremendous job in assisting us in setting up the Trust and meeting some of those costs.

Kevin has now moved to a position in the Department office in Wellington.

During October 2008 the Trustees agreed to employ a Trust Manager on a part time basis, as it was considered that we required someone to promote and co-ordinate the Trust. We were very fortunate to have Rachel Cockburn join our team as Trust Manager. Margaret Denny came on as Trust Secretary and the team was complete.

The Trustees bring a wide range of experiences and during 2008 John Davies, one of the original Trustees resigned. Fortunately John agreed to be appointed Patron and we are fortunate to have John's continued support and his huge experience in business.

Murray Willans who was Technical Advisor to the Trust recently left the Department of Conservation to go farming full time, and agreed to become a Trustee to the Trust. His involvement in the set up of the Trust and ongoing technical support has been integral in the success of the Trust to date.

I would like to thank all the Trustees and advisors to the Trust for their ongoing support and commitment to ensuring our Trusts future success. Special mention must go to the Southland District Council for their accountancy support which enables the Trust to retain the highest level of transparency.

While it is sometimes seen as a struggle to establish an organisation such as the Fiordland Conservation Trust, we are now well established and the future looks very positive.

Roger McNaughton  
Chairman, Fiordland Conservation Trust.

## Organisation

**Patron** – John Davies, Queenstown

The Fiordland Conservation Trustees are:

**Roger McNaughton MNZM** - Chairman

A farmer and agricultural contractor of Woodlands, with a long history of involvement in conservation

**Frana Cardno QSO, JP**

Long standing Mayor of the Southland District Council, with over 30 years of community service and business experience

**Kim Hollows**

Helicopter company & Fiordland Cinema owner, with a 20 year history of deer recovery and latterly conservation in Fiordland

**Ron Peacock**

Owner of Fiordland Lodge, Te Anau and involved in various conservation roles since the early 1970's

**Nick Torr**

Independent contractor/consultant specialising in threatened species management and island restoration with 30 years experience

**Viv Shaw**

Consultant of Te Anau, with a 15 year academic background in marketing and international business and an active involvement locally in conservation

**Mark Sutton**

Local QEII representative, Waiiau Fisheries and Wildlife Habitat and Enhancement Trust Field Officer, Fish and Game representative with 30 years experience

**Murray Willans**

Farmer of Te Anau, recently retired Biodiversity Programme Manager from DOC with 20 years experience

**Trust Secretary**

Marg Denny – Recently retired from DOC, Marg has over 25 years experience working in both administration and the DOC visitor centre

**Trust Manager**

Operational and promotional support is provided on a part time basis through the contracted services of Rachel Cockburn. Appointed in September 2008, to date a total of 244 hours and over 100 volunteer hours have been spent on operational and fundraising activities.

Technical advice and assistance is being provided by the following organisations:

**Southland District Council** – Undertake all our accounting and banking services

**Department of Conservation** – Ongoing technical advice on projects, and assistance in planning and undertaking projects as appropriate.

**AWS Damien Pine** – Supporting the Trust by giving free legal advice as required

**KPMG Anne Edgar** – Supporting the Trust by giving free specialist tax advice

**Tim Mann Design** – Our specialist technology and design consultant for the Trust

## Vision Statement

To be an independent Trust inspiring the community to protect the special values in Fiordland and the wider Southland region.

## Mission Statement

To enhance the protection of natural flora and fauna within Fiordland and the wider Southland region through:

1. Identification of worthwhile conservation projects that might otherwise lack funding
2. Provision of a professional and accountable service to clients, matching their desire to support conservation with appropriate project opportunities
3. Funding of general conservation, research and education projects
4. Encouragement of our young people to get involved in conservation
5. Promotion of conservation successes within the region.

## Strategic Goals

### Conservation

- To promote the importance and value of conservation in Fiordland and the wider Southland region
- To identify conservation projects in Fiordland and the wider Southland region that require funding
- To match potential clients to appropriate conservation projects
- To promote research for conservation

### Community Involvement

- To keep the community informed about the Trust, its vision, objectives and achievements
- To encourage and support the active involvement of young people in conservation projects
- Develop professional relationships with key stakeholders

## Annual Goals for 2008-2009

### Conservation

- Identify 10 potential conservation projects with full costing information

### Community Involvement

- Keep community informed of Trust's activities and success stories
- Encourage members of the community to donate to the Trust
- Set up and promote a "young conservation leader" programme

### Relationship Development

- Identify key potential corporate clients
- Develop professional relationships with key stakeholders
  - Local businesses
  - National businesses
  - International businesses
  - Department of Conservation
  - Service organisations
  - Local and national government
  - Universities and other research organisations
  - Media
- Develop a set of guidelines for the Trust's management of relationships with clients
- Match key clients with a specific Trustee

### Communication

- Develop relationships with key businesses in Southland
- Design and develop a web presence
- Develop relationships with key media organisations
- Prepare and disseminate media releases on successful projects
- Prepare material on the Trust, its vision, objectives and plans for presentation to key stakeholders
- Make presentations to key service organisations (e.g. Rotary, Lions, etc.)
- Design a newsletter to keep supporters up-to-date with the Trust's achievements
- Circulate Trust brochures throughout Southland

### Fundraising

- Identify what funding the Trust requires
- Identify potential sources of funding
- Make applications to appropriate organisations for funding
- Secure key locations for donation boxes

## Projects 2007-08

### South Island Robin Transfer to Secretary Island

March 2008 saw the first Fiordland Conservation project carried out, in conjunction with the Department of Conservation, Te Anau. 30 South Island Robin were released on to New Zealand's largest inshore island, Secretary Island. This is the beginning of a new phase on this island, moving from removing pests, to restoration work and the reintroduction of threatened species, now that Secretary Island is predator free.

In 2004, the government announced \$7 million funding over a 10 year period for the removal of stoats and deer from Secretary and Resolution Islands in Fiordland National Park.

Robins have proven to be very vulnerable to rat plague events and have already disappeared from many areas on the mainland. It is important that populations of such vulnerable species are established in predator free areas.

Fiordland Conservation Trust Trustees and DOC staff were involved in this very successful transfer.

**Project Cost: \$5,000**

### Saddleback recovery on Chalky Island

April 2008, 39 endangered tieke/saddleback were captured from South Passage and Breaksea Islands before being released onto Chalky Island as part of a programme to extend populations of tieke back over their original range. Chalky Island (511ha) was the first island in Fiordland from which stoats were eradicated, in 1999.

The transfer of the birds was funded by Peregrine Wines through the Fiordland Conservation Trust as an extension of their interest in the conservation of threatened species. Funds from the sale of Peregrine's partner label Saddleback has enabled the physical and financial involvement in helping the rare South Island Saddleback, now only surviving on a few off-shore islands in Fiordland.

Peregrine staff and supporters of their company joined DOC staff to capture and release the birds, as part of their sponsorship support.

**Sponsor: Peregrine Wines • Project cost: \$5,000**



## Projects 2008-09

### Trap Replacement – Pomona Island

September 2008, 15 volunteers associated with the Pomona Island Charitable Trust spent several days replacing the old-style stoat traps on Pomona and the mainland, with new stainless steel traps. In addition to this, two new trap lines were put in place to the west and north of Rona Island on the mainland, in order to provide extra protection to the second largest island in Lake Manapouri. The existence of trap lines on the mainland adjacent to Pomona and Rona Islands plays a crucial part in keeping these islands predator free.

This project was made possible by a generous donation from the Gary Chisholm Family Trust of Christchurch, who had heard about the restoration of Pomona Island through the Fiordland Conservation Trust and was keen to support pest eradication work in Fiordland. The trap replacement project on Pomona provided a perfect opportunity for Gary and his family to fund a community based initiative.

**Sponsor: Gary Chisholm Family Trust • Project cost: \$5,200**

### Cleddau Delta Restoration Project

Beginning in 2007, this project is to control introduced animal pests in an area of 40 ha of coastal forest covering the old Cleddau River delta at Milford Sound. The project was funded by Eco Tours Ltd, a tourism operator running guided bus journeys between Queenstown, Te Anau and Milford Sound.

The aims of the project are to protect native birds to encourage them to breed, leading to a general increase in birdlife around Milford Sound, and to create a potential site where threatened birds may be reintroduced in the future.

The 2008/09 year saw the set up of 44 single traps targeting rats laid out along a grid. A total of 21 rats, 9 mice and 4 stoats were captured between September 08 and June 09. This adds to the 12 wooden stoat tunnel traps already laid out. These traps captured 4 stoats and 14 rats this past year.

**Sponsor: Eco Tours • Project Cost \$4,000**

### Sinbad Valley Project – Milford Sound

This is a nationally significant project, based at the head of Milford Sound, covering approximately 1500 ha. The Sinbad Valley forms a natural barrier of steep terrain, combined with a cold, wet climate which has limited the invasion of mammalian predators. This has helped to provide a safer refuge for the rare lizard species such as the Mahogany and Sinbad skinks and Cascade gecko.

The objective of the project is to form a 'natural mainland island' that will allow bird, lizard and invertebrate species present to thrive, and for the potential reintroduction of other threatened species in the long term.

The closeness of this valley to Mitre Peak/Milford Sound, a New Zealand icon and major tourist attraction, makes this valley potentially one of the most accessible in Fiordland. The Sinbad valley has been recognised since the early 1970's as being an area of national significance and is now in dire need of action in order to save the remaining species currently inhabiting the area.

The Trust has signed up a corporate sponsor for this significant project to the tune of \$35,000 per year. The initial set up cost of \$40,000 is being met by the corporate, along with various funding applications, still outstanding. This is an incredible contribution to conservation in New Zealand, and will be launched officially on 27 August 2009.

**Sponsor: To be announced • Project Cost \$35,000 pa**

### Kepler Peninsular – Backyard Birdsong Project

This project is still in its formation process at this stage, but is a significant and exciting project that the FCT will be focusing on in the 2009/2010 year.

Effectively, the project aims to 'infill' the area currently trapped by the Kepler Challenge Committee (KCC) with a 57km trap network. The KCC trap the entire length of the Kepler track (60km), which has the effect of almost 'ring fencing' the entire Kepler peninsular, an area of approximately 10,500 ha. This peninsular is home to a range of birdlife including some endangered species such as kiwi, whio, kaka, kea, kakariki, robin, rock wren, mohua and weka.

The set up costs for this project are estimated to be around \$150,000, and depending on the level of support, the Trust will spread this out over 3-4 years. Ongoing project costs will be approximately \$50,000 per annum which includes on average 8 yearly possum control and annual stoat track servicing.

This project is intended to be carried out in conjunction with youth, 'youth at risk' and the local community. The Trust will be talking to interested key stakeholders in the coming year.

**Set up cost: \$150,000 • Ongoing cost: \$50,000 pa**



chalkydigits

### Indian Island – Pest Eradication

Indian Island is a low lying forested island 168 ha in size and is one of Dusky Sound's special sites cloaked in Maori history. In 1773 Captain Cook first sighted the indigenous people of Fiordland on Indian Island, hence the name. Evidence of Maori settlement on the island is still visible today.

Current predator control established in 2000 is a perimeter of stoat traps checked and re-baited every six months to keep stoats from re-establishing on the Island. This regime has proven successful. The eradication of rats on the island will take place in the form of an aerial poison operation. This island is 500m from the mainland which means it would be very unlikely for a rat to invade by swimming.

The project has been 'adopted' by Ruth & Lance Shaw of Fiordland Ecology Holidays, who are seeking to raise \$70,000 through their wide contact base. The project terms were signed in May 2009, and to date almost \$20,000 has been raised. The project will be undertaken in the 2009/2010 winter, subject to funding.

**Supported by: Fiordland Ecology Holidays • Project cost: \$70,000**

### Crested Grebe – Lake Shore Project

Crested Grebe have disappeared from many parts of the South Island due to introduced mammals preying on their nests. In Fiordland they have declined severely, but today a small number still inhabit Lake Te Anau, along the shoreline between the DOC office and the Control Gates.

Stoat trapping along this area would help to protect these birds during nesting. The project has been 'adopted' by the local youth group who have laid the boxes out and pre baited them. In conjunction with DOC, the youth group will co-ordinate the ongoing servicing of these boxes, at no cost.

### Chalky Island – Robin Transfer

In 1999 the attempt to eradicate stoats off the Passage Islands and Chalky Island paid off. All three have been predator free ever since. Back in 1906 Richard Henry wrote "... there are (still) robins on Passage Island. I thought they were all gone."

Unfortunately robins were wiped out on all three islands decades before the stoat eradication. This Project is to return robins to these islands and help restore them to their natural state prior to the invasion of stoats.

Chalkydigits, an innovative New Zealand clothing company featuring New Zealand made products has adopted this project. As part of the 08/09 winter range, they have included designs based on pest eradication of islands and the native birds being re-introduced to the islands. They have also designed specifically for this project a 'funky' robin badge, the proceeds of which will go toward funding this transfer. The badges have been "flying out the door" so to speak.

Representatives of the company will be joining DOC in March 2010 to undertake the project.

**Sponsor: Chalkydigits • Project Cost: \$6,850**

## Financial

Funding for the Conservation Trust that does not include targeted donations comes from a variety of sources including fundraising, donation boxes, stoat traps, applications for funding, and general donations via our website or brochure.

In March 2009, the Trust hosted the RNZ Ballet – Tutus on Tour in Te Anau, in conjunction with the Fiordland Health Trust. This event was sold out, and the total amount raised was \$13,599, half of which was retained by the Conservation Trust, \$6,799.50.

Donation Boxes established in April 2008, with more in October 2008 have raised in excess of \$2,500. A majority of these donations come from the DOC Visitor Centre Te Anau and the Fiordland Cinema. A new FCT donation box has been established at the new Kepler car park, with an interpretation panel being worked on currently.

Stoat Traps are being built and sold by Alistair Jukes on behalf of the FCT, with proceeds from these sales coming back to the Trust. To date over \$900 has been raised through these sales.

An application for funding to the Enterprising Communities Fund targeted to fund a 20 hour per week Trust Manager, a Communications role, and the Technology costs was unsuccessful due to the fund being pulled in the recent government budget cuts. Although this was disappointing for the Trustees, the work undertaken for the application is proving to be very valuable for the Trust going forward. This included developing a business plan, a governance policy, and establishing a three year forecast cashflow and budget. This work was assessed by a third party reviewer from the Chamber of Commerce which indicated a very viable business model going forward. 80 volunteer hours were spent on this application.

The Trust continues to receive various donations from local, national and international supporters through the donation boxes, website and brochures.

## Financial Position – Year Ended 30 June 2008

Income	
Donations	3,219
<b>Total Income</b>	<b>\$ 3,219</b>

Expenditure	
Bank fees	18
Donation Boxes	460
Internet Costs	135
<b>Total Expenditure</b>	<b>613</b>
<b>Net (Surplus) Deficit</b>	<b>\$ 2,606</b>

## Financial Position – Year Ended 30 June 2009

Income	
Donations	7,875
Donation Boxes	2,453
RNZ Ballet	17,948
Stoat Traps	915
Trap Replacement – Pomona	5,200
Indian Island	\$17,125
Tourism Milford	20,000
Kepler Peninsular	1,000
Sinbad Donation	300
Other	585
<b>Total Income</b>	<b>73,401</b>

Expenses	
Bank Fees	950
Donation Boxes	460
Internet	137
Advertising	469
Office Expenses	9
Legal Fees	800
Trap Replacement Pomona Island	5,200
Wages	5,290
Ballet Expenses	4,349
<b>Total Expenses</b>	<b>17,664</b>

On-Call A/c	47,125
GST	58
<b>Net Cashflows</b>	<b>\$ 8,670</b>

Notes:  
\$6,800 proceeds from the RNZB to the Fiordland Health Trust to come out of the above figures

# Audited financial report

## Directory

Date of Settlement: 23 August 07  
Settlor: Frana Grace Cardno

Trustees: Kim Edward Hollows, Frana Grace Cardno,  
Ronald John Peacock, Roger Munro McNaughton,  
Nicholas Torr, Viv Shaw

Status: Charitable Trust  
Trust Capital: 10 dollars

## Statement of Financial Performance

For the year ended 30th June 2009	30 June 2009	30 June 2008
	\$	\$
<b>Income</b>		
Ballet & Programme Sales	12,987	-
Donations	52,966	3,219
DVD Sales	329	-
Interest	362	-
Movie Night	124	-
Sponsorship	3,000	-
Trap Sales	644	-
Total Income	<u>70,412</u>	<u>3,219</u>
<b>Expenditure</b>		
Advertising	1,001	-
Audit Fees	500	-
Ballet Expenses	10,616	-
Bank Fees	982	18
Donation Boxes	-	460
Internet Costs	-	135
Professional Services	800	-
Office Expenses	9	-
Trap Replacements	5,200	-
Management Fees	5,290	-
Total Expenditure	<u>24,398</u>	<u>613</u>
<b>Net Surplus</b>	<u><b>46,014</b></u>	<u><b>2,606</b></u>

## Statement of Changes in Equity

For the year ended 30th June 2009	30 June 2009	30 June 2008
	\$	\$
Equity at the beginning of the year	2,616	-
Net Surplus	<u>46,014</u>	<u>2,606</u>
Total Recognised Revenues & Expenses	48,630	2,606
Trust Capital	-	10
<b>Equity at the End of the Year</b>	<u><b>48,630</b></u>	<u><b>2,616</b></u>

## Statement of Financial Position

As at 30th June 2009	<b>30 June 2009</b>	<b>30 June 2008</b>
	\$	\$
<b>Equity</b>		
Accumulated Funds	48,620	2,606
Trust Capital	10	10
	<u><b>48,630</b></u>	<u><b>2,616</b></u>
 <b>Represented by:</b>		
 <b>Current Assets</b>		
Cash and Cash Equivalents	56,152	2,589
GST	-	17
Sundry Debtors	10	10
	<u>56,162</u>	<u>2,616</u>
<b>Total Assets</b>	<b>56,162</b>	<b>2,616</b>
 <b>Less Current Liabilities</b>		
GST	183	-
Accrued Expenses	550	-
Sundry Creditors	6,799	-
<b>Total Liabilities</b>	<u><b>7,532</b></u>	<u>-</u>
 <b>NET ASSETS</b>	 <u><b>48,630</b></u>	 <u><b>2,616</b></u>

Trustee



 Date 10 August 2009

## Statement of Accounting Policies

For the Year ended 30 June 2009

### REPORTING ENTITY

The Trust has been established under the Charities Act 2005. The Trust is domiciled in New Zealand.

The primary objective of the Trust is to share information and raise awareness within the community on conservation work and in particular with respect to young people and youth involvement in the work of the Trust.

The registered office of the Fiordland Conservation Trust is 33 Don Street, Invercargill.

The financial statements are for the Fiordland Conservation Trust for the year ended 30 June 2009.

### MEASUREMENT BASIS

The Financial Statements have been prepared in accordance with NZ Generally Accepted Accounting Practice (GAAP). They also comply with NZ IFRS and other applicable Financial Reporting Standards. The Trust has designated itself as a public benefit entity for the purpose of NZ IFRS.

The general accounting principles as appropriate for the measurement and reporting of results and financial position under the historical cost method have been followed in the preparation of these financial statements.

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

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of the Trust is New Zealand dollars.

### DIFFERENTIAL REPORTING

The Trust is a qualifying entity as defined by the Institute of Chartered Accountants of New Zealand Differential Reporting Framework.

The criteria establishing the Trust as qualifying for differential reporting exemptions are:

- The entity does not have public accountability: and
- The entity is not large in terms of the Framework.

The Trust has elected to take advantage of the differential reporting exemptions.

## Accounting Policies

### Debtors and Other Receivables

Debtors and other receivables are initially measured at fair value and subsequently measured at cost, amortised where necessary, using the effective interest method, less any provision for impairment.

### Cash and Cash Equivalents

These include cash on hand, cheque account funds, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

### Investments

Investments in bank deposits are initially measured at fair value plus transaction costs.

### Revenue Recognition

Revenue is measured at the fair value of consideration received. Interest income is recognised using the effective interest method.

### Creditors and Other Payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

## Taxation

### Goods and Services Tax

All items in the financial statements are stated exclusive of GST, except for debtors and other receivables and creditors and other payables, which are presented on a GST inclusive basis.

### Income Tax

The Fund is exempt from income tax as it is a Charitable Organisation registered under the Charities Commission.

### Financial Instruments

Financial instruments are contracts that give rise to financial assets and liabilities or equity instruments. Financial assets include cash and the contractual right to receive cash and financial assets including accounts receivable. Financial liabilities are contractual obligations to deliver cash or financial liabilities including accounts payable.

## Notes To The Financial Statements

### 1. Post Balance Date Events

There have been no significant subsequent events between the balance sheet date and the signing of the Financial Statements.

### 2. Contingent Assets and Liabilities

There are no contingent assets or liabilities as at 30 June 2009. (Nil June 2008)

### 3. Commitments

There are no commitments as at 30 June 2009. (Nil June 2008)

### 4. Financial Instrument Risks

The Trust has policies to manage the risks associated with financial instruments. The Trust is risk adverse and seeks to minimize exposure from its treasury activities. These policies do not allow any transactions that are speculative in nature to be entered into.

## Market Risk

### Interest rate risk

Fair value interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Trust's exposure to fair value rate risk is limited as it has no interest earning instruments such as short term bank deposits.

### Credit Risk

Credit risk is the risk that a third party will default on its obligation to the Trust, causing the Trust to incur a loss.

The Trust has no significant concentrations of credit risk, as it essentially operates a cash business and only invests funds with registered banks.

### Liquidity Risk

Liquidity risk is the risk that the Trust will encounter difficulty raising liquid funds to meet commitments as they fall due.

In meeting its liquidity requirements, the Trust maintains its investments in cash and cash equivalents and highly liquid investments.