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To the Public Trustee Public Trustee

Opinion

I have audited the financial report of Public Trustee for the financial year ended 30 June 2022.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Public Trustee as at 30 June 2022, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2022 for the Corporate Operations
- a Statement of Financial Position as at 30 June 2022 for the Corporate Operations
- a Statement of Changes in Equity for the year ended 30 June 2022 for the Corporate Operations
- a Statement of Cash Flows for the year ended 30 June 2022 for the Corporate Operations
- a Statement of Trusts being Administered for the year ended 30 June 2022
- a Statement of Comprehensive Income for the year ended 30 June 2022 for each of the Common Funds
- a Statement of Financial Position as at 30 June 2022 for each of the Common Funds
- a Statement of Cash Flows for the year ended 30 June 2022 for each of the Common Funds
- notes, comprising material accounting policies and other explanatory information
- a Certificate from the Public Trustee and the Chief Operating Officer.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of Public Trustee. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Public Trustee for the financial report

The Public Trustee is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards, and for such internal control as management determines 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 Public Trustee is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Public Trustee is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 26(2), 30(2) and 50(2) of the *Public Trustee Act 1995*, I have audited the financial report of Public Trustee for the financial year ended 30 June 2022.

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Public Trustee's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Public Trustee
- conclude on the appropriateness of the Public Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Public Trustee about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Andrew Richardson

Auditor-General

19 September 2022

Public Trustee

Corporate Financial Statements for the year ended 30 June 2022

**Public Trustee
CORPORATE
Statement of Comprehensive Income
for the year ended 30 June 2022**

	Note	2022 \$'000	2021 \$'000
Income			
Fees and charges	2.1	26 231	23 262
Community Service Obligations	2.3	5 793	5 509
Interest	2.4	39	56
Resources received free of charge	2.5	78	83
Unrealised gains on financial assets		-	1 693
Investment income		608	1 600
Other income	2.6	289	152
Total income		33 038	32 355
Expenses			
Employee benefits expenses	3.3	17 063	16 815
Supplies and services	4.1	5 881	5 846
Unrealised losses on financial assets		2 658	-
Impairment of receivables		-	20
Depreciation and amortisation	4.2	1 594	1 656
Borrowing costs	4.3	298	333
Total expenses		27 494	24 670
Net result before income tax equivalents		5 544	7 685
Income tax equivalent		1 663	2 306
Net result after income tax equivalents		3 881	5 379
Total comprehensive result		3 881	5 379

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

Public Trustee
CORPORATE
Statement of Financial Position
for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Current assets			
Cash and cash equivalents	6.1	7 998	8 400
Receivables	6.2	1 275	2 218
Total current assets		9 273	10 618
Non-current assets			
Other financial assets	6.3	17 997	20 649
Property plant and equipment	5.1	11 655	12 759
Intangible assets	5.4	3 555	531
Total non-current assets		33 207	33 939
Total assets		42 480	44 557
Current liabilities			
Payables	7.1	2 310	2 619
Financial liabilities	7.2	1 106	1 050
Contract liabilities	2.2	44	34
Employee benefits	3.4	1 768	2 283
Provisions	7.3	360	239
Total current liabilities		5 588	6 225
Non-current liabilities			
Payables	7.1	250	323
Financial liabilities	7.2	11 805	12 885
Employee benefits	3.4	2 623	3 350
Provisions	7.3	-	20
Total non-current liabilities		14 678	16 578
Total liabilities		20 266	22 803
Net assets		22 214	21 754
Equity			
Contributed Capital		2 950	150
Retained earnings		19 264	21 604
Total equity		22 214	21 754

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

**Public Trustee
CORPORATE
Statement of Changes in Equity
for the year ended 30 June 2022**

	Note	Contributed capital \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2020		-	23 357	23 357
Lease correction		-	(206)	(206)
Restated balance at 1 July 2021		-	23 151	23 151
Net result for 2020-21		-	5 379	5 379
Total comprehensive result for 2020-21		-	5 379	5 379
Transactions with State Government as owner				
Equity contribution received		150	-	150
Dividends Paid		-	(6 926)	(6 926)
Balance at 30 June 2021		150	21 604	21 754
Net result for 2021-22		-	3 881	3 881
Total comprehensive result for 2021-22		-	3 881	3 881
Transactions with State Government as owner				
Equity contribution received		2 800	-	2 800
Dividends Paid		-	(6 221)	(6 221)
Balance at 30 June 2022		2 950	19 264	22 214

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

The Public Trustee
CORPORATE
Statement of Cash Flows
for the year ended 30 June 2022

		2022 (Outflows) Inflows \$'000	2021 (Outflows) Inflows \$'000
Cash flows from operating activities	Note		
Cash inflows			
Fees and Charges		28 841	24 734
Community service obligations		5 793	5 509
Investment income		1 402	1 169
Sundry income		404	70
Interest		29	74
Cash generated from operations		36 469	31 556
Cash outflows			
Employee benefit payments		(18 392)	(17 135)
Payments for supplies and services		(6 625)	(6 458)
Tax equivalents		(2 608)	(2 110)
GST remitted to ATO		(1 750)	(1 590)
Interest paid		(298)	(333)
Cash used in operations		(29 673)	(27 626)
Net cash provided by operating activities	8.1	6 796	3 930
Cash flows from investing activities			
Cash inflows			
Proceeds from sales/maturities of investments		-	1 287
Cash generated from investing activities		-	1 287
Cash outflows			
Purchase of financial assets		(4)	(1 002)
Purchase of intangibles		(2 711)	(297)
Purchase of property, plant and equipment		(38)	(37)
Cash used in investing activities		(2 753)	(1 336)
Net cash used in investing activities		(2 753)	(49)
Cash flows from financing activities			
Cash inflows			
Capital contribution from Government		2 800	150
Cash generated from financing activities		2 800	150
Cash outflows			
Dividend distribution to State Government		(6 221)	(6 926)
Lease liabilities repaid		(1 024)	(979)
Cash used in financing activities		(7 245)	(7 905)
Net cash used in financing activities		(4 445)	(7 755)
Net decrease in cash and cash equivalents		(402)	(3 874)
Cash and cash equivalents at 1 July		8 400	12 274
Cash and cash equivalents at 30 June	6.1	7 998	8 400

The accompanying notes form part of these financial statements.

The Public Trustee
CORPORATE
Notes to and forming part of the financial statements
for the year ended 30 June 2022

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The Public Trustee
CORPORATE
Notes to and forming part of the financial statements
for the year ended 30 June 2022

1. About the Public Trustee

The office of the Public Trustee was established in 1881 and is constituted under the provisions of the *Public Trustee Act 1995*. The Public Trustee is a statutory officer pursuant to the *Public Trustee Act 1995*. The Public Trustee is a body corporate with the powers of a natural person.

The Public Trustee does not control any other entity and has no interests in unconsolidated structured entities. The financial statements and accompanying notes include all the controlled activities of the Public Trustee.

1.1. Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards.

For the purposes of preparing the financial statements, the Public Trustee is a not-for-profit entity. The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Where asset and liability line items combine amounts expected to be realised within 12 months and more than 12 months, the Public Trustee has separately disclosed the amounts expected to be recovered or settled after more than 12 months.

The *Public Trustee Act 1995*, through the provisions of Sections 47 and 48, provides for the payment to Government of taxation equivalents and dividends. The income tax liability is based on the Treasurer's accounting profit method, which requires that the corporate income tax rate be applied to the net profit. The Public Trustee consults with the Minister as to whether a dividend should be paid to the Treasurer for that financial year and, if so, as to the amount of the dividend.

The Public Trustee is also liable for payroll tax, fringe benefits tax and goods and services tax.

1.2. Objectives

The Public Trustee provides financial and administrative services to eligible South Australians. The Public Trustee's services include will making, powers of attorney preparation and estate and trust administration. We help those who cannot manage their own affairs, and those who have trusted us to assist them.

The Public Trustee
CORPORATE
Notes to and forming part of the financial statements
for the year ended 30 June 2022

1.3. Impact of COVID-19 pandemic on the Public Trustee

The COVID-19 pandemic has impacted on the operations of the Public Trustee and the impacts are included under the relevant disclosure notes. The key impacts in 2021-22 were:

- Discount on management fee for common funds.
- Market performance affecting returns on investments.

1.4. Significant transactions with government related entities

Significant transactions with the SA Government are identifiable throughout this financial report. In addition:

- Community Service Obligations \$5 793 000 (2021: \$5 509 000) as described in note 2.3
- Lease Payments to Department for Infrastructure and Transport \$1 440 000 (2021: \$1 490 000)
- Dividends paid to Department of Treasury and Finance \$6 221 000 (2021: \$6 926 000)
- Income tax equivalents paid to Department of Treasury and Finance \$1 662 000 (2021: \$2 294 000)

2. Income

2.1. Fees and charges

	2022	2021
	\$'000	\$'000
Revenue from contracts with customers	26 231	23 262
Total fees and charges	26 231	23 262

Timing of revenue recognition - point in time

Fees and charges

Capital Commission	6 919	6 890
Income Commission	5 830	4 021
Management fees ¹	10 986	10 008
Professional Fees	2 496	2 343
Total fees and charges	26 231	23 262

¹ Management fees are charged on the value of each fund at the first business day of each month at an effective rate of one-twelfth 1.025% (inclusive of GST) for the Cash Common Fund and the Fixed Interest funds, and 1.230% for Growth Common Funds which include Australian Shares, Overseas Shares and the Property Common Fund as authorised by the *Public Trustee Act 1995*.

Revenue recognition

The Public Trustee's source of revenue arises through the provision of the following services:

- Personal Estate Administration - managing the financial affairs of eligible South Australians who cannot manage their own affairs.
- Deceased Estate Administration
- Trust Administration
- Various professional services such as will and enduring power of attorney writing for concession holders, taxation return preparation and examination of private administrators accounts.

Under AASB 15, the Public Trustee recognises revenue when or as the performance obligation in a contract with a customer is satisfied ie when "control" of the services underlying the particular performance obligation is transferred to the customer.

The Public Trustee
CORPORATE
Notes to and forming part of the financial statements
for the year ended 30 June 2022

2.1. Fees and charges (continued)

Information on the Public Trustee's revenue recognition policies and performance obligations is summarised below:

Capital Commission

The Public Trustee earns capital commission primarily from the disposal of financial and non-financial assets. The performance obligation is the effective administration of the customers affairs.

Given the indeterminate length of the contract associated with administering customer affairs and the inherent uncertainties in determining capital commission, revenue is recognised at the time of the asset event when the revenue becomes reliably measurable. This point in time is at the time of the asset disposal with the exception of Trust administration where capital commission is earned during the on boarding of the Trust on funds transferred from an external party.

Income Commission and Management Fees

Income commission specifically relates to the Public Trustee's effort to perform administration duties for the customer. Management fees are earned on managing customer investments.

The performance obligation is satisfied each time a service is performed on behalf of the customer. Income commission revenue is recognised on receipt of income for example, interest income, pensions and rental income. Management fee revenue is recognised monthly in arrears.

Professional Service Fees

The performance obligation for professional services is satisfied at a point in time upon completion of the service. Revenue is recognised at the completion of the professional service for example at the completion of the will writing or taxation return.

2.2. Contract balances

	30 June	1 July
	2022	2021
	\$'000	\$'000
Receivables from contracts with customers, included in 'Receivables'	193	229
Contract liabilities	44	34

Contract liabilities primarily relate to financial examination fees received in advance for letters of administration customers. The fees are paid in advance and recognised as revenue when the examination process is complete. For a breakdown of when revenue is expected to be recognised refer to Note 9.2.

Revenue totalling \$18 000 was recognised in 2021-22 (2021: \$104 000) that was included in contract liabilities at 1 July 2021. No revenue related to adjustments to prices for performance obligations satisfied or partially satisfied in prior periods.

2.3. Community Service Obligations

	2022	2021
	\$'000	\$'000
Community service obligations from SA Government	5 793	5 509
Total Community Service	5 793	5 509

The Public Trustee is required under its charter to provide a number of non-commercial services to the South Australian community on behalf of the government. The government provides the Public Trustee with funding, in accordance with a community service obligation payment, to compensate for these non-commercial activities. These activities include managing the affairs of eligible South Australians who cannot manage their own affairs, managing small trusts, regulation of private administrators, litigation guardianship matters, will making and enduring power of attorney writing services.

The Public Trustee
CORPORATE
Notes to and forming part of the financial statements
for the year ended 30 June 2022

2.4. Interest

	2022	2021
	\$'000	\$'000
Interest on operating account	-	1
Interest on fixed term investments	39	55
Total interest	39	56

2.5. Resources received free of charge

	2022	2021
	\$'000	\$'000
Services received free of charge – Shared Services SA	78	83
Total resources received free of charge	78	83

Contribution of services are recognised only when a fair value can be determined reliably, and the services would be purchased if they had not been donated.

The Public Trustee receives payroll services from Shared Services SA. A corresponding expense is recognised in the financial statements (see note 4.1).

2.6. Other income

	2022	2021
	\$'000	\$'000
Recovery of rent	164	82
Sundry income	125	70
Total other income	289	152

Recovery of rent is for office space provided to the Office of the Public Advocate and Community Visitor Scheme at 211 Victoria Square.

3. Board, committees and employees

3.1. Key management personnel

Key management personnel of the Public Trustee include the Attorney-General, the Chief Executive, Attorney-General's Department and the Public Trustee Executive who have responsibility for the strategic direction and management of the office. Total compensation for key management personnel was \$907 000 in 2021-22 and \$881 000 in 2020-21. The compensation detailed below excludes salaries and other benefits the Attorney-General receives; the Attorney-General's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 of the *Parliamentary Remuneration Act 1990*.

	2022	2021
	\$'000	\$'000
Compensation		
Salaries and other short term employee benefits	824	803
Post-employment benefits	83	78
Total	907	881

Transactions with key management personnel and other related parties

Compensation of key management personnel is disclosed above. There were no other transactions with key management personnel or other related parties (2021: Nil).

The Public Trustee
CORPORATE
Notes to and forming part of the financial statements
for the year ended 30 June 2022

3.2. Remuneration of Board and Committee members

Members during the 2022 financial year were:

The Public Trustee Audit and Risk Management Committee:

V Hickey (chair) C Oerman
D Corcoran* L Jones*

The Public Trustee Investment Advisory Committee:

D Holston (chair) S Calder
T Brumfield* F Bartlett
N Rantanen* K Kelly*

The Public Trustee ICT Committee

N Rantanen* (chair) D Martino*
K Kelly* M Smith* (commenced 25 March 2022)
T Brumfield* M Hanson* (ceased 31 October 2021)

The Public Trustee Work Place Consultative Committee

M Doyle (chair) S Palmer*
N Rantanen* K Kelly*

The Work Place Consultative Committee attendees also include, two management representatives, two Public Service Association of SA Inc. representatives, one Public Service Association industrial officer and up to seven staff representatives.

The Public Trustee Health and Safety Committee

S Virgili (chair)* K Kelly*
S Palmer*

The Public Trustee Health and Safety Committee attendees also include, one management representative and up to seven worker representatives.

The Public Trustee Customer Experience Committee

K Kelly (chair)* N Rantanen*
T Brumfield* K Sinkinson *
A Hoogeveen * S Dinning*
K Higgins* S Fox*
N Harvey* S Morgante*

The Public Trustee Customer Experience Committee attendees also includes no more than 3 representatives from Team Leaders/ Front line staff.

*In accordance with the Premier and Cabinet Circular No. 016, government employees did not receive any remuneration for board/committee duties during the financial year.

Board and committee remuneration

The number of members whose remuneration received or receivable falls within the following bands:

	2022	2021
\$0 - \$19 999	5	5
\$20 000 - \$39 999	1	1
Total number of members	6	6

The total remuneration received or receivable by members was \$60 000 (2021: \$60 000). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

The Public Trustee
CORPORATE
Notes to and forming part of the financial statements
for the year ended 30 June 2022

3.3. Employee benefits expenses

	2022	2021
	\$'000	\$'000
Salaries and wages	12 954	13 075
Separation packages	646	203
Long service leave	(200)	(17)
Annual leave	1 217	1 182
Skills and experience retention leave	80	66
Employment on-costs - superannuation	1 404	1 460
Employment on-costs - other	794	778
Board and committee fees	60	60
Other employee related expenses	2	2
Workers compensation	106	6
Total employee benefits expenses	17 063	16 815

Employment on-costs - superannuation

The superannuation employment on-cost charge represents the Public Trustee's contributions to superannuation plans in respect of current services of current employees.

Executive remuneration

Remuneration of employees

The number of employees whose remuneration received or receivable falls within the following bands:

	2022	2021
	No.	No.
\$157 001 - \$177 000	1	1
\$177 001 - \$197 000	1	1
\$237 001 - \$257 000	1	1
\$317 001 - \$337 000	1	1
Total	4	4

The total remuneration received by those employees for the year was \$949 000 (2021: \$928 000).

The table includes all employees whose normal remuneration was equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits as well as any termination benefits for employees who have left the Public Trustee.

Separation packages

The number of employees who received a rejuvenation scheme payment was 14 (2021: 0).

The number of employees who received a targeted voluntary separation package was 0 (2021: 2).

	2022	2021
	\$'000	\$'000
Amounts paid to separated employees:		
Rejuvenation scheme ¹	646	-
Targeted voluntary separation packages	-	203
Leave paid to separated employees	483	65
Net cost to the Public Trustee	1 129	268

¹ The Public Sector Rejuvenation scheme included an incentive of \$50 000 to employees that had 10 years or more of service to leave the Public Sector and \$25 000 for less than 10 years' service.

The Public Trustee
CORPORATE
Notes to and forming part of the financial statements
for the year ended 30 June 2022

3.4. Employee benefits liability

	2022	2021
	\$'000	\$'000
Current		
Accrued salaries and wages	-	438
Annual leave	1 268	1 206
Long service leave	369	490
Skills and experience retention leave	131	149
Total current employee benefits	1 768	2 283
Non-current		
Long service leave	2 623	3 350
Total non-current employee benefits	2 623	3 350
Total employee benefits	4 391	5 633

Employee benefits accrue as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

Salaries and wages, annual leave, skills and experience retention leave (SERL) and sick leave

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at the reporting date.

The annual leave liability and the SERL liability in full is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Details about the measurement of long service leave liability is provided at note 10.1.

The Public Trustee
CORPORATE
Notes to and forming part of the financial statements
for the year ended 30 June 2022

4. Expenses

Employee benefits expenses are disclosed in note 3.3.

4.1. Supplies and services

	2022	2021
	\$'000	\$'000
Minor works, maintenance and equipment	12	19
Insurance	397	361
Information technology and communications	1 790	1 935
Accommodation	534	578
Legal expenses	31	8
Service contractors	1 860	1 487
Other Supplies and services	956	955
Auditors remuneration	223	226
Shared Services SA resources	78	83
Consultants	-	194
Total supplies and services	5 881	5 846

Auditors remuneration represents audit fees paid/payable to the Auditor General's Department relating to work performed under the *Public Finance and Audit Act 1987*. No other services were provided by the Auditor-General's Department.

Consultants

The number of consultancies and the dollar amount paid/payable (included in supplies and services expense) to consultants that fell within the following bands:

	2022	2022	2021	2021
	No.	\$'000	No.	\$'000
Below \$10 000	-	-	-	-
\$10 000 or above	-	-	2	194
Total	-	-	2	194

4.2. Depreciation and amortisation

	2022	2021
	\$'000	\$'000
Plant and equipment	39	72
Right-of-use assets	1 017	1 022
Accommodation and Leasehold improvements	407	407
Intangible assets	131	155
Total depreciation and amortisation	1 594	1 656

All non-current assets not held for sale with a limited useful life are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential.

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4.2. Depreciation and amortisation (continued)

Useful life

Depreciation and amortisation are calculated on a straight-line basis. Property, plant and equipment and intangible assets depreciation and amortisation are calculated over the estimated useful life as follows:

<u>Class of fixed asset</u>	<u>Useful life (years)</u>
Accommodation and Leasehold improvements	10
Plant and equipment	3 – 5
Right-of-use assets	3 – 10
Intangibles	3 – 5

Review of accounting estimates

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, on an annual basis. Changes in the expected life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

4.3. Borrowing costs

	2022	2021
	\$'000	\$'000
Interest on lease liabilities	298	333
Total borrowing costs	298	333

The Public Trustee does not capitalise borrowing costs.

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5. Non-financial assets

5.1. Property, Plant and equipment by asset class

Property, Plant and equipment comprises tangible assets owned and right-of-use (leased) assets.

	2022	2021
	\$'000	\$'000
Accommodation and leasehold improvements		
Leasehold improvements at cost	6 542	6 542
Accumulated depreciation at the end of the reporting period	(3 318)	(2 911)
Total Accommodation and Leasehold improvements	3 224	3 631
Right-of-use Building		
Office accommodation lease	22 310	22 303
Accumulated depreciation at the end of the reporting period	(14 302)	(13 291)
Total right-of-use building	8 008	9 012
Plant and equipment		
Plant and equipment at cost	559	516
Accumulated depreciation at the end of the reporting period	(450)	(468)
Total plant and equipment	109	48
Work in progress		
Work in progress at cost	314	62
Total work in progress	314	62
Right-of-use vehicles		
Right-of-use vehicles	8	21
Accumulated depreciation at the end of the reporting period	(8)	(15)
Total right-of-use vehicles	-	6
Total Property Plant and Equipment	11 655	12 759

The increase in the right-of-use building asset of \$7 000 in 2022 is due to a remeasurement adjustment required by the lease accounting standard AASB 116. There was a minor adjustment to the lease commencing 1 July 2022 resulting in a reduction of 1 car park.

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5.2. Property, plant and equipment owned by the Public Trustee

Property, plant and equipment owned by the Public Trustee with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed. Property, plant and equipment owned by the Public Trustee is recorded at fair value. Detail about the Public Trustee's approach to fair value is set out in note 10.2.

Impairment

Property, plant and equipment owned by the Public Trustee has not been assessed for impairment as they are non-cash generating assets that are specialised in nature and held for continual use of their service capacity.

Revaluation of property, plant and equipment is undertaken on a regular cycle as detailed in note 10.2. If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

Reconciliation of property, plant and equipment 2021-22

	Plant and equipment \$'000	Accommodation & Leasehold improvements \$'000	Work in Progress \$'000	Total \$'000
Carrying amount at 1 July 2021	48	3 631	62	3 741
Acquisitions	-	-	352	352
Depreciation and amortisation	(39)	(407)	-	(446)
Transfers between asset classes	100	-	(100)	-
Carrying amount at 30 June 2022	109	3 224	314	3 647

Reconciliation of property, plant and equipment 2020-21

	Plant and equipment \$'000	Accommodation & Leasehold improvements \$'000	Work in Progress \$'000	Total \$'000
Carrying amount at 1 July 2020	120	4 038	-	4 158
Acquisitions	-	-	62	62
Depreciation and amortisation	(72)	(407)	-	(479)
Carrying amount at 30 June 2021	48	3 631	62	3 741

5.3. Property, plant and equipment leased by the Public Trustee

Right-of-use assets for property, plant and equipment leased by the Public Trustee as lessee are measured at cost. Additions to leased property, plant and equipment during 2021-22 were nil (2021: \$37 000).

Short-term leases of 12 months or less and low value leases where the underlying asset value is less than \$15 000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and are disclosed in note 4.1.

The Public Trustee has a limited number of leases:

- 2 motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from 3 years (60 000km) up to 5 years (100 000km). No variable lease payments are provided for in the lease agreements and no options exist to renew the leases at the end of their term.
- An office accommodation lease located at 211 Victoria Square Adelaide. The initial accommodation lease commenced 24 May 2010 with an area of 3 717.20m² for a period of 10 years with a right of renewal of 5 years. A lease extension was negotiated for a further 10 years from 24 May 2020 with a right of renewal of 5 years and reduced area of 3 163.10m².

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5.3. Property, plant and equipment leased by the Public Trustee (continued)

The lease liabilities related to the right-of-use assets are disclosed in note 7.2. The Public Trustee's maturity analysis of its lease liabilities is disclosed in note 10.3. Expenses related to leases, including depreciation and interest expenses, are disclosed in note 4. Cash outflows related to leases are disclosed in note 8.1.

Impairment

Property, plant and equipment leased by the Public Trustee has been assessed for impairment. There was no indication of impairment. No impairment loss or reversal of impairment loss was recognised.

5.4. Intangible assets

	2022	2021
	\$'000	\$'000
Software		
Software at cost	6 785	6 785
Accumulated amortisation	(6 618)	(6 487)
Total software	167	298
Work in progress		
Work in progress at cost	3 388	233
Total work in progress	3 388	233
Total Intangible Assets	3 555	531

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$10 000.

Work in progress in 2022 includes the Public Trustee's new Customer Relationship Management system. The new system will be completed in September 2022.

Reconciliation of intangible assets 2021-22

	Software	Work in	Total
	\$'000	progress	\$'000
		\$'000	
Carrying amount at 1 July 2021	298	233	531
Acquisitions	-	3 155	3 155
Amortisation	(131)	-	(131)
Carrying amount at 30 June 2022	167	3 388	3 555

Reconciliation of intangible assets 2020-21

	Software	Work in	Total
	\$'000	progress	\$'000
		\$'000	
Carrying amount at 1 July 2020	451	-	451
Acquisitions	2	233	235
Amortisation	(155)	-	(155)
Carrying amount at 30 June 2021	298	233	531

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6. Financial assets

6.1. Cash and cash equivalents

	2022	2021
	\$'000	\$'000
Public Trustee Operating Account	1 498	1 900
Short term financial assets held to maturity	6 500	6 500
Total cash	7 998	8 400

Cash and cash equivalents are measured at nominal amounts. Short term financial assets held to maturity include amounts with maturities up to twelve months.

6.2. Receivables

	2022	2021
	\$'000	\$'000
Current		
Trade receivables		
From government entities	-	125
From non-government entities	203	252
Less impairment loss on receivables	(10)	(23)
Total trade receivables	193	354
Statutory receivables		
GST input tax recoverable	77	-
Total statutory receivables	77	-
Prepayments	690	765
Accrued revenues	315	1 099
Total current receivables	1 275	2 218

Trade receivables arise in the normal course of selling goods and services to the public. Trade receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

Other than as recognised in the allowance for impairment of loss on receivables, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

Refer to note 10.3 for further information on risk management.

The net amount of GST recoverable from the ATO is included as part of receivables.

Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

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6.2. Receivables (continued)

Allowance for impairment loss on receivables

	2022	2021
	\$'000	\$'000
Carrying amount at the beginning of the period	23	12
Amounts written off	(7)	(9)
Increase /(decrease) in allowance recognised in profit or loss	(6)	20
Carrying amount at 30 June	10	23

Impairment losses relate to contracts with customers external to SA government.

Refer to note 10.3 for details regarding credit risk and the methodology for determining impairment.

6.3. Other Financial assets

The Public Trustee is required, pursuant to section 46(2)(c) of the *Public Trustee Act 1995*, to obtain the Treasurer's approval as to the manner of investment of corporate funds.

	2022	2021
	\$'000	\$'000
Australian Fixed interest (pooled funds)	7 708	8 794
International equities (pooled funds)	3 591	4 169
Australian listed property (pooled funds)	1 264	1 491
Australian equities (pooled funds)	5 434	6 195
Total financial assets	17 997	20 649

For further information on risk management, refer to note 10.3.

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7. Liability

Employee benefits liabilities are disclosed in note 3.4.

7.1. Payables

	2022	2021
	\$'000	\$'000
Current		
Trade payables	1 440	712
Statutory Payables		
Income tax equivalents	526	1 471
GST payable	-	43
Employment on-costs	344	393
Total statutory payables	870	1 907
Total current payables	2 310	2 619
Non-Current		
Statutory Payables		
Employment on-costs	250	323
Total statutory payables	250	323
Total non-current payables	250	323
Total payables	2 560	2 942

Payables and accruals are raised for all amounts owing but unpaid. Sundry payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

Statutory payables do not arise from contracts.

The net amount of GST payable to the ATO is included as part of payables.

Employment on-costs

Employment on-costs include payroll tax, ReturnToWorkSA levies and superannuation contributions and are settled when the respective employee benefits that they relate to is discharged.

The Public Trustee contributes to Super SA. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has remained unchanged at 42%. The average factor for the calculation of employer superannuation cost on-costs for 2022 has increased to 10.6% (2021: 10.1%). These rates are used in the employment on-cost calculation. The net financial effect in the current financial year is immaterial.

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7.2. Financial Liabilities

	Note	2022 \$'000	2021 \$'000
Current			
Lease Liabilities	5.3	1 106	1 050
Total current lease liability		1 106	1 050
Non-Current			
Lease Liabilities	5.3	11 805	12 885
Total non-current lease liability		11 805	12 885
Total lease liability		12 911	13 935

The Public Trustee measures financial liabilities at amortised cost.

7.3. Provisions

	2022 \$'000	2021 \$'000
Current		
Provision for workers compensation	360	239
Total current provisions	360	239
Non-current		
Provision for workers compensation	-	20
Total non-current provisions	-	20
Total provisions	360	259
Movement in provision		
<i>Provision for workers compensation¹</i>	\$'000	\$'000
Carrying amount at the beginning of the period	259	289
Additional provisions recognised	106	6
Reductions arising from payments	(5)	(36)
Carrying Amount at the end of the period	360	259
<i>Provision for dividend to State Government²</i>		
Carrying amount at the beginning of the period		
Additional provisions recognised	6 221	6 926
Reductions arising from payments	(6 221)	(6 926)
Carrying Amount at the end of the period	-	-

¹A provision has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2022 provided by a consulting actuary engaged through the Office of the Commissioner for the Public Sector. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

The Public Trustee is responsible for the payment of workers compensation claims.

²In accordance with the Public Trustee Charter, agreed by the Attorney-General and the Treasurer, any differences between forecast profit and audited profit will be addressed through an adjustment to the final dividend in the following financial year. A final dividend for 2020-21 of \$1 386 000 was paid in 2021-22. In addition an interim dividend of \$4 835 000 was paid for in 2021-22.

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8. Other disclosures

8.1. Cash flow

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

Total cash outflows for leases was \$1 328 000 (2021: \$1 280 000).

Reconciliation of net result to cashflows from operating activities

	2022	2021
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Financial Position	7 998	8 400
Balance as per the Statement of Cash Flows	7 998	8 400
Reconciliation of net cash provided by operating activities to net result		
Net cash provided by operating activities	6 796	3 930
Add / (less) non-cash Items		
Unrealised gain / (loss) on financial assets	(2 658)	1 693
Depreciation and amortisation expense of non-current assets	(1 594)	(1 656)
Movements in assets and liabilities		
(Decrease) / Increase in receivables	(756)	1 080
(Increase) / Decrease in payables	(105)	122
(Increase) / Decrease in contract balances	(10)	74
Decrease in employee benefits and on-costs	1 364	290
(Increase) / Decrease in provisions	(101)	30
Decrease / (Increase) in income tax equivalents	945	(184)
Net result	3 881	5 379

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9. Outlook

9.1. Unrecognised commitments

Commitments include operating, capital and outsourcing arrangements arising from contractual or statutory sources and are disclosed at their nominal value.

	2022	2021
	\$'000	\$'000
Capital commitments		
Within one year	295	1 696
Total capital commitments	<u>295</u>	<u>1 696</u>

Expenditure commitments

	2022	2021
	\$'000	\$'000
Within one year	84	35
Later than one year but not longer than five years	336	77
Total expenditure commitments	<u>420</u>	<u>112</u>

The Public Trustee's capital and operating commitments are for the replacement of the aged customer relationship management system.

9.2. Expected realisation of contract liabilities as revenue

The remaining performance obligations expected to be recognised in more than one year relate to the completion of financial examinations for letters of administration customers.

	2022-23	2023-24	Total
	\$'000	\$'000	\$'000
Revenue expected to be recognised	40	4	44

9.3. Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. The Public Trustee is not aware of any contingent assets or contingent liabilities as at balance date.

9.4. Impact of standards and statements not yet effective

The Public Trustee has assessed the impact of new and changed Australian Accounting Standards Board Standards and Interpretations not yet effective, and has determined that there will be no financial impact arising from them.

9.5. COVID-19 pandemic outlook for the Public Trustee

The COVID-19 pandemic will continue to impact the operations of the Public Trustee in 2021-22. The key expected impacts are:

- Continuation of operating practices to enable working from home and flexible working arrangements.
- Skills shortages exist in some employment areas.
- Earnings from fees and charges may be impacted by the ongoing economic impacts of the pandemic.

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9.6. Events after reporting period

As at the date of this report there are no known or material events that have occurred after the reporting period.

10. Measurement and risk

10.1. Long service leave liability – measurement

AASB 119 Employee Benefits contains the calculation methodology for long service leave liability.

The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions have been applied to employee data at the Public Trustee to calculate the long service leave liability.

AASB 119 Employee Benefits requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds for 2022 has increased to 3.5% (2021: 1.25%).

This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a decrease in the reported long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$437 000 and employee benefits expense of \$437 000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 2.5% for long service leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

The split between current and non-current leave liabilities is management's estimate of the proportion of leave expected to be settled within the next 12 months using previous experience.

10.2. Fair Value

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

Initial recognition

Non-current tangible assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

Plant and equipment and leasehold improvements

All items of plant and equipment owned by the Public Trustee had a fair value at the time of acquisition that was less than \$1.5 million and have not been revalued in accordance with APS 116. The carrying value of these items are deemed to approximate fair value.

Leasehold improvements are stated at cost less accumulated depreciation which is deemed to approximate fair value. Leasehold improvements associated with the extension of the Public Trustee's lease will require revaluation after six years as it exceeds the \$1.5 million threshold.

The carrying amount of plant and equipment and leasehold improvements is reviewed annually to ensure it is not in excess of the recoverable amounts from these assets.

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10.3. Financial Instruments

Financial Instruments – Measurement

Financial assets held at fair value through the profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs on financial assets fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income. Fair value of financial instruments are classified, according to fair value hierarchy, at level 2 - fair values that are based on inputs that are directly or indirectly observable for the asset.

- *Fair value in an active market* - The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the reporting date without any deduction for estimated future selling costs.
- *Fair value of unlisted unit trusts* - Investments in other unlisted unit trusts are recorded at the fair value as reported by the managers of such funds.

Financial Instruments – Classification

Investments in financial assets such as equities and units in unlisted unit trusts have been classified as 'Fair value through the profit or loss' and recognised in the Statement of Financial Position at fair value, with changes in fair value during the period recognised in the Statement of Comprehensive Income.

If any indication of impairment exists, an impairment loss is recognised in the Statement of Comprehensive Income as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

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

Financial risk management

The Public Trustee's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Public Trustee. Only Australian domiciled pooled funds are used for investments in overseas assets. These funds are not directly exposed to foreign exchange risk as the pooled funds are fully hedged against currency risk.

Management of risk is focused on both strategic and business process risk. Annually, an analysis of strategic risk is undertaken which is comprehensive and covers investment, financial, operational and administrative responsibilities of the Public Trustee. Business processes are documented, key risks are identified and management strategies used to control these risks are in place.

Market risk

Price risk

The Public Trustee is exposed to equity securities price risk. This arises from investments held by the Public Trustee and classified on the Statement of Financial Position as financial assets at fair value through the profit or loss. The Public Trustee is not directly exposed to commodity price risk, as the classes of investments include Australian shares, International shares and listed properties.

To manage its price risk arising from investments, the Public Trustee diversifies its portfolio. Diversification of the portfolio is done in accordance with its Investment Guidelines. The analysis detailed below is based on the assumption that the market indexes had increased/decreased by a set percentage with all other variables held constant and all instruments moving according to the historical correlation with the index.

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10.3. Financial Instruments (continued)

Cash flow and interest rate risk

The Public Trustee's interest rate risk arises from cash investments, short term investments and Australian fixed interest investments. Instruments issued at fixed interest rates expose the Public Trustee to fair value interest rate risk and variable rate instruments expose the Public Trustee to cash flow interest rate risk. The Public Trustee invests in short term money market instruments with maturities less than one year and with credit ratings that satisfy the credit rating requirements of the Public Trustee's Cash Common Fund.

A sensitivity analysis is provided on the next page, outlining the exposure to each type of market risk at reporting date, showing how profit or loss would be affected by the changes in the relevant risk variable that were reasonably possible at that date. All instruments are designated as financial assets at fair value through the profit or loss; therefore there is no direct impact on equity.

Liquidity risk

The Public Trustee has working capital policies in place in order to maintain liquidity. Short-term investment analysis assists in determining the amount, if any, to be invested or reinvested in order to maintain working capital. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the ability to close out market positions. The Public Trustee manages the liquidity risk by continuously monitoring forecast and actual cash flows and matching maturity profiles of financial assets and liabilities.

All current financial assets held to maturity have a maturity date within 12 months. Unlisted unit trust investments have no maturity date.

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10.3. Financial Instruments (continued)

Sensitivity analysis – 30 June 2022

Financial Assets	Carrying amount	-1%	+1%	-20%	+10%
		Statement of Comprehensive income			
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	7 998	(80)	80	-	-
<i>Financial assets at fair value through profit or loss:</i>					
Australian Fixed Interest (pooled funds)	7 708	(77)	77	(1 542)	771
International equities (pooled funds)	3 591	-	-	(718)	359
Australian listed property (pooled funds)	1 264	-	-	(253)	126
Australian equities (pooled funds)	5 434	-	-	(1 087)	543
Total (decrease)/increase		(157)	157	(3 600)	1 799

Sensitivity analysis – 30 June 2021

Financial Assets	Carrying amount	-1%	+1%	-20%	+10%
		Statement of Comprehensive income			
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	8 400	(84)	84	-	-
<i>Financial assets at fair value through profit or loss:</i>					
Australian Fixed Interest (pooled funds)	8 794	(88)	88	(1759)	879
International equities (pooled funds)	4 169	-	-	(834)	417
Australian listed property (pooled funds)	1 491	-	-	(298)	149
Australian equities (pooled funds)	6 195	-	-	(1 239)	620
Total (decrease)/increase		(172)	172	(4 130)	2 065

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10.3. Financial Instruments (continued)

Credit risk

Credit risk is managed at the corporate level. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to outstanding receivables and committed transactions. The Public Trustee has no direct exposure to derivative instruments, thus credit risk arises primarily through investments with banking corporations.

Short-term money market instruments must have a short-term Standard & Poor's (S&P) rating of A1 or in the case of the issuer being a bank under the Banking Act 1959 a rating of A2 is accepted. Floating rate instruments must have a long-term S&P credit rating of A+ or better or where the counter party is a bank under the Banking Act 1959 a rating of BBB or better is accepted.

If there is no independent rating, the Public Trustee assesses the credit quality of the customer, taking into account its financial position and past experience. Pooled investment funds are not rated; however, the Public Trustee has made a thorough assessment of all pooled funds managers in regard to credit and other risks prior to investing funds with each manager. The credit risk lies with the pooled fund manager responsible for the management of the underlying investments. The Public Trustee continually monitors these assessments.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

	2022	2021
	\$'000	\$'000
<i>Cash at bank, short-term bank deposits and floating rate notes</i>		
A1+ Credit Rating	1 498	1 900
A2 Credit Rating	6 500	6 500
Total Cash at bank, short-term bank deposits and floating rate notes	7 998	8 400
<i>Trade receivables</i>		
<i>Counterparties with external ratings</i>		
A2 Credit Rating	193	229
<i>Counterparties without external ratings</i>		
existing customers with no defaults in the past	315	1 224
Total trade receivables ¹	508	1 453

¹Receivables amounts disclosed above excluded prepayments. Prepayments are presented in note 6.2 as trade and other receivables in accordance with paragraph 78(b) of AASB 101. However, prepayments are not financial assets as defined in AASB 132 as future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

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10.3. Financial Instruments (continued)

Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in the respective financial asset / financial liability note.

Category of financial asset and financial liability	Note	2022	2022 Contractual maturities		
		Carrying amount / Fair value \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets					
Cash and cash equivalent	6.1	7 998	n/a	n/a	n/a
Financial assets at fair value through profit or loss					
Other financial assets	6.3	17 997	n/a	n/a	n/a
Financial assets at amortised cost					
Receivables**		585	585	-	-
Total financial assets		26 580	585	-	-

Financial liabilities

Financial liabilities at amortised cost

Payables**		1 217	1 217	-	-
Finance lease liability	7.2	12 911	1 106	5 989	5 816
Total financial liabilities		14 128	2 323	5 989	5 816

Category of financial asset and financial liability	Note	2021	2021 Contractual maturities		
		Carrying amount / Fair value \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets					
Cash and cash equivalent	6.1	8 400	n/a	n/a	n/a
Financial assets at fair value through profit or loss					
Other financial assets	6.3	20 649	n/a	n/a	n/a
Financial assets at amortised cost					
Receivables**		1 393	1 393	-	-
Total financial assets		30 442	1 393	-	-

Financial liabilities

Financial liabilities at amortised cost

Payables**		486	486	-	-
Finance lease liability	7.2	13 935	1 024	5 303	7 608
Total financial liabilities		14 421	1 510	5 303	7 608

** Total amounts disclosed here exclude statutory amounts. Receivables do not include prepayments as these are not financial instruments. Prepayments are presented in note 6.2.

The Public Trustee
CORPORATE
Notes to and forming part of the financial statements
for the year ended 30 June 2022

10.3. Financial Instruments (continued)

Statutory receivables and payables

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. This includes Commonwealth, State and Local Government taxes and equivalents, fees and charges; Auditor-General's Department audit fees. This is in addition to employee related payables, such as payroll tax, Fringe Benefits Tax, Pay As You Go Withholding and ReturnToWorkSA levies. In government, certain rights to receive or pay cash may not be contractual but have their source in legislation and therefore, in these situations, the disclosure requirements of AASB 7 will not apply. The standard defines contract as enforceable by law. All amounts recorded are carried at cost.

The Public Trustee

Common Fund

Financial Statements

For the year ended 30 June 2022

The Public Trustee
211 Victoria Square Adelaide SA 5000
GPO Box 1338 Adelaide SA 5001
publictrustee@sa.gov.au

The Public Trustee
COMMON FUNDS
Statement of Comprehensive Income
for the year ended 30 June 2022

Cash Common Fund			
	Note	2022	2021
		\$'000	\$'000
Investment income			
Interest	1.1(d)	4 249	5 177
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	(3 277)	278
Other income		-	3
Total investment income		972	5 458
Expenses			
The Public Trustee management fees	1.1(e), (m)	3 941	4 331
Legal and advisory expenses		114	112
Other expenses		11	11
Total expenses		4 066	4 454
Net result from operating activities		(3 094)	1 004
Financing costs attributable to unitholders			
Undistributed income brought forward	4.4	-	206
Distributions to unitholders	4.4	(14)	(968)
Transfers from / (to) net assets to determine distributable income	1.1(g)	3 241	(242)
Total financing costs attributable to unitholders		3 227	(1 004)
(Increase) / decrease in net assets attributable to unitholders		(133)	-
Total comprehensive result		-	-

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Financial Position
as at 30 June 2022

Cash Common Fund

	Note	2022 \$'000	2021 \$'000
Assets			
Cash and cash equivalents	3.1	14 482	34 922
Advances to estates	1.1(i)	3 266	3 358
Financial assets held at fair value through profit or loss	3.2	463 184	439 888
Other assets	1.1(j)	1 342	1 131
Total assets		482 274	479 299
Liabilities			
Income distribution payable	4.4	133	-
Funds due to other common funds		46 448	35 136
Other liabilities		25	24
Total liabilities (excluding net assets attributable to unitholders)		46 606	35 160
Net assets attributable to unitholders - Liability	4.2	435 668	444 139
Represented by:			
Fair value of outstanding units based on net asset value		435 668	444 139

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Cash Flows
for the year ended 30 June 2022

Cash Common Fund			
	Note	2022 Inflows (Outflows) \$'000	2021 Inflows (Outflows) \$'000
Cash flows from operating activities			
Cash inflows			
Interest received		4 080	5 741
Cash generated from operations		<u>4 080</u>	<u>5 741</u>
Cash outflows			
Payments for expenses		(4 074)	(4 447)
Cash used in operations		<u>(4 074)</u>	<u>(4 447)</u>
Net cash (used in) / provided by operating activities	5.2	<u>6</u>	<u>1 294</u>
Cash flows from investing activities			
Cash inflows			
Proceeds from the sale of financial assets held at fair value through profit or loss		201 001	104 479
Net repayments of advances to estates		91	742
Cash generated from investing activities		<u>201 092</u>	<u>105 221</u>
Cash outflows			
Purchase of financial assets held at fair value through profit or loss		(227 604)	(119 961)
Cash used in investing activities		<u>(227 604)</u>	<u>(119 961)</u>
Net cash (used in) / provided by investing activities		<u>(26 512)</u>	<u>(14 740)</u>
Cash flows from financing activities			
Cash inflows			
Proceeds from applications by unitholders		(5 233)	13 116
Cash generated by financing activities		<u>(5 233)</u>	<u>13 116</u>
Cash outflows			
Net proceeds / payments from applications / redemptions from / (to) other common funds		11 313	(2 041)
Distributions paid		(14)	(968)
Cash used in financing activities		<u>11 299</u>	<u>(3 009)</u>
Net cash provided / (used in) by financing activities		<u>6 066</u>	<u>10 107</u>
Net increase / (decrease) in cash and cash equivalents		<u>(20 440)</u>	<u>(3 339)</u>
Cash and cash equivalents at the beginning of the period		34 922	38 261
Cash and cash equivalents at the end of the period	3.1	<u>14 482</u>	<u>34 922</u>

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Comprehensive Income
for the year ended 30 June 2022

Short Term Fixed Interest Common Fund

	Note	2022 \$'000	2021 \$'000
Investment income			
Interest	1.1(d)	817	879
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	(1 398)	(44)
Total investment income		<u>(581)</u>	<u>835</u>
Expenses			
The Public Trustee management fees	1.1(e), (m)	689	726
Legal and advisory expenses		16	18
Total expenses		<u>705</u>	<u>744</u>
Net result from operating activities		<u>(1 286)</u>	<u>91</u>
Financing costs attributable to unitholders			
Undistributed income brought forward	4.4	43	178
Distributions to unitholders	4.4	(87)	(269)
Transfers from / (to) net assets to determine distributable income	1.1(g)	1 399	43
Total financing costs attributable to unitholders		<u>1 355</u>	<u>(48)</u>
(Increase) / decrease in net assets attributable to unitholders		<u>(69)</u>	<u>(43)</u>
Total comprehensive result		<u>-</u>	<u>-</u>

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Financial Position
as at 30 June 2022

Short Term Fixed Interest Common Fund

	Note	2022 \$'000	2021 \$'000
Assets			
Cash and cash equivalents	3.1	9 039	12 255
Financial assets held at fair value through profit or loss	3.2	55 851	57 386
Other assets	1.1(j)	314	289
Total assets		65 204	69 930
Liabilities			
Income distribution payable	4.4	69	43
Other liabilities		4	4
Total liabilities (excluding net assets attributable to unitholders)		73	47
Net assets attributable to unitholders - Liability	4.2	65 131	69 883
Represented by:			
Fair value of outstanding units based on net asset value		65 131	69 883

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Cash Flows
for the year ended 30 June 2022

Short Term Fixed Interest Common Fund

	Note	2022 Inflows (Outflows) \$'000	2021 Inflows (Outflows) \$'000
Cash flows from operating activities			
Cash inflows			
Interest received		792	886
Cash generated from operations		<u>792</u>	<u>886</u>
Cash outflows			
Payments for expenses		(704)	(741)
Cash used in operations		<u>(704)</u>	<u>(741)</u>
Net cash (used in) / provided by operating activities	5.2	<u>88</u>	<u>145</u>
Cash flows from investing activities			
Cash inflows			
Proceeds from the sale of financial assets held at fair value through profit or loss		23 540	11 500
Cash generated from investing activities		<u>23 540</u>	<u>11 500</u>
Cash outflows			
Purchase of financial assets held at fair value through profit or loss		(23 403)	(10 500)
Cash used in investing activities		<u>(23 403)</u>	<u>(10 500)</u>
Net cash (used in) / provided by investing activities		<u>137</u>	<u>1 000</u>
Cash flows from financing activities			
Cash inflows			
Proceeds from applications by unitholders		7 411	8 107
Cash generated by financing activities		<u>7 411</u>	<u>8 107</u>
Cash outflows			
Net proceeds / payments from applications / redemptions from / (to) other common funds		(10 765)	(3 884)
Distributions paid		(87)	(269)
Cash used in financing activities		<u>(10 852)</u>	<u>(4 153)</u>
Net cash provided / (used in) by financing activities		<u>(3 441)</u>	<u>3 954</u>
Net increase / (decrease) in cash and cash equivalents		<u>(3 216)</u>	<u>5 099</u>
Cash and cash equivalents at the beginning of the period		12 255	7 156
Cash and cash equivalents at the end of the period	3.1	<u>9 039</u>	<u>12 255</u>

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Comprehensive Income
for the year ended 30 June 2022

Long Term Fixed Interest Common Fund

	Note	2022 \$'000	2021 \$'000
Investment income			
Trust distributions		1 365	1 697
Interest	1.1(d)	1 130	2 130
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	(4 124)	(2 649)
Other income		16	7
Total investment income		<u>(1 613)</u>	<u>1 185</u>
Expenses			
The Public Trustee management fees	1.1(e), (m)	1 000	1 153
Legal and advisory expenses		26	28
Total expenses		<u>1 026</u>	<u>1 181</u>
Net result from operating activities		<u>(2 639)</u>	<u>4</u>
Financing costs attributable to unitholders			
Undistributed income brought forward	4.4	971	735
Distributions to unitholders	4.4	(1 803)	(2 717)
Transfers from / (to) net assets to determine distributable income	1.1(g)	4 372	2 949
Total financing costs attributable to unitholders		<u>3 540</u>	<u>967</u>
(Increase) / decrease in net assets attributable to unitholders		<u>(901)</u>	<u>(971)</u>
Total comprehensive result		<u>-</u>	<u>-</u>

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Financial Position
as at 30 June 2022

Long Term Fixed Interest Common Fund

	Note	2022 \$'000	2021 \$'000
Assets			
Cash and cash equivalents	3.1	8 711	13 985
Financial assets held at fair value through profit or loss	3.2	84 120	93 916
Other assets	1.1(j)	643	486
Total assets		93 474	108 387
Liabilities			
Income distribution payable	4.4	901	971
Other liabilities		5	6
Total liabilities (excluding net assets attributable to unitholders)		906	977
Net assets attributable to unitholders - Liability	4.2	92 568	107 410
Represented by:			
Fair value of outstanding units based on net asset value		92 568	107 410

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Cash Flows
for the year ended 30 June 2022

Long Term Fixed Interest Common Fund

	Note	2022 Inflows (Outflows) \$'000	2021 Inflows (Outflows) \$'000
Cash flows from operating activities			
Cash inflows			
Trust distributions received		1 123	1 619
Interest received		1 243	2 260
Cash generated from operations		2 366	3 879
Cash outflows			
Payments for expenses		(1 026)	(1 176)
Cash used in operations		(1 026)	(1 176)
Net cash (used in) / provided by operating activities	5.2	1 340	2 703
Cash flows from investing activities			
Cash inflows			
Proceeds from the sale of financial assets held at fair value through profit or loss		22 740	32 800
Cash generated from investing activities		22 740	32 800
Cash outflows			
Purchase of financial assets held at fair value through profit or loss		(17 080)	(36 921)
Cash used in investing activities		(17 080)	(36 921)
Net cash (used in) / provided by investing activities		5 660	(4 121)
Cash flows from financing activities			
Cash inflows			
Proceeds from applications by unitholders		12 098	11 843
Cash generated by financing activities		12 098	11 843
Cash outflows			
Net proceeds / payments from applications / redemptions from / (to) other common funds		(22 569)	(7 787)
Distributions paid		(1 803)	(2 717)
Cash used in financing activities		(24 372)	(10 504)
Net cash provided / (used in) by financing activities		(12 274)	1 339
Net increase / (decrease) in cash and cash equivalents		(5 274)	(79)
Cash and cash equivalents at the beginning of the period		13 985	14 064
Cash and cash equivalents at the end of the period	3.1	8 711	13 985

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Comprehensive Income
for the year ended 30 June 2022

Overseas Fixed Interest Common Fund			
	Note	2022	2021
		\$'000	\$'000
Investment income			
Trust distributions		1 048	3 779
Interest	1.1(d)	1	2
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	(5 538)	(2 638)
Other income		126	132
Total investment income		(4 363)	1 275
Expenses			
The Public Trustee management fees	1.1(e), (m)	751	656
Legal and advisory expenses		18	16
Total expenses		769	672
Net result from operating activities		(5 132)	603
Financing costs attributable to unitholders			
Undistributed income brought forward	4.4	3 151	1 280
Distributions to unitholders	4.4	(3 152)	(1 370)
Transfers from / (to) net assets to determine distributable income	1.1(g)	5 170	2 638
Total financing costs attributable to unitholders		5 169	2 548
(Increase) / decrease in net assets attributable to unitholders		(37)	(3 151)
Total comprehensive result		-	-

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Financial Position
as at 30 June 2022

Overseas Fixed Interest Common Fund			
	Note	2022	2021
		\$'000	\$'000
Assets			
Cash and cash equivalents	3.1	6 816	1 837
Financial assets held at fair value through profit or loss	3.2	62 957	57 500
Other assets	1.1(j)	239	3 207
Total assets		70 012	62 544
Liabilities			
Income distribution payable	4.4	37	3 151
Other liabilities		4	3
Total liabilities (excluding net assets attributable to unitholders)		41	3 154
Net assets attributable to unitholders - Liability	4.2	69 971	59 390
Represented by:			
Fair value of outstanding units based on net asset value		69 971	59 390

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Cash Flows
for the year ended 30 June 2022

Overseas Fixed Interest Common Fund

	Note	2022 Inflows (Outflows) \$'000	2021 Inflows (Outflows) \$'000
Cash flows from operating activities			
Cash inflows			
Trust distributions received		4 017	1 911
Interest received		15	4
Cash generated from operations		4 032	1 915
Cash outflows			
Payments for expenses		(768)	(669)
Cash used in operations		(768)	(669)
Net cash (used in) / provided by operating activities	5.2	3 264	1 246
Cash flows from investing activities			
Cash inflows			
Proceeds from the sale of financial assets held at fair value through profit or loss		19 117	-
Cash generated from investing activities		19 117	-
Cash outflows			
Purchase of financial assets held at fair value through profit or loss		(30 000)	(2 000)
Cash used in investing activities		(30 000)	(2 000)
Net cash (used in) / provided by investing activities		(10 883)	(2 000)
Cash flows from financing activities			
Cash inflows			
Proceeds from applications by unitholders		19 772	6 882
Cash generated by financing activities		19 772	6 882
Cash outflows			
Net proceeds / payments from applications / redemptions from / (to) other common funds		(4 022)	(4 218)
Distributions paid		(3 152)	(1 370)
Cash used in financing activities		(7 174)	(5 588)
Net cash provided / (used in) by financing activities		12 598	1 294
Net increase / (decrease) in cash and cash equivalents		4 979	540
Cash and cash equivalents at the beginning of the period		1 837	1 297
Cash and cash equivalents at the end of the period	3.1	6 816	1 837

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Comprehensive Income
for the year ended 30 June 2022

Australian Shares Common Fund

	Note	2022 \$'000	2021 \$'000
Investment income			
Trust distributions		15 983	11 596
Interest	1.1(d)	1	12
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	(38 683)	37 446
Other income		777	651
Total investment income		<u>(21 922)</u>	<u>49 705</u>
Expenses			
The Public Trustee management fees	1.1(e), (m)	2 535	1 948
Legal and advisory expenses		51	48
Total expenses		<u>2 586</u>	<u>1 996</u>
Net result from operating activities		<u>(24 508)</u>	<u>47 709</u>
Financing costs attributable to unitholders			
Undistributed income brought forward	4.4	9 618	5 387
Distributions to unitholders	4.4	(12 014)	(9 436)
Transfers from / (to) net assets to determine distributable income	1.1(g)	42 536	(34 042)
Total financing costs attributable to unitholders		<u>40 140</u>	<u>(38 091)</u>
(Increase) / decrease in net assets attributable to unitholders		<u>(15 632)</u>	<u>(9 618)</u>
Total comprehensive result		<u>-</u>	<u>-</u>

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Financial Position
as at 30 June 2022

Australian Shares Common Fund

	Note	2022 \$'000	2021 \$'000
Assets			
Cash and cash equivalents	3.1	6 798	3 567
Financial assets held at fair value through profit or loss	3.2	158 594	199 499
Other assets	1.1(j)	13 572	8 133
Total assets		178 964	211 199
Liabilities			
Income distribution payable	4.4	15 632	9 618
Other liabilities		11	11
Total liabilities (excluding net assets attributable to unitholders)		15 643	9 629
Net assets attributable to unitholders - Liability	4.2	163 321	201 570
Represented by:			
Fair value of outstanding units based on net asset value		163 321	201 570

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Cash Flows
for the year ended 30 June 2022

Australian Shares Common Fund			
	Note	2022 Inflows (Outflows) \$'000	2021 Inflows (Outflows) \$'000
Cash flows from operating activities			
Cash inflows			
Trust distributions received		10 546	9 260
Interest received		-	19
Cash generated from operations		10 546	9 279
Cash outflows			
Payments for expenses		(2 587)	(1 988)
Cash used in operations		(2 587)	(1 988)
Net cash (used in) / provided by operating activities	5.2	7 959	7 291
Cash flows from investing activities			
Cash inflows			
Proceeds from the sale of financial assets held at fair value through profit or loss		10 500	13 500
Cash generated from investing activities		10 500	13 500
Cash outflows			
Purchase of financial assets held at fair value through profit or loss		(7 500)	(18 000)
Cash used in investing activities		(7 500)	(18 000)
Net cash (used in) / provided by investing activities		3 000	(4 500)
Cash flows from financing activities			
Cash inflows			
Proceeds from applications by unitholders		24 938	18 206
Cash generated by financing activities		24 938	18 206
Cash outflows			
Net proceeds / payments from applications / redemptions from / (to) other common funds		(20 652)	(15 595)
Distributions paid		(12 014)	(9 436)
Cash used in financing activities		(32 666)	(25 031)
Net cash provided / (used in) by financing activities		(7 728)	(6 825)
Net increase / (decrease) in cash and cash equivalents		3 231	(4 034)
Cash and cash equivalents at the beginning of the period		3 567	7 601
Cash and cash equivalents at the end of the period	3.1	6 798	3 567

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Comprehensive Income
for the year ended 30 June 2022

Overseas Shares Common Fund

	Note	2022 \$'000	2021 \$'000
Investment income			
Trust distributions		4 440	15 059
Interest	1.1(d)	2	11
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	(24 408)	21 866
Other income		475	494
Total investment income		(19 491)	37 430
Expenses			
The Public Trustee management fees	1.1(e), (m)	1 951	1 588
Legal and advisory expenses		39	39
Total expenses		1 990	1 627
Net result from operating activities		(21 481)	35 803
Financing costs attributable to unitholders			
Undistributed income brought forward	4.4	14 509	1 415
Distributions to unitholders	4.4	(15 842)	(11 370)
Transfers from / (to) net assets to determine distributable income	1.1(g)	29 452	(11 339)
Total financing costs attributable to unitholders		28 119	(21 294)
(Increase) / decrease in net assets attributable to unitholders		(6 638)	(14 509)
Total comprehensive result		-	-

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Financial Position
as at 30 June 2022

Overseas Shares Common Fund

	Note	2022 \$'000	2021 \$'000
Assets			
Cash and cash equivalents	3.1	10 103	1 432
Financial assets held at fair value through profit or loss	3.2	123 687	151 216
Other assets	1.1(j)	3 663	14 239
Total assets		137 453	166 887
Liabilities			
Income distribution payable	4.4	6 638	14 509
Other liabilities		8	9
Total liabilities (excluding net assets attributable to unitholders)		6 646	14 518
Net assets attributable to unitholders - Liability	4.2	130 807	152 369
Represented by:			
Fair value of outstanding units based on net asset value		130 807	152 369

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Cash Flows
for the year ended 30 June 2022

Overseas Shares Common Fund

	Note	2022 Inflows (Outflows) \$'000	2021 Inflows (Outflows) \$'000
Cash flows from operating activities			
Cash inflows			
Trust distributions received		15 018	3 005
Interest received		-	13
Cash generated from operations		15 018	3 018
Cash outflows			
Payments for expenses		(1 991)	(1 620)
Cash used in operations		(1 991)	(1 620)
Net cash (used in) / provided by operating activities	5.2	13 027	1 398
Cash flows from investing activities			
Cash inflows			
Proceeds from the sale of financial assets held at fair value through profit or loss		27 397	29 875
Cash generated from investing activities		27 397	29 875
Cash outflows			
Purchase of financial assets held at fair value through profit or loss		(23 800)	(24 500)
Cash used in investing activities		(23 800)	(24 500)
Net cash (used in) / provided by investing activities		3 597	5 375
Cash flows from financing activities			
Cash inflows			
Proceeds from applications by unitholders		18 885	14 936
Cash generated by financing activities		18 885	14 936
Cash outflows			
Net proceeds / payments from applications / redemptions from / (to) other common funds		(10 996)	(12 634)
Distributions paid		(15 842)	(11 370)
Cash used in financing activities		(26 838)	(24 004)
Net cash provided / (used in) by financing activities		(7 953)	(9 068)
Net increase / (decrease) in cash and cash equivalents		8 671	(2 295)
Cash and cash equivalents at the beginning of the period		1 432	3 727
Cash and cash equivalents at the end of the period	3.1	10 103	1 432

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Comprehensive Income
for the year ended 30 June 2022

Property Common Fund			
	Note	2022	2021
		\$'000	\$'000
Investment income			
Trust distributions		3 684	4 585
Interest	1.1(d)	1	6
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	2 560	10 878
Other income		192	144
Total investment income		6 437	15 613
Expenses			
The Public Trustee management fees	1.1(e), (m)	1 809	1 215
Legal and advisory expenses		36	30
Total expenses		1 845	1 245
Net result from operating activities		4 592	14 368
Financing costs attributable to unitholders			
Undistributed income brought forward	4.4	3 026	906
Distributions to unitholders	4.4	(3 801)	(1 125)
Transfers from / (to) net assets to determine distributable income	1.1(g)	(2 230)	(11 123)
Total financing costs attributable to unitholders		(3 005)	(11 342)
(Increase) / decrease in net assets attributable to unitholders		(1 587)	(3 026)
Total comprehensive result		-	-

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Financial Position
as at 30 June 2022

Property Common Fund

	Note	2022 \$'000	2021 \$'000
Assets			
Cash and cash equivalents	3.1	4 981	2 060
Financial assets held at fair value through profit or loss	3.2	140 922	119 969
Other assets	1.1(j)	1 566	3 222
Total assets		147 469	125 251
Liabilities			
Income distribution payable	4.4	1 587	3 026
Other liabilities		8	7
Total liabilities (excluding net assets attributable to unitholders)		1 595	3 033
Net assets attributable to unitholders - Liability	4.2	145 874	122 218
Represented by:			
Fair value of outstanding units based on net asset value		145 874	122 218

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Cash Flows
for the year ended 30 June 2022

		Property Common Fund	
	Note	2022 Inflows (Outflows) \$'000	2021 Inflows (Outflows) \$'000
Cash flows from operating activities			
Cash inflows			
Trust distributions received		5 322	1 901
Interest received		-	9
Cash generated from operations		<u>5 322</u>	<u>1 910</u>
Cash outflows			
Payments for expenses		(1 846)	(1 044)
Cash used in operations		<u>(1 846)</u>	<u>(1 044)</u>
Net cash (used in) / provided by operating activities	5.2	<u>3 476</u>	<u>866</u>
Cash outflows			
Purchase of financial assets held at fair value through profit or loss		(18 180)	(4 228)
Cash used in investing activities		<u>(18 180)</u>	<u>(4 228)</u>
Net cash (used in) / provided by investing activities		<u>(18 180)</u>	<u>(4 228)</u>
Cash flows from financing activities			
Cash inflows			
Proceeds from applications by unitholders		29 642	12 062
Cash generated by financing activities		<u>29 642</u>	<u>12 062</u>
Cash outflows			
Net proceeds / payments from applications / redemptions from / (to) other common funds		(8 216)	(8 847)
Distributions paid		(3 801)	(1 125)
Cash used in financing activities		<u>(12 017)</u>	<u>(9 972)</u>
Net cash provided / (used in) by financing activities		<u>17 625</u>	<u>2 090</u>
Net increase / (decrease) in cash and cash equivalents		<u>2 921</u>	<u>(1 272)</u>
Cash and cash equivalents at the beginning of the period		2 060	3 332
Cash and cash equivalents at the end of the period	3.1	<u>4 981</u>	<u>2 060</u>

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2022

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The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2022

1. About Public Trustee COMMON FUNDS

The Common Funds have been established pursuant to the *Public Trustee Act 1995* or its predecessor legislation. The following common funds were active for the whole of the current and comparative reporting periods:

- Cash Common Fund;
- Short Term Fixed Interest Common Fund;
- Long Term Fixed Interest Common Fund;
- Overseas Fixed Interest Common Fund;
- Australian Shares Common Fund;
- Overseas Shares Common Fund; and
- Property Common Fund.

The Inflation Linked Investments Common Fund was dormant throughout 2021-22 and 2020-21, has nil assets and liabilities and has not been reported.

Investment in Common Funds (with the exception of direct investment in the Cash Common Fund) is by way of notional unit holdings in the common funds. Unitholders may invest in the Cash Common Fund or alternately invest in a selection of Common Funds in proportions determined by one or more of the following standard investment strategies provided by the Public Trustee:

- Capital Stable
- Growth
- Balanced
- Equities

Management of Common Fund investments is undertaken by the Public Trustee. An Investment Advisory Committee consisting of three independent members (one being appointed as chair), senior Public Trustee personnel, with attendance by external investment advisors, assists the Public Trustee in ensuring a sound and prudent system for investing client funds.

Australian and International Equity investments, Property investments together with Overseas Fixed Interest investments are made using Australian domiciled pooled funds.

1.1. Basis of preparation

a) Statement of Compliance

The Public Trustee Common Funds financial statements are general purpose financial statements and have been prepared in accordance with relevant Australian Accounting Standards and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

b) Basis of Preparation

The Public Trustee Common Funds financial statements have been prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated. The statements have also been prepared on the basis that all funds are distributable to unitholders resulting in zero residual equity. On this basis, the Statement of Changes in Equity has not been included for reporting purposes as the changes in equity are zero.

The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2022

1. About Public Trustee COMMON FUNDS (continued)

The Statement of Financial Position 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 twelve months, except for financial assets at fair value through profit or loss and net assets attributable to unitholders.

c) Comparative Information

The presentation and classification of items in the financial statements are consistent with prior periods, except where specific accounting standards and / or accounting policy statements have required a change.

d) Investment income

Interest income and expenses are recognised in the Statement of Comprehensive Income for all debt instruments using the effective interest method. Other changes in fair value for such instruments are recorded in accordance with the policies described in note 7.1.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees between the parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Trust distributions are recognised when the right to receive payment is established.

e) Expenses

All expenses, including management fees, are recognised in the Statement of Comprehensive Income on an accruals basis.

Management fees are charged on the value of each fund as at the first business day of each month at an effective rate of one-twelfth 1.025% (inclusive of GST) for the Cash Common Fund and the Fixed Interest funds and 1.230% for Growth Common Funds which include Australian Shares, Overseas Shares and the Property Common Fund as authorised by the *Public Trustee Act 1995*. The management fee for the Cash Common Fund was discounted for part of 2021-22 to avoid negative returns to customers in the current low interest rate environment.

f) Income tax

Under current legislation, the common funds are not subject to income tax provided the taxable income of the Fund is fully distributed either by way of cash or reinvestment (i.e. unitholders are presently entitled to the income of the Fund).

Financial instruments held at fair value may include unrealised capital gains. Should such a gain be realised, the portion of the gain that is subject to capital gains tax will be distributed so that the Fund is not subject to capital gains tax.

Realised capital losses are not distributed to unitholders but are retained in the Funds to be offset against any realised capital gains. If realised capital gains exceed realised capital losses, the excess is distributed to unitholders.

The benefits of imputation credits and foreign tax paid are passed on to unitholders.

The Funds currently incur withholding tax imposed by certain countries on investment income. Such income is recorded net of withholding tax in the Statement of Comprehensive Income.

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2022

1. About Public Trustee COMMON FUNDS (continued)

g) Transfers (to) / from net assets to determine distributable income

Non-distributable income is included in net assets attributable to unitholders and may consist of unrealised changes in the net fair value of financial instruments held at fair value through profit or loss, accrued income not yet assessable, expenses provided or accrued for which are not yet deductible, and net capital losses. Net capital gains on the realisation of any financial instruments and accrued income not yet assessable will be included in the determination of distributable income in the same year in which it becomes assessable for tax. Movements in net assets attributable to unitholders are recognised in the Statement of Comprehensive Income as financing costs.

h) Foreign currency translation

i) Functional and presentation currency

Items included in the Common Funds' financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the common funds compete for funds and is regulated.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year-end exchange rates, of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

The Funds do not isolate that portion of gains or losses on financial instruments which is due to changes in foreign exchange rates from that which is due to changes in the market price of securities. Such fluctuations are included with the net gains or losses on financial instruments at fair value through profit or loss.

i) Advances to estates

The Public Trustee may, pursuant to section 25 of the *Public Trustee Act 1995*, advance and pay money on account of an estate as authorised or requested (whether to beneficiaries or creditors), for costs or expenses incurred in administering the estate or for any other purpose. No greater amount may be advanced and paid than the value of the property so vested in or under the control of the Public Trustee.

The sums so advanced, with interest at a rate to be fixed by the Public Trustee from time to time in respect of all such sums, are a first charge on all property vested in or under the control of the Public Trustee on account of the estate.

j) Other assets

Other assets may include amounts for dividends, interest and trust distributions. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment using the effective interest rate method. Amounts are generally received within 30 days of being recorded as receivable.

k) Other liabilities

Other liabilities are accrued expenses owing by the Funds which are unpaid as at balance date.

The distribution amount payable to unitholders as at the end of each reporting period is recognised separately on the Statement of Financial Position as unitholders are presently entitled to the distributable income as at 30 June 2022 under the Trust Deed.

l) Applications and redemptions

Applications received for units in the common funds are recorded net of any entry fees payable prior to the issue of units in the Fund. Redemptions from the Fund are recorded gross of any exit fees payable after the cancellation of units redeemed.

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2022

1. About Public Trustee COMMON FUNDS (continued)

m) Goods and services tax (GST)

The Common Funds are registered entities under the Goods and Services Tax (GST) legislation. Investments in the Public Trustee Common Funds are classified as input taxed financial supplies and no GST is charged on such supplies.

The GST incurred on the costs of various services provided to the common funds by third parties such as management fees have been passed onto the common funds. The common funds qualify for Reduced Input Tax Credits (RITC) at a rate of 75% hence investment management 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 other assets in the Statement of Financial Position.

n) Use of estimates

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

o) Rounding

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$000).

1.2. Impact of COVID-19 pandemic on the Common Funds

The COVID-19 pandemic and its effects on the global economy continued into 2021-22. Global economic growth picked up in the second half of 2021 following the lifting of health restrictions resulting in a surge in household spending. In early 2022, the lockdowns in parts of China and also Russia's invasion of Ukraine impacted the commodity prices due to ongoing supply disruptions. Global energy prices rose sharply and there was considerable volatility in energy markets. In May and June 2022, the Reserve Bank of Australia increased the cash rate target to ensure inflation returns to the target rate of 2 to 3 percent over time.

The key impacts in 2021-22 were:

- Lower investment returns coupled with corresponding lower portfolio growth, seen particularly in domestic and overseas equity funds;
- Sustained higher returns to customers through distributions paid; and
- Lower returns on cash investments due to the continued reduction in interest rates, although an improvement in cash returns experienced in the last quarter of 2021-22.

1.3. Significant transactions with government related entities

The Public Trustee is a government business enterprise and is wholly owned and controlled by the Government of South Australia. The Public Trustee Common Funds are wholly owned by unitholders who have invested in the funds. The Public Trustee Corporate provides key management personnel (KMP) to the Common Funds and on this basis the Public Trustee Corporate is a related party together with all public authorities that are controlled and consolidated into the whole of government financial statements. Related parties also include all common fund KMP and their close family members.

Significant transactions with government related entities

An additional \$15.9 million was invested during 2021-22 by the Residential Tenancies Fund \$9.0 million, Retail Shop Leases Funds \$3.6 million, Second Hand Motor Vehicle Fund \$0.3 million and Agents Indemnity Fund \$3.0 million (2021: \$3.0 million by the Retail Shop Leases Fund). These funds were invested across all Common Funds at a percentage allocation in accordance with the defined Standard Investment Strategies.

**The Public Trustee
COMMON FUNDS**
Notes to and forming part of the financial statements
for the year ended 30 June 2022

1. About Public Trustee COMMON FUNDS (continued)

Collectively, but not individually significant transactions with government related entities

Management fee expenses paid to the Public Trustee for the reporting period were \$12.7 million (2021: \$11.6 million).

2. Board, Committees and employees

2.1. Key management personnel

Key management personnel of the Public Trustee Common Funds include the Attorney-General, the Public Trustee Executive and the Manager, Investment Services. The salary and other benefits the Attorney-General receives; the Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*. The compensation of other key management personnel is paid from the Public Trustee Corporate account.

For the year ended 30 June 2022, there were no material transactions or balances to disclose with key management personnel or other related parties (2021: Nil).

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2022

3. Financial Assets

3.1. Cash and cash equivalents

	2022	2021
	\$'000	\$'000
Cash Common Fund		
Cash	4 482	922
Money market instruments	10 000	34 000
	14 482	34 922
Short Term Fixed Interest Common Fund		
Deposits in Cash Common Fund	9 039	12 255
	9 039	12 255
Long Term Fixed Interest Common Fund		
Deposits in Cash Common Fund	8 711	13 985
	8 711	13 985
Overseas Fixed Interest Common Fund		
Deposits in Cash Common Fund	6 816	1 837
	6 816	1 837
Australian Shares Common Fund		
Deposits in Cash Common Fund	6 798	3 567
	6 798	3 567
Overseas Shares Common Fund		
Deposits in Cash Common Fund	10 103	1 432
	10 103	1 432
Property Common Fund		
Deposits in Cash Common Fund	4 981	2 060
	4 981	2 060
Total cash and cash equivalents	60 930	70 058

Cash at bank and on hand

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts, where applicable, are shown within liabilities on the Statement of Financial Position.

The cash deposit is held with a financial institution and is interest bearing at 1.050% (2021: 0.30%) per annum as at 30 June 2022 available at call. During 2021-22, the Public Trustee's customer banking operations were provided by the Commonwealth Bank of Australia (CBA) as part of the whole of Government banking contract. The CBA cash rate is the Reserve Bank target rate plus 20 basis points. The Public Trustee also continued to manage a Westpac Banking Corporation (WBC) account during 2021-22 where a small number of deposits continue to be received on behalf of customers.

Deposits in Cash Common Fund

Deposits in the Cash Common Fund act as operating cash accounts for the other Common Funds, and are interest bearing at 0.40% (2021: 0.00%). These investments are available at call.

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2022

3. Financial Assets (continued)

Money market instruments

Money market investments comprise short term at call deposit accounts. Interest rates range from 0.30% to 1.05% (2021: 0.45% to 0.80%).

3.2. Financial assets held at fair value through profit or loss

	Cash		Short Term Fixed Interest	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
At fair value through profit or loss				
Fixed interest securities ¹	463 184	439 888	55 851	57 386
Total at fair value through profit or loss	463 184	439 888	55 851	57 386
	Long Term Fixed Interest		Overseas Fixed Interest	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
At fair value through profit or loss				
Fixed interest securities ¹	33 253	58 452	-	-
Unlisted unit trusts	50 867	35 464	62 957	57 500
Total at fair value through profit or loss	84 120	93 916	62 957	57 500
	Australian Shares		Overseas Shares	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
At fair value through profit or loss				
Unlisted unit trusts	158 594	199 499	123 687	151 216
Total at fair value through profit or loss	158 594	199 499	123 687	151 216
	Property		Total	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
At fair value through profit or loss				
Fixed interest securities ¹	-	-	552 288	555 726
Unlisted unit trusts	140 922	119 969	537 027	563 648
Total at fair value through profit or loss	140 922	119 969	1 089 315	1 119 374

¹ Includes other Common Funds deposits in the Cash Common Fund of \$46.4 million (2021: \$35.1 million).

An overview of the risk exposures relating to financial assets at fair value through profit or loss is included in note 7.2.

Fixed interest securities

These investments bear fixed or floating interest rates between 0.50% and 5.20% (2021: 0.45% and 6.00%). These investments are available at call.

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2022

4. Liabilities

4.1. Net assets attributable to unitholders

Each unit represents a right to an individual share in the fund and does not extend to a right to the underlying assets of the Fund. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

Units are redeemable at the unitholders' option and are therefore classified as financial liabilities. The units can be returned into the Common Funds at any time for cash equal to a proportionate share of the common funds' net asset values. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the Statement of Financial Position date if unitholders exercise their right to return the units back to the Common Funds. For financial reporting purposes and compliance with Australian Accounting Standards assets are recorded at net asset value.

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

Common Fund unit prices

	2022		2021	
	Purchase Price	Redemption Price	Purchase Price	Redemption Price
Cash	\$1.0000	\$1.0000	\$1.0000	\$1.0000
Short Term Fixed Interest	\$0.9967	\$0.9957	\$1.0184	\$1.0174
Long Term Fixed Interest	\$0.9920	\$0.9910	\$1.0408	\$1.0398
Overseas Fixed Interest	\$0.7675	\$0.7664	\$0.8245	\$0.8232
Australian Shares	\$1.5780	\$1.5708	\$1.9893	\$1.9802
Overseas Shares	\$1.0118	\$1.0098	\$1.2425	\$1.2375
Property	\$1.1694	\$1.1673	\$1.1472	\$1.1451

Movements in units

	Short Term Fixed Interest		Long Term Fixed Interest		Overseas Fixed Interest	
	2022	2021	2022	2021	2022	2021
	No. of units 000's	No. of units 000's	No. of units 000's	No. of units 000's	No. of units 000's	No. of units 000's
Opening balance	68 657	64 521	103 232	99 440	72 082	69 018
Applications	7 331	7 945	11 764	11 167	24 089	7 927
Redemptions	(10 606)	(3 809)	(21 707)	(7 375)	(4 955)	(4 863)
Closing balance	65 382	68 657	93 289	103 232	91 216	72 082

	Australian Shares		Overseas Shares		Property	
	2022	2021	2022	2021	2022	2021
	No. of units 000's					
Opening balance	101 562	99 892	122 953	120 936	105 949	102 865
Applications	12 574	10 178	15 358	12 321	25 202	11 163
Redemptions	(10 384)	(8 508)	(8 944)	(10 304)	(6 952)	(8 079)
Closing balance	103 752	101 562	129 367	122 953	124 199	105 949

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2022

4. Liabilities (continued)

4.2. Movements in funds employed

	Cash		Short Term Fixed Interest		Long Term Fixed Interest		Overseas Fixed Interest	
	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	444 139	430 789	69 883	65 704	107 410	106 303	59 390	59 364
Applications	4 128	5 447	7 411	8 107	12 098	11 843	19 772	6 882
Redemptions	(14 095)	(2 654)	(10 765)	(3 885)	(22 569)	(7 787)	(4 022)	(4 218)
Transfers from/(to) net assets to determine distributable income ¹	1 496	10 557	(1 398)	(43)	(4 371)	(2 949)	(5 169)	(2 638)
Closing balance	435 668	444 139	65 131	69 883	92 568	107 410	69 971	59 390

	Australian Shares		Overseas Shares		Property		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	201 570	164 917	152 369	138 728	122 218	107 880	1 156 979	1 073 685
Applications	24 938	18 206	18 885	14 936	29 642	12 062	116 874	77 483
Redemptions	(20 652)	(15 595)	(10 995)	(12 634)	(8 216)	(8 847)	(91 314)	(55 620)
Transfers from/(to) net assets to determine distributable income ¹	(42 535)	34 042	(29 452)	11 339	2 230	11 123	(79 199)	61 431
Closing balance	163 321	201 570	130 807	152 369	145 874	122 218	1 103 340	1 156 979

¹ The Cash Common Fund is the primary working account for trust administration operations. Movements in net assets attributable to unitholders are typically high volume, low value transactions.

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2022

4. Liabilities (continued)

4.3. Net realised and unrealised gains / (losses) on financial assets

	2022	2021
	\$'000	\$'000
Cash Common Fund		
Net Unrealised Gains / (Losses)	(3 243)	314
Net Realised Gains / (Losses)	(34)	(36)
Total	<u>(3 277)</u>	<u>278</u>
Short Term Fixed Interest Common Fund		
Net Unrealised Gains / (Losses)	(1 314)	22
Net Realised Gains / (Losses)	(84)	(66)
Total	<u>(1 398)</u>	<u>(44)</u>
Long Term Fixed Interest Common Fund		
Net Unrealised Gains / (Losses)	(3 994)	(2 122)
Net Realised Gains / (Losses)	(130)	(527)
Total	<u>(4 124)</u>	<u>(2 649)</u>
Overseas Fixed Interest Common Fund		
Net Unrealised Gains / (Losses)	(4 994)	(2 638)
Net Realised Gains / (Losses)	(544)	-
Total	<u>(5 538)</u>	<u>(2 638)</u>
Australian Shares Common Fund		
Net Unrealised Gains / (Losses)	(37 360)	35 090
Net Realised Gains / (Losses)	(1 323)	2 356
Total	<u>(38 683)</u>	<u>37 446</u>
Overseas Shares Common Fund		
Net Unrealised Gains / (Losses)	(21 915)	21 631
Net Realised Gains / (Losses)	(2 493)	235
Total	<u>(24 408)</u>	<u>21 866</u>
Property Common Fund		
Net Unrealised Gains / (Losses)	2 560	10 878
Total	<u>2 560</u>	<u>10 878</u>
Total net gain / (loss) on financial assets held at fair value through profit or loss	<u>(74 868)</u>	<u>65 137</u>

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2022

4. Liabilities (continued)

4.4. Distributions to unitholders

The Public Trustee distributes Common Fund income and capital based on the financial results at 31 December and 30 June. The Public Trustee recognises Common Fund distributions to customer accounts on the date they are paid by the Public Trustee.

For the Cash Common Fund, the provision for distributions represents both the monthly interest distributed to customer accounts and the bi-annual distributions calculated at 31 December and 30 June.

The items above are accrued as appropriate in the financial statements under Australian Accounting Standards and the distributions are recognised in the Statement of Comprehensive Income as finance costs attributable to unitholders.

The distributions, including cents per unit (CPU), were paid / payable as follows:

	2022 \$'000	2022 CPU	2021 \$'000	2021 CPU
Cash Common Fund				
Distributions to unitholders	14	0.0004	968	0.0022
Undistributed income brought forward	-	-	(206)	-
Distributions payable	133	-	-	-
Total Distributions to unitholders	147		762	
	2022 \$'000	2022 CPU	2021 \$'000	2021 CPU
Short Term Fixed Interest Common Fund				
Distributions to unitholders	87	0.0013	269	0.0039
Undistributed income brought forward	(43)	-	(178)	-
Distributions payable	69	-	43	-
Total Distributions to unitholders	113		134	
	2022 \$'000	2022 CPU	2021 \$'000	2021 CPU
Long Term Fixed Interest Common Fund				
Distributions to unitholders	1 803	0.0193	2 717	0.0263
Undistributed income brought forward	(971)	-	(735)	-
Distributions payable	901	-	971	-
Total Distributions to unitholders	1 733		2 953	
	2022 \$'000	2022 CPU	2021 \$'000	2021 CPU
Overseas Fixed Interest Common Fund				
Distributions to unitholders	3 152	0.0345	1 370	0.0190
Undistributed income brought forward	(3 151)	-	(1 280)	-
Distributions payable	37	-	3 151	-
Total Distributions to unitholders	38		3 241	

The Public Trustee
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4. Liabilities (continued)

	2022 \$'000	2022 CPU	2021 \$'000	2021 CPU
Australian Shares Common Fund				
Distributions to unitholders	12 014	0.1158	9 436	0.0929
Undistributed income brought forward	(9 618)	-	(5 387)	-
Distributions payable	15 632	-	9 618	-
Total Distributions to unitholders	18 028		13 667	

	2022 \$'000	2022 CPU	2021 \$'000	2021 CPU
Overseas Shares Common Fund				
Distributions to unitholders	15 842	0.1224	11 370	0.0925
Undistributed income brought forward	(14 509)	-	(1 415)	-
Distributions payable	6 638	-	14 509	-
Total Distributions to unitholders	7 971		24 464	

	2022 \$'000	2022 CPU	2021 \$'000	2021 CPU
Property Common Fund				
Distributions to unitholders	3 801	0.0306	1 125	0.0106
Undistributed income brought forward	(3 026)	-	(906)	-
Distributions payable	1 587	-	3 026	-
Total Distributions to unitholders	2 362		3 245	

In accordance with the *Public Trustee Act 1995*, investors received a proportionate distribution of net income depending on the number of days units were held.

Included in the distributions payable at 30 June 2022 were the following net realised capital gains which were distributed to unitholders based on the number of units held as at 30 June 2022:

	2022 \$'000	2022 CPU	2021 \$'000	2021 CPU
Common Fund Capital Distributions Payable				
Long Term Fixed Interest	-	-	177	0.0017
Australian Shares	12 901	0.1243	9 208	0.0907
Overseas Shares	6 638	0.0513	8 502	0.0691
Property	1 587	0.0128	-	-
	21 126		17 887	

The Public Trustee
COMMON FUNDS
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5. Other disclosures

5.1. Derivative financial instruments

The Public Trustee did not directly invest in derivative investments for the year ended 30 June 2022 (2021: \$Nil).

5.2. Cash flow

Payments and receipts relating to the purchase and sale of investment securities are classified as investing cash flows because the core activity of the Public Trustee is the administration of trustee services.

Reconciliation of net result to cash flows from operating activities

Cash Common Fund	2022	2021
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period:		
Cash and cash equivalents disclosed in the Statement of Financial Position	14 482	34 922
Balance as per the Statement of Cash Flows	14 482	34 922
Reconciliation of net cash provided by operating activities to net result:		
Net operating result	(3 094)	1 004
Add / (less) non cash items:		
Net losses / (gains) on financial instruments held at fair value through profit or loss	3 277	(278)
Amortisation of discounts and premiums	33	22
Movements in assets / liabilities:		
Decrease / (Increase) in receivables and other assets	(211)	547
Increase / (Decrease) in payables and other liabilities	1	8
Adjustment for balance day transactions	-	(9)
Net cash provided by operating activities	6	1 294
Short Term Fixed Interest Common Fund		
	2022	2021
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period:		
Cash and cash equivalents disclosed in the Statement of Financial Position	9 039	12 255
Balance as per the Statement of Cash Flows	9 039	12 255
Reconciliation of net cash provided by operating activities to net result:		
Net operating result	(1 286)	91
Add / (less) non cash items:		
Net losses / (gains) on financial instruments held at fair value through profit or loss	1 398	44
Amortisation of discounts and premiums	1	(2)
Movements in assets / liabilities:		
Decrease / (Increase) in receivables and other assets	(25)	8
Increase / (Decrease) in payables and other liabilities	-	4
Net cash provided by operating activities	88	145

The Public Trustee
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5. Other disclosures (continued)

Long Term Fixed Interest Common Fund	2022	2021
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period:		
Cash and cash equivalents disclosed in the Statement of Financial Position	8 711	13 985
Balance as per the Statement of Cash Flows	8 711	13 985
Reconciliation of net cash provided by operating activities to net result:		
Net operating result	(2 639)	4
Add / (less) non cash items:		
Net losses / (gains) on financial instruments held at fair value through profit or loss	4 124	2 649
Income reinvested and not received in cash	(16)	(7)
Amortisation of discounts and premiums	29	44
Movements in assets / liabilities:		
Decrease / (Increase) in receivables and other assets	(157)	8
Increase / (Decrease) in payables and other liabilities	(1)	5
Net cash provided by operating activities	1 340	2 703
Overseas Fixed Interest Common Fund	2022	2021
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period:		
Cash and cash equivalents disclosed in the Statement of Financial Position	6 816	1 837
Balance as per the Statement of Cash Flows	6 816	1 837
Reconciliation of net cash provided by operating activities to net result:		
Net operating result	(5,132)	603
Add / (less) non cash items:		
Net losses / (gains) on financial instruments held at fair value through profit or loss	5 538	2 638
Income reinvested and not received in cash	(111)	(132)
Movements in assets / liabilities:		
Decrease / (Increase) in receivables and other assets	2 968	(1 866)
Increase / (Decrease) in payables and other liabilities	1	3
Net cash provided by operating activities	3 264	1 246

The Public Trustee
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5. Other disclosures (continued)

Australian Shares Common Fund	2022	2021
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period:		
Cash and cash equivalents disclosed in the Statement of Financial Position	6 798	3 567
Balance as per the Statement of Cash Flows	6 798	3 567
Reconciliation of net cash provided by operating activities to net result:		
Net operating result	(24 508)	47 709
Add / (less) non cash items:		
Net losses / (gains) on financial instruments held at fair value through profit or loss	38 683	(37 446)
Income reinvested and not received in cash	(777)	(651)
Movements in assets / liabilities:		
Decrease / (Increase) in receivables and other assets	(5 439)	(2 331)
Increase / (Decrease) in payables and other liabilities	-	10
Net cash provided by operating activities	7 959	7 291
Overseas Shares Common Fund	2022	2021
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period:		
Cash and cash equivalents disclosed in the Statement of Financial Position	10 103	1 432
Balance as per the Statement of Cash Flows	10 103	1 432
Reconciliation of net cash provided by operating activities to net result:		
Net operating result	(21 481)	35 803
Add / (less) non cash items:		
Net losses / (gains) on financial instruments held at fair value through profit or loss	24 408	(21 866)
Income reinvested and not received in cash	(475)	(494)
Movements in assets / liabilities:		
Decrease / (Increase) in receivables and other assets	10 576	(12 053)
Increase / (Decrease) in payables and other liabilities	(1)	8
Net cash provided by operating activities	13 027	1 398

The Public Trustee
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5. Other disclosures (continued)

Property Common Fund	2022	2021
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period:		
Cash and cash equivalents disclosed in the Statement of Financial Position	4 981	2 060
Balance as per the Statement of Cash Flows	4 981	2 060
Reconciliation of net cash provided by operating activities to net result:		
Net operating result	4 592	14 368
Add / (less) non cash items:		
Net losses / (gains) on financial instruments held at fair value through profit or loss	(2 560)	(10 878)
Income reinvested and not received in cash	(192)	(144)
Realignment of capital distribution relating to prior year	(21)	195
Movements in assets / liabilities:		
Decrease / (Increase) in receivables and other assets	1 656	(2 681)
Increase / (Decrease) in payables and other liabilities	1	6
Net cash provided by operating activities	3 476	866

The Public Trustee
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6. Outlook

6.1. Impact of standards and statements not yet effective

The Public Trustee has, after assessment, determined that there will be no financial impact on the financial statements of the Common Funds of new and changed Australian Accounting Standards and Interpretations not yet effective.

6.2. Events after the reporting period

There were no known or material events that have occurred since the end of the reporting period which would impact on the financial position of the Common Funds.

The Public Trustee
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7. Measurement and Risk

7.1. Fair value

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

Classification

The Funds' financial assets are classified as measured at fair value through profit or loss.

These include financial assets that are not held for trading purposes and which may be sold. These are investments in exchange traded debt and equity instruments, unlisted trusts, unlisted equity instruments and commercial paper. Other assets / liabilities comprise amounts due to or from the common funds.

Cash and cash equivalents are valued at nominal amounts. This asset consists of cash at bank, on hand and short-term money market deposits with maturities of three months or less that is readily converted to cash and which are subject to insignificant risk of changes in value.

All other assets and liabilities are measured at amortised cost.

Recognition

The Funds recognise financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

Measurement

Financial assets held at fair value through profit or loss

Investments in pooled funds are recorded at fair value as reported by the managers of such funds. The Public Trustee has determined the fair value of financial assets to be the market value of these investments at balance date. AASB 7 *Financial Instruments: Disclosures* requires disclosure of the measurement methodology used to value financial instruments. The Public Trustee invests through fund managers and utilises pricing data provided by those managers which is indirectly derived from the pricing of the underlying securities. For internally managed portfolios, the Public Trustee invests directly through banks and other financial institutions, government and semi-government bond markets and utilises pricing data provided by those institutions and third party pricing vendors.

Fair value hierarchy

The Public Trustee classifies the fair value measurements of financial assets and financial liabilities using the three level fair value hierarchy as required by AASB 13, set out below, to reflect the source of valuation inputs used when determining the fair value:

Level 1: traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.

Level 2: not traded in an active market and are derived from inputs (inputs other than quoted prices included within Level 1) that are observable for the asset, either directly or indirectly.

Level 3: not traded in an active market and are derived from unobservable inputs.

The Public Trustee
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7. Measurement and Risk (continued)

The table below presents the fair value classification of common fund financial assets by class:

	Note	2022 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial assets					
Cash and cash equivalents	3.1	60 930	60 930	-	-
Financial assets at fair value through profit or loss					
Fixed interest securities	3.2	552 288	318 500	233 788	-
Unlisted unit trusts	3.2	537 027	-	537 027	-
Total		1 150 245	379 430	770 815	-

	Note	2021 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial assets					
Cash and cash equivalents	3.1	70 058	70 058	-	-
Financial assets at fair value through profit or loss					
Fixed interest securities	3.2	555 726	331 256	224 470	-
Unlisted unit trusts	3.2	563 648	-	563 648	-
Total		1 189 432	401 314	788 118	-

The Public Trustee's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

During 2022 and 2021, the Public Trustee had no valuations categorised in level 3. There were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.

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7. Measurement and Risk (continued)

7.2. Financial instruments

Financial risk management

The Public Trustee's Common Fund activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on financial performance. Only Australian domiciled pooled funds are used for overseas asset purchases. In terms of currency exposure, the Overseas Fixed Interest Common Fund is 100% hedged and the Overseas Shares Common Fund maintains a 40% hedged benchmark position which reduces currency volatility. Overseas currency exposure in the Property Common Fund is 98% hedged.

The Manager, Investment Services is responsible for ensuring that all investments are within the guidelines specified by the Public Trustee's *Investment Guidelines and Procedures Manual*. The Manager, Investment Services may recommend to the Public Trustee and the Public Trustee may, after consultation with the Investment Advisory Committee, approve investments outside of the Public Trustee's Investment Guidelines.

Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to outstanding receivables and committed transactions.

Short-term money market instruments must have a short-term Standard and Poor's (S&P) rating of A1 or in the case of the issuer being a bank under the *Banking Act 1959* a rating of A2 is accepted. Floating rate instruments must have a long-term S&P credit rating of A+ or better or where the counter party is a bank under the *Banking Act 1959*, a rating of BBB or better is accepted. Long-term investments must have long-term S&P credit rating of A+ or better or be an investment in a Commonwealth Government or Semi-Government bond. If there is no independent rating, the Public Trustee assesses the credit quality of the provider, taking into account its financial position and past experience.

Credit risk arises primarily with the following classes of instruments and counterparties:

- Sovereign debt of the Australian Commonwealth and state governments
- Sovereign debt of foreign governments
- Banking corporations
- Corporate debt
- Pooled investment funds

The maximum exposure to credit risk at the end of each reporting period is the carrying amount of the financial assets.

The credit quality of financial assets that are neither past due nor impaired are assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Pooled fund investments are not rated, however, the Public Trustee makes a thorough assessment of all pooled fund managers in regard to credit and other risks prior to the investment of funds with each manager. The credit risk lies with the pooled fund manager responsible for the management of the underlying investments. The Public Trustee continually monitors these assessments.

The following table shows the maximum exposure to credit risk at the end of the reporting period. The exposure is the carrying amount of the financial assets.

The Public Trustee
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7. Measurement and Risk (continued)

Credit risk analysis

	2022	2021
	\$'000	\$'000
Cash Common Fund		
<i>Cash and short term investments</i>		
A1+	232 317	200 543
A1	2 000	21 000
A2	41 503	70 502
Cash at bank	14 482	34 922
Total cash and short term investments	<u>290 302</u>	<u>326 967</u>
<i>Long term investments</i>		
AAA	24 057	-
AA-	75 531	122 235
A+	7 840	6 501
BBB+	79 936	19 107
Total long term investments	<u>187 364</u>	<u>147 843</u>
Short Term Fixed Interest Common Fund		
<i>Cash and short term investments</i>		
A1+	12 026	14 571
A2	-	6 011
Cash at bank	9 039	12 255
Total cash and short term investments	<u>21 065</u>	<u>32 837</u>
<i>Long term investments</i>		
AAA	6 609	-
AA-	26 691	34 766
A+	799	-
BBB+	9 726	2 038
Total long term investments	<u>43 825</u>	<u>36 804</u>
Long Term Fixed Interest Common Fund		
<i>Cash and short term investments</i>		
A1+	5 520	16 624
A2	-	2 005
Cash at bank	8 711	13 985
Total cash and short term investments	<u>14 231</u>	<u>32 614</u>
<i>Long term investments</i>		
AAA	2 022	2 207
AA-	25 711	37 616
Total long term investments	<u>27 733</u>	<u>39 823</u>

Market risk

(i) Price risk

The Australian Shares Common Fund, Overseas Shares Common Fund, Property Common Fund, Long Term Fixed Interest Common Fund and the Overseas Fixed Interest Common Fund are exposed to price risk. The Public Trustee is not directly exposed to commodity price risk.

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7. Measurement and Risk (continued)

To manage its price risk arising from investments in equity securities, the Public Trustee diversifies its portfolio. Diversification of the portfolio is in accordance with the Public Trustee's Investment Guidelines. Irrespective of what type of investment vehicle is used, the primary focus is to ensure the risk/reward objectives of the Public Trustee's investment approach are met. The common funds comprise a number of sub-portfolios which invest in different sectors of the equity market.

The Australian Shares Common Fund invests primarily in ASX 300 Companies through Australian domiciled-pooled funds. The Australian Shares Common Fund portfolio consists of listed shares, convertible notes, instalment receipts, preference shares and options. Derivatives are permitted for portfolio management provided the fund is not geared.

Equities in the Overseas Shares Common Fund consist of investments through Australian domiciled-pooled funds that obviate exposure to currency price risk. An "active" approach is used by the fund utilising a variety of fund managers with different investment styles. This provides diversification benefits and reduces the overall level of risk.

The Property Common Fund invests in listed securities from the Property Trust sector of any Australian or overseas stock exchange or any listed company whose major activity is in real property/infrastructure. Investments in this class also comprise un-listed unit trusts where the holding of property or infrastructure is the primary business activity of the issuer.

The Long Term Fixed Interest Common Fund invests primarily in Bloomberg AusBond Composite Bond Index (0+). The Long Term Fixed Interest Common Fund consists of government and agency securities, corporate securities, money market instruments, mortgage-backed and asset-backed securities, unlisted securities from externally appointed fund managers and Public Trustee Cash Common Fund. The fund's exposure to price risk from its external managed portfolio has been recognised from 2021-22.

(ii) Cash flow and interest rate risk

The Public Trustee is exposed to interest rate risk arising from cash investments, short term and long term investments. Instruments issued at fixed interest rates expose the Public Trustee to fair value interest rate risk and variable rate instruments expose the Public Trustee to cash flow interest rate risk.

The Cash Common Fund can invest in short term money market instruments with up to one year maturity, floating rate investment instruments with maturity terms up to 10 years if the counterparty is a bank with a credit rating of A- or better or fixed interest instruments with maturity terms up to three years. Securities with greater than one year maturity are restricted to make up less than 20% of the overall fund.

The Short Term Fixed Interest Common Fund can invest in fixed interest securities with maturity terms of three years if the credit rating is A+ or better, or a maturity term of up to six years for Commonwealth and Semi-government bonds.

The Long Term Fixed Interest Common Fund is currently transitioning from an internal to an external managed portfolio with Australian domiciled pooled Funds.

(iii) Foreign exchange risk

The Overseas Fixed Interest Common Fund, the Overseas Shares Common Fund and the Property Common Fund are indirectly exposed to foreign exchange risk as a result of their investments in other unit trusts which in turn invest in financial instruments that are denominated in foreign currencies.

A sensitivity analysis is provided in the following table, outlining the exposure to each type of market risk at the end of each reporting period, showing how profit or loss and equity would have been affected by the changes in the relevant risk variable that was reasonably possible at that date. All instruments are financial assets and classified as measured at fair value through the profit or loss; resulting in no impact on equity.

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7. Measurement and Risk (continued)

Cash Common Fund

Financial Assets	Carrying amount	2022			
		Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
		Statement of	Statement of	Statement of	Statement of
		Comprehensive Income	Comprehensive Income	Comprehensive Income	Comprehensive Income
\$'000	\$'000	\$'000	\$'000	\$'000	
Cash and cash equivalents	14 482	(145)	145	-	-
Financial assets held at fair value through profit or loss	463 184	(4 632)	4 632	-	-
Total increase/(decrease)		(4 777)	4 777	-	-

Cash Common Fund

Financial Assets	Carrying amount	2021			
		Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
		Statement of	Statement of	Statement of	Statement of
		Comprehensive Income	Comprehensive Income	Comprehensive Income	Comprehensive Income
\$'000	\$'000	\$'000	\$'000	\$'000	
Cash and cash equivalents	34 922	(349)	349	-	-
Financial assets held at fair value through profit or loss	439 888	(4 399)	4 399	-	-
Total increase/(decrease)		(4 748)	4 748	-	-

Short Term Fixed Interest

Financial Assets	Carrying amount	2022			
		Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
		Statement of	Statement of	Statement of	Statement of
		Comprehensive Income	Comprehensive Income	Comprehensive Income	Comprehensive Income
\$'000	\$'000	\$'000	\$'000	\$'000	
Cash and cash equivalents	9 039	(90)	90	-	-
Financial assets held at fair value through profit or loss	55 851	(559)	559	-	-
Total increase/(decrease)		(649)	649	-	-

Short Term Fixed Interest

Financial Assets	Carrying amount	2021			
		Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
		Statement of	Statement of	Statement of	Statement of
		Comprehensive Income	Comprehensive Income	Comprehensive Income	Comprehensive Income
\$'000	\$'000	\$'000	\$'000	\$'000	
Cash and cash equivalents	12 255	(122)	122	-	-
Financial assets held at fair value through profit or loss	57 386	(574)	574	-	-
Total increase/(decrease)		(696)	696	-	-

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7. Measurement and Risk (continued)

Long Term Fixed Interest

	2022				
	Carrying amount	Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
Financial Assets	Statement of Comprehensive Income				
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	8 711	(87)	87	-	-
Financial assets held at fair value through profit or loss:					
Fixed interest securities	33 253	(333)	333	-	-
Unlisted unit trusts	50 867	-	-	(10 173)	5 087
Total increase/(decrease)		(420)	420	(10 173)	5 087

Long Term Fixed Interest

	2021				
	Carrying amount	Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
Financial Assets	Statement of Comprehensive Income				
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	13 985	(140)	140	-	-
Financial assets held at fair value through profit or loss	93 916	(939)	939	-	-
Total increase/(decrease)		(1 079)	1 079	-	-

Overseas Fixed Interest

	2022				
	Carrying amount	Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
Financial Assets	Statement of Comprehensive Income				
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	6 816	(68)	68	-	-
Financial assets held at fair value through profit or loss	62 957	-	-	(12 591)	6 296
Total increase/(decrease)		(68)	68	(12 591)	6 296

Overseas Fixed Interest

	2021				
	Carrying amount	Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
Financial Assets	Statement of Comprehensive Income				
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	1 837	(18)	18	-	-
Financial assets held at fair value through profit or loss	57 500	-	-	(11 500)	5 750
Total increase/(decrease)		(18)	18	(11 500)	5 750

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7. Measurement and Risk (continued)

Australian Shares		2022			
		Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
		Statement of	Statement of	Statement of	Statement of
		Comprehensive	Comprehensive	Comprehensive	Comprehensive
		Income	Income	Income	Income
Financial Assets	Carrying amount	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	6 798	(68)	68	-	-
Financial assets held at fair value through profit or loss	158 594	-	-	(31 719)	15 859
Total increase/(decrease)		(68)	68	(31 719)	15 859
Australian Shares		2021			
		Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
		Statement of	Statement of	Statement of	Statement of
		Comprehensive	Comprehensive	Comprehensive	Comprehensive
		Income	Income	Income	Income
Financial Assets	Carrying amount	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	3 567	(36)	36	-	-
Financial assets held at fair value through profit or loss	199 499	-	-	(39 900)	19 950
Total increase/(decrease)		(36)	36	(39 900)	19 950
Overseas Shares		2022			
		Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
		Statement of	Statement of	Statement of	Statement of
		Comprehensive	Comprehensive	Comprehensive	Comprehensive
		Income	Income	Income	Income
Financial Assets	Carrying amount	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	10 103	(101)	101	-	-
Financial assets held at fair value through profit or loss	123 687	-	-	(24 737)	12 369
Total increase/(decrease)		(101)	101	(24 737)	12 369
Overseas Shares		2021			
		Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
		Statement of	Statement of	Statement of	Statement of
		Comprehensive	Comprehensive	Comprehensive	Comprehensive
		Income	Income	Income	Income
Financial Assets	Carrying amount	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	1 432	(14)	14	-	-
Financial assets held at fair value through profit or loss	151 216	-	-	(30 243)	15 122
Total increase/(decrease)		(14)	14	(30 243)	15 122

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2022

7. Measurement and Risk (continued)

Property	2022				
	Carrying amount	Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
		Statement of	Statement of	Statement of	Statement of
		Comprehensive Income	Comprehensive Income	Comprehensive Income	Comprehensive Income
Financial Assets	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	4 981	(50)	50	-	-
Financial assets held at fair value through profit or loss	140 922	-	-	(28 184)	14 092
Total increase/(decrease)		(50)	50	(28 184)	14 092

Property	2021				
	Carrying amount	Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
		Statement of	Statement of	Statement of	Statement of
		Comprehensive Income	Comprehensive Income	Comprehensive Income	Comprehensive Income
Financial Assets	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	2 060	(21)	21	-	-
Financial assets held at fair value through profit or loss	119 969	-	-	(23 994)	11 997
Total increase/(decrease)		(21)	21	(23 994)	11 997

Liquidity risk

The Public Trustee has working capital policies in place in order to maintain liquidity for customers. Short-term investment analysis assists in determining the amount, if any, to be invested or reinvested in order to maintain working capital.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the ability to close out market positions. The Public Trustee manages the liquidity risk by continuously monitoring forecast and actual cash flows and matching maturity profiles of financial assets and liabilities.

Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in the respective financial asset / financial liability note.

Classification of financial instruments

On initial recognition, a financial asset / liability is classified as measured at amortised cost or at fair value through profit or loss as described in note 7.1.

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2022

7. Measurement and Risk (continued)

Maturity analysis of financial assets and financial liabilities

The following table discloses the maturity analysis of financial assets and financial liabilities.

Category of financial asset and financial liability	Note	2022	2022 Contractual Maturities		
		Carrying amount \$'000	Within 1 year	1-5 years \$'000	More than 5 years \$'000
Financial assets					
Cash and cash equivalents	3.1	60 930	60 930	-	-
Advances to estates		3 266	3 266	-	-
Financial assets held at fair value through profit or loss	3.2	1 089 315	830 393	258 922	-
Other assets		21 339	21 339	-	-
Total financial assets		1 174 850	915 928	258 922	-
Financial liabilities					
Income distribution payable		24 997	24 997	-	-
Funds due to other Common Funds		46 448	46 448	-	-
Other liabilities		65	65	-	-
Total financial liabilities		71 510	71 510	-	-

Category of financial asset and financial liability	Note	2021	2021 Contractual Maturities		
		Carrying amount \$'000	Within 1 year	1-5 years \$'000	More than 5 years \$'000
Financial assets					
Cash and cash equivalents	3.1	70 058	70 058	-	-
Advances to estates		3 358	3 358	-	-
Financial assets held at fair value through profit or loss	3.2	1 119 374	894 904	224 470	-
Other assets		30 707	30 707	-	-
Total financial assets		1 223 497	999 027	224 470	-
Financial liabilities					
Income distribution payable		31 318	31 318	-	-
Funds due to other Common Funds		35 136	35 136	-	-
Other liabilities		64	64	-	-
Total financial liabilities		66 518	66 518	-	-

The Public Trustee
STATEMENT OF TRUSTS BEING ADMINISTERED
for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Trust funds under administration	3		
Deceased Estates		184 064	174 706
Trusts		147 631	145 440
Administration Matters		39 608	45 106
Court Award Orders		452 150	478 124
Protected Estates		432 236	438 668
Workers Compensation Awards		13	86
Power of Attorney		66 861	70 058
Investors		457 028	457 112
Total funds		1 779 591	1 809 300
Represented by			
Investment in Common Funds	1(b),2		
Non current assets			
Australian equities		158 594	199 499
International equities		123 687	151 216
Property securities		140 922	119 969
Australian fixed interest investments		258 922	257 935
International fixed interest investments		62 957	57 500
		745 082	786 119
Current assets			
Cash and cash equivalents		14 482	34 922
Australian fixed interest investments		344 233	333 255
Advances to estates		3 266	3 358
Trust distribution receivable		19 327	28 853
Other assets		2 012	1 854
		383 320	402 242
Current liabilities			
Income distribution payable		24 997	31 318
Other liabilities		65	64
		25 062	31 382
Net Common Fund assets		1 103 340	1 156 979
Estate assets	1(c)		
Non current assets			
Real estate		405 875	359 869
Superannuation		188 875	191 601
Personal chattels		31 464	38 586
Equities		26 598	28 271
Fixed interest and cash assets		7 108	13 383
Mortgages		249	257
		660 169	631 967
Current assets			
Other assets	1(b)	27 897	32 861
Current liabilities			
Other liabilities	1(b)	11 815	12 507
Net estate assets		676 251	652 321
Total net assets		1 779 591	1 809 300

The Public Trustee
STATEMENT OF TRUSTS BEING ADMINISTERED
Notes to and forming part of the Statement of Trusts being Administered
for the year ended 30 June 2022

1. Statement of Principal Accounting Policies

a) Basis of preparation

The Statement of Trusts Being Administered (the Statement) and related notes are special purpose financial statements that provide information on the value and nature of trusts being administered. The Statement consolidates all trusts being administered by the Public Trustee, accordingly, no accounting standards and other mandatory reporting requirements are applied in the presentation of this Statement.

The Public Trustee has prepared the Statement, where appropriate, based on the general principles outlined in Australian Accounting Standards.

The Statement has been prepared using the accrual basis of accounting.

b) Basis of valuation of Common Fund assets and liabilities

Investments in Common Funds relating to Australian equities, International equities, Property securities and International fixed interest investments, are reported at market value to comply with current accounting standards.

Australian Fixed Interest Investments: Are valued at market value based on independently obtained market yields applying at balance date.

Advances to Estates: Are carried at their nominal amounts. The Public Trustee is authorised by the *Public Trustee Act 1995* to advance monies where an estate has insufficient monies to make payments as authorised or required to administer the estate, usually on a short term basis. Funds advanced are a first charge on the estate's property vested under the control of Public Trustee. The interest rate applicable on advances at 30 June 2022 was 1.35% (2021: 0.60%).

Cash and Cash Equivalents: Are carried at nominal amounts, translated at prevailing exchange rates where applicable. This asset consists of cash at bank and on hand, as well as other short term, highly liquid investments with original maturities of three months or less.

Other assets: Includes amounts for dividends and interest. Dividends are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment using the effective interest rate method.

Trust Distribution Receivable: Are accrued when the right to receive payment is established.

Other liabilities: Are accrued expenses owing by the Funds which are unpaid as at balance date.

Income Distribution Payable: Is payable to unitholders as at the end of the reporting period and recognised separately on the Statement of Trusts as unitholders are presently entitled to the distributable income as at 30 June 2022 under the Trust Deed.

c) Basis of valuation for estate assets

Real Estate: For deceased estates, real estate is initially valued as at date of death. In other matters, the initial valuation is at the date the Public Trustee is being appointed manager, administrator or new trustee. The Public Trustee revalues all South Australian real estate other than accommodation bonds annually. All other real estate is revalued to current value where these values can be ascertained. Such revaluations are determined by reference to valuations established by the South Australian Valuer-General, with a revaluation last being carried out as at 30 June 2022. Accommodation bonds are valued annually at cost less retention amount until the retention terms have expired.

Superannuation: Customer moneys were invested within an approved superannuation provider and were valued at fair value.

The Public Trustee
STATEMENT OF TRUSTS BEING ADMINISTERED
Notes to and forming part of the Statement of Trusts being Administered
for the year ended 30 June 2022

1. Statement of Principal Accounting Policies (continued)

Personal Chattels: For deceased estates valuation is at date of death. In other matters, valuation is at the date of the Public Trustee being appointed manager, administrator or new trustee. In the case of some sundry minor assets, nominal values are used for valuation purposes.

Investment by Estates in Common Funds: Valuation of estate investment in Common Funds is based on the underlying fair value of Common Funds as at balance date.

Other Estate Investments: Investments other than equities are shown at their face value. Valuation is performed at the date of the Public Trustee being appointed manager, administrator or new trustee or at the date of death in the case of deceased estates. Equities are valued at net fair value as at balance date.

2. Operation of the Common Funds

Common Funds managed by the Public Trustee have been established pursuant to Section 29 of the *Public Trustee Act 1995* or its predecessor legislation. Financial Statements for each common fund operated by the Public Trustee are presented within the annual report of the Public Trustee.

Investment in common funds (with the exception of direct investment in the Cash Common Fund) are by way of notional unit holdings in the Common Funds. Contributors may invest in the Cash Common Fund or alternately invest in a selection of Common Funds in proportions determined by one or more of the following standard investment strategies provided by the Public Trustee:

- Capital Stable
- Balanced
- Growth
- Equities

The Public Trustee
STATEMENT OF TRUSTS BEING ADMINISTERED
Notes to and forming part of the Statement of Trusts being Administered
for the year ended 30 June 2022

3. Trust Funds under Administration

	Number		Value	
	2022	2021	2022 \$'000	2021 \$'000
Deceased Estates				
Monies and assets held under the administration of the Public Trustee pursuant to the provisions of the <i>Public Trustee Act 1995</i>	960	994	184 064	174 706
Trusts				
Monies and assets held under the administration of the Public Trustee pursuant to the terms of a Will or a Deed of Trust	1 134	1 188	147 631	145 440
Administration Matters				
Monies paid and assets transferred to the Public Trustee on account of minor beneficiaries pursuant to the <i>Public Trustee Act 1995</i>	255	293	39 608	45 106
Court Award Orders				
Monies directed by the Court to be paid to the Public Trustee on behalf of clients and invested and applied by the Public Trustee as the Court directs and monies administered by the Public Trustee under the <i>Aged and Infirm Persons Property Act 1940</i>	727	756	452 150	478 124
Protected Estates				
Monies administered by the Public Trustee under the <i>Guardianship and Administration Act 1993</i>	4 091	3 963	432 236	438 668
Workers Compensation Awards				
Monies directed by the Court to be paid to the Public Trustee on behalf of widows and minors and invested and applied by the Public Trustee as the Court directs	5	5	13	86
Powers of Attorney				
Monies and assets held on behalf of donors who have appointed the Public Trustee to act on their behalf	240	260	66 861	70 058
Investors				
Monies invested in Common Funds pursuant to Section 29 (1) of the <i>Public Trustee Act 1995</i> by classes of persons approved by the Minister	4	73	457 028	457 112
	7 416	7 532	1 779 591	1 809 300

4. Unclaimed Monies

During the reporting period, amounts totalling \$657,692 (2021: \$359,172) in respect of estates became/were identified as unclaimed monies. Payment of these amounts to the Consolidated Account pursuant to Section 32 (1) of the *Public Trustee Act 1995* is expected to occur in the next financial year.

Public Trustee
Certification of the Financial Statements
for the year ended 30 June 2022

Certification of the financial statements

We certify that the:

- financial statements of the Public Trustee Corporate entity, Common Funds and Statement of Trusts being administered:
 - are in accordance with the accounts and records of the authority; and
 - comply with relevant Treasurer's instructions; and
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the Public Trustee at the end of the financial year and the result of its operations and cash flows for the financial year.

- internal controls employed by the Public Trustee for the financial year over its financial reporting and its preparation of financial statements have been effective.



.....
Nicolle Rantanen
Public Trustee



.....
Tony Brumfield
Chief Operating Officer

Date 13 September 2022