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To the Public Trustee

Opinion

I have audited the financial report of the Public Trustee for the financial year ended 30 June 2023.

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 2023, 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 2023 for the Corporate Operations
- a Statement of Financial Position as at 30 June 2023 for the Corporate Operations
- a Statement of Changes in Equity for the year ended 30 June 2023 for the Corporate Operations
- a Statement of Cash Flows for the year ended 30 June 2023 for the Corporate Operations
- notes, comprising material accounting policies and other explanatory information for the Corporate Operations
- a Statement of Trusts being Administered for the year ended 30 June 2023
- notes, comprising material accounting policies and other explanatory information for the Trusts being Administered
- a Statement of Comprehensive Income for the year ended 30 June 2023 for each of the Common Funds
- a Statement of Financial Position as at 30 June 2023 for each of the Common Funds
- a Statement of Cash Flows for the year ended 30 June 2023 for each of the Common Funds
- notes, comprising material accounting policies and other explanatory information for the Common Funds
- 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 the 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 the Public Trustee for the financial year ended 30 June 2023.

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

18 September 2023

Public Trustee

Corporate Financial Statements for the year ended 30 June 2023

Public Trustee
Certification of the Financial Statements
for the year ended 30 June 2023

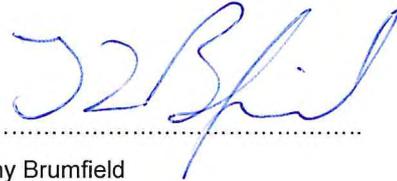
Certification of the financial statements

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 8 September 2023

Public Trustee
CORPORATE
Statement of Comprehensive Income
for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Income			
Fees and charges	2.1	24 809	26 231
Community Service Obligations	2.2	6 094	5 793
Interest	2.3	355	39
Resources received free of charge	2.4	87	78
Unrealised gains on financial assets		1 139	-
Investment income		472	608
Other income	2.5	357	289
Total income		33 313	33 038
Expenses			
Employee benefits expenses	3.3	17 161	17 063
Supplies and services	4.1	6 491	5 881
Unrealised losses on financial assets		-	2 658
Impairment of receivables		30	-
Depreciation and amortisation	4.2	1 734	1 594
Borrowing costs	4.3	275	298
Total expenses		25 691	27 494
Net result before income tax equivalents		7 622	5 544
Income tax equivalent		2 287	1 663
Net result after income tax equivalents		5 335	3 881
Total comprehensive result		5 335	3 881

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
As at 30 June 2023

	Note	2023	2022
		\$'000	\$'000
Current assets			
Cash and cash equivalents	6.1	8 944	7 998
Receivables	6.2	974	1 275
Total current assets		9 918	9 273
Non-current assets			
Other financial assets	6.3	19 138	17 997
Property plant and equipment	5.1	10 453	11 655
Intangible assets	5.5	3 701	3 555
Total non-current assets		33 292	33 207
Total assets		43 210	42 480
Current liabilities			
Payables	7.1	2 990	2 310
Financial liabilities	7.2	1 202	1 106
Contract liabilities	2.1	52	44
Employee benefits	3.4	1 722	1 768
Provisions	7.3	316	360
Total current liabilities		6 282	5 588
Non-current liabilities			
Payables	7.1	254	250
Financial liabilities	7.2	10 622	11 805
Employee benefits	3.4	2 578	2 623
Provisions	7.3	24	-
Total non-current liabilities		13 478	14 678
Total liabilities		19 760	20 266
Net assets		23 450	22 214
Equity			
Contributed Capital		2 950	2 950
Retained earnings		20 500	19 264
Total equity		23 450	22 214

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 2023

	Note	Contributed capital \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 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
Net result for 2022-23		-	5 335	5 335
Total comprehensive result for 2022-23		-	5 335	5 335
Transactions with State Government as owner				
Dividends Paid		-	(4 099)	(4 099)
Balance at 30 June 2023		2 950	20 500	23 450

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 2023

		2023 (Outflows) Inflows \$'000	2022 (Outflows) Inflows \$'000
Cash flows from operating activities	Note		
Cash inflows			
Fees and Charges		27 127	28 841
Community service obligations		6 094	5 793
Investment income		579	1 402
Sundry income		357	404
Interest		289	29
Cash generated from operations		34 446	36 469
Cash outflows			
Employee benefit payments		(17 191)	(18 392)
Payments for supplies and services		(6 783)	(6 625)
Tax equivalents		(1 358)	(2 608)
GST remitted to ATO		(1 530)	(1 750)
Interest paid		(275)	(298)
Cash used in operations		(27 137)	(29 673)
Net cash provided by operating activities	8.1	7 309	6 796
Cash flows from investing activities			
Cash outflows			
Purchase of financial assets		(2)	(4)
Purchase of intangibles		(683)	(2 711)
Purchase of property, plant and equipment		(492)	(38)
Cash used in investing activities		(1 177)	(2 753)
Net cash used in investing activities		(1 177)	(2 753)
Cash flows from financing activities			
Cash inflows			
Capital contribution from Government		-	2 800
Cash generated from financing activities		-	2 800
Cash outflows			
Dividend distribution to State Government		(4 099)	(6 221)
Lease liabilities repaid		(1 087)	(1 024)
Cash used in financing activities		(5 186)	(7 245)
Net cash used in financing activities		(5 186)	(4 445)
Net decrease in cash and cash equivalents		946	(402)
Cash and cash equivalents at 1 July		7 998	8 400
Cash and cash equivalents at 30 June	6.1	8 944	7 998

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 2023

1.	About the Public Trustee	6
1.1.	Basis of preparation	6
1.2.	Objectives	6
1.3.	Impact of COVID-19 pandemic on the Public Trustee.....	7
1.4.	Significant transactions with government related entities.....	7
2.	Income	7
2.1.	Fees and charges	7
2.1.	Fees and charges (continued).....	8
2.2.	Community Service Obligations.....	8
2.3.	Interest.....	9
2.4.	Resources received free of charge.....	9
2.5.	Other income	9
3.	Board, committees and employees	9
3.1.	Key management personnel.....	9
3.2.	Remuneration of Board and Committee members.....	10
3.3.	Employee benefits expenses.....	11
3.4.	Employee benefits liability	12
4.	Expenses	13
4.1.	Supplies and services	13
4.2.	Depreciation and amortisation	13
4.2.	Depreciation and amortisation (continued).....	14
4.3.	Borrowing costs	14
5.	Non-financial assets	15
5.1.	Property, Plant and equipment by asset class	15
5.2.	Property, plant and equipment owned by the Public Trustee	16
5.3.	Property, plant and equipment leased by the Public Trustee.....	16
5.4.	Reconciliation of movements in carrying amount of property, plant and equipment.....	17
5.5.	Intangible assets	18
6.	Financial assets	19
6.1.	Cash and cash equivalents.....	19
6.2.	Receivables	19
6.2.	Receivables (continued)	20
6.3.	Other Financial assets	20
7.	Liability	21
7.1.	Payables	21
7.2.	Financial Liabilities.....	22
7.3.	Provisions	22
8.	Other disclosures	23
8.1.	Cash flow	23
9.	Outlook	24
9.1.	Unrecognised commitments	24
9.2.	Expected realisation of contract liabilities as revenue.....	24
9.3.	Contingent assets and liabilities	24
9.4.	Impact of standards and statements not yet effective	24
9.5.	COVID-19 pandemic outlook for the Public Trustee.....	24
9.6.	Events after reporting period	24
10.	Measurement and risk.....	25
10.1.	Long service leave liability – measurement.....	25
10.2.	Fair Value.....	25
10.3.	Financial Instruments.....	26

The Public Trustee

CORPORATE

Notes to and forming part of the financial statements for the year ended 30 June 2023

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.

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

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 2023

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

There was no material impact on the operations of the Public Trustee in 2022-23 from the COVID-19 pandemic as isolation restrictions ended and high rates of vaccination softened impacts. 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 \$6 094 000 (2022: \$5 793 000) as described in note 2.2
- Lease Payments to Department for Infrastructure and Transport \$1 584 000 (2022: \$1 440 000)
- Dividends paid to Department of Treasury and Finance \$4 099 000 (2022: \$6 221 000)
- Income tax equivalents paid to Department of Treasury and Finance \$2 287 000 (2022: \$1 663 000)

2. Income

2.1. Fees and charges

	2023	2022
	\$'000	\$'000
Revenue from contracts with customers	24 809	26 231
Total fees and charges	24 809	26 231

Timing of revenue recognition - point in time

Fees and charges

Capital Commission	6 567	6 919
Income Commission	4 732	5 830
Management fees ¹	10 796	10 986
Professional Fees	2 714	2 496
Total fees and charges	24 809	26 231

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 2023

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.

Contract balances

	30 June	1 July
	2023	2022
	\$'000	\$'000
Receivables from contracts with customers, included in 'Receivables'	263	193
Contract liabilities	52	44

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 \$16 000 was recognised in 2022-23 (2022: \$18 000) that was included in contract liabilities at 1 July 2022. No revenue related to adjustments to prices for performance obligations satisfied or partially satisfied in prior periods.

2.2. Community Service Obligations

	2023	2022
	\$'000	\$'000
Community service obligations from SA Government	6 094	5 793
Total Community Service	6 094	5 793

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 2023

2.3. Interest

	2023	2022
	\$'000	\$'000
Interest on operating account	78	-
Interest on fixed term investments	277	39
Total interest	355	39

2.4. Resources received free of charge

	2023	2022
	\$'000	\$'000
Services received free of charge – Shared Services SA	87	78
Total resources received free of charge	87	78

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).

2.5. Other income

	2023	2022
	\$'000	\$'000
Recovery of rent	178	164
Sundry income	179	125
Total other income	357	289

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 (AGD) and the Public Trustee Executive who have responsibility for the strategic direction and management of the office. Total compensation for key management personnel was \$940 000 in 2022-23 and \$907 000 in 2021-22. The compensation detailed below excludes salaries and other benefits the Attorney-General receives and Chief Executive (AGD). 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*.

	2023	2022
	\$'000	\$'000
Compensation		
Salaries and other short term employee benefits	852	824
Post-employment benefits	88	83
Total	940	907

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 (2022: Nil).

The Public Trustee
CORPORATE
Notes to and forming part of the financial statements
for the year ended 30 June 2023

3.2. Remuneration of Board and Committee members

Members during the 2023 financial year were:

The Public Trustee Audit and Risk Management Committee:

J Evans (Chair, Commenced 1 February 2023)

C Oerman

L Jones*

D Corcoran*

V Hickey (Ceased 31 January 2023)

The Public Trustee Investment Advisory Committee:

D Holston (Chair)

T Brumfield*

N Rantanen*

Elizabeth Williams* (Commenced 26 October 2022)

S Calder

F Bartlett

K Kelly* (Ceased 16 September 2022)

The Public Trustee ICT Committee

N Rantanen* (Chair)

T Brumfield*

E Williams* (Commenced 26 October 2022)

D Martino*

M Smith*

K Kelly* (Ceased 16 September 2022)

The Public Trustee Work Place Consultative Committee

N Rantanen* (Chair)

E Williams* (Commenced 26 October 2022)

W Power* (Commenced 17 April 2023)

K Kelly* (Ceased 16 September 2022)

M Doyle (Ceased 05 December 2022)

S Palmer* (Ceased 20 January 2023)

The Work Place Consultative Committee attendees also include, at least one staff representative from each work area, management representatives, an Executive Officer and a standing invitation to a Public Service Association Industrial Officer.

The Public Trustee Health and Safety Committee

D Bamford* (Chair, Commenced 24 May 2023)

W Power* (Commenced 17 April 2023)

E Williams* (Commenced 26 October 2022)

S Virgili*

K Kelly* (Ceased 16 September 2022)

S Palmer* (Ceased 20 January 2023)

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

E Williams* (Chair Commenced 26 October 2022)

N Rantanen*

T Brumfield*

A Hoogeveen *

N Harvey*

S Fox*

J Williams*

K Kelly* (Ceased 16 September 2022)

K Sinkinson *

S Dinning*

W Power* (Commenced 17 April 2023)

K Higgins* (Ceased 20 January 2023)

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:

	2023	2022
\$0 - \$19 999	6	5
\$20 000 - \$39 999	1	1
Total number of members	7	6

The total remuneration received or receivable by members was \$61 000 (2022: \$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 2023

3.3. Employee benefits expenses

	2023	2022
	\$'000	\$'000
Salaries and wages	13 084	12 954
Separation packages	107	646
Long service leave	204	(200)
Annual leave	1 243	1 217
Skills and experience retention leave	79	80
Employment on-costs - superannuation	1 547	1 404
Employment on-costs - other	797	794
Board and committee fees	61	60
Other employee related expenses	2	2
Workers compensation	37	106
Total employee benefits expenses	17 161	17 063

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:

	2023	2022
	No.	No.
\$160 001 - \$180 000	1	1
\$180 001 - \$200 000	-	1
\$200 001 - \$220 000	1	-
\$240 001 - \$260 000	1	1
\$320 001 - \$340 000	1	1
Total	4	4

The total remuneration received by those employees for the year was \$971 000 (2022: \$949 000).

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 0 (2022: 14).

The number of employees who received a targeted voluntary separation package was 1 (2022: 0).

	2023	2022
	\$'000	\$'000
Amounts paid to separated employees:		
Rejuvenation scheme ¹	-	646
Targeted voluntary separation packages	107	-
Leave paid to separated employees	58	483
Net cost to the Public Trustee	165	1 129

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 2023

3.4. Employee benefits liability

	2023	2022
	\$'000	\$'000
Current		
Accrued salaries and wages	4	-
Annual leave	1 243	1 268
Long service leave	358	369
Skills and experience retention leave	117	131
Total current employee benefits	1 722	1 768
Non-current		
Long service leave	2 578	2 623
Total non-current employee benefits	2 578	2 623
Total employee benefits	4 300	4 391

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 2023

4. Expenses

Employee benefits expenses are disclosed in note 3.3.

4.1. Supplies and services

	2023	2022
	\$'000	\$'000
Minor works, maintenance and equipment	41	12
Insurance	487	397
Information technology and communications	2 351	1 972
Accommodation	473	418
Legal expenses	19	31
Service contractors	2 100	1 860
Other Supplies and services	695	890
Auditors remuneration	238	223
Shared Services SA resources	87	78
Consultants	-	-
Total supplies and services	6 491	5 881

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

There was no consultants expenditure in 2023 (2022: Nil).

4.2. Depreciation and amortisation

	2023	2022
	\$'000	\$'000
Plant and equipment	44	39
Right-of-use assets	1 019	1 017
Accommodation and Leasehold improvements	408	407
Intangible assets	263	131
Total depreciation and amortisation	1 734	1 594

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.

The Public Trustee
CORPORATE
Notes to and forming part of the financial statements
for the year ended 30 June 2023

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

	2023	2022
	\$'000	\$'000
Interest on lease liabilities	275	298
Total borrowing costs	275	298

The Public Trustee does not capitalise borrowing costs.

The Public Trustee
CORPORATE
Notes to and forming part of the financial statements
for the year ended 30 June 2023

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.

	2023	2022
	\$'000	\$'000
Accommodation and leasehold improvements		
Leasehold improvements at cost	6 542	6 542
Accumulated depreciation at the end of the reporting period	(3 727)	(3 318)
Total Accommodation and Leasehold improvements	<u>2 815</u>	<u>3 224</u>
Right-of-use Building		
Office accommodation lease	22 310	22 310
Accumulated depreciation at the end of the reporting period	(15 313)	(14 302)
Total right-of-use building	<u>6 997</u>	<u>8 008</u>
Plant and equipment		
Plant and equipment at cost	559	559
Accumulated depreciation at the end of the reporting period	(495)	(450)
Total plant and equipment	<u>64</u>	<u>109</u>
Work in progress		
Work in progress at cost	558	314
Total work in progress	<u>558</u>	<u>314</u>
Right-of-use vehicles		
Right-of-use vehicles	27	8
Accumulated depreciation at the end of the reporting period	(8)	(8)
Total right-of-use vehicles	<u>19</u>	<u>-</u>
Total Property Plant and Equipment	<u>10 453</u>	<u>11 655</u>

The Public Trustee
CORPORATE
Notes to and forming part of the financial statements
for the year ended 30 June 2023

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.

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.

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.

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.

The Public Trustee
CORPORATE
Notes to and forming part of the financial statements
for the year ended 30 June 2023

5.4. Reconciliation of movements in carrying amount of property, plant and equipment

**Reconciliation of property, plant and equipment
2022-23**

	Accommodat ion & Leasehold improvement s	Plant and equipment	Right-of- use vehicles	Right-of- use buildings	Work in Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2022	3 223	108	-	8 008	314	11 653
Acquisitions	-	-	27	-	244	271
Depreciation	(408)	(44)	(8)	(1 011)	-	(1 471)
Carrying amount at 30 June 2023	2 815	64	19	6 997	558	10 453

**Reconciliation of property, plant and equipment
2021-22**

	Accommodat ion & Leasehold improvement s	Plant and equipment	Right-of- use vehicles	Right-of- use buildings	Work in Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2021	3 631	48	6	9 012	62	12 759
Acquisitions	-	-	-	-	352	352
Depreciation	(407)	(39)	(6)	(1 004)	-	(1 456)
Transfers between asset classes	-	100	-	-	(100)	-
Carrying amount at 30 June 2022	3 224	109	-	8 008	314	11 655

The Public Trustee
CORPORATE
Notes to and forming part of the financial statements
for the year ended 30 June 2023

5.5. Intangible assets

	2023	2022
	\$'000	\$'000
Software		
Software at cost	10 386	6 785
Accumulated amortisation	(6 685)	(6 618)
Total software	3 701	167
Work in progress		
Work in progress at cost	-	3 388
Total work in progress	-	3 388
Total Intangible Assets	3 701	3 555

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.

The Public Trustee's new Customer Relationship Management system was completed and capitalised in February 2023.

A review of software with a written down value of zero was conducted during the 2022-23 year. Software to the value of \$196 000 that was fully depreciated and no longer held by the Public Trustee have been removed from the asset register.

Reconciliation of intangible assets 2022-23

	Software	Work in	Total
	\$'000	progress	\$'000
		\$'000	
Carrying amount at 1 July 2022	167	3 388	3 555
Acquisitions	409	-	409
Transfers between asset classes	3 388	(3 388)	-
Amortisation	(263)	-	(263)
Carrying amount at 30 June 2023	3 701	-	3 701

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

The Public Trustee
CORPORATE
Notes to and forming part of the financial statements
for the year ended 30 June 2023

6. Financial assets

6.1. Cash and cash equivalents

	2023	2022
	\$'000	\$'000
Public Trustee Operating Account	1 944	1 498
Short term financial assets held to maturity	7 000	6 500
Total cash	8 944	7 998

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

	2023	2022
	\$'000	\$'000
Current		
Contractual receivables		
From government entities	-	-
From non-government entities	281	203
Less impairment loss on receivables	(18)	(10)
Total contractual receivables	263	193
Statutory receivables		
GST input tax recoverable	42	77
Total statutory receivables	42	77
Prepayments	395	690
Accrued revenues	274	315
Total prepayments and accrued revenues	669	1 005
Total current receivables	974	1 275

Contractual receivables arise in the normal course of selling goods and services to the public. Contractual 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.

The Public Trustee
CORPORATE
Notes to and forming part of the financial statements
for the year ended 30 June 2023

6.2. Receivables (continued)

Allowance for impairment loss on receivables

	2023	2022
	\$'000	\$'000
Carrying amount at the beginning of the period	10	23
Amounts written off	(22)	(7)
Increase /(decrease) in allowance recognised in profit or loss	30	(6)
Carrying amount at 30 June	18	10

Impairment losses relate to contracts with customers external to SA government. No impairment loss was recognised in relation to statutory receivables.

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.

	2023	2022
	\$'000	\$'000
Australian Fixed interest (pooled funds)	7 732	7 708
International equities (pooled funds)	4 195	3 591
Australian listed property (pooled funds)	1 326	1 264
Australian equities (pooled funds)	5 885	5 434
Total financial assets	19 138	17 997

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

The Public Trustee
CORPORATE
Notes to and forming part of the financial statements
for the year ended 30 June 2023

7. Liability

Employee benefits liabilities are disclosed in note 3.4.

7.1. Payables

	2023	2022
	\$'000	\$'000
Current		
Contractual payables	1 135	1 440
Total contractual payables	1 135	1 440
Statutory Payables		
Income tax equivalents	1 455	526
GST payable	54	-
Employment on-costs	346	344
Total statutory payables	1 855	870
Total current payables	2 990	2 310
Non-Current		
Statutory Payables		
Employment on-costs	254	250
Total statutory payables	254	250
Total non-current payables	254	250
Total payables	3 244	2 560

Payables and accruals are recognised for all amounts owing but unpaid. Contractual 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. These on-costs primarily relate to the balance of leave owing to employees. Estimates as to the proportion of long service leave estimated to be taken as leave, rather than paid on termination, affects whether certain on-costs are recognised as a consequence of long service leave liabilities.

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 increased to 43% (2022: 42%). The average factor for the calculation of employer superannuation cost on-costs for 2023 has increased to 11.1% (2022: 10.6%). These rates are used in the employment on-cost calculation. The net financial effect in the current financial year is immaterial.

The Public Trustee
CORPORATE
Notes to and forming part of the financial statements
for the year ended 30 June 2023

7.2. Financial Liabilities

	Note	2023 \$'000	2022 \$'000
Current			
Lease Liabilities	5.3	1 202	1 106
Total current lease liability		1 202	1 106
Non-Current			
Lease Liabilities	5.3	10 622	11 805
Total non-current lease liability		10 622	11 805
Total lease liability		11 824	12 911

The Public Trustee measures financial liabilities at amortised cost.

7.3. Provisions

	2023 \$'000	2022 \$'000
Current		
Provision for workers compensation	316	360
Total current provisions	316	360
Non-current		
Provision for workers compensation	24	-
Total non-current provisions	24	-
Total provisions	340	360
Movement in provision		
<i>Provision for workers compensation¹</i>	\$'000	\$'000
Carrying amount at the beginning of the period	360	259
Additional provisions recognised	37	106
Reductions arising from payments	(57)	(5)
Carrying Amount at the end of the period	340	360
<i>Provision for dividend to State Government²</i>		
Carrying amount at the beginning of the period		
Additional provisions recognised	4 099	6 221
Reductions arising from payments	(4 099)	(6 221)
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 2023 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 dividend refund for 2021-22 of \$954 000 was received in 2022-23. In addition an interim dividend of \$5 053 000 was paid for in 2022-23.

The Public Trustee
CORPORATE
Notes to and forming part of the financial statements
for the year ended 30 June 2023

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 \$1 362 000 (2022: \$1 328 000).

Reconciliation of net result to cashflows from operating activities

	2023	2022
	\$'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	8 944	7 998
Balance as per the Statement of Cash Flows	8 944	7 998
Reconciliation of net cash provided by operating activities to net result		
Net cash provided by operating activities	7 309	6 796
Add / (less) non-cash Items		
Unrealised gain / (loss) on financial assets	1 139	(2 658)
Depreciation and amortisation expense of non-current assets	(1 734)	(1 594)
Movements in assets and liabilities		
(Decrease) / Increase in receivables	(301)	(756)
(Increase) / Decrease in payables	(246)	(105)
(Increase) / Decrease in contract balances	(8)	(10)
Decrease in employee benefits and on-costs	85	1 364
(Increase) / Decrease in provisions	20	(101)
Decrease / (Increase) in income tax equivalents	(929)	945
Net result	5 335	3 881

The Public Trustee
CORPORATE
Notes to and forming part of the financial statements
for the year ended 30 June 2023

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.

	2023	2022
	\$'000	\$'000
Capital commitments		
Within one year	-	295
Total capital commitments	-	295

Expenditure commitments

	2023	2022
	\$'000	\$'000
Within one year	84	84
Later than one year but not longer than five years	252	336
Total expenditure commitments	336	420

The Public Trustee's expenditure commitments in 2023 are for the Customer Relationship Management System licensing and support fee.

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.

	2023-24	2024-25	Total
	\$'000	\$'000	\$'000
Revenue expected to be recognised	47	5	52

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 is not expected to have an impact on the Public Trustee in 2023-24 with isolation restrictions ended and high rates of vaccination softening impacts.

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.

The Public Trustee
CORPORATE
Notes to and forming part of the financial statements
for the year ended 30 June 2023

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 2023 has increased to 4% (2022: 3.5%).

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 \$80 000 and employee benefits expense of \$80 000. 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 3.5% 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.

The Public Trustee
CORPORATE
Notes to and forming part of the financial statements
for the year ended 30 June 2023

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.

The Public Trustee
CORPORATE
Notes to and forming part of the financial statements
for the year ended 30 June 2023

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.

The Public Trustee
CORPORATE
Notes to and forming part of the financial statements
for the year ended 30 June 2023

10.3. Financial Instruments (continued)

Sensitivity analysis – 30 June 2023

<i>Financial Assets</i>	Carrying amount \$'000	-1%	+1%	-20%	+10%
		Statement of Comprehensive income \$'000			
Cash and cash equivalents	8 944	(89)	89	-	-
<i>Financial assets at fair value through profit or loss:</i>					
Australian Fixed Interest (pooled funds)	7 732	(77)	77	(1 546)	773
International equities (pooled funds)	4 195	-	-	(839)	420
Australian listed property (pooled funds)	1 326	-	-	(265)	133
Australian equities (pooled funds)	5 885	-	-	(1 177)	589
Total (decrease)/increase		(166)	166	(3 827)	1 915

Sensitivity analysis – 30 June 2022

<i>Financial Assets</i>	Carrying amount \$'000	-1%	+1%	-20%	+10%
		Statement of Comprehensive income \$'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

The Public Trustee
CORPORATE
Notes to and forming part of the financial statements
for the year ended 30 June 2023

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.

	2023	2022
	\$'000	\$'000
<i>Cash at bank, short-term bank deposits and floating rate notes</i>		
A1+ Credit Rating	1 944	1 498
A2 Credit Rating	7 000	6 500
Total Cash at bank, short-term bank deposits and floating rate notes	8 944	7 998
<i>Trade receivables</i>		
<i>Counterparties with external ratings</i>		
A2 Credit Rating	263	193
<i>Counterparties without external ratings</i>		
existing customers with no defaults in the past	274	315
Total trade receivables ¹	537	508

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.

The Public Trustee
CORPORATE
Notes to and forming part of the financial statements
for the year ended 30 June 2023

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 2023

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 2023

Cash Common Fund			
	Note	2023 \$'000	2022 \$'000
Investment income			
Interest	1.1(d)	14 759	4 249
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	1 159	(3 277)
Total investment income		15 918	972
Expenses			
The Public Trustee management fees	1.1(e), (m)	4 860	3 941
Legal and advisory expenses		155	114
Other expenses		12	11
Total expenses		5 027	4 066
Net result from operating activities		10 891	(3 094)
Financing costs attributable to unitholders			
Undistributed income brought forward	4.4	133	-
Distributions to unitholders	4.4	(8 134)	(14)
Transfers from / (to) net assets to determine distributable income	1.1(g)	(1 159)	3 241
Total financing costs attributable to unitholders		(9 160)	3 227
(Increase) / decrease in net assets attributable to unitholders		(1 731)	(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 2023

Cash Common Fund			
	Note	2023	2022
		\$'000	\$'000
Assets			
Cash and cash equivalents	3.1	9 635	14 482
Advances to estates	1.1(i)	2 818	3 266
Financial assets held at fair value through profit or loss	3.2	522 018	463 184
Other assets	1.1(j)	5 502	1 342
Total assets		539 973	482 274
Liabilities			
Income distribution payable	4.4	1 731	133
Funds due to other common funds		50 591	46 448
Other liabilities		4	25
Total liabilities (excluding net assets attributable to unitholders)		52 326	46 606
Net assets attributable to unitholders - Liability	4.2	487 647	435 668
Represented by:			
Fair value of outstanding units based on net asset value		487 647	435 668

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Cash Flows
for the year ended 30 June 2023

Cash Common Fund			
	Note	2023 Inflows (Outflows) \$'000	2022 Inflows (Outflows) \$'000
Cash flows from operating activities			
Cash inflows			
Interest received		10 649	4 080
Cash generated from operations		10 649	4 080
Cash outflows			
Payments for expenses		(5 056)	(4 074)
Cash used in operations		(5 056)	(4 074)
Net cash (used in) / provided by operating activities	5.2	5 593	6
Cash flows from investing activities			
Cash inflows			
Proceeds from the sale of financial assets held at fair value through profit or loss		161 993	201 001
Net repayments of advances to estates		448	91
Cash generated from investing activities		162 441	201 092
Cash outflows			
Purchase of financial assets held at fair value through profit or loss		(219 683)	(227 604)
Cash used in investing activities		(219 683)	(227 604)
Net cash (used in) / provided by investing activities		(57 242)	(26 512)
Cash flows from financing activities			
Cash inflows			
Net proceeds / payments from applications / redemptions from / (to) unitholders		50 793	(5 233)
Cash generated by financing activities		50 793	(5 233)
Cash outflows			
Net proceeds / payments from applications / redemptions from / (to) other common funds		4 143	11 313
Distributions paid		(8 134)	(14)
Cash used in financing activities		(3 991)	11 299
Net cash provided / (used in) by financing activities		46 802	6 066
Net increase / (decrease) in cash and cash equivalents		(4 847)	(20 440)
Cash and cash equivalents at the beginning of the period		14 482	34 922
Cash and cash equivalents at the end of the period	3.1	9 635	14 482

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Comprehensive Income
for the year ended 30 June 2023

Short Term Fixed Interest Common Fund

	Note	2023 \$'000	2022 \$'000
Investment income			
Interest	1.1(d)	1 779	817
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	4	(1 398)
Total investment income		<u>1,783</u>	<u>(581)</u>
Expenses			
The Public Trustee management fees	1.1(e), (m)	690	689
Legal and advisory expenses		22	16
Total expenses		<u>712</u>	<u>705</u>
Net result from operating activities		<u>1 071</u>	<u>(1 286)</u>
Financing costs attributable to unitholders			
Undistributed income brought forward	4.4	69	43
Distributions to unitholders	4.4	(464)	(87)
Transfers from / (to) net assets to determine distributable income	1.1(g)	(4)	1 399
Total financing costs attributable to unitholders		<u>(399)</u>	<u>1 355</u>
(Increase) / decrease in net assets attributable to unitholders		<u>(672)</u>	<u>(69)</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 2023

Short Term Fixed Interest Common Fund

	Note	2023 \$'000	2022 \$'000
Assets			
Cash and cash equivalents	3.1	6 557	9 039
Financial assets held at fair value through profit or loss	3.2	59 811	55 851
Other assets	1.1(j)	475	314
Total assets		66 843	65 204
Liabilities			
Income distribution payable	4.4	672	69
Other liabilities		-	4
Total liabilities (excluding net assets attributable to unitholders)		672	73
Net assets attributable to unitholders - Liability	4.2	66 171	65 131
Represented by:			
Fair value of outstanding units based on net asset value		66 171	65 131

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Cash Flows
for the year ended 30 June 2023

Short Term Fixed Interest Common Fund

	Note	2023 Inflows (Outflows) \$'000	2022 Inflows (Outflows) \$'000
Cash flows from operating activities			
Cash inflows			
Interest received		1 548	792
Cash generated from operations		1 548	792
Cash outflows			
Payments for expenses		(716)	(704)
Cash used in operations		(716)	(704)
Net cash (used in) / provided by operating activities	5.2	832	88
Cash flows from investing activities			
Cash inflows			
Proceeds from the sale of financial assets held at fair value through profit or loss		17 533	23 540
Cash generated from investing activities		17 533	23 540
Cash outflows			
Purchase of financial assets held at fair value through profit or loss		(21 419)	(23 403)
Cash used in investing activities		(21 419)	(23 403)
Net cash (used in) / provided by investing activities		(3 886)	137
Cash flows from financing activities			
Cash inflows			
Proceeds from applications by unitholders		6 928	7 411
Cash generated by financing activities		6 928	7 411
Cash outflows			
Net proceeds / payments from applications / redemptions from / (to) other common funds		(5 892)	(10 765)
Distributions paid		(464)	(87)
Cash used in financing activities		(6 356)	(10 852)
Net cash provided / (used in) by financing activities		572	(3 441)
Net increase / (decrease) in cash and cash equivalents		(2 482)	(3 216)
Cash and cash equivalents at the beginning of the period		9 039	12 255
Cash and cash equivalents at the end of the period	3.1	6 557	9 039

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Comprehensive Income
for the year ended 30 June 2023

Long Term Fixed Interest Common Fund

	Note	2023 \$'000	2022 \$'000
Investment income			
Trust distributions		2 163	1 365
Interest	1.1(d)	987	1 130
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	(755)	(4 124)
Other income		19	16
Total investment income		2 414	(1 613)
Expenses			
The Public Trustee management fees	1.1(e), (m)	968	1 000
Legal and advisory expenses		31	26
Total expenses		999	1 026
Net result from operating activities		1 415	(2 639)
Financing costs attributable to unitholders			
Undistributed income brought forward	4.4	901	971
Distributions to unitholders	4.4	(1 761)	(1 803)
Transfers from / (to) net assets to determine distributable income	1.1(g)	757	4 372
Total financing costs attributable to unitholders		(103)	3 540
(Increase) / decrease in net assets attributable to unitholders		(1 312)	(901)
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 2023

Long Term Fixed Interest Common Fund

	Note	2023 \$'000	2022 \$'000
Assets			
Cash and cash equivalents	3.1	6 409	8 711
Financial assets held at fair value through profit or loss	3.2	85 353	84 120
Other assets	1.1(j)	699	643
Total assets		92 461	93 474
Liabilities			
Income distribution payable	4.4	1 312	901
Other liabilities		1	5
Total liabilities (excluding net assets attributable to unitholders)		1 313	906
Net assets attributable to unitholders - Liability	4.2	91 148	92 568
Represented by:			
Fair value of outstanding units based on net asset value		91 148	92 568

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Cash Flows
for the year ended 30 June 2023

Long Term Fixed Interest Common Fund

	Note	2023 Inflows (Outflows) \$'000	2022 Inflows (Outflows) \$'000
Cash flows from operating activities			
Cash inflows			
Trust distributions received		2 092	1 123
Interest received		1 031	1 243
Cash generated from operations		3 123	2 366
Cash outflows			
Payments for expenses		(1 001)	(1 026)
Cash used in operations		(1 001)	(1 026)
Net cash (used in) / provided by operating activities	5.2	2 122	1 340
Cash flows from investing activities			
Cash inflows			
Proceeds from the sale of financial assets held at fair value through profit or loss		5 500	22 740
Cash generated from investing activities		5 500	22 740
Cash outflows			
Purchase of financial assets held at fair value through profit or loss		(7 500)	(17 080)
Cash used in investing activities		(7 500)	(17 080)
Net cash (used in) / provided by investing activities		(2 000)	5 660
Cash flows from financing activities			
Cash inflows			
Proceeds from applications by unitholders		9 597	12 098
Cash generated by financing activities		9 597	12 098
Cash outflows			
Net proceeds / payments from applications / redemptions from / (to) other common funds		(10 260)	(22 569)
Distributions paid		(1 761)	(1 803)
Cash used in financing activities		(12 021)	(24 372)
Net cash provided / (used in) by financing activities		(2 424)	(12 274)
Net increase / (decrease) in cash and cash equivalents		(2 302)	(5 274)
Cash and cash equivalents at the beginning of the period		8 711	13 985
Cash and cash equivalents at the end of the period	3.1	6 409	8 711

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Comprehensive Income
for the year ended 30 June 2023

Overseas Fixed Interest Common Fund

	Note	2023 \$'000	2022 \$'000
Investment income			
Trust distributions		1 126	1 048
Interest	1.1(d)	109	1
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	(576)	(5 538)
Other income		112	126
Total investment income		771	(4 363)
Expenses			
The Public Trustee management fees	1.1(e), (m)	721	751
Legal and advisory expenses		23	18
Total expenses		744	769
Net result from operating activities		27	(5 132)
Financing costs attributable to unitholders			
Undistributed income brought forward	4.4	37	3 151
Distributions to unitholders	4.4	(365)	(3 152)
Transfers from / (to) net assets to determine distributable income	1.1(g)	576	5 170
Total financing costs attributable to unitholders		248	5 169
(Increase) / decrease in net assets attributable to unitholders		(275)	(37)
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 2023

Overseas Fixed Interest Common Fund			
	Note	2023	2022
		\$'000	\$'000
Assets			
Cash and cash equivalents	3.1	6 801	6 816
Financial assets held at fair value through profit or loss	3.2	62 484	62 957
Other assets	1.1(j)	190	239
Total assets		69 475	70 012
Liabilities			
Income distribution payable	4.4	275	37
Other liabilities		-	4
Total liabilities (excluding net assets attributable to unitholders)		275	41
Net assets attributable to unitholders - Liability	4.2	69 200	69 971
Represented by:			
Fair value of outstanding units based on net asset value		69 200	69 971

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Cash Flows
for the year ended 30 June 2023

Overseas Fixed Interest Common Fund

	Note	2023 Inflows (Outflows) \$'000	2022 Inflows (Outflows) \$'000
Cash flows from operating activities			
Cash inflows			
Trust distributions received		1 200	4 017
Interest received		93	15
Cash generated from operations		1 293	4 032
Cash outflows			
Payments for expenses		(748)	(768)
Cash used in operations		(748)	(768)
Net cash (used in) / provided by operating activities	5.2	545	3 264
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)
Cash used in investing activities		-	(30 000)
Net cash (used in) / provided by investing activities		-	(10 883)
Cash flows from financing activities			
Cash inflows			
Proceeds from applications by unitholders		7 231	19 772
Cash generated by financing activities		7 231	19 772
Cash outflows			
Net proceeds / payments from applications / redemptions from / (to) other common funds		(7 426)	(4 022)
Distributions paid		(365)	(3 152)
Cash used in financing activities		(7 791)	(7 174)
Net cash provided / (used in) by financing activities		(560)	12 598
Net increase / (decrease) in cash and cash equivalents		(15)	4 979
Cash and cash equivalents at the beginning of the period		6 816	1 837
Cash and cash equivalents at the end of the period	3.1	6 801	6 816

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Comprehensive Income
for the year ended 30 June 2023

Australian Shares Common Fund

	Note	2023 \$'000	2022 \$'000
Investment income			
Trust distributions		9 605	15 983
Interest	1.1(d)	125	1
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	10 753	(38 683)
Other income		636	777
Total investment income		21 119	(21 922)
Expenses			
The Public Trustee management fees	1.1(e), (m)	2 144	2 535
Legal and advisory expenses		58	51
Total expenses		2 202	2 586
Net result from operating activities		18 917	(24 508)
Financing costs attributable to unitholders			
Undistributed income brought forward	4.4	15 632	9 618
Distributions to unitholders	4.4	(17 512)	(12 014)
Transfers from / (to) net assets to determine distributable income	1.1(g)	(8 292)	42 536
Total financing costs attributable to unitholders		(10 172)	40 140
(Increase) / decrease in net assets attributable to unitholders		(8 745)	(15 632)
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 2023

Australian Shares Common Fund

	Note	2023 \$'000	2022 \$'000
Assets			
Cash and cash equivalents	3.1	10 988	6 798
Financial assets held at fair value through profit or loss	3.2	157 981	158 594
Other assets	1.1(j)	6 807	13 572
Total assets		175 776	178 964
Liabilities			
Income distribution payable	4.4	8 745	15 632
Other liabilities		1	11
Total liabilities (excluding net assets attributable to unitholders)		8 746	15 643
Net assets attributable to unitholders - Liability	4.2	167 030	163 321
Represented by:			
Fair value of outstanding units based on net asset value		167 030	163 321

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Cash Flows
for the year ended 30 June 2023

Australian Shares Common Fund			
	Note	2023 Inflows (Outflows) \$'000	2022 Inflows (Outflows) \$'000
Cash flows from operating activities			
Cash inflows			
Trust distributions received		16 396	10 546
Interest received		98	-
Cash generated from operations		16 494	10 546
Cash outflows			
Payments for expenses		(2 211)	(2 587)
Cash used in operations		(2 211)	(2 587)
Net cash (used in) / provided by operating activities	5.2	14 283	7 959
Cash flows from investing activities			
Cash inflows			
Proceeds from the sale of financial assets held at fair value through profit or loss		12 002	10 500
Cash generated from investing activities		12 002	10 500
Cash outflows			
Purchase of financial assets held at fair value through profit or loss		-	(7 500)
Cash used in investing activities		-	(7 500)
Net cash (used in) / provided by investing activities		12 002	3 000
Cash flows from financing activities			
Cash inflows			
Proceeds from applications by unitholders		17 611	24 938
Cash generated by financing activities		17 611	24 938
Cash outflows			
Net proceeds / payments from applications / redemptions from / (to) other common funds		(22 194)	(20 652)
Distributions paid		(17 512)	(12 014)
Cash used in financing activities		(39 706)	(32 666)
Net cash provided / (used in) by financing activities		(22 095)	(7 728)
Net increase / (decrease) in cash and cash equivalents		4 190	3 231
Cash and cash equivalents at the beginning of the period		6 798	3 567
Cash and cash equivalents at the end of the period	3.1	10 988	6 798

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Comprehensive Income
for the year ended 30 June 2023

Overseas Shares Common Fund			
	Note	2023	2022
		\$'000	\$'000
Investment income			
Trust distributions		1 750	4 440
Interest	1.1(d)	161	2
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	20 834	(24 408)
Other income		337	475
Total investment income		23 082	(19 491)
Expenses			
The Public Trustee management fees	1.1(e), (m)	1 689	1 951
Legal and advisory expenses		46	39
Total expenses		1 735	1 990
Net result from operating activities		21 347	(21 481)
Financing costs attributable to unitholders			
Undistributed income brought forward	4.4	6 638	14 509
Distributions to unitholders	4.4	(6 638)	(15 842)
Transfers from / (to) net assets to determine distributable income	1.1(g)	(16 827)	29 452
Total financing costs attributable to unitholders		(16 827)	28 119
(Increase) / decrease in net assets attributable to unitholders		(4 520)	(6 638)
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 2023

Overseas Shares Common Fund

	Note	2023 \$'000	2022 \$'000
Assets			
Cash and cash equivalents	3.1	13 615	10 103
Financial assets held at fair value through profit or loss	3.2	133 647	123 687
Other assets	1.1(j)	1 353	3 663
Total assets		148 615	137 453
Liabilities			
Income distribution payable	4.4	4 520	6 638
Other liabilities		5	8
Total liabilities (excluding net assets attributable to unitholders)		4 525	6 646
Net assets attributable to unitholders - Liability	4.2	144 090	130 807
Represented by:			
Fair value of outstanding units based on net asset value		144 090	130 807

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Cash Flows
for the year ended 30 June 2023

Overseas Shares Common Fund		
Note	2023 Inflows (Outflows) \$'000	2022 Inflows (Outflows) \$'000
Cash flows from operating activities		
Cash inflows		
	4 093	15 018
	128	-
	4 221	15 018
Cash outflows		
	(1 742)	(1 991)
	(1 742)	(1 991)
	2 479	13 027
5.2		
Cash flows from investing activities		
Cash inflows		
	65 215	27 397
	65 215	27 397
Cash outflows		
	(54 000)	(23 800)
	(54 000)	(23 800)
	11 215	3 597
Cash flows from financing activities		
Cash inflows		
	14 030	18 885
	14 030	18 885
Cash outflows		
	(17 574)	(10 996)
	(6 638)	(15 842)
	(24 212)	(26 838)
	(10 182)	(7 953)
	3 512	8 671
	10 103	1 432
	13 615	10 103
3.1		

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Comprehensive Income
for the year ended 30 June 2023

Property Common Fund			
	Note	2023 \$'000	2022 \$'000
Investment income			
Trust distributions		3 853	3 684
Interest	1.1(d)	80	1
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	(387)	2 560
Other income		174	192
Total investment income		3 720	6 437
Expenses			
The Public Trustee management fees	1.1(e), (m)	1 807	1 809
Legal and advisory expenses		48	36
Total expenses		1 855	1 845
Net result from operating activities		1 865	4 592
Financing costs attributable to unitholders			
Undistributed income brought forward	4.4	1 587	3 026
Distributions to unitholders	4.4	(1 710)	(3 801)
Transfers from / (to) net assets to determine distributable income	1.1(g)	(669)	(2 230)
Total financing costs attributable to unitholders		(792)	(3 005)
(Increase) / decrease in net assets attributable to unitholders		(1 073)	(1 587)
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 2023

Property Common Fund

	Note	2023 \$'000	2022 \$'000
Assets			
Cash and cash equivalents	3.1	6 221	4 981
Financial assets held at fair value through profit or loss	3.2	136 619	140 922
Other assets	1.1(j)	1 578	1 566
Total assets		144 418	147 469
Liabilities			
Income distribution payable	4.4	1 073	1 587
Other liabilities		1	8
Total liabilities (excluding net assets attributable to unitholders)		1 074	1 595
Net assets attributable to unitholders - Liability	4.2	143 344	145 874
Represented by:			
Fair value of outstanding units based on net asset value		143 344	145 874

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Cash Flows
for the year ended 30 June 2023

		Property Common Fund	
	Note	2023 Inflows (Outflows) \$'000	2022 Inflows (Outflows) \$'000
Cash flows from operating activities			
Cash inflows			
Trust distributions received		3 913	5 322
Interest received		65	-
Cash generated from operations		<u>3 978</u>	<u>5 322</u>
Cash outflows			
Payments for expenses		(1 862)	(1 846)
Cash used in operations		<u>(1 862)</u>	<u>(1 846)</u>
Net cash (used in) / provided by operating activities	5.2	<u>2 116</u>	<u>3 476</u>
Cash flows from investing activities			
Cash inflows			
Proceeds from the sale of financial assets held at fair value through profit or loss		19 314	-
Cash generated from investing activities		<u>19 314</u>	<u>-</u>
Cash outflows			
Purchase of financial assets held at fair value through profit or loss		(15 400)	(18 180)
Cash used in investing activities		<u>(15 400)</u>	<u>(18 180)</u>
Net cash (used in) / provided by investing activities		<u>3 914</u>	<u>(18 180)</u>
Cash flows from financing activities			
Cash inflows			
Proceeds from applications by unitholders		14 945	29 642
Cash generated by financing activities		<u>14 945</u>	<u>29 642</u>
Cash outflows			
Net proceeds / payments from applications / redemptions from / (to) other common funds		(18 025)	(8 216)
Distributions paid		(1 710)	(3 801)
Cash used in financing activities		<u>(19 735)</u>	<u>(12 017)</u>
Net cash provided / (used in) by financing activities		<u>(4 790)</u>	<u>17 625</u>
Net increase / (decrease) in cash and cash equivalents		<u>1 240</u>	<u>2 921</u>
Cash and cash equivalents at the beginning of the period		4 981	2 060
Cash and cash equivalents at the end of the period	3.1	<u>6 221</u>	<u>4 981</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 2023

NOTES TO THE FINANCIAL STATEMENTS

1.	ABOUT PUBLIC TRUSTEE COMMON FUNDS	24
1.1.	Basis of preparation	24
1.2.	Impact of COVID-19 pandemic on the Common Funds.....	27
1.3.	Significant transactions with government related entities.....	27
2.	BOARD, COMMITTEES AND EMPLOYEES	28
2.1.	Key management personnel	28
3.	FINANCIAL ASSETS	29
3.1.	Cash and cash equivalents	29
3.2.	Financial assets held at fair value through profit or loss	30
4.	LIABILITIES.....	31
4.1.	Net assets attributable to unitholders	31
4.2.	Movements in funds employed	32
4.3.	Net realised and unrealised gains / (losses) on financial assets.....	33
4.4.	Distributions to unitholders.....	34
5.	OTHER DISCLOSURES.....	36
5.1.	Derivative financial instruments	36
5.2.	Cash flow	38
6.	OUTLOOK	40
6.1.	Impact of standards and statements not yet effective.....	40
6.2.	Events after the reporting period.....	40
7.	MEASUREMENT AND RISK.....	41
7.1.	Fair value.....	41
7.2.	Financial instruments	43

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2023

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 2022-23 and 2021-22, 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
- Balanced
- Growth
- 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 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.

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 2023

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*.

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 2023

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 2023 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 2023

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 effects on the global economy continued, but to a lesser extent in 2022-23. The aftermath of COVID-19 is still being felt economically through higher rates and significant debt issuance from governments to fund COVID related spending. The Reserve Bank of Australia continued to increase the cash rate considerably from 0.85% in July 2022 to 4.10% in June 2023 with the expectation to return inflation to 2-3% over time.

The key impacts in 2022-23 were:

- Higher returns on cash investments due to the continued increase in interest rates; and
- Sustained higher returns to customers through distributions paid.

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 \$3.0 million (2022: \$3.6 million) was invested during 2022-23 by the Retail Shop Leases Fund. A further \$28.0 million was invested in the Residential Tenancies Fund (2022: \$9.0 million) and \$8.0 million in Agents Indemnity Fund (2022: \$3.0 million) by the Consumer and Business Services. These funds were invested across all Common Funds at a percentage allocation in accordance with the defined Standard Investment Strategies. No additional investments were received in 2022-23 from Second Hand Motor Vehicle Fund (2022: \$0.3 million).

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2023

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 \$12.9 million (2022: \$12.7 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 2023, there were no material transactions or balances to disclose with key management personnel or other related parties (2022: Nil).

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2023

3. Financial Assets

3.1. Cash and cash equivalents

	2023	2022
	\$'000	\$'000
Cash Common Fund		
Cash	2 635	4 482
Money market instruments	7 000	10 000
	9 635	14 482
Short Term Fixed Interest Common Fund		
Deposits in Cash Common Fund	6 557	9 039
	6 557	9 039
Long Term Fixed Interest Common Fund		
Deposits in Cash Common Fund	6 409	8 711
	6 409	8 711
Overseas Fixed Interest Common Fund		
Deposits in Cash Common Fund	6 801	6 816
	6 801	6 816
Australian Shares Common Fund		
Deposits in Cash Common Fund	10 988	6 798
	10 988	6 798
Overseas Shares Common Fund		
Deposits in Cash Common Fund	13 615	10 103
	13 615	10 103
Property Common Fund		
Deposits in Cash Common Fund	6 221	4 981
	6 221	4 981
Total cash and cash equivalents	60 226	60 930

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 4.10% (2022: 1.050%) per annum as at 30 June 2023 available at call. During 2022-23, 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 Public Trustee also continued to manage a Westpac Banking Corporation (WBC) account during 2022-23 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 3.40% (2022: 0.40%). 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 2023

3. Financial Assets (continued)

Money market instruments

Money market investments comprise short term at call deposit accounts. Interest rates range from 1.05% to 4.30% (2022: 0.30% to 1.05%).

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

	Cash		Short Term Fixed Interest	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
At fair value through profit or loss				
Fixed interest securities ¹	522 018	463 184	59 811	55 851
Total at fair value through profit or loss	522 018	463 184	59 811	55 851
	Long Term Fixed Interest		Overseas Fixed Interest	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
At fair value through profit or loss				
Fixed interest securities ¹	27 314	33 253	-	-
Unlisted unit trusts	58 039	50 867	62 484	62 957
Total at fair value through profit or loss	85 353	84 120	62 484	62 957
	Australian Shares		Overseas Shares	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
At fair value through profit or loss				
Unlisted unit trusts	157 981	158 594	133 647	123 687
Total at fair value through profit or loss	157 981	158 594	133 647	123 687
	Property		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
At fair value through profit or loss				
Fixed interest securities ¹	-	-	609 143	552 288
Unlisted unit trusts	136 619	140 922	548 770	537 027
Total at fair value through profit or loss	136 619	140 922	1 157 913	1 089 315

¹ Includes other Common Funds deposits in the Cash Common Fund of \$50.6 million (2022: \$46.4 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 0.80% and 6.88% (2022: 0.50% and 5.20%). 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 2023

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

	2023		2022	
	Purchase Price	Redemption Price	Purchase Price	Redemption Price
Cash	\$1.0000	\$1.0000	\$1.0000	\$1.0000
Short Term Fixed Interest	\$0.9969	\$0.9959	\$0.9967	\$0.9957
Long Term Fixed Interest	\$0.9833	\$0.9823	\$0.9920	\$0.9910
Overseas Fixed Interest	\$0.7613	\$0.7602	\$0.7675	\$0.7664
Australian Shares	\$1.6584	\$1.6511	\$1.5780	\$1.5708
Overseas Shares	\$1.1462	\$1.1439	\$1.0118	\$1.0098
Property	\$1.1745	\$1.1726	\$1.1694	\$1.1673

Movements in units

	Short Term Fixed Interest		Long Term Fixed Interest		Overseas Fixed Interest	
	2023	2022	2023	2022	2023	2022
	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	65 382	68 657	93 289	103 232	91 216	72 082
Applications	6 950	7 331	9 655	11 764	9 503	24 089
Redemptions	(5 919)	(10 606)	(10 338)	(21 707)	(9 781)	(4 955)
Closing balance	66 413	65 382	92 606	93 289	90 938	91 216

	Australian Shares		Overseas Shares		Property	
	2023	2022	2023	2022	2023	2022
	No. of units 000's					
Opening balance	103 752	101 562	129 367	122 953	124 199	105 949
Applications	10 402	12 574	12 976	15 358	12 597	25 202
Redemptions	(13 198)	(10 384)	(16 525)	(8 944)	(15 244)	(6 952)
Closing balance	100 956	103 752	125 818	129 367	121 552	124 199

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2023

4. Liabilities (continued)

4.2. Movements in funds employed

	Cash		Short Term Fixed Interest		Long Term Fixed Interest		Overseas Fixed Interest	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	435 668	444 139	65 131	69 883	92 568	107 410	69 971	59 390
Applications	3 923	4 128	6 928	7 411	9 597	12 098	7 231	19 772
Redemptions	(3 554)	(14 095)	(5 892)	(10 765)	(10 260)	(22 569)	(7 426)	(4 022)
Transfers from/(to) net assets to determine distributable income ¹	51 610	1 496	4	(1 398)	(757)	(4 371)	(576)	(5 169)
Closing balance	487 647	435 668	66 171	65 131	91 148	92 568	69 200	69 971

	Australian Shares		Overseas Shares		Property		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	163 321	201 570	130 807	152 369	145 874	122 218	1 103 340	1 156 979
Applications	17 611	24 938	14 030	18 885	14 945	29 642	74 265	116 874
Redemptions	(22 194)	(20 652)	(17 574)	(10 995)	(18 025)	(8 216)	(84 925)	(91 314)
Transfers from/(to) net assets to determine distributable income ¹	8 292	(42 535)	16 827	(29 452)	669	2 230	76 069	(79 199)
Reallocation of capital distributions relating to prior year	-	-	-	-	(119)	-	(119)	-
Closing balance	167 030	163 321	144 090	130 807	143 344	145 874	1 168 630	1 103 340

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 2023

4. Liabilities (continued)

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

	2023	2022
	\$'000	\$'000
Cash Common Fund		
Net Unrealised Gains / (Losses)	979	(3 243)
Net Realised Gains / (Losses)	180	(34)
Total	<u>1 159</u>	<u>(3 277)</u>
Short Term Fixed Interest Common Fund		
Net Unrealised Gains / (Losses)	29	(1 314)
Net Realised Gains / (Losses)	(25)	(84)
Total	<u>4</u>	<u>(1 398)</u>
Long Term Fixed Interest Common Fund		
Net Unrealised Gains / (Losses)	(735)	(3 994)
Net Realised Gains / (Losses)	(20)	(130)
Total	<u>(755)</u>	<u>(4 124)</u>
Overseas Fixed Interest Common Fund		
Net Unrealised Gains / (Losses)	(576)	(4 994)
Net Realised Gains / (Losses)	-	(544)
Total	<u>(576)</u>	<u>(5 538)</u>
Australian Shares Common Fund		
Net Unrealised Gains / (Losses)	9 713	(37 360)
Net Realised Gains / (Losses)	1 040	(1 323)
Total	<u>10 753</u>	<u>(38 683)</u>
Overseas Shares Common Fund		
Net Unrealised Gains / (Losses)	17 679	(21 915)
Net Realised Gains / (Losses)	3 155	(2 493)
Total	<u>20 834</u>	<u>(24 408)</u>
Property Common Fund		
Net Unrealised Gains / (Losses)	(1 375)	2 560
Net Realised Gains / (Losses)	988	-
Total	<u>(387)</u>	<u>2 560</u>
Total net gain / (loss) on financial assets held at fair value through profit or loss	<u><u>31 032</u></u>	<u><u>(74 868)</u></u>

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2023

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:

	2023 \$'000	2023 CPU	2022 \$'000	2022 CPU
Cash Common Fund				
Distributions to unitholders	8 134	0.2163	14	0.0004
Undistributed income brought forward	(133)	-	-	-
Distributions payable	1 731	-	133	-
Total Distributions to unitholders	9 732		147	

	2023 \$'000	2023 CPU	2022 \$'000	2022 CPU
Short Term Fixed Interest Common Fund				
Distributions to unitholders	464	0.0070	87	0.0013
Undistributed income brought forward	(69)	-	(43)	-
Distributions payable	672	-	69	-
Total Distributions to unitholders	1 067		113	

	2023 \$'000	2023 CPU	2022 \$'000	2022 CPU
Long Term Fixed Interest Common Fund				
Distributions to unitholders	1 761	0.0190	1 803	0.0193
Undistributed income brought forward	(901)	-	(971)	-
Distributions payable	1 312	-	901	-
Total Distributions to unitholders	2 172		1 733	

	2023 \$'000	2023 CPU	2022 \$'000	2022 CPU
Overseas Fixed Interest Common Fund				
Distributions to unitholders	365	0.0040	3 152	0.0345
Undistributed income brought forward	(37)	-	(3 151)	-
Distributions payable	275	-	37	-
Total Distributions to unitholders	603		38	

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2023

4. Liabilities (continued)

	2023 \$'000	2023 CPU	2022 \$'000	2022 CPU
Australian Shares Common Fund				
Distributions to unitholders	17 512	0.1735	12 014	0.1158
Undistributed income brought forward	(15 632)	-	(9 618)	-
Distributions payable	8 745	-	15 632	-
Total Distributions to unitholders	10 625		18 028	

	2023 \$'000	2023 CPU	2022 \$'000	2022 CPU
Overseas Shares Common Fund				
Distributions to unitholders	6 638	0.0528	15 842	0.1224
Undistributed income brought forward	(6 638)	-	(14 509)	-
Distributions payable	4 520	-	6 638	-
Total Distributions to unitholders	4 520		7 971	

	2023 \$'000	2023 CPU	2022 \$'000	2022 CPU
Property Common Fund				
Distributions to unitholders	1 710	0.0141	3 801	0.0306
Undistributed income brought forward	(1 587)	-	(3 026)	-
Distributions payable	1 073	-	1 587	-
Total Distributions to unitholders	1 196		2 362	

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 2023 were the following net realised capital gains which were distributed to unitholders based on the number of units held as at 30 June 2023:

	2023 \$'000	2023 CPU	2022 \$'000	2022 CPU
Common Fund Capital Distributions Payable				
Australian Shares	7 581	0.0751	12 901	0.1243
Overseas Shares	4 520	0.0359	6 638	0.0513
Property	802	0.0066	1 587	0.0000
	12 903		21 126	

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2023

5. Other disclosures

5.1. Derivative financial instruments

The Public Trustee did not directly invest in derivative investments for the year ended 30 June 2023 (2022: \$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	2023	2022
	\$'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	9 635	14 482
Balance as per the Statement of Cash Flows	9 635	14 482
Reconciliation of net cash provided by operating activities to net result:		
Net operating result	10 891	(3 094)
Add / (less) non cash items:		
Net losses / (gains) on financial instruments held at fair value through profit or loss	(1 159)	3 277
Amortisation of discounts and premiums	15	33
Movements in assets / liabilities:		
Decrease / (Increase) in receivables and other assets	(4 160)	(211)
Increase / (Decrease) in payables and other liabilities	(21)	1
Adjustment for balance day transactions	27	-
Net cash provided by operating activities	5 593	6
Short Term Fixed Interest Common Fund	2023	2022
	\$'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	6 557	9 039
Balance as per the Statement of Cash Flows	6 557	9 039
Reconciliation of net cash provided by operating activities to net result:		
Net operating result	1 071	(1 286)
Add / (less) non cash items:		
Net losses / (gains) on financial instruments held at fair value through profit or loss	(4)	1 398
Amortisation of discounts and premiums	(70)	1
Movements in assets / liabilities:		
Decrease / (Increase) in receivables and other assets	(161)	(25)
Increase / (Decrease) in payables and other liabilities	(4)	-
Net cash provided by operating activities	832	88

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2023

5. Other disclosures (continued)

Long Term Fixed Interest Common Fund	2023	2022
	\$'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	6 409	8 711
Balance as per the Statement of Cash Flows	6 409	8 711
Reconciliation of net cash provided by operating activities to net result:		
Net operating result	1 415	(2 639)
Add / (less) non cash items:		
Net losses / (gains) on financial instruments held at fair value through profit or loss	755	4 124
Income reinvested and not received in cash	(19)	(16)
Amortisation of discounts and premiums	31	29
Movements in assets / liabilities:		
Decrease / (Increase) in receivables and other assets	(56)	(157)
Increase / (Decrease) in payables and other liabilities	(4)	(1)
Net cash provided by operating activities	2 122	1 340
Overseas Fixed Interest Common Fund	2023	2022
	\$'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	6 801	6 816
Balance as per the Statement of Cash Flows	6 801	6 816
Reconciliation of net cash provided by operating activities to net result:		
Net operating result	27	(5 132)
Add / (less) non cash items:		
Net losses / (gains) on financial instruments held at fair value through profit or loss	576	5 538
Income reinvested and not received in cash	(103)	(111)
Movements in assets / liabilities:		
Decrease / (Increase) in receivables and other assets	49	2 968
Increase / (Decrease) in payables and other liabilities	(4)	1
Net cash provided by operating activities	545	3 264

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2023

5. Other disclosures (continued)

Australian Shares Common Fund	2023	2022
	\$'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	10 988	6 798
Balance as per the Statement of Cash Flows	10 988	6 798
Reconciliation of net cash provided by operating activities to net result:		
Net operating result	18 917	(24 508)
Add / (less) non cash items:		
Net losses / (gains) on financial instruments held at fair value through profit or loss	(10 753)	38 683
Income reinvested and not received in cash	(636)	(777)
Movements in assets / liabilities:		
Decrease / (Increase) in receivables and other assets	6 765	(5 439)
Increase / (Decrease) in payables and other liabilities	(10)	-
Net cash provided by operating activities	14 283	7 959
Overseas Shares Common Fund	2023	2022
	\$'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	13 615	10 103
Balance as per the Statement of Cash Flows	13 615	10 103
Reconciliation of net cash provided by operating activities to net result:		
Net operating result	21 347	(21 481)
Add / (less) non cash items:		
Net losses / (gains) on financial instruments held at fair value through profit or loss	(20 834)	24 408
Income reinvested and not received in cash	(337)	(475)
Movements in assets / liabilities:		
Decrease / (Increase) in receivables and other assets	2 310	10 576
Increase / (Decrease) in payables and other liabilities	(7)	(1)
Net cash provided by operating activities	2 479	13 027

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2023

5. Other disclosures (continued)

Property Common Fund	2023	2022
	\$'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	6 221	4 981
Balance as per the Statement of Cash Flows	6 221	4 981
Reconciliation of net cash provided by operating activities to net result:		
Net operating result	1 865	4 592
Add / (less) non cash items:		
Net losses / (gains) on financial instruments held at fair value through profit or loss	387	(2 560)
Income reinvested and not received in cash	(174)	(192)
Realignment of capital distribution relating to prior year	57	(21)
Movements in assets / liabilities:		
Decrease / (Increase) in receivables and other assets	(12)	1 656
Increase / (Decrease) in payables and other liabilities	(7)	1
Net cash provided by operating activities	2 116	3 476

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
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2023

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
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2023

7. Measurement and Risk (continued)

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

	Note	2023 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial assets					
Cash and cash equivalents	3.1	60 226	60 226	-	-
Financial assets at fair value through profit or loss					
Fixed interest securities	3.2	609 143	402 000	207 143	-
Unlisted unit trusts	3.2	548 770	-	548 770	-
Total		1 218 139	462 226	755 913	-

	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	-

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 2023 and 2022, 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.

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2023

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 98.5% 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
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2023

7. Measurement and Risk (continued)

Credit risk analysis

	2023	2022
	\$'000	\$'000
Cash Common Fund		
<i>Cash and short term investments</i>		
A1+	210 536	232 317
A1	92 500	2 000
A2	103 000	41 503
Cash at bank	9 635	14 482
Total cash and short term investments	415 671	290 302
<i>Long term investments</i>		
AAA	-	24 057
AA-	58 020	75 531
A+	39 444	7 840
BBB+	18 518	79 936
Total long term investments	115 982	187 364
Short Term Fixed Interest Common Fund		
<i>Cash and short term investments</i>		
A1+	16 817	12 026
A1	1 000	-
Cash at bank	6 557	9 039
Total cash and short term investments	24 374	21 065
<i>Long term investments</i>		
AAA	-	6 609
AA-	25 542	26 691
A+	2 783	799
AA+	11 666	-
BBB+	2 003	9 726
Total long term investments	41 994	43 825
Long Term Fixed Interest Common Fund		
<i>Cash and short term investments</i>		
A1+	7 929	5 520
AAA	1 993	-
Cash at bank	6 409	8 711
Total cash and short term investments	16 331	14 231
<i>Long term investments</i>		
AAA	-	2 022
AA-	17 392	25 711
Total long term investments	17 392	27 733

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.

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2023

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.

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2023

7. Measurement and Risk (continued)

Cash Common Fund	2023				
	Carrying amount \$'000	Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
Financial Assets	Statement of Comprehensive Income \$'000				
Cash and cash equivalents	9 635	(96)	96	-	-
Financial assets held at fair value through profit or loss	522 018	(5 220)	5 220	-	-
Total increase/(decrease)		(5 316)	5 316	-	-

Cash Common Fund	2022				
	Carrying amount \$'000	Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
Financial Assets	Statement of Comprehensive Income \$'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	-	-

Short Term Fixed Interest	2023				
	Carrying amount \$'000	Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
Financial Assets	Statement of Comprehensive Income \$'000				
Cash and cash equivalents	6 557	(66)	66	-	-
Financial assets held at fair value through profit or loss	59 811	(598)	598	-	-
Total increase/(decrease)		(664)	664	-	-

Short Term Fixed Interest	2022				
	Carrying amount \$'000	Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
Financial Assets	Statement of Comprehensive Income \$'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	-	-

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2023

7. Measurement and Risk (continued)

Long Term Fixed Interest	Carrying amount	2023			
		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	6 409	(64)	64	-	-
Financial assets held at fair value through profit or loss:					
Fixed Interest Securities	27 314	(273)	273	-	-
Unlisted unit trusts	58 039	-	-	(11 608)	5 804
Total increase/(decrease)		(337)	337	(11 608)	5 804

Long Term Fixed Interest	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
Financial Assets	\$'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

Overseas Fixed Interest	Carrying amount	2023			
		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	6 801	(68)	68	-	-
Financial assets held at fair value through profit or loss	62 484	-	-	(12 497)	6 248
Total increase/(decrease)		(68)	68	(12 497)	6 248

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2023

7. Measurement and Risk (continued)

Overseas Fixed Interest

Financial Assets	Carrying amount \$'000	2022			
		Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
		Statement of Comprehensive Income			
		\$'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

Australian Shares

Financial Assets	Carrying amount \$'000	2023			
		Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
		Statement of Comprehensive Income			
		\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	10 988	(110)	110	-	-
Financial assets held at fair value through profit or loss	157 981	-	-	(31 596)	15 798
Total increase/(decrease)		(110)	110	(31 596)	15 798

Australian Shares

Financial Assets	Carrying amount \$'000	2022			
		Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
		Statement of Comprehensive Income			
		\$'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

Overseas Shares

Financial Assets	Carrying amount \$'000	2023			
		Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
		Statement of Comprehensive Income			
		\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	13 615	(136)	136	-	-
Financial assets held at fair value through profit or loss	133 647	-	-	(26 729)	13 365
Total increase/(decrease)		(136)	136	(26 729)	13 365

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2023

7. Measurement and Risk (continued)

Overseas Shares

	2022				
	Carrying amount	Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
		Statement of Comprehensive Income	Statement of Comprehensive Income	Statement of Comprehensive Income	Statement of Comprehensive Income
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets					
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)		<u>(101)</u>	<u>101</u>	<u>(24 737)</u>	<u>12 369</u>

Property

	2023				
	Carrying amount	Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
		Statement of Comprehensive Income	Statement of Comprehensive Income	Statement of Comprehensive Income	Statement of Comprehensive Income
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets					
Cash and cash equivalents	6 221	(62)	62	-	-
Financial assets held at fair value through profit or loss	136 619	-	-	(27 324)	13 662
Total increase/(decrease)		<u>(62)</u>	<u>62</u>	<u>(27 324)</u>	<u>13 662</u>

Property

	2022				
	Carrying amount	Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
		Statement of Comprehensive Income	Statement of Comprehensive Income	Statement of Comprehensive Income	Statement of Comprehensive Income
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets					
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)		<u>(50)</u>	<u>50</u>	<u>(28 184)</u>	<u>14 092</u>

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2023

7. Measurement and Risk (continued)

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 2023

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	2023	2023 Contractual Maturities		
		Carrying amount \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets					
Cash and cash equivalents	3.1	60 226	60 226	-	-
Advances to estates		2 818	2 818	-	-
Financial assets held at fair value through profit or loss	3.2	1 157 913	982 545	175 368	-
Other assets		16 604	16 604	-	-
Total financial assets		1 237 561	1 062 193	175 368	-
Financial liabilities					
Income distribution payable		18 328	18 328	-	-
Funds due to other Common Funds		50 591	50 591	-	-
Other liabilities		12	12	-	-
Total financial liabilities		68 931	68 931	-	-
2022 2022 Contractual Maturities					
Category of financial asset and financial liability	Note	2022	2022 Contractual Maturities		
		Carrying amount \$'000	Within 1 year \$'000	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	-	-

The Public Trustee
STATEMENT OF TRUSTS BEING ADMINISTERED
for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Trust funds under administration	3		
Deceased Estates		203 746	184 064
Trusts		151 382	147 631
Administration Matters		40 135	39 608
Court Award Orders		445 482	452 150
Protected Estates		483 885	432 236
Workers Compensation Awards		-	13
Power of Attorney		59 372	66 861
Investors		514 037	457 028
Total funds		1 898 039	1 779 591
Represented by			
Investment in Common Funds	1(b),2		
Non current assets			
Australian equities		157 981	158 594
International equities		133 647	123 687
Property securities		136 619	140 922
Australian fixed interest investments		207 868	258 922
International fixed interest investments		62 484	62 957
		698 599	745 082
Current assets			
Cash and cash equivalents		9 635	14 482
Australian fixed interest investments		459 314	344 233
Advances to estates		2 818	3 266
Trust distribution receivable		10 196	19 327
Other assets		6 408	2 012
		488 371	383 320
Current liabilities			
Income distribution payable		18 328	24 997
Other liabilities		12	65
		18 340	25 062
Net Common Fund assets		1 168 630	1 103 340
Estate assets	1(c)		
Non current assets			
Real estate		437 778	405 875
Superannuation		206 998	188 875
Personal chattels		31 457	31 464
Equities		32 419	26 598
Fixed interest and cash assets		10 603	7 108
Mortgages		242	249
		719 497	660 169
Current assets			
Other assets	1(b)	21 980	27 897
Current liabilities			
Other liabilities	1(b)	12 068	11 815
Net estate assets		729 409	676 251
Total net assets		1 898 039	1 779 591

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 2023

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 2023 was 4.60% (2022: 1.35%).

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 2023 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 2023. Accommodation bonds are valued annually at cost less retention amount until the retention terms have expired.

Superannuation: Customer monies 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 2023

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 2023

3. Trust Funds under Administration

	Number		Value	
	2023	2022	2023	2022
			\$'000	\$'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>	1 170	960	203 746	184 064
Trusts				
Monies and assets held under the administration of the Public Trustee pursuant to the terms of a Will or a Deed of Trust	1 089	1 134	151 382	147 631
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>	235	255	40 135	39 608
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>	726	727	445 482	452 150
Protected Estates				
Monies administered by the Public Trustee under the <i>Guardianship and Administration Act 1993</i>	4 256	4 091	483 885	432 236
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	4	5	-	13
Powers of Attorney				
Monies and assets held on behalf of donors who have appointed the Public Trustee to act on their behalf	214	240	59 372	66 861
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	4	514 037	457 028
	7 698	7 416	1 898 039	1 779 591

4. Unclaimed Monies

During the reporting period, amounts totalling \$165,262 (2022: \$657,692) 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.