

# **Public Trustee**

## **Corporate Financial Statements**

for the year ended  
30 June 2023

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

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		<b>2023</b>	<b>2022</b>
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Income</b>			
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
<b>Total income</b>		<b>33 313</b>	<b>33 038</b>
<b>Expenses</b>			
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
<b>Total expenses</b>		<b>25 691</b>	<b>27 494</b>
<b>Net result before income tax equivalents</b>		<b>7 622</b>	<b>5 544</b>
Income tax equivalent		2 287	1 663
<b>Net result after income tax equivalents</b>		<b>5 335</b>	<b>3 881</b>
<b>Total comprehensive result</b>		<b>5 335</b>	<b>3 881</b>

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*

		<b>2023</b>	<b>2022</b>
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current assets</b>			
Cash and cash equivalents	6.1	8 944	7 998
Receivables	6.2	974	1 275
<b>Total current assets</b>		<b>9 918</b>	<b>9 273</b>
<b>Non-current assets</b>			
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
<b>Total non-current assets</b>		<b>33 292</b>	<b>33 207</b>
<b>Total assets</b>		<b>43 210</b>	<b>42 480</b>
<b>Current liabilities</b>			
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
<b>Total current liabilities</b>		<b>6 282</b>	<b>5 588</b>
<b>Non-current liabilities</b>			
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	-
<b>Total non-current liabilities</b>		<b>13 478</b>	<b>14 678</b>
<b>Total liabilities</b>		<b>19 760</b>	<b>20 266</b>
<b>Net assets</b>		<b>23 450</b>	<b>22 214</b>
<b>Equity</b>			
Contributed Capital		2 950	2 950
Retained earnings		20 500	19 264
<b>Total equity</b>		<b>23 450</b>	<b>22 214</b>

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*

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	Note	Contributed capital \$'000	Retained earnings \$'000	Total equity \$'000
<b>Balance at 1 July 2021</b>		<b>150</b>	<b>21 604</b>	<b>21 754</b>
Net result for 2021-22		-	3 881	3 881
<b>Total comprehensive result for 2021-22</b>		<b>-</b>	<b>3 881</b>	<b>3 881</b>
Transactions with State Government as owner				
Equity contribution received		2 800	-	2 800
Dividends Paid		-	(6 221)	(6 221)
<b>Balance at 30 June 2022</b>		<b>2 950</b>	<b>19 264</b>	<b>22 214</b>
Net result for 2022-23		-	5 335	5 335
<b>Total comprehensive result for 2022-23</b>		<b>-</b>	<b>5 335</b>	<b>5 335</b>
Transactions with State Government as owner				
Dividends Paid		-	(4 099)	(4 099)
<b>Balance at 30 June 2023</b>		<b>2 950</b>	<b>20 500</b>	<b>23 450</b>

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*

		<b>2023</b>	<b>2022</b>
		<b>(Outflows)</b>	<b>(Outflows)</b>
		<b>Inflows</b>	<b>Inflows</b>
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
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
<b>Cash generated from operations</b>		<b>34 446</b>	<b>36 469</b>
<b>Cash outflows</b>			
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)
<b>Cash used in operations</b>		<b>(27 137)</b>	<b>(29 673)</b>
<b>Net cash provided by operating activities</b>	8.1	<b>7 309</b>	<b>6 796</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Purchase of financial assets		(2)	(4)
Purchase of intangibles		(683)	(2 711)
Purchase of property, plant and equipment		(492)	(38)
<b>Cash used in investing activities</b>		<b>(1 177)</b>	<b>(2 753)</b>
<b>Net cash used in investing activities</b>		<b>(1 177)</b>	<b>(2 753)</b>
<b>Cash flows from financing activities</b>			
<b>Cash inflows</b>			
Capital contribution from Government		-	2 800
<b>Cash generated from financing activities</b>		<b>-</b>	<b>2 800</b>
<b>Cash outflows</b>			
Dividend distribution to State Government		(4 099)	(6 221)
Lease liabilities repaid		(1 087)	(1 024)
<b>Cash used in financing activities</b>		<b>(5 186)</b>	<b>(7 245)</b>
<b>Net cash used in financing activities</b>		<b>(5 186)</b>	<b>(4 445)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>946</b>	<b>(402)</b>
<b>Cash and cash equivalents at 1 July</b>		<b>7 998</b>	<b>8 400</b>
<b>Cash and cash equivalents at 30 June</b>	6.1	<b>8 944</b>	<b>7 998</b>

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

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

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**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*

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**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**

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

**Timing of revenue recognition - point in time**

**Fees and charges**

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

<sup>1</sup> 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*

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**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**

	<b>30 June</b>	<b>1 July</b>
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
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**

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

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**

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

**2.4. Resources received free of charge**

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

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**

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

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*.

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

**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*

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**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
<b>Total number of members</b>	<b>7</b>	<b>6</b>

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**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
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
<b>Total employee benefits expenses</b>	<b>17 161</b>	<b>17 063</b>

**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:

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
\$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
<b>Total</b>	<b>4</b>	<b>4</b>

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).

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

<sup>1</sup> 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*

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**3.4. Employee benefits liability**

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

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.

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**4. Expenses**

Employee benefits expenses are disclosed in note 3.3.

**4.1. Supplies and services**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
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	-	-
<b>Total supplies and services</b>	<b>6 491</b>	<b>5 881</b>

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**

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

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

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**4.2. Depreciation and amortisation (continued)**

***Useful life***

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

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

***Review of accounting estimates***

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

**4.3. Borrowing costs**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest on lease liabilities	275	298
<b>Total borrowing costs</b>	<b>275</b>	<b>298</b>

The Public Trustee does not capitalise borrowing costs.

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**5. Non-financial assets**

**5.1. Property, Plant and equipment by asset class**

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

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



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

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

**Impairment**

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

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

**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 3 717.20m<sup>2</sup> 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 3 163.10m<sup>2</sup>.

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.

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**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
<b>Carrying amount at 1 July 2022</b>	3 223	108	-	8 008	314	11 653
Acquisitions	-	-	27	-	244	271
Depreciation	(408)	(44)	(8)	(1 011)	-	(1 471)
<b>Carrying amount at 30 June 2023</b>	<b>2 815</b>	<b>64</b>	<b>19</b>	<b>6 997</b>	<b>558</b>	<b>10 453</b>

**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
<b>Carrying amount at 1 July 2021</b>	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)	-
<b>Carrying amount at 30 June 2022</b>	<b>3 224</b>	<b>109</b>	<b>-</b>	<b>8 008</b>	<b>314</b>	<b>11 655</b>

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**5.5. Intangible assets**

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

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**

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

**Reconciliation of intangible assets 2021-22**

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

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**6. Financial assets**

**6.1. Cash and cash equivalents**

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

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**

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

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.

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**6.2. Receivables (continued)**

*Allowance for impairment loss on receivables*

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

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.

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
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
<b>Total financial assets</b>	<b>19 138</b>	<b>17 997</b>

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

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**7. Liability**

Employee benefits liabilities are disclosed in note 3.4.

**7.1. Payables**

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

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.

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**7.2. Financial Liabilities**

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

The Public Trustee measures financial liabilities at amortised cost.

**7.3. Provisions**

	<b>2023</b> <b>\$'000</b>	<b>2022</b> <b>\$'000</b>
<b>Current</b>		
Provision for workers compensation	316	360
<b>Total current provisions</b>	<b>316</b>	<b>360</b>
<b>Non-current</b>		
Provision for workers compensation	24	-
<b>Total non-current provisions</b>	<b>24</b>	<b>-</b>
<b>Total provisions</b>	<b>340</b>	<b>360</b>
<b>Movement in provision</b>	<b>2023</b>	<b>2022</b>
<i>Provision for workers compensation<sup>1</sup></i>	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at the beginning of the period</b>	360	259
Additional provisions recognised	37	106
Reductions arising from payments	(57)	(5)
<b>Carrying Amount at the end of the period</b>	<b>340</b>	<b>360</b>
<i>Provision for dividend to State Government<sup>2</sup></i>		
<b>Carrying amount at the beginning of the period</b>		
Additional provisions recognised	4 099	6 221
Reductions arising from payments	(4 099)	(6 221)
<b>Carrying Amount at the end of the period</b>	<b>-</b>	<b>-</b>

<sup>1</sup>A 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.

<sup>2</sup>In 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.

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**8. Other disclosures**

**8.1. Cash flow**

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

Total cash outflows for leases was \$1 362 000 (2022: \$1 328 000).

***Reconciliation of net result to cashflows from operating activities***

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Reconciliation of cash and cash equivalents at the end of the reporting period</b>		
Cash and cash equivalents disclosed in the Statement of Financial Position	8 944	7 998
<b>Balance as per the Statement of Cash Flows</b>	<b>8 944</b>	<b>7 998</b>
 <b>Reconciliation of net cash provided by operating activities to net result</b>		
Net cash provided by operating activities	7 309	6 796
 <b>Add / (less) non-cash items</b>		
Unrealised gain / (loss) on financial assets	1 139	(2 658)
Depreciation and amortisation expense of non-current assets	(1 734)	(1 594)
<b>Movements in assets and liabilities</b>		
(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
<b>Net result</b>	<b>5 335</b>	<b>3 881</b>



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**9. Outlook**

**9.1. Unrecognised commitments**

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

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Capital commitments</b>		
Within one year	-	295
<b>Total capital commitments</b>	<b>-</b>	<b>295</b>

***Expenditure commitments***

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

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.

	<b>2023-24</b>	<b>2024-25</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
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.

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**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.

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### **10.3. Financial Instruments**

#### **Financial Instruments – Measurement**

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

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

#### **Financial Instruments – Classification**

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

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

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

#### **Financial risk management**

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

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

#### **Market risk**

##### *Price risk*

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

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

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**10.3. Financial Instruments (continued)**

*Cash flow and interest rate risk*

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

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

**Liquidity risk**

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

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

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**10.3. Financial Instruments (continued)**

*Sensitivity analysis – 30 June 2023*

		-1%	+1%	-20%	+10%
	Statement of	Statement of	Statement of	Statement of	
<b>Financial Assets</b>	<b>Carrying amount</b>	<b>Comprehensive income</b>	<b>Comprehensive income</b>	<b>Comprehensive income</b>	<b>Comprehensive income</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
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
<b>Total (decrease)/increase</b>		<b>(166)</b>	<b>166</b>	<b>(3 827)</b>	<b>1 915</b>

*Sensitivity analysis – 30 June 2022*

		-1%	+1%	-20%	+10%
	Statement of	Statement of	Statement of	Statement of	
<b>Financial Assets</b>	<b>Carrying amount</b>	<b>Comprehensive income</b>	<b>Comprehensive income</b>	<b>Comprehensive income</b>	<b>Comprehensive income</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
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
<b>Total (decrease)/increase</b>		<b>(157)</b>	<b>157</b>	<b>(3 600)</b>	<b>1 799</b>

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**10.3. Financial Instruments (continued)**

**Credit risk**

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

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

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

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

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

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<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	<b>8 944</b>	<b>7 998</b>
<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 <sup>1</sup>	<b>537</b>	<b>508</b>

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

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**10.3. Financial Instruments (continued)**

***Categorisation of financial instruments***

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

Category of financial asset and financial liability	Note	2023 Carrying amount / Fair value	2023 Contractual maturities		
		\$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
<b>Financial assets</b>					
Cash and cash equivalent	6.1	8 944	n/a	n/a	n/a
<b>Financial assets at fair value through profit or loss</b>					
Other financial assets	6.3	19 138	n/a	n/a	n/a
<b>Financial assets at amortised cost</b>					
Receivables**		537	537	-	-
<b>Total financial assets</b>		<b>28 619</b>	<b>537</b>	<b>-</b>	<b>-</b>

**Financial liabilities**

**Financial liabilities at amortised cost**

Payables**		897	897	-	-
Finance lease liability	7.2	11 824	1 202	6 696	3 926
<b>Total financial liabilities</b>		<b>12 721</b>	<b>2 099</b>	<b>6 696</b>	<b>3 926</b>

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

**Financial liabilities**

**Financial liabilities at amortised cost**

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

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

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**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.