INDEPENDENT AUDITOR'S REPORT

Government of South Australia
Auditor-General's Department

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To the Acting Public Trustee
Public Trustee

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 2019.

Opinion

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 2019, its financial performance and its cash flows for year then ended in accordance with the 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 2019 for Corporate operations
- a Statement of Financial Position as at 30 June 2019 for Corporate operations
- a Statement of Changes in Equity for the year ended 30 June 2019 for Corporate operations
- a Statement of Cash Flows for the year ended 30 June 2019 for Corporate operations
- a Statement of Trusts being Administered as at 30 June 2019
- a Statement of Comprehensive Income for the year ended 30 June 2019 for each of the Common Funds
- a Statement of Financial Position as at 30 June 2019 for each of the Common Funds
- a Statement of Cash Flows for the year ended 30 June 2019 for each of the Common Funds
- notes, for each of the financial statements, comprising significant accounting policies and other explanatory information
- a Certificate from the Acting Public Trustee, the General Manager Business and Client Financial Services.

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* have been met.

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

Responsibilities of the Chief Executive for the financial report

The Acting Public Trustee is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and 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 that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial report

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 Acting Public Trustee

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

Andrew Richardson
Auditor-General
19 September 2019

The Public Trustee

Corporate
Financial Statements

For the year ended 30 June 2019

The Public Trustee
CORPORATE
Statement of Comprehensive Income
for the year ended 30 June 2019

	Note	2019 $'000	2018 $'000
Expenses			
Employee benefits	2.3	18 169	16 068
Supplies and services	3.1	6 965	6 611
Impairment loss on receivables		2	-
Net loss from disposal of plant and equipment		1	1
Depreciation and amortisation	3.2	936	949
Total expenses		**26 073**	**23 629**
Income			
Fees and charges	4.1	23 680	22 621
Community Service Obligations	4.2	4 315	-
Interest	4.3	298	280
Unrealised gains on financial assets		1 039	396
Investment income		889	1 268
Other income	4.4	764	239
Total income		**30 985**	**24 804**
Net result before income tax equivalents		**4 912**	**1 175**
Income tax equivalent		1 474	352
Net result after income tax equivalents		**3 438**	**823**
Total comprehensive result		**3 438**	**823**

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

The Public Trustee
CORPORATE
Statement of Financial Position
for the year ended 30 June 2019

	Note	2019 $'000	2018 $'000
Current assets			
Cash and cash equivalents	6.1	9 089	7 638
Receivables	6.2	1 181	1 320
Total current assets		**10 270**	**8 958**
Non-current assets			
Other Financial Assets	6.3	23 019	21 976
Property, plant and equipment	5.1	961	1 645
Intangible assets	5.2	363	292
Total non-current assets		**24 343**	**23 913**
Total assets		**34 613**	**32 871**
Current liabilities			
Payables	7.1	2 421	1 735
Lease Incentive		245	268
Employee benefits	2.4	2 413	1 975
Provisions	7.2	62	62
Total current liabilities		**5 141**	**4 040**
Non-current liabilities			
Payables	7.1	430	391
Lease Incentive		-	244
Employee benefits	2.4	4 264	3 844
Provisions	7.2	75	59
Total non-current liabilities		**4 769**	**4 538**
Total liabilities		**9 910**	**8 578**
Net assets		**24 703**	**24 293**
Equity			
Retained earnings		24 703	24 293
Total equity		**24 703**	**24 293**

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

The Public Trustee
CORPORATE
Statement of Changes in Equity
for the year ended 30 June 2019

	Retained Earnings $'000	Total $'000
Balance at 30 June 2017	24 369	**24 369**
Net result for 2017-18	823	823
Total comprehensive result for 2017-18	**823**	**823**
Transactions with State Government as owner		
Dividends paid	(899)	(899)
Balance at 30 June 2018	**24 293**	**24 293**
Adjustments on initial adoption of AASB 9	(12)	(12)
Adjusted balance at 1 July 2018	**24 281**	**24 281**
Net result for 2018-19	3 438	3 438
Total comprehensive result for 2018-19	**3 438**	**3 438**
Transactions with State Government as owner		
Dividends paid	(3 016)	(3 016)
Balance at 30 June 2019	**24 703**	**24 703**

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 2019

	Note	2019 Inflows (Outflows) $'000	2018 Inflows (Outflows) $'000
Cash flows from operating activities			
Cash outflows			
Employee benefit payments		(17 254)	(15 991)
Payments for supplies and services		(8 388)	(7 197)
Tax equivalents		(438)	(267)
GST remitted to ATO		(1 514)	(1 604)
Cash used in operations		**(27 594)**	**(25 059)**
Cash inflows			
Fees and Charges		25 761	24 773
Community Service Obligations		4 315	-
Investment income		1 228	1 421
Sundry income		764	155
Interest		321	271
Cash generated from operations		**32 389**	**26 620**
Net cash provided by operating activities	8.1	**4 795**	**1 561**
Cash flows from investing activities			
Cash outflows			
Purchase of financial assets		(4)	(804)
Purchase of property, plant and equipment		(87)	(210)
Purchase of intangibles		(237)	-
Cash used in investing activities		**(328)**	**(1 014)**
Cash flows from financing activities			
Cash outflows			
Dividend distribution to State Government		(3 016)	(899)
Cash used in financing activities		**(3 016)**	**(899)**
Net increase / (decrease) in cash and cash equivalents		**1 451**	**(352)**
Cash and cash equivalents at the beginning of the reporting period		7 638	7 990
Cash and cash equivalents at the end of the reporting period	6.1	**9 089**	**7 638**

The accompanying notes form part of these financial statements.

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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 2018-19 financial statements the Public Trustee adopted *AASB 9 – Financial Instruments* and is required to comply with new *Treasurer's Instructions (Accounting Policy Statements)* issued on 22 March 2019. Further information is provided in note 9.

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

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

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

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

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

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

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

1.2. Objectives

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

From 1 July 2019, the Public Trustee will only provide Will making and Enduring Power of Attorney Will writing services to those South Australians with a concession or who are subject to protection orders issued by the South Australian Civil and Administrative Tribunal or administration orders appointed by the Courts.

1.3. Significant transactions with government related entities

Significant transactions with the SA Government include:

- Community Service Obligations $4 315 000 (2018: Nil)
- Lease Payments to Department of Planning, Transport and Infrastructure $2 172 000 (2018: $2 067 000)
- Dividends $3 016 000 (2018: $899 000)
- Income tax equivalents $1 474 000 (2018: $352 000)

2. Board, committees and employees

2.1. Key management personnel

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

	2019 $'000	2018 $'000
Key management personnel compensation		
Salaries and other short term employee benefits	848	754
Post-employment benefits	85	95
Other long-term employment benefits	-	69
Termination Benefits	-	26
Total compensation	**933**	**944**

The compensation detailed above excludes the salary and other benefits of the Chief Executive, Attorney-General's Department receives as these are paid by the Attorney-General's Department.

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.

2.2. Remuneration of Board and Committee members

Members during the 2019 financial year were:

The Public Trustee Audit and Risk Management Committee:

V Hickey (chair) S Woolhouse*
C Oerman K Kelly* (to 3 September 2018)
D Corcoran*

The Public Trustee Investment Advisory Committee:

D Holston (chair) T Brumfield*
N Rantanen* K Kelly*

2.2. Remuneration of Board and Committee members (continued)

The Public Trustee ICT Committee

N Rantanen* (chair) D Martino*
K Kelly* M Hanson*
T Brumfield*

The Public Trustee Work Place Consultative Committee

M Doyle (chair) E Zorbas*
N Rantanen* K Kelly*

The Public Trustee Health and Safety Committee

S Virgili (chair)* K Kelly*
E Zorbas*

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

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

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

Board and committee remuneration

The number of members whose remuneration received or receivable fell within the following bands:	2019 No.	2018 No.
$0 - $19 999	3	4
$20 000- $39 999	1	-
	4	**4**

The total remuneration received or receivable by members was $48 000 (2018: $28 000). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

2.3. Employee benefits expenses

	2019 $'000	2018 $'000
Salaries and wages	13 277	11 993
Targeted voluntary separation packages	444	-
Long service leave	962	667
Annual leave	1 111	997
Employment on-costs - superannuation[1]	1 481	1 378
Employment on-costs - other	784	708
Board and committee fees	48	28
Other employee related expenses	2	27
Workers compensation	60	270
Total employee benefit expenses	**18 169**	**16 068**

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

2.3. Employee benefits expenses (continued)

Targeted voluntary separation packages (TVSPs)

The number of employees who accepted a TVSP during the reporting period was 5 (2018: Nil).

	2019 $'000	2018 $'000
Amount paid / payable to separated employees:		
Targeted Voluntary Separation Packages	444	-
Leave paid / payable to separated employees	303	-
Recovery from the Department of Treasury and Finance	(444)	-
Net cost to the Public Trustee	**303**	**-**

Executive remuneration

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

	2019 No.	2018 No.
$149 000 - $151 000*	N/A	1
$151 001 - $171 000**	1	2
$171 001 - $191 000	1	1
$211 001 - $231 000**	1	-
$231 001 - $251 000	1	1
$331 001 - $351 000**	-	1
$351 001 - $371 000	1	-
Total number of employees	**5**	**6**

* This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2017-18.

The table includes all employees who received remuneration 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.

Total remuneration received or due and receivable by these employees was $1 164 000 (2018: $1 219 000)

** Includes payments of long service leave and annual leave benefits paid on separation for an officer who left the Public Trustee.

2.4. Employee benefits liability

	2019 $'000	2018 $'000
Current		
Accrued salaries and wages	672	263
Annual leave	1 037	1 012
Long service leave	545	542
Skills and experience retention leave	159	158
Total current employee benefits	**2 413**	**1 975**
Non-current		
Long service leave	4 264	3 844
Total non-current employee benefits	**4 264**	**3 844**
Total employee benefits	**6 677**	**5 819**

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 skills and experience retention leave 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 11.1.

3. Expenses

Employee benefits are disclosed in note 2.3

3.1. Supplies and services

	2019 $'000	2018 $'000
Minor works, maintenance and equipment	22	30
Insurance	299	312
Information technology	1 488	1 426
Accommodation and telecommunication	151	129
Operating lease	2 172	2 067
Legal expenses	14	22
Service contractors	1 168	1 289
Resources seconded from SA Government	187	193
Other Supplies and services	1 134	955
Auditors remuneration	202	169
Consultants	128	19
Total supplies and services	**6 965**	**6 611**

Operating lease payments (less any lease incentives) are recognised on a straight-line basis over the lease term.

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

Consultants

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

	2019		2018	
	No.	$'000	No.	$'000
Below $10,000	1	3	1	7
Above $10,000	4	125	1	12
Total	**5**	**128**	**2**	**19**

3.2. Depreciation and amortisation

	2019	2018
	$'000	$'000
Plant and equipment	150	164
Leasehold improvements	648	625
Intangible assets	138	160
Total depreciation and amortisation	**936**	**949**

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential.

Lease incentives in the form of leasehold improvements are capitalised as an asset and depreciated over the remaining term of the lease or estimated useful life of the improvement, whichever is shorter.

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.

Useful life

Depreciation/amortisation is calculated on a straight-line basis over the estimated useful life of the following classes of assets as follows:

Class of fixed asset	Useful life (years)
Plant and equipment	3 – 5
Leasehold improvements	Life of lease
Intangibles	3 – 5

The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

4. Income

4.1. Fees and charges

	2019 $'000	2018 $'000
Commissions	11 504	11 000
Fees and charges	2 522	2 193
Management fees[1]	9 654	9 428
Total fees and charges	**23 680**	**22 621**

[1] A management fee is charged against Common Funds at the rate of one-twelfth of one percent of the value of each fund as at the first business day of the month.

4.2. Community Service Obligations

	2019 $'000	2018 $'000
Community service obligations from SA Government	4 315	-
Total Community Service Obligations	**4 315**	**-**

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 and Litigation Guardianship matters.

4.3. Interest

	2019 $'000	2018 $'000
Interest on operating account	30	27
Interest on fixed term investments	268	253
Total interest	**298**	**280**

4.4. Other income

	2019 $'000	2018 $'000
Recoupment of salaries and oncosts	226	145
Targeted voluntary separation packages	444	-
Sundry income	94	94
Total other income	**764**	**239**

5. Non-financial assets

5.1. Property, plant and equipment

	2019 $'000	2018 $'000
Plant and equipment		
Plant and equipment at cost	1 407	1 349
Accumulated depreciation	(1 115)	(1 008)
Total plant and equipment	**292**	**341**
Leasehold improvements		
Leasehold improvements at cost	6 300	6 287
Accumulated depreciation	(5 631)	(4 983)
Total Leasehold improvements	**669**	**1 304**
Total property, plant and equipment	**961**	**1 645**

Property, plant and equipment with a value equal to or in excess of $5 000 is capitalised, otherwise it is expensed.

Impairment

All assets are assessed annually for evidence of impairment at reporting date, where there is an indication of impairment, the recoverable amount is estimated. Any amount by which the carrying amount exceeds the recoverable amount is recorded as an impairment loss. There were no indications of impairment of property, plant and equipment at 30 June 2019.

Reconciliation 2018-19

	Plant and equipment $'000	Leasehold improvements $'000	Total $'000
Carrying amount at 1 July 2018	341	1 304	1 645
Acquisitions	102	13	115
Disposals	(1)	-	(1)
Depreciation and amortisation	(150)	(648)	(798)
Carrying amount at 30 June 2019	**292**	**669**	**961**

Reconciliation 2017-18

	Plant and equipment $'000	Leasehold improvements $'000	Total $'000
Carrying amount at 1 July 2017	471	1 897	2 368
Acquisitions	29	33	62
Disposals	(1)	-	(1)
Depreciation and amortisation	(164)	(625)	(789)
Transfers between asset classes	6	(1)	5
Carrying amount at 30 June 2018	**341**	**1 304**	**1 645**

5.2. Intangible assets

	2019 $'000	2018 $'000
Software		
Software at cost	7 139	6 934
Accumulated amortisation	(6 808)	(6 670)
Total software	**331**	**264**
Work in progress		
Work in progress at cost	32	28
Total work in progress	**32**	**28**
Total intangible assets	**363**	**292**

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 $5 000.

Reconciliation 2018-19

	Software $'000	Work in progress $'000	Total intangibles $'000
Carrying amount at 1 July 2018	264	28	292
Acquisitions	177	32	209
Amortisation	(138)	-	(138)
Transfer from work in progress	28	(28)	-
Carrying amount at 30 June 2019	**331**	**32**	**363**

Reconciliation 2017-18

	Software $'000	Work in progress $'000	Total intangibles $'000
Carrying amount at 1 July 2017	309	-	309
Acquisitions	120	28	148
Amortisation	(160)	-	(160)
Transfers between asset classes	(5)	-	(5)
Carrying amount at 30 June 2018	**264**	**28**	**292**

6. Financial assets

6.1. Cash and cash equivalents

	2019	2018
	$'000	$'000
Cash	3 089	1 338
Short term financial assets held to maturity	6 000	6 300
Total cash and cash equivalents	**9 089**	**7 638**

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

	2019	2018
	$'000	$'000
Current		
Receivables	184	285
Allowance for doubtful debts	(21)	(7)
Prepayments	532	194
Accrued investment income	486	848
Total receivables	**1 181**	**1 320**

Receivables arise in the normal course of selling goods and services to the public. Receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. 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 net amount of GST payable to the ATO is included as part of receivables.

Other than as recognised in the allowance for doubtful debts, 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 11.3 for further information on risk management.

Impairment of receivables

	2019	2018
	$'000	$'000
Balance at 30 June 2018 under AASB 139	7	5
Adjustments on initial adoption of AASB 9	12	-
Carrying amount at the beginning of the period	**19**	**5**
Increase in allowance recognised in profit or loss	2	2
Carrying amount at the end of the period	**21**	**7**

Refer to note 11.3 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.

	2019	2018
	$'000	$'000
Australian Fixed interest	3 015	3 023
Australian Fixed interest (pooled funds)	7 394	6 978
International equities (pooled funds)	4 472	4 203
Australian listed property (pooled funds)	2 112	1 834
Australian equities (pooled funds)	6 026	5 938
Total Financial assets	**23 019**	**21 976**

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.

For further information on risk management refer to note 11.3.

7. Liability

Employee benefits liabilities are disclosed in note 2.4.

7.1. Payables

	2019 $'000	2018 $'000
Current		
Trade payables	687	1 111
Income tax equivalents	1 298	262
GST payable	84	28
Employment on-costs	352	334
Total current payables	**2 421**	**1 735**
Non-current		
Employment on-costs	430	391
Total non-current payables	**430**	**391**
Total payables	**2 851**	**2 126**

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

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

Employment on-costs

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

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

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has remained unchanged at 41%. The average factor for the calculation of employer superannuation cost on-costs has changed from the 2018 rate 9.9% to 9.8%. The net financial effect of the changes in the current financial year is immaterial.

7.2. Provisions

	2019 $'000	2018 $'000
Current		
Provision for workers compensation	62	62
Total current provision	**62**	**62**
Non-current		
Provision for workers compensation	75	59
Total non-current provision	**75**	**59**
Total provision	**137**	**121**

Movement in provision

Provision for workers compensation		
Provision for workers compensation at 1 July[1]	121	50
Add: increase in provision	63	270
Less: payments from provision	(47)	(199)
Carrying amount at 30 June	137	121
Provision for dividend to State Government		
Provision for dividend to State Government at 1 July[2]	-	-
Add: additional provision recognised	3 016	899
Less: payments to State Government	(3 016)	(899)
Provision for dividend at 30 June	-	-

[1]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 2019 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.

[2]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 final dividend for 2017-18 of $99 125 was paid in 2018-19. In addition an interim dividend of $2 917 000 was paid for 2018-19.

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.

Cash flow reconciliation

	2019 $'000	2018 $'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	9 089	7 638
Balance as per the Statement of Cash Flows	**9 089**	**7 638**
Reconciliation of net cash provided by operating activities to net result:		
Net result for the year after income tax equivalent	3 438	823
Add / (less) non cash items:		
Lease incentive	(267)	(269)
Unrealised loss/(gain) on financial assets	(1 039)	(396)
Gain/(Loss) on disposal of equipment	1	1
Depreciation and amortisation expense of non-current assets	936	949
Movements in assets / liabilities:		
Decrease / (Increase) in receivables	127	(67)
Increase / (Decrease) in payables	(424)	313
Increase / (Decrease) in employee benefits and on-costs	915	77
Increase / (Decrease) in provisions	16	71
Increase / (Decrease) in income tax equivalents	1 036	85
Increase / (Decrease) GST liability	56	(26)
Net cash provided by operating activities	**4 795**	**1 561**

9. Changes in accounting policy

9.1. Treasurer's Instructions (Accounting Policy Statements)

On 22 March 2019 the Treasurer's Instructions (Accounting Policy Statements) 2019 were issued by the Treasurer under the *Public Finance and Audit Act 1987*. The Accounting Policy Statements replaced the following Accounting Policy Frameworks:

- Purpose and Scope
- General Purpose Financial Statements Framework
- Asset Accounting Framework
- Financial Asset and Liability Framework
- Income Framework
- Definitions.

The new Accounting Policy Statements have largely been prepared on a no-policy change basis. Changes that impact on these financial statements are:

- removal of the additional requirement to report transactions with the SA Government.
- increasing the bands from $10,000 to $20,000 for employee and board member reporting.

These changes, however, do not impact on the amounts reported in the financial statements.

The Accounting Policy Statements also set out requirements in relation to Accounting Standards and Statements not yet effective. This is further discussed in note 10.3.

9.2. AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces the provisions of AASB 139 that relate to recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of AASB 9 from 1 July 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in financial statements.

As part of the adoption of AASB 9, the Public Trustee adopted consequential amendments to other accounting standards and the Treasurer's Instructions (Accounting Policy Statements) arising from the issue of AASB 9 as follows:

- AASB 101 Presentation of Financial Statements requires the impairment of financial assets to be presented in a separate line item in the statement of comprehensive income. In prior year, this information was presented as part of other expenses.
- AASB 7 Financial Instruments: Disclosures requires amended disclosures due to changes arising from AASB 9, these disclosures have been provided for the current year because the comparatives have not been restated.

In accordance with transitional provisions and the Treasurer's Instructions (Accounting Policy Statements), AASB 9 Financial Instruments was adopted without restating comparative information for classification and measurement requirements. All adjustments relating to classification and measurement are recognised in retained earnings at 1 July 2018.

The adoption of AASB 9 has not had a significant effect on the recognition, measurement or classification of financial liabilities.

9.2. AASB 9 Financial Instruments (continued)

The total impact on the department's retained earnings as at 1 July 2018 is as follows:

	2018
	$'000
Closing retained earnings 30 June 2018 – AASB 139	**24 293**
Adjustment to retained earnings from adoption of AASB 9	**(12)**
Opening retained earnings 1 July 2018 – AASB 9	**24 281**

On 1 July 2018, the Public Trustee has assessed and reclassified its financial assets into the appropriate AASB 9 categories depending on the business model and contractual cash flow characteristics applying to the asset. AASB 9 eliminates the AASB 139 categories of held to maturity, loans and receivables and available for sale.

On the date of initial application, the Public Trustee's financial instruments were as follows, with any reclassifications noted.

	Measurement category		AASB 139 at 30 June 2018	Carrying amount re-measurement	AASB 9 at 1 July 2018
	AASB 139	**AASB 9**	**$'000**	**$'000**	**$'000**
Current financial assets					
Trade receivables	Loans and receivables	Amortised cost	**278**	**(12)**	**266**
Non-current financial assets					
Other financial assets	Fair Value through Profit or Loss	Fair Value through Profit or Loss	**21 976**	**-**	**21 976**
Current financial liabilities					
Trade payables	Amortised cost	Amortised cost	**1 111**	**-**	**1 111**

Impairment of financial assets

AASB 9 replaces the 'incurred loss' model in AASB 139 with an 'expected credit loss' model. The Public Trustee's financial assets that are subject to the AASB 9's new expected credit loss model are trade receivables from provision of services.

This model generally results in earlier recognition of credit losses than the previous one.

Trade receivables

New impairment requirements result in a provision being applied to all receivables rather than only on those receivables that are credit impaired. The Public Trustee has adopted the simplified approach under AASB 9 Financial Instruments and measured lifetime expected credit losses on all trade receivables using a provision matrix approach as a practical expedient to measure the impairment provision. This resulted in an increase of the loss allowance on 1 July 2018 of $12,000 for trade receivables external to Government.

There are no additional impairment provisions for State, Territory, or Commonwealth Government receivables due to the Government's high quality credit risk.

Trade and other receivables that were classified as loans and receivables under AASB 139 are now classified at amortised cost as they meet the appropriate criteria under AASB 9.

10. Outlook

10.1. Unrecognised contractual commitments

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

Operating lease commitments

Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:

	2019	2018
Operating lease commitments	**$'000**	**$'000**
Within one year	2 048	2 196
Later than one year but not later than five years	26	2 032
Total operating lease commitments	**2 074**	**4 228**
Representing:		
Non-cancellable operating leases	2 074	4 228
Total operating lease commitments	**2 074**	**4 228**

The Public Trustee's operating leases are for office accommodation and motor vehicles. Office accommodation is leased from the Department of Planning, Transport and Infrastructure. The leases are non-cancellable and expire in May 2020. Rent is payable monthly in advance. Motor vehicles are leased from Fleet SA.

10.2. Contingent assets and liabilities

The Public Trustee is not aware of any contingent assets or liabilities as at balance date.

10.3. 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.

Treasurer's Instructions (Accounting Policy Statements) 2019 issued by the Treasurer on 22 March 2019 are effective for 2018-19 reporting period and are addressed below in relation to Standards not yet effective and in note 9.1. There are no Accounting Policy Statements that are not yet effective.

The impacts on the Public Trustee are outlined below.

10.3. Impact of standards and statements not yet effective (continued)

AASB 15 – Revenue from Contracts with Customers and AASB 1058 – Income of Not for Profit Entities

The Public Trustee will adopt *AASB 15 – Revenue from Contracts with Customers* and *AASB 1058 – Income of Not for Profit Entities* from 1 July 2019.

Objective

AASB 15 introduces a 5-step approach to revenue recognition. The objective of AASB 15 is that recognition of revenue depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. It provides extensive guidance as to how to apply this revenue recognition approach to a range of scenarios. *AASB 15 – Revenue from Contracts replaces AASB 111 – Construction Contracts and AASB 118 – Revenue.*

AASB 1058 introduces consistent requirements for the accounting of non-reciprocal transactions by not-for-profit entities, in conjunction with AASB 15. These requirements closely reflect the economic reality of not-for-profit entity transactions that are not contracts with customers. AASB 1058 replaces parts of *AASB 1004 – Contributions*.

Impact on 2019-20 financial statements

Adopting AASB 15 and AASB 1058 will not have an impact on the timing of recognition of revenue by the Public Trustee.

AASB 16 – Leases

The department will adopt *AASB 16 – Leases* from 1 July 2019.

Objective

AASB 16 sets out a comprehensive model for lease accounting that addresses recognition, measurement, presentation and disclosure of leases. The outcome will be that lease information disclosed will give users of financial statements a basis to assess the effect that leases have on the financial position, financial performance and cash flows of an entity. *AASB 16 Leases* replaces *AASB 117 Leases* and *Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases – Incentives and Interpretation,* and *Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.*

Impact on 2019-20 financial statements

The Public Trustee has assessed the estimated impact on the Statement of Financial Position of adopting AASB 16 with the transition requirements mandated by the *Treasurer's Instructions (Accounting Policy Statements)*.

AASB 16 requires lessees to recognise assets and liabilities for all leases, not subject to a recognition exemption or scoped out of the application of AASB 16. Applying AASB 16 will result in leases previously classified as operating leases having right-of-use assets and related lease liabilities being recognised in the Statement of Financial Position for the first time. Lease incentive liabilities previously recognised will be written off against the right-of-use assets or retained earnings depending on the nature of the incentive.

AASB 16 is expected to have a material impact on the Statement of Financial Position. The Public Trustee has estimated the impact of this change and the results as at 1 July 2019.

The estimated impact is based on applying AASB 16's transition approach to those leases identified as leases by the Public Trustee prior to 1 July 2019. The incremental borrowing rates applied to estimate the lease liability were SAFA's interest rates for principal and interest loans to SA Government agencies.

The Public Trustee's current accommodation lease for 211 Victoria Square expires on the 23rd May 2020 with a 5-year renewal option. At 30 June 2019 it is reasonably certain that the lease will be extended. Lease negotiations are underway with the building owner regarding a new lease contract.

10.3. Impact of standards and statements not yet effective (continued)

The estimated impact is set out below.

	as at 1 July 2019 $'000
Assets	
Right-of-use assets	12 280
Liabilities	
Lease liabilities	12 535
Lease incentive	(255)
Net impact on equity	**-**

The amounts disclosed are estimates only. The Public Trustee is continuing to refine its calculations of lease assets and lease liabilities for 2019-20 financial reporting purposes and expects that these figures will change. This includes accounting for non-lease components and clarifying lease terms and treatment of contractual rent increases.

AASB 16 will also impact on the Statement of Comprehensive Income. The operating lease expense previously included in supplies and services will mostly be replaced with:

- a depreciation expense that represents the use of the right-of-use asset; and
- borrowing costs that represent the cost associated with financing the right-of-use asset.

The estimated impact on 2019-20 Statement of Comprehensive Income is set out below.

	2020 $'000
Depreciation and amortisation	2 080
Borrowing costs	197
Supplies and services	(2 240)
Net impact on net cost of providing services	**37**

Related accounting policies
The Treasurer's Instructions (Accounting Policy Statements) 2019 sets out key requirements that the Public Trustee must adopt for the transition from *AASB 117 Leases* to *AASB 16 Leases*. These requirements include that the department will:

- apply AASB 16 retrospectively. The cumulative effect of initially applying the Standard will be recognised at 1 July 2019. Comparatives will not be restated.
- only apply AASB 16 to contracts that were previously identified as containing a lease applying AASB 117 and related interpretations.
- not transition operating leases for which the lease term ends before 30 June 2020.

The *Treasurer's Instructions (Accounting Policy Statements) 2019* also sets out requirements for on-going application. These requirements include that department will:

- not apply AASB 16 to leases of intangible assets.
- adopt $15,000 as the threshold to determine whether an underlying asset is a low value asset and must apply the low value asset recognition exemption to all low value assets.
- apply the short-term leases recognition exemption for all classes of underlying asset.
- separate non-lease components from lease components.
- adopt the revaluation model, where permitted.
- where required, apply the relevant lessee's incremental borrowing rate published by the Department of Treasury and Finance.
- on initial recognition not record at fair-value leases that have significantly below-market terms and conditions principally to enable the department to further its objectives, unless they have already been recorded at fair-value prior to 1 July 2019.

10.4. Events after reporting period

Where an event occurs after 30 June 2019 but provides information about conditions that existed at 30 June, adjustments are made to amounts recognised in the financial statements.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years.

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

11. Measurement and risk

11.1. 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 2019 has decreased to 1.25% (2018: 2.5%).

The net financial effect of the changes to actuarial assumptions in the current financial year is an increase in the long service leave liability of $379 000 and employee benefits expense of $379 000. 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 4% for long service leave liability and 2.2% for annual leave and skills, experience and retention 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.

11.2. 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 lease hold improvements

All items of plant and equipment 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.

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.

11.3. Financial Instruments

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.

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.

11.3. Financial Instruments (continued)

Sensitivity analysis – 30 June 2019

		Interest Rate Risk		Price Risk	
Financial Assets	**Carrying amount**	**-1% Statement of Comprehensive income**	**+1% Statement of Comprehensive income**	**-20% Statement of Comprehensive income**	**+10% Statement of Comprehensive income**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Cash and cash equivalents	9 089	(91)	91	-	-
Financial assets at fair value through profit or loss:					
Australian Fixed interest	3 015	(30)	30	-	-
Australian Fixed Interest (pooled funds)	7 394	(74)	74	-	-
International equities (pooled funds)	4 472	-	-	(894)	447
Australian listed property (pooled funds)	2 112	-	-	(422)	211
Australian equities (pooled funds)	6 026	-	-	(1 205)	603
Total (decrease)/increase		**(195)**	**195**	**(2 521)**	**1 261**

Sensitivity analysis – 30 June 2018

		Interest Rate Risk		Price Risk	
Financial Assets	**Carrying amount**	**-1% Statement of Comprehensive income**	**+1% Statement of Comprehensive income**	**-20% Statement of Comprehensive income**	**+10% Statement of Comprehensive income**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Cash and cash equivalents	7 638	(76)	76	-	-
Financial assets at fair value through profit or loss:					
Australian Fixed interest	3 023	(30)	30	-	-
Australian Fixed Interest (pooled funds)	6 978	(70)	70	-	-
International equities (pooled funds)	4 203	-	-	(841)	420
Australian listed property (pooled funds)	1 834	-	-	(367)	183
Australian equities (pooled funds)	5 938	-	-	(1 188)	594
Total (decrease)/increase		**(176)**	**176**	**(2 396)**	**1 197**

11.3. 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.

		2019	**2018**
		$'000	**$'000**
Cash at bank, short-term bank deposits and floating rate notes			
A1+	Credit Rating	3 089	1 338
A2	Credit Rating	6 000	6 300
Total Cash at bank, short-term bank deposits and floating rate notes		**9 089**	**7 638**
Long-term bank deposits			
A	Credit Rating	3 015	3 023
Total long-term bank deposits		**3 015**	**3 023**
Trade receivables			
Counterparties with external ratings			
A1+	Credit Rating	2	2
A2	Credit Rating	26	49
A	Credit Rating	6	7
Counterparties without external ratings			
existing customers with no defaults in the past		615	1 068
Total trade receivables[1]		**649**	**1 126**

[1]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.

11.3. 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.

Classification applicable until 30 June 2018 under AASB 139 Financial Instruments: Recognition and Measurement

The carrying amounts are detailed below of each of the following categories of financial assets and liabilities:

- Fair value through profit or loss
- Loan and receivables
- Financial liabilities measured at amortised cost.

Classification applicable from 1 July 2018 under AASB 9 Financial Instruments

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income (FVOCI) – debt instrument, FVOCI – equity instrument or fair value through profit or loss.

The only change to classification and measurement under AASB9 financial instruments for the Public Trustee is to trade receivables. The impacts are disclosed at note 9.2.

Category of financial asset and financial liability	Note	2019 Carrying amount / Fair value $'000	2019 Contractual maturities within 1 year $'000
Financial assets			
Cash and cash equivalent	6.1	9 089	n/a
Financial assets at fair value through profit or loss			
Other financial assets	6.3	23 019	n/a
Financial assets at amortised cost			
Receivables	6.2	649	649
Total financial assets		**32 757**	**649**
Financial liabilities			
Financial liabilities at amortised cost			
Payables	7.1	1 271	1 271
Total financial liabilities		**1 271**	**1 271**

11.3. Financial Instruments (continued)

Category of financial asset and financial liability	Note	2018 Carrying amount / Fair value $'000	2018 Contractual maturities within 1 year $'000
Financial assets			
Cash and cash equivalent	6.1	7 638	n/a
Financial assets at fair value through profit or loss			
Other financial assets	6.3	21 976	n/a
Loans and Receivables			
Receivables	6.2	1 126	1 126
Total financial assets		**30 740**	**1 126**
Financial liabilities			
Financial liabilities at amortised cost			
Payables	7.1	1 637	1 637
Total financial liabilities		**1 637**	**1 637**

Receivables and payables

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth, State and Local Government taxes, fees and charges; Auditor-General's Department audit fees). In government, certain rights to receive or pay cash may not be contractual and therefore, in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents, they are excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

The receivables amount disclosed here excludes prepayments as they are not financial assets. Prepayments are presented in note 6.2

The Public Trustee

Common Fund

Financial Statements

For the year ended 30 June 2019

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 2019

Cash Common Fund

	Note	2019 $'000	2018 $'000
Investment income			
Interest	1.1(d)	15 200	13 999
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	204	(86)
Other income		1	-
Total investment income		**15 405**	**13 913**
Expenses			
The Public Trustee management fees	1.1(e), (m)	4 487	4 398
Legal and advisory expenses		104	100
Other expenses		21	20
Total expenses		**4 612**	**4 518**
Net result from operating activities		**10 793**	**9 395**
Financing costs attributable to unitholders			
Undistributed income brought forward		966	824
Distributions to unitholders	4.4	(10 472)	(9 339)
Transfers from / (to) net assets to determine distributable income	1.1(g)	(204)	86
Total financing costs attributable to unitholders		**(9 710)**	**(8 429)**
(Increase) / decrease in net assets attributable to unitholders		**(1 083)**	**(966)**
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 2019

Cash Common Fund

	Note	2019 $'000	2018 $'000
Assets			
Cash and cash equivalents	3.1	5 899	7 489
Advances to estates	1.1(i)	2 969	3 445
Financial assets held at fair value through profit or loss	3.2	493 104	519 400
Other assets	1.1(j)	3 052	3 955
Total assets		**505 024**	**534 289**
Liabilities			
Income distribution payable		1 083	966
Funds due to other Common Funds		88 427	126 217
Other liabilities		15	26
Total liabilities (excluding net assets attributable to unitholders)		**89 525**	**127 209**
Net assets attributable to unitholders - Liability	4.2	**415 499**	**407 080**
Represented by:			
Fair value of outstanding units based on net asset value		**415 499**	**407 080**

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Cash Flows
for the year ended 30 June 2019

Cash Common Fund

	Note	2019 Inflows (Outflows) $'000	2018 Inflows (Outflows) $'000
Cash flows from operating activities			
Cash inflows			
Interest received		16 105	13 850
Cash generated from operations		**16 105**	**13 850**
Cash outflows			
Payments for expenses		(4 620)	(4 505)
Cash used in operations		**(4 620)**	**(4 505)**
Net cash provided by / (used in) operating activities	5.2	**11 485**	**9 345**
Cash flows from investing activities			
Cash inflows			
Proceeds from the sale of financial assets held at fair value through profit or loss		372 482	312 981
Net repayments of advances to estates		476	4 832
Cash generated from investing activities		**372 958**	**317 813**
Cash outflows			
Purchase of financial assets held at fair value through profit or loss		(345 983)	(382 481)
Cash used in investing activities		**(345 983)**	**(382 481)**
Net cash provided by / (used in) investing activities		**26 975**	**(64 668)**
Cash flows from financing activities			
Cash inflows			
Proceeds from applications by unitholders		8 212	6 243
Net proceeds/payments from applications/redemptions from/(to) other common funds		(37 790)	43 818
Cash generated from financing activities		**(29 578)**	**50 061**
Cash outflows			
Distributions paid		(10 472)	(9 339)
Cash used in financing activities		**(10 472)**	**(9 339)**
Net cash provided by / (used in) financing activities		**(40 050)**	**40 722**
Net increase / (decrease) in cash and cash equivalents		**(1 590)**	**(14 601)**
Cash and cash equivalents at the beginning of the period		7 489	22 090
Cash and cash equivalents at the end of the period	3.1	**5 899**	**7 489**

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Comprehensive Income
for the year ended 30 June 2019

Short Term Fixed Interest Common Fund

	Note	2019 $'000	2018 $'000
Investment income			
Interest	1.1(d)	1 508	1 368
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	137	(47)
Total investment income		**1 645**	**1 321**
Expenses			
The Public Trustee management fees	1.1(e), (m)	664	619
Legal and advisory expenses		15	13
Total expenses		**679**	**632**
Net result from operating activities		**966**	**689**
Financing costs attributable to unitholders			
Undistributed income brought forward		359	559
Distributions to unitholders	4.4	(773)	(936)
Transfers from / (to) net assets to determine distributable income	1.1(g)	(138)	47
Total financing costs attributable to unitholders		**(552)**	**(330)**
(Increase) / decrease in net assets attributable to unitholders		**(414)**	**(359)**
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 2019

Short Term Fixed Interest Common Fund

	Note	2019 $'000	2018 $'000
Assets			
Cash and cash equivalents	3.1	30 179	30 582
Financial assets held at fair value through profit or loss	3.2	33 722	29 084
Other assets	1.1(j)	163	201
Total assets		**64 064**	**59 867**
Liabilities			
Income distribution payable		414	359
Total liabilities (excluding net assets attributable to unitholders)		**414**	**359**
Net assets attributable to unitholders - Liability	4.2	**63 650**	**59 508**
Represented by:			
Fair value of outstanding units based on net asset value		**63 650**	**59 508**

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Cash Flows
for the year ended 30 June 2019

Short Term Fixed Interest Common Fund

	Note	2019 Inflows (Outflows) $'000	2018 Inflows (Outflows) $'000
Cash flows from operating activities			
Cash inflows			
Interest received		1 545	1 473
Cash generated from operations		**1 545**	**1 473**
Cash outflows			
Payments for expenses		(679)	(635)
Cash used in operations		**(679)**	**(635)**
Net cash provided by / (used in) operating activities	5.2	**866**	**838**
Cash flows from investing activities			
Cash inflows			
Proceeds from the sale of financial assets held at fair value through profit or loss		12 000	23 500
Cash generated from investing activities		**12 000**	**23 500**
Cash outflows			
Purchase of financial assets held at fair value through profit or loss		(16 502)	(19 997)
Cash used in investing activities		**(16 502)**	**(19 997)**
Net cash provided by / (used in) investing activities		**(4 502)**	**3 503**
Cash flows from financing activities			
Cash inflows			
Proceeds from applications by unitholders		7 402	7 642
Cash generated from financing activities		**7 402**	**7 642**
Cash outflows			
Payments for redemptions by unitholders		(3 396)	(4 032)
Distributions paid		(773)	(936)
Cash used in financing activities		**(4 169)**	**(4 968)**
Net cash provided by / (used in) financing activities		**3 233**	**2 674**
Net increase / (decrease) in cash and cash equivalents		**(403)**	**7 015**
Cash and cash equivalents at the beginning of the period		30 582	23 567
Cash and cash equivalents at the end of the period	3.1	**30 179**	**30 582**

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Comprehensive Income
for the year ended 30 June 2019

Long Term Fixed Interest Common Fund

	Note	2019 $'000	2018 $'000
Investment income			
Interest	1.1(d)	3 032	2 884
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	928	(654)
Total investment income		**3 960**	**2 230**
Expenses			
The Public Trustee management fees	1.1(e), (m)	1 066	997
Legal and advisory expenses		25	21
Total expenses		**1 091**	**1 018**
Net result from operating activities		**2 869**	**1 212**
Financing costs attributable to unitholders			
Undistributed income brought forward		902	1 170
Distributions to unitholders	4.4	(1 846)	(2 134)
Transfers from / (to) net assets to determine distributable income	1.1(g)	(928)	654
Total financing costs attributable to unitholders		**(1 872)**	**(310)**
(Increase) / decrease in net assets attributable to unitholders		**(997)**	**(902)**
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 2019

Long Term Fixed Interest Common Fund

	Note	2019 $'000	2018 $'000
Assets			
Cash and cash equivalents	3.1	23 327	45 230
Financial assets held at fair value through profit or loss	3.2	81 120	51 260
Other assets	1.1(j)	491	441
Total assets		**104 938**	**96 931**
Liabilities			
Income distribution payable		997	902
Total liabilities (excluding net assets attributable to unitholders)		**997**	**902**
Net assets attributable to unitholders - Liability	4.2	**103 941**	**96 029**
Represented by:			
Fair value of outstanding units based on net asset value		**103 941**	**96 029**

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Cash Flows
for the year ended 30 June 2019

Long Term Fixed Interest Common Fund

	Note	2019 Inflows (Outflows) $'000	2018 Inflows (Outflows) $'000
Cash flows from operating activities			
Cash inflows			
Interest received		3 050	3 117
Cash generated from operations		**3 050**	**3 117**
Cash outflows			
Payments for expenses		(1 091)	(1 020)
Cash used in operations		**(1 091)**	**(1 020)**
Net cash provided by / (used in) operating activities	5.2	**1 959**	**2 097**
Cash flows from investing activities			
Cash inflows			
Proceeds from the sale of financial assets held at fair value through profit or loss		-	23 997
Cash generated from investing activities		**-**	**23 997**
Cash outflows			
Purchase of financial assets held at fair value through profit or loss		(29 000)	(13 000)
Cash used in investing activities		**(29 000)**	**(13 000)**
Net cash provided by / (used in) investing activities		**(29 000)**	**10 997**
Cash flows from financing activities			
Cash inflows			
Proceeds from applications by unitholders		13 458	12 079
Cash generated from financing activities		**13 458**	**12 079**
Cash outflows			
Payments for redemptions by unitholders		(6 474)	(7 471)
Distributions paid		(1 846)	(2 134)
Cash used in financing activities		**(8 320)**	**(9 605)**
Net cash provided by / (used in) financing activities		**5 138**	**2 474**
Net increase / (decrease) in cash and cash equivalents		**(21 903)**	**15 568**
Cash and cash equivalents at the beginning of the period		45 230	29 662
Cash and cash equivalents at the end of the period	3.1	**23 327**	**45 230**

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Comprehensive Income
for the year ended 30 June 2019

Overseas Fixed Interest Common Fund

	Note	2019 $'000	2018 $'000
Investment income			
Trust distributions		1 262	976
Interest	1.1(d)	368	289
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	638	(181)
Other income		53	54
Total investment income		**2 321**	**1 138**
Expenses			
The Public Trustee management fees	1.1(e), (m)	607	569
Legal and advisory expenses		14	12
Total expenses		**621**	**581**
Net result from operating activities		**1 700**	**557**
Financing costs attributable to unitholders			
Undistributed income brought forward		384	2 400
Distributions to unitholders	4.4	(634)	(2 754)
Transfers from / (to) net assets to determine distributable income	1.1(g)	(638)	181
Total financing costs attributable to unitholders		**(888)**	**(173)**
(Increase) / decrease in net assets attributable to unitholders		**(812)**	**(384)**
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 2019

Overseas Fixed Interest Common Fund

	Note	2019 $'000	2018 $'000
Assets			
Cash and cash equivalents	3.1	6 110	17 155
Financial assets held at fair value through profit or loss	3.2	53 152	37 462
Other assets	1.1(j)	741	331
Total assets		**60 003**	**54 948**
Liabilities			
Income distribution payable		812	384
Total liabilities (excluding net assets attributable to unitholders)		**812**	**384**
Net assets attributable to unitholders - Liability	4.2	**59 191**	**54 564**
Represented by:			
Fair value of outstanding units based on net asset value		**59 191**	**54 564**

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Cash Flows
for the year ended 30 June 2019

Overseas Fixed Interest Common Fund

	Note	2019 Inflows (Outflows) $'000	2018 Inflows (Outflows) $'000
Cash flows from operating activities			
Cash inflows			
Trust distributions received		846	2 252
Interest received		374	283
Cash generated from operations		**1 220**	**2 535**
Cash outflows			
Payments for expenses		(621)	(582)
Cash used in operations		**(621)**	**(582)**
Net cash provided by / (used in) operating activities	5.2	**599**	**1 953**
Cash flows from investing activities			
Cash outflows			
Purchase of financial assets held at fair value through profit or loss		(15 000)	-
Cash used in investing activities		**(15 000)**	**-**
Net cash provided by / (used in) investing activities		**(15 000)**	**-**
Cash flows from financing activities			
Cash inflows			
Proceeds from applications by unitholders		7 544	6 957
Cash generated from financing activities		**7 544**	**6 957**
Cash outflows			
Payments for redemptions by unitholders		(3 554)	(4 153)
Distributions paid		(634)	(2 754)
Cash used in financing activities		**(4 188)**	**(6 907)**
Net cash provided by / (used in) financing activities		**3 356**	**50**
Net increase / (decrease) in cash and cash equivalents		**(11 045)**	**2 003**
Cash and cash equivalents at the beginning of the period		17 155	15 152
Cash and cash equivalents at the end of the period	3.1	**6 110**	**17 155**

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Comprehensive Income
for the year ended 30 June 2019

Australian Shares Common Fund

	Note	2019 $'000	2018 $'000
Investment income			
Trust distributions		11 592	20 643
Interest	1.1(d)	298	139
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	(8 671)	8 154
Other income		563	653
Total investment income		**3 782**	**29 589**
Expenses			
The Public Trustee management fees	1.1(e), (m)	1 784	1 769
Legal and advisory expenses		42	38
Total expenses		**1 826**	**1 807**
Net result from operating activities		**1 956**	**27 782**
Financing costs attributable to unitholders			
Undistributed income brought forward		18 315	12 712
Distributions to unitholders	4.4	(19 853)	(14 200)
Transfers from / (to) net assets to determine distributable income	1.1(g)	8 671	(7 979)
Total financing costs attributable to unitholders		**7 133**	**(9 467)**
(Increase) / decrease in net assets attributable to unitholders		**(9 089)**	**(18 315)**
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 2019

Australian Shares Common Fund

	Note	2019 $'000	2018 $'000
Assets			
Cash and cash equivalents	3.1	13 212	14 285
Financial assets held at fair value through profit or loss	3.2	160 397	160 505
Other assets	1.1(j)	9 362	14 929
Total assets		**182 971**	**189 719**
Liabilities			
Income distribution payable		9 089	18 315
Total liabilities (excluding net assets attributable to unitholders)		**9 089**	**18 315**
Net assets attributable to unitholders - Liability	4.2	**173 882**	**171 404**
Represented by:			
Fair value of outstanding units based on net asset value		**173 882**	**171 404**

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Cash Flows
for the year ended 30 June 2019

Australian Shares Common Fund

	Note	2019 Inflows (Outflows) $'000	2018 Inflows (Outflows) $'000
Cash flows from operating activities			
Cash inflows			
Trust distributions received		17 162	18 153
Interest received		295	127
Cash generated from operations		**17 457**	**18 280**
Cash outflows			
Payments for expenses		(1 826)	(1 632)
Cash used in operations		**(1 826)**	**(1 632)**
Net cash provided by / (used in) operating activities	5.2	**15 631**	**16 648**
Cash flows from investing activities			
Cash outflows			
Purchase of financial assets held at fair value through profit or loss		(8 000)	-
Cash used in investing activities		**(8 000)**	**-**
Net cash provided by / (used in) investing activities		**(8 000)**	**-**
Cash flows from financing activities			
Cash inflows			
Proceeds from applications by unitholders		22 682	18 845
Cash generated from financing activities		**22 682**	**18 845**
Cash outflows			
Payments for redemptions by unitholders		(11 533)	(12 369)
Distributions paid		(19 853)	(14 200)
Cash used in financing activities		**(31 386)**	**(26 569)**
Net cash provided by / (used in) financing activities		**(8 704)**	**(7 724)**
Net increase / (decrease) in cash and cash equivalents		**(1 073)**	**8 924**
Cash and cash equivalents at the beginning of the period		14 285	5 361
Cash and cash equivalents at the end of the period	3.1	**13 212**	**14 285**

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Comprehensive Income
for the year ended 30 June 2019

Overseas Shares Common Fund

	Note	2019 $'000	2018 $'000
Investment income			
Trust distributions		3 445	9 544
Interest	1.1(d)	119	129
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	8 471	3 927
Other income		392	347
Total investment income		**12 427**	**13 947**
Expenses			
The Public Trustee management fees	1.1(e), (m)	1 471	1 514
Legal and advisory expenses		35	33
Total expenses		**1 506**	**1 547**
Net result from operating activities		**10 921**	**12 400**
Financing costs attributable to unitholders			
Undistributed income brought forward		16 152	10 649
Distributions to unitholders	4.4	(27 154)	(10 709)
Transfers from / (to) net assets to determine distributable income	1.1(g)	3 905	3 812
Total financing costs attributable to unitholders		**(7 097)**	**3 752**
(Increase) / decrease in net assets attributable to unitholders		**(3 824)**	**(16 152)**
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 2019

Overseas Shares Common Fund

	Note	2019 $'000	2018 $'000
Assets			
Cash and cash equivalents	3.1	5 390	10 534
Financial assets held at fair value through profit or loss	3.2	138 038	134 203
Other assets	1.1(j)	3 186	9 004
Total assets		**146 614**	**153 741**
Liabilities			
Income distribution payable		3 824	16 152
Total liabilities (excluding net assets attributable to unitholders)		**3 824**	**16 152**
Net assets attributable to unitholders - Liability	4.2	**142 790**	**137 589**
Represented by:			
Fair value of outstanding units based on net asset value		**142 790**	**137 589**

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Cash Flows
for the year ended 30 June 2019

Overseas Shares Common Fund

	Note	2019 Inflows (Outflows) $'000	2018 Inflows (Outflows) $'000
Cash flows from operating activities			
Cash inflows			
Trust distributions received		9 257	11 893
Interest received		125	121
Cash generated from operations		**9 382**	**12 014**
Cash outflows			
Payments for expenses		(1 506)	(1 546)
Cash used in operations		**(1 506)**	**(1 546)**
Net cash provided by / (used in) operating activities	5.2	**7 876**	**10 468**
Cash flows from investing activities			
Cash inflows			
Proceeds from the sale of financial assets held at fair value through profit or loss		5 029	33 716
Cash generated from investing activities		**5 029**	**33 716**
Cash outflows			
Purchase of financial assets held at fair value through profit or loss		-	(33 000)
Cash used in investing activities		**-**	**(33 000)**
Net cash provided by / (used in) investing activities		**5 029**	**716**
Cash flows from financing activities			
Cash inflows			
Proceeds from applications by unitholders		18 526	16 065
Cash generated from financing activities		**18 526**	**16 065**
Cash outflows			
Payments for redemptions by unitholders		(9 421)	(10 624)
Distributions paid		(27 154)	(10 709)
Cash used in financing activities		**(36 575)**	**(21 333)**
Net cash provided by / (used in) financing activities		**(18 049)**	**(5 268)**
Net increase / (decrease) in cash and cash equivalents		**(5 144)**	**5 916**
Cash and cash equivalents at the beginning of the period		10 534	4 618
Cash and cash equivalents at the end of the period	3.1	**5 390**	**10 534**

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Comprehensive Income
for the year ended 30 June 2019

Property Common Fund

	Note	2019 $'000	2018 $'000
Investment income			
Trust distributions		3 661	4 742
Interest	1.1(d)	172	108
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	5 625	4 087
Other income		133	130
Total investment income		**9 591**	**9 067**
Expenses			
The Public Trustee management fees	1.1(e), (m)	1 147	1 046
Legal and advisory expenses		105	59
Total expenses		**1 252**	**1 105**
Net result from operating activities		**8 339**	**7 962**
Financing costs attributable to unitholders			
Undistributed income brought forward		3 303	9 158
Distributions to unitholders	4.4	(3 885)	(9 734)
Transfers from / (to) net assets to determine distributable income	1.1(g)	(5 609)	(4 083)
Total financing costs attributable to unitholders		**(6 191)**	**(4 659)**
(Increase) / decrease in net assets attributable to unitholders		**(2 148)**	**(3 303)**
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 2019

Property Common Fund

	Note	2019 $'000	2018 $'000
Assets			
Cash and cash equivalents	3.1	10 209	8 431
Financial assets held at fair value through profit or loss	3.2	105 795	94 905
Other assets	1.1(j)	2 088	3 241
Total assets		**118 092**	**106 577**
Liabilities			
Income distribution payable		2 148	3 303
Total liabilities (excluding net assets attributable to unitholders)		**2 148**	**3 303**
Net assets attributable to unitholders - Liability	4.2	**115 944**	**103 274**
Represented by:			
Fair value of outstanding units based on net asset value		**115 944**	**103 274**

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Cash Flows
for the year ended 30 June 2019

Property Common Fund

	Note	2019 Inflows (Outflows) $'000	2018 Inflows (Outflows) $'000
Cash flows from operating activities			
Cash inflows			
Trust distributions received		5 054	10 529
Interest received		168	100
Cash generated from operations		**5 222**	**10 629**
Cash outflows			
Payments for expenses		(1 253)	(973)
Cash used in operations		**(1 253)**	**(973)**
Net cash provided by / (used in) operating activities	5.2	**3 969**	**9 656**
Cash flows from investing activities			
Cash inflows			
Proceeds from the sale of financial assets held at fair value through profit or loss		88	39
Cash generated from investing activities		**88**	**39**
Cash outflows			
Purchase of financial assets held at fair value through profit or loss		(5 456)	-
Cash used in investing activities		**(5 456)**	**-**
Net cash provided by / (used in) investing activities		**(5 368)**	**39**
Cash flows from financing activities			
Cash inflows			
Proceeds from applications by unitholders		14 437	12 295
Cash generated from financing activities		**14 437**	**12 295**
Cash outflows			
Payments for redemptions by unitholders		(7 375)	(7 865)
Distributions paid		(3 885)	(9 734)
Cash used in financing activities		**(11 260)**	**(17 599)**
Net cash provided by / (used in) financing activities		**3 177**	**(5 304)**
Net increase / (decrease) in cash and cash equivalents		**1 778**	**4 391**
Cash and cash equivalents at the beginning of the period		8 431	4 040
Cash and cash equivalents at the end of the period	3.1	**10 209**	**8 431**

The accompanying notes form part of these financial statements.

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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;
- Australian Shares Common Fund;
- Overseas Fixed Interest Common Fund;
- Overseas Shares Common Fund; and
- Property Common Fund.

The Inflation Linked Investments Common Fund was dormant throughout 2018-19 (and 2017-18), 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 an independent chair, senior Public Trustee personnel, with attendance by external investment advisors, assists the Public Trustee in ensuring a sound and prudent system for investing client funds.

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

1.1. Basis of preparation

a) Statement of Compliance

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

b) Basis of Preparation

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

The 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.

1. About Public Trustee COMMON FUNDS (continued)

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 8.1.

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 against each Common Fund at a rate of one-twelfth of one percent of the value of the fund as at the first business day of each month 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.

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.

1. About Public Trustee COMMON FUNDS (continued)

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. The Australian dollar is also the Fund's presentation currency.

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 and 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 2019 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.

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

1. About Public Trustee COMMON FUNDS (continued)

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. About Public Trustee COMMON FUNDS (continued)

1.2. Significant transactions with government related entities

The Public Trustee is a Government Business Enterprise and is wholly owned and controlled by the SA Government. 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 $6.3 million was invested during 2018-19 by the Residential Tenancies and the Retail Shop Leases Funds by the Commissioner for Consumer Affairs (2018: $19.5 million by the Retail Shop Leases, Second Hand Motor Vehicle, Residential Tenancies and Agents Indemnity Funds). These funds were invested across all Common Funds at a percentage allocation in accordance with the defined Standard Investment Strategies.

Collectively, but not individually significant transactions with government related entities
Management fee expenses paid to the Public Trustee corporate for the reporting period were $11.2 million (2018: $10.9 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 2019, there were no material transactions or balances to disclose with key management personnel or other related parties (2018: Nil).

3. Financial Assets

3.1. Cash and cash equivalents

	2019 $'000	2018 $'000
Cash Common Fund		
Cash	899	2 989
Money market instruments	5 000	4 500
	5 899	7 489
Short Term Fixed Interest Common Fund		
Deposits in Cash Common Fund	30 179	30 582
	30 179	30 582
Long Term Fixed Interest Common Fund		
Deposits in Cash Common Fund	23 327	45 230
	23 327	45 230
Overseas Fixed Interest Common Fund		
Deposits in Cash Common Fund	6 110	17 155
	6 110	17 155
Australian Shares Common Fund		
Deposits in Cash Common Fund	13 212	14 285
	13 212	14 285
Overseas Shares Common Fund		
Deposits in Cash Common Fund	5 390	10 534
	5 390	10 534
Property Common Fund		
Deposits in Cash Common Fund	10 209	8 431
	10 209	8 431
Total cash and cash equivalents	**94 326**	**133 706**

Cash at bank and on hand

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

The cash deposit is held with a financial institution and is interest bearing at 1.45% (2018: 1.70%) per annum as at 30 June 2019 available at call. During 2018-19, the Public Trustee's customer banking operations were provided by the Commonwealth Bank of Australia (CBA) as part of the whole of Government banking contract. The CBA cash rate is the Reserve Bank target rate plus 20 basis points. The Public Trustee also continued to manage a Westpac Banking Corporation (WBC) account during 2018-19 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. These investments are available at call.

3. Financial Assets (continued)

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

	Cash		Short Term Fixed Interest	
	2019 Fair Value $'000	2018 Fair Value $'000	2019 Fair Value $'000	2018 Fair Value $'000
Designated as at fair value through profit or loss				
Fixed interest securities[1]	493 104	519 400	33 722	29 084
Unlisted unit trusts	-	-	-	-
Total designated as at fair value through profit or loss	**493 104**	**519 400**	**33 722**	**29 084**

	Long Term Fixed Interest		Overseas Fixed Interest	
	2019 Fair Value $'000	2018 Fair Value $'000	2019 Fair Value $'000	2018 Fair Value $'000
Designated as at fair value through profit or loss				
Fixed interest securities	81 120	51 260	-	-
Unlisted unit trusts	-	-	53 152	37 462
Total designated as at fair value through profit or loss	**81 120**	**51 260**	**53 152**	**37 462**

	Australian Shares		Overseas Shares	
	2019 Fair Value $'000	2018 Fair Value $'000	2019 Fair Value $'000	2018 Fair Value $'000
Designated as at fair value through profit or loss				
Fixed interest securities	-	-	-	-
Unlisted unit trusts	160 397	160 505	138 038	134 203
Total designated as at fair value through profit or loss	**160 397**	**160 505**	**138 038**	**134 203**

	Property		Total	
	2019 Fair Value $'000	2018 Fair Value $'000	2019 Fair Value $'000	2018 Fair Value $'000
Designated as at fair value through profit or loss				
Fixed interest securities	-	-	607 946	599 744
Unlisted unit trusts	105 795	94 905	457 382	427 075
Total designated as at fair value through profit or loss	**105 795**	**94 905**	**1 065 328**	**1 026 819**

An overview of the risk exposures relating to financial assets at fair value through profit or loss is included in note 8.2.

[1] Includes other common funds deposits in the Cash Common Fund of $88.4 million (2018: $126.2 million).

Fixed interest securities

These investments bear floating interest rates between 2.11% and 5.30% (2018: 2.52% and 5.30%). These investments are available at call.

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

	2019		2018	
	Purchase Price	Redemption Price	Purchase Price	Redemption Price
Cash	$ 1.0000	$ 1.0000	$ 1.0000	$ 1.0000
Short Term Fixed Interest	$ 1.0077	$ 1.0067	$ 1.0059	$ 1.0039
Long Term Fixed Interest	$ 1.0603	$ 1.0593	$ 1.0512	$ 1.0490
Overseas Fixed Interest	$ 0.8711	$ 0.8702	$ 0.8617	$ 0.8608
Australian Shares	$ 1.7686	$ 1.7598	$ 1.8610	$ 1.8517
Overseas Shares	$ 1.1990	$ 1.1940	$ 1.2325	$ 1.2283
Property	$ 1.1377	$ 1.1352	$ 1.0815	$ 1.0791

Movements in units

	Short Term Fixed Interest		Long Term Fixed Interest		Overseas Fixed Interest	
	2019 No. of units 000's	2018 No. of units 000's	2019 No. of units 000's	2018 No. of units 000's	2019 No. of units 000's	2018 No. of units 000's
Opening balance	59 215	55 638	91 444	87 088	63 371	60 141
Applications	7 358	7 589	12 798	11 451	8 720	8 028
Redemptions	(3 380)	(4 012)	(6 162)	(7 095)	(4 109)	(4 798)
Closing balance	**63 193**	**59 215**	**98 080**	**91 444**	**67 982**	**63 371**

	Australian Shares		Overseas Shares		Property	
	2019 No. of units 000's	2018 No. of units 000's	2019 No. of units 000's	2018 No. of units 000's	2019 No. of units 000's	2018 No. of units 000's
Opening balance	92 349	88 975	111 780	107 684	95 103	91 000
Applications	12 687	10 031	15 404	12 168	13 093	11 508
Redemptions	(6 451)	(6 657)	(7 820)	(8 072)	(6 704)	(7 405)
Closing balance	**98 585**	**92 349**	**119 364**	**111 780**	**101 492**	**95 103**

4. Liabilities (continued)

4.2. Movements in funds employed

	Cash		Short Term Fixed Interest		Long Term Fixed Interest		Overseas Fixed Interest	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Opening balance	407 080	400 917	59 508	55 945	96 029	92 075	54 564	51 941
Applications	5 001	5 190	7 402	7 642	13 458	12 079	7 544	6 957
Redemptions	(2 355)	(2 745)	(3 396)	(4 032)	(6 474)	(7 471)	(3 554)	(4 153)
Transfers from/(to) net assets to determine distributable income[1]	5 773	3 718	136	(47)	928	(654)	637	(181)
Closing balance	**415 499**	**407 080**	**63 650**	**59 508**	**103 941**	**96 029**	**59 191**	**54 564**

	Australian Shares		Overseas Shares		Property		Total	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Opening balance	171 404	156 774	137 589	135 960	103 274	94 761	1 029 448	988 373
Applications	22 682	18 845	18 526	16 065	14 437	12 295	89 050	79 073
Redemptions	(11 533)	(12 369)	(9 421)	(10 624)	(7 375)	(7 865)	(44 108)	(49 259)
Transfers from/(to) net assets to determine distributable income[1]	(8 671)	7 979	(3 904)	(3 812)	5 608	4 083	507	11 086
Reallocation of capital distributions relating to prior year	-	175	-	-	-	-	-	175
Closing balance	**173 882**	**171 404**	**142 790**	**137 589**	**115 944**	**103 274**	**1 074 897**	**1 029 448**

[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.

4. Liabilities (continued)

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

	2019 $'000	2018 $'000
Cash Common Fund		
Net Unrealised Gains / (Losses)	238	2
Net Realised Gains / (Losses)	(34)	(88)
Total	**204**	**(86)**
Short Term Fixed Interest Common Fund		
Net Unrealised Gains / (Losses)	137	3
Net Realised Gains / (Losses)	-	(50)
Total	**137**	**(47)**
Long Term Fixed Interest Common Fund		
Net Unrealised Gains / (Losses)	928	(524)
Net Realised Gains / (Losses)	-	(130)
Total	**928**	**(654)**
Overseas Fixed Interest Common Fund		
Net Unrealised Gains / (Losses)	638	(181)
Total	**638**	**(181)**
Australian Shares Common Fund		
Net Unrealised Gains / (Losses)	(8 671)	8 154
Total	**(8 671)**	**8 154**
Overseas Shares Common Fund		
Net Unrealised Gains / (Losses)	8 411	1 144
Net Realised Gains / (Losses)	60	2 783
Total	**8 471**	**3 927**
Property Common Fund		
Net Unrealised Gains / (Losses)	5 620	4 086
Net Realised Gains / (Losses)	5	1
Total	**5 625**	**4 087**
Total net (loss) / gain on financial assets held at fair value through profit or loss	**7 332**	**15 200**

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 client 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 client 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:

	2019 $'000	2019 CPU	2018 $'000	2018 CPU
Cash Common Fund				
Distributions to unitholders	10 472	0.0254	9 339	0.0232
Undistributed income brought forward	(966)	-	(824)	-
Distributions payable	1 083	-	966	-
Total Distributions to unitholders	**10 589**		**9 481**	

	2019 $'000	2019 CPU	2018 $'000	2018 CPU
Short Term Fixed Interest Common Fund				
Distributions to unitholders	773	0.0122	936	0.0158
Undistributable income brought forward	(359)	-	(559)	-
Distributions payable	414	-	359	-
Total Distributions to unitholders	**828**		**736**	

	2019 $'000	2019 CPU	2018 $'000	2018 CPU
Long Term Fixed Interest Common Fund				
Distributions to unitholders	1 846	0.0188	2 134	0.0233
Undistributable income brought forward	(902)	-	(1 170)	-
Distributions payable	997	-	902	-
Total Distributions to unitholders	**1 941**		**1 866**	

	2019 $'000	2019 CPU	2018 $'000	2018 CPU
Overseas Fixed Interest Common Fund				
Distributions to unitholders	634	0.0093	2 754	0.0435
Undistributable income brought forward	(384)	-	(2 400)	-
Distributions payable	812	-	384	-
Total Distributions to unitholders	**1 062**		**738**	

4. Liabilities (continued)

	2019 $'000	2019 CPU	2018 $'000	2018 CPU
Australian Shares Common Fund				
Distributions to unitholders	19 853	0.2014	14 200	0.1538
Undistributable income brought forward	(18 315)	-	(12 712)	-
Distributions payable	9 089	-	18 315	-
Total Distributions to unitholders	**10 627**		**19 803**	

	2019 $'000	2019 CPU	2018 $'000	2018 CPU
Overseas Shares Common Fund				
Distributions to unitholders	27 154	0.2275	10 709	0.0958
Undistributable income brought forward	(16 152)	-	(10 649)	-
Distributions payable	3 824	-	16 152	-
Total Distributions to unitholders	**14 826**		**16 212**	

	2019 $'000	2019 CPU	2018 $'000	2018 CPU
Property Common Fund				
Distributions to unitholders	3 885	0.0383	9 734	0.1024
Undistributable income brought forward	(3 303)	-	(9 158)	-
Distributions payable	2 148	-	3 303	-
Total Distributions to unitholders	**2 730**		**3 879**	

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 2019 were the following net realised capital gains which were distributed to unitholders based on the number of units held as at 30 June 2019:

	2019 $'000	2019 CPU	2018 $'000	2018 CPU
Common Fund Capital Distributions Payable				
Long Term Fixed Interest	-	-	-	-
Australian Shares	7 283	0.0739	17 948	0.1943
Overseas Shares	3 387	0.0284	15 438	0.1381
Property	1 369	0.0135	1 545	0.0162
	12 039		**34 931**	

5. Other disclosures

5.1. Derivative financial instruments

The Public Trustee did not invest in derivative investments for the year ended 30 June 2019 (2018: $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.

Cash flow reconciliation

Cash Common Fund	**2019**	**2018**
	$'000	**$'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	5 899	7 489
Balance as per the Statement of Cash Flows	5 899	7 489
Reconciliation of net cash provided by operating activities to net result:		
Net operating result	10 793	9 395
Add / (less) non cash items:		
Net losses / (gains) on financial instruments held at fair value through profit or loss	(204)	86
Amortisation of discounts and premiums	-	51
Movements in assets / liabilities:		
Decrease / (Increase) in receivables and other assets	903	(194)
Increase / (Decrease) in payables and other liabilities	(11)	1
Adjustment for balance day transactions	4	6
Net cash provided by operating activities	**11 485**	**9 345**

Short Term Fixed Interest Common Fund	**2019**	**2018**
	$'000	**$'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	30 179	30 582
Balance as per the Statement of Cash Flows	30 179	30 582
Reconciliation of net cash provided by operating activities to net result:		
Net operating result	966	689
Add / (less) non cash items:		
Net losses / (gains) on financial instruments held at fair value through profit or loss	(137)	47
Amortisation of discounts and premiums	(1)	16
Movements in assets / liabilities:		
Decrease / (Increase) in receivables and other assets	38	87
Increase / (Decrease) in payables and other liabilities	-	(1)
Net cash provided by operating activities	**866**	**838**

5. Other disclosures (continued)

Long Term Fixed Interest Common Fund	**2019**	**2018**
	$'000	**$'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	23 327	45 230
Balance as per the Statement of Cash Flows	23 327	45 230
Reconciliation of net cash provided by operating activities to net result:		
Net operating result	2 869	1 212
Add / (less) non cash items:		
Net losses / (gains) on financial instruments held at fair value through profit or loss	(928)	654
Amortisation of discounts and premiums	68	115
Movements in assets / liabilities:		
Decrease / (Increase) in receivables and other assets	(50)	116
Increase / (Decrease) in payables and other liabilities	-	-
Net cash provided by operating activities	**1 959**	**2 097**

Overseas Fixed Interest Common Fund	**2019**	**2018**
	$'000	**$'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	6 110	17 155
Balance as per the Statement of Cash Flows	6 110	17 155
Reconciliation of net cash provided by operating activities to net result:		
Net operating result	1 700	557
Add / (less) non cash items:		
Net losses / (gains) on financial instruments held at fair value through profit or loss	(638)	181
Amortisation of discounts and premiums	(53)	(55)
Movements in assets / liabilities:		
Decrease / (Increase) in receivables and other assets	(410)	1 270
Increase / (Decrease) in payables and other liabilities	-	-
Net cash provided by operating activities	**599**	**1 953**

Australian Shares Common Fund	**2019**	**2018**
	$'000	**$'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	13 212	14 285
Balance as per the Statement of Cash Flows	13 212	14 285
Reconciliation of net cash provided by operating activities to net result:		
Net operating result	1 956	27 782
Add / (less) non cash items:		
Net losses / (gains) on financial instruments held at fair value through profit or loss	8 671	(8 154)
Income reinvested and not received in cash	(563)	(653)
Realignment of capital distribution relating to prior year	-	175
Movements in assets / liabilities:		
Decrease / (Increase) in receivables and other assets	5 567	(2 502)
Increase / (Decrease) in payables and other liabilities	-	-
Net cash provided by operating activities	**15 631**	**16 648**

5. Other disclosures (continued)

Overseas Shares Common Fund	**2019**	**2018**
	$'000	**$'000**
Reconciliation of cash and cash equivalents:		
Cash and cash equivalents disclosed in the Statement of Financial Position	5 390	10 534
Balance as per the Statement of Cash Flows	5 390	10 534
Reconciliation of net cash provided by operating activities to net result:		
Net operating result	10 921	12 400
Add / (less) non cash items:		
Net losses / (gains) on financial instruments held at fair value through profit or loss	(8 471)	(3 927)
Income reinvested and not received in cash	(392)	(347)
Movements in assets / liabilities:		
Decrease / (Increase) in receivables and other assets	5 818	2 342
Increase / (Decrease) in payables and other liabilities	-	-
Net cash provided by operating activities	**7 876**	**10 468**

Property Common Fund	**2019**	**2018**
	$'000	**$'000**
Reconciliation of cash and cash equivalents:		
Cash and cash equivalents disclosed in the Statement of Financial Position	10 209	8 431
Balance as per the Statement of Cash Flows	10 209	8 431
Reconciliation of net cash provided by operating activities to net result:		
Net operating result	8 339	7 962
Add / (less) non cash items:		
Net losses / (gains) on financial instruments held at fair value through profit or loss	(5 625)	(4 087)
Income reinvested and not received in cash	(133)	(130)
Realignment of capital distribution relating to prior year	235	133
Movements in assets / liabilities:		
Decrease / (Increase) in receivables and other assets	1 153	5 778
Increase / (Decrease) in payables and other liabilities	-	-
Net cash provided by operating activities	**3 969**	**9 656**

6. Changes in accounting policy

6.1. Treasurer's Instructions (Accounting Policy Statements)

On 22 March 2019 the *Treasurer's Instructions (Accounting Policy Statements) 2019* were issued by the Treasurer under the *Public Finance and Audit Act 1987.* The Accounting Policy Statements replaced the following Accounting Policy Frameworks:

- Purpose and Scope
- General Purpose Financial Statements Framework
- Asset Accounting Framework
- Financial Asset and Liability Framework
- Income Framework
- Definitions.

The new Accounting Policy Statements have largely been prepared on a no-policy change basis. Changes that impact on these financial statements are the removal of the additional requirement to report transactions with the SA Government.

These changes, however, do not impact on the amounts reported in the financial statements.

The Accounting Policy Statements also set out requirements in relation to Accounting Standards and Statements not yet effective. This is further discussed in note 7.1.

6.2. AASB 9 Financial Instruments

AASB 9 *Financial Instruments* ("AASB 9") replaces the provisions of AASB 139 *Financial Instruments: Recognition and Measurement* that relate to recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. AASB 9 applies to reporting periods commencing after 1 January 2018. The application date for the Public Trustee was 1 July 2018.

The adoption of AASB 9 did not result in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The Public Trustee will continue to recognise investments as financial assets measured at fair value through profit or loss and all other assets and liabilities at amortised cost. The Common Funds do not apply hedge accounting. AASB 9 includes a new impairment model, however, as the investments are held at fair value through profit or loss, the change in impairment rules will not impact the Common Funds.

7. Outlook

7.1. 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.

Treasurer's Instructions (Accounting Policy Statements) 2019 issued by the Treasurer on 22 March 2019 are effective for 2018-19 reporting period and are addressed below in relation to Standards not yet effective and in note 6.1. There are no Accounting Policy Statements that are not yet effective.

Australian Accounting Standards Board Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Public Trustee for the period ending 30 June 2019. The Public Trustee has assessed the impact of the new and changed standards and interpretations and changes to Accounting Policy Statements issued by the Treasurer and considers there will be no impact on the accounting policies or the financial statements except as outlined below.

AASB 15 *Revenue from Contracts with Customers* ("AASB 15"), applies to reporting periods commencing after 1 January 2019. The application date for the Public Trustee is 1 July 2019. AASB 15 supersedes the revenue recognition guidance in AASB 118 *Revenue*, AASB 111 *Construction Contracts* and related interpretations. Although AASB 15 is principles-based, it is a significant change from the current revenue requirements and will involve more judgements and estimates. The core principle in AASB 15 is that an entity recognises revenue at an amount that reflects the consideration to which the entity expects to be entitled to receive in exchange for selling goods or services to customers.

The Common Funds' main source of income includes interest, dividends/distributions and gains/(losses) on financial instruments held at fair value through profit or loss. There were no impacts on the Common Funds upon the adoption of AASB 15. These revenue streams are excluded from the scope of AASB 15 and will continue to be recognised under AASB 9.

Consequently, the Public Trustee does not expect AASB 15 to have any impact on the financial statements of the Common Funds.

7.2. 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.

8. Measurement and Risk

8.1. 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.

8. Measurement and Risk (continued)

The table below presents the fair value measurement hierarchy of Common Fund financial assets by class:

	2019 $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000
Financial assets				
Cash and cash equivalents	94 326	94 326	-	-
Financial assets at fair value through profit or loss				
Fixed interest securities	607 946	425 500	182 446	-
Unlisted unit trusts	457 382	-	457 382	-
Total	**1 159 654**	**519 826**	**639 828**	**-**

	2018 $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000
Financial assets				
Cash and cash equivalents	133 706	133 706	-	-
Financial assets at fair value through profit or loss				
Fixed interest securities	599 744	464 000	135 744	-
Unlisted unit trusts	427 075	-	427 075	-
Total	**1 160 525**	**597 706**	**562 819**	**-**

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. There were no transfers between levels 1, 2 or 3 for the recurring fair value measurements, and there were no changes in the valuation technique during the years ended 30 June 2019 and 2018.

8.2. 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 50% hedged benchmark position which reduces currency volatility. Overseas currency exposure in the Property Common Fund is 97% 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.

8. Measurement and Risk (continued)

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.

8. Measurement and Risk (continued)

Credit risk analysis

	2019 $'000	2018 $'000
Cash Common Fund		
Cash and short term investments		
A1+	154 531	167 500
A1	79 534	121 034
A2	94 507	78 500
Cash at bank	5 899	7 489
Total cash and short term investments	**334 471**	**374 523**
Long term investments		
AAA	-	3 008
AA-	159 990	132 269
A+	4 542	4 540
A	-	9 038
BBB+	-	3 511
Total long term investments	**164 532**	**152 366**
Short Term Fixed Interest Common Fund		
Cash and short term investments		
A1	4 013	-
A2	2 002	5 000
Cash at bank	30 179	30 582
Total cash and short term investments	**36 194**	**35 582**
Long term investments		
AA-	19 183	10 540
A-	2 986	-
A+	2 020	4 030
A	-	5 011
BBB+	-	1 004
BBB	3 518	3 499
Total long term investments	**27 707**	**24 084**
Long Term Fixed Interest Common Fund		
Cash and short term investments		
A1+	4 015	-
A2	1 000	-
Cash at bank	23 327	45 230
Total cash and short term investments	**28 342**	**45 230**
Long term investments		
AAA	2 251	4 335
AA+	12 943	6 553
AA	-	19 320
AA-	55 402	15 556
A-	1 991	-
A	-	1 997
BBB	3 518	3 499
Total long term investments	**76 105**	**51 260**

8. Measurement and Risk (continued)

Market risk

(i) Price risk
The Australian Shares Common Fund, Overseas Shares Common Fund, Property 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.

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. No derivative products are permitted under the Public Trustee's Investment Guidelines.

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 primarily 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 properties. 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.

(ii) Cash flow and interest rate risk
The Public Trustee is exposed to interest rate risk arising 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 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 3 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 6 years for Commonwealth bonds and Semi-government bonds.

The Long Term Fixed Interest Common Fund invests in securities with maturities up to 15 years.

(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 below, 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

8. Measurement and Risk (continued)

through the profit or loss; resulting in no impact on equity.

Cash Common Fund — **2019**

Financial Assets	Carrying amount	Interest Rate Risk -1% Statement of Comprehensive Income	Interest Rate Risk +1% Statement of Comprehensive Income	Price Risk -20% Statement of Comprehensive Income	Price Risk +10% Statement of Comprehensive Income
	$'000	$'000	$'000	$'000	$'000
Cash and cash equivalents	5 899	(59)	59	-	-
Financial assets held at fair value through profit or loss	493 104	(4 931)	4 931	-	-
Total (decrease)/increase		**(4 990)**	**4 990**	**-**	**-**

Cash Common Fund — **2018**

Financial Assets	Carrying amount	Interest Rate Risk -1% Statement of Comprehensive Income	Interest Rate Risk +1% Statement of Comprehensive Income	Price Risk -20% Statement of Comprehensive Income	Price Risk +10% Statement of Comprehensive Income
	$'000	$'000	$'000	$'000	$'000
Cash and cash equivalents	7 489	(75)	75	-	-
Financial assets held at fair value through profit or loss	519 400	(5 194)	5 194	-	-
Total (decrease)/increase		**(5 269)**	**5 269**	**-**	**-**

Short Term Fixed Interest — **2019**

Financial Assets	Carrying amount	Interest Rate Risk -1% Statement of Comprehensive Income	Interest Rate Risk +1% Statement of Comprehensive Income	Price Risk -20% Statement of Comprehensive Income	Price Risk +10% Statement of Comprehensive Income
	$'000	$'000	$'000	$'000	$'000
Cash and cash equivalents	30 179	(302)	302	-	-
Financial assets held at fair value through profit or loss	33 722	(337)	337	-	-
Total (decrease)/increase		**(639)**	**639**	**-**	**-**

Short Term Fixed Interest — **2018**

Financial Assets	Carrying amount	Interest Rate Risk -1% Statement of Comprehensive Income	Interest Rate Risk +1% Statement of Comprehensive Income	Price Risk -20% Statement of Comprehensive Income	Price Risk +10% Statement of Comprehensive Income
	$'000	$'000	$'000	$'000	$'000
Cash and cash equivalents	30 582	(306)	306	-	-
Financial assets held at fair value through profit or loss	29 084	(291)	291	-	-
Total (decrease)/increase		**(597)**	**597**	**-**	**-**

Long Term Fixed Interest — **2019**

Financial Assets	Carrying amount	Interest Rate Risk -1% Statement of Comprehensive Income	Interest Rate Risk +1% Statement of Comprehensive Income	Price Risk -20% Statement of Comprehensive Income	Price Risk +10% Statement of Comprehensive Income
	$'000	$'000	$'000	$'000	$'000
Cash and cash equivalents	23 327	(233)	233	-	-
Financial assets held at fair value through profit or loss	81 120	(811)	811	-	-
Total (decrease)/increase		**(1 044)**	**1 044**	**-**	**-**

8. Measurement and Risk (continued)

Long Term Fixed Interest — **2018**

Financial Assets	Carrying amount	Interest Rate Risk -1% Statement of Comprehensive Income	Interest Rate Risk +1% Statement of Comprehensive Income	Price Risk -20% Statement of Comprehensive Income	Price Risk +10% Statement of Comprehensive Income
	$'000	$'000	$'000	$'000	$'000
Cash and cash equivalents	45 230	(452)	452	-	-
Financial assets held at fair value through profit or loss	51 260	(513)	513	-	-
Total (decrease)/increase		**(965)**	**965**	**-**	**-**

Overseas Fixed Interest — **2019**

Financial Assets	Carrying amount	Interest Rate Risk -1% Statement of Comprehensive Income	Interest Rate Risk +1% Statement of Comprehensive Income	Price Risk -20% Statement of Comprehensive Income	Price Risk +10% Statement of Comprehensive Income
	$'000	$'000	$'000	$'000	$'000
Cash and cash equivalents	6 110	(61)	61	-	-
Financial assets held at fair value through profit or loss	53 152	-	-	(10 630)	5 315
Total (decrease)/increase		**(61)**	**61**	**(10 630)**	**5 315**

Overseas Fixed Interest — **2018**

Financial Assets	Carrying amount	Interest Rate Risk -1% Statement of Comprehensive Income	Interest Rate Risk +1% Statement of Comprehensive Income	Price Risk -20% Statement of Comprehensive Income	Price Risk +10% Statement of Comprehensive Income
	$'000	$'000	$'000	$'000	$'000
Cash and cash equivalents	17 155	(172)	172	-	-
Financial assets held at fair value through profit or loss	37 462	-	-	(7 492)	3 746
Total (decrease)/increase		**(172)**	**172**	**(7 492)**	**3 746**

Australian Shares — **2019**

Financial Assets	Carrying amount	Interest Rate Risk -1% Statement of Comprehensive Income	Interest Rate Risk +1% Statement of Comprehensive Income	Price Risk -20% Statement of Comprehensive Income	Price Risk +10% Statement of Comprehensive Income
	$'000	$'000	$'000	$'000	$'000
Cash and cash equivalents	13 212	(132)	132	-	-
Financial assets held at fair value through profit or loss	160 397	-	-	(32 079)	16 040
Total (decrease)/increase		**(132)**	**132**	**(32 079)**	**16 040**

Australian Shares — **2018**

Financial Assets	Carrying amount	Interest Rate Risk -1% Statement of Comprehensive Income	Interest Rate Risk +1% Statement of Comprehensive Income	Price Risk -20% Statement of Comprehensive Income	Price Risk +10% Statement of Comprehensive Income
	$'000	$'000	$'000	$'000	$'000
Cash and cash equivalents	14 285	(143)	143	-	-
Financial assets held at fair value through profit or loss	160 505	-	-	(32 101)	16 051
Total (decrease)/increase		**(143)**	**143**	**(32 101)**	**16 051**

8. Measurement and Risk (continued)

Overseas Shares — **2019**

Financial Assets	Carrying amount	Interest Rate Risk -1% Statement of Comprehensive Income	Interest Rate Risk +1% Statement of Comprehensive Income	Price Risk -20% Statement of Comprehensive Income	Price Risk +10% Statement of Comprehensive Income
	$'000	$'000	$'000	$'000	$'000
Cash and cash equivalents	5 390	(54)	54	-	-
Financial assets held at fair value through profit or loss	138 038	-	-	(27 608)	13 804
Total (decrease)/increase		**(54)**	**54**	**(27 608)**	**13 804**

Overseas Shares — **2018**

Financial Assets	Carrying amount	Interest Rate Risk -1% Statement of Comprehensive Income	Interest Rate Risk +1% Statement of Comprehensive Income	Price Risk -20% Statement of Comprehensive Income	Price Risk +10% Statement of Comprehensive Income
	$'000	$'000	$'000	$'000	$'000
Cash and cash equivalents	10 534	(105)	105	-	-
Financial assets held at fair value through profit or loss	134 203	-	-	(26 841)	13 420
Total (decrease)/increase		**(105)**	**105**	**(26 841)**	**13 420**

Property — **2019**

Financial Assets	Carrying amount	Interest Rate Risk -1% Statement of Comprehensive Income	Interest Rate Risk +1% Statement of Comprehensive Income	Price Risk -20% Statement of Comprehensive Income	Price Risk +10% Statement of Comprehensive Income
	$'000	$'000	$'000	$'000	$'000
Cash and cash equivalents	10 209	(102)	102	-	-
Financial assets held at fair value through profit or loss	105 795	-	-	(21 159)	10 580
Total (decrease)/increase		**(102)**	**102**	**(21 159)**	**10 580**

Property — **2018**

Financial Assets	Carrying amount	Interest Rate Risk -1% Statement of Comprehensive Income	Interest Rate Risk +1% Statement of Comprehensive Income	Price Risk -20% Statement of Comprehensive Income	Price Risk +10% Statement of Comprehensive Income
	$'000	$'000	$'000	$'000	$'000
Cash and cash equivalents	8 431	(84)	84	-	-
Financial assets held at fair value through profit or loss	94 905	-	-	(18 981)	9 491
Total (decrease)/increase		**(84)**	**84**	**(18 981)**	**9 491**

Liquidity risk

The Public Trustee has working capital policies in place in order to maintain liquidity for clients. 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.

8. Measurement and Risk (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.

Classification applicable until 30 June 2018 under AASB 139 *Financial Instruments: Recognition and Measurement*

The carrying amounts are detailed below of each of the following categories of financial assets and liabilities:

- Financial assets measured at fair value through profit or loss
- Loans and receivables
- Financial liabilities measured at cost

Classification applicable from 1 July 2018 under AASB 9 *Financial Instruments*

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

Maturity analysis of financial assets & financial liabilities

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

		2019	2019 Contractual Maturities		
	Note	Carrying amount $'000	Within 1 year $'000	1-5 years $'000	More than 5 years $'000
Financial assets					
Cash and cash equivalents	3.1	94 326	94 326	-	-
Advances to estates		2 969	2 969	-	-
Financial assets held at fair value through profit or loss	3.2	1 065 328	794 984	263 329	7 015
Other assets		19 083	19 083	-	-
Total financial assets		**1 181 706**	**911 362**	**263 329**	**7 015**
Financial liabilities					
Income distribution payable		18 367	18 367	-	-
Funds due to other Common Funds		88 427	88 427	-	-
Other liabilities		15	15	-	-
Total financial liabilities		**106 809**	**106 809**	**-**	**-**

8. Measurement and Risk (continued)

	Note	2018 Carrying amount $'000	2018 Contractual Maturities Within 1 year $'000	1-5 years $'000	More than 5 years $'000
Financial assets					
Cash and cash equivalents	3.1	133 706	133 706	-	-
Advances to estates		3 445	3 445	-	-
Financial assets held at fair value through profit or loss	3.2	1 026 819	799 109	216 743	10 967
Other assets		32 102	32 102	-	-
Total financial assets		**1 196 072**	**968 362**	**216 743**	**10 967**
Financial liabilities					
Income distribution payable		40 381	40,381	-	-
Funds due to other Common Funds		126 217	126,217	-	-
Other liabilities		26	26	-	-
Total financial liabilities		**166,624**	**166,624**	**-**	**-**

The Public Trustee

STATEMENT OF TRUSTS BEING ADMINISTERED

for the year ended 30 June 2019

	Note	2019 $'000	2018 $'000
Trust funds under administration	3		
Deceased Estates		**170 781**	211 928
Trusts		**133 821**	123 403
Administration Matters		**41 220**	48 254
Court Award Orders		**439 244**	436 501
Protected Estates		**382 705**	355 832
Workers Compensation Awards		**270**	348
Power of Attorney		**57 991**	61 531
Investors		**439 151**	421 677
Total funds		**1 665 183**	1 659 474
Represented by			
Investment in Common Funds	1(b), 2		
Non current assets			
Australian equities		**160 397**	160 505
International equities		**138 038**	134 203
Property securities		**105 795**	94 905
Australian fixed interest investments		**268 344**	227 709
International fixed interest investments		**53 152**	37 462
		725 726	654 784
Current assets			
Cash and cash equivalents		**5 899**	7 489
Australian fixed interest investments		**339 602**	372 035
Advances to estates		**2 969**	3 445
Other assets		**19 083**	32 102
		367 553	415 071
Current liabilities			
Income distribution payable		**18 367**	40 381
Other liabilities		**15**	26
		18 382	40 407
Net Common Fund assets		**1 074 897**	1 029 448
Estate assets	1(c)		
Non current assets			
Real estate		**360 892**	357 754
Superannuation		**155 144**	149 694
Personal chattels		**30 066**	32 548
Equities		**25 261**	31 219
Fixed interest and cash assets		**14 658**	30 239
Mortgages		**54**	54
		586 075	601 508
Current assets			
Other assets		**19 189**	40 973
Current liabilities			
Other liabilities		**14 978**	12 455
Net estate assets		**590 286**	630 026
Total net assets		**1 665 183**	1 659 474

1. Statement of Principal Accounting Policies

(a) Format of the Accounts

The Statement of Trusts Being Administered 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 preparation and 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 of Trusts Being Administered has been prepared using the accrual basis of accounting. Dividend income is recognised on the date that shares are quoted as ex-dividend. Distributions from trusts are recognised on a present entitlement basis.

(b) Basis of valuation of Common Fund assets and liabilities

For the 2018-2019 reporting period assets for the Australian Shares Common Fund, Overseas Fixed Interest Common Fund, Overseas Shares Common Fund and the Property Common Fund 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 2019 was 2.00% (1.90%).

Cash at Bank 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 and other liabilities: Are carried at their nominal amounts.

(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 2019. Accommodation bonds are valued annually at cost less retention amount until the retention terms have expired.

Superannuation: During the 2018-2019 reporting period, customer moneys were invested within an approved superannuation provider and were valued at fair value.

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

3 Trust Funds under Administration

	Number		Value	
	2019	2018	**2019**	2018
Deceased Estates			**$'000**	$'000
Monies and assets held under the administration of the Public Trustee pursuant to the provisions of the *Public Trustee Act 1995*	**1 091**	1 297	**170 781**	211 928
Trusts				
Monies and assets held under the administration of the Public Trustee pursuant to the terms of a Will or a Deed of Trust	**1 250**	1 256	**133 821**	123 403
Administration Matters				
Monies paid and assets transferred to the Public Trustee on account of minor beneficiaries pursuant to the *Public Trustee Act 1995*	**320**	352	**41 220**	48 254
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 *Aged and Infirm Persons Property Act 1940*	**777**	792	**439 244**	436 501
Protected Estates				
Monies administered by the Public Trustee under the *Guardianship and Administration Act 1993*	**3 748**	3 610	**382 705**	355 832
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	**7**	7	**270**	348
Powers of Attorney				
Monies and assets held on behalf of donors who have appointed the Public Trustee to act on their behalf	**285**	284	**57 991**	61 531
Investors				
Monies invested in Common Funds pursuant to Section 29 (1) of the *Public Trustee Act 1995* by classes of persons approved by the Minister	**214**	236	**439 151**	421 677
	7 692	7 834	**1 665 183**	1 659 474

4 Unclaimed Monies

During the reporting period, amounts totalling $596,792 ($391,772) 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.