

The Public Trustee

Corporate Financial Statements

For the year ended 30 June 2020

The Public Trustee
CORPORATE
Statement of Comprehensive Income
for the year ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
<u>Income</u>			
Fees and charges	4.1	22 601	23 680
Community Service Obligations	4.2	5 243	4 315
Interest	4.3	177	298
Unrealised gains on financial assets		-	1 039
Investment income		1 001	889
Depreciation writeback	3.2	2 464	-
Other income	4.4	722	764
Total income		32 208	30 985
<u>Expenses</u>			
Employee benefits expenses	2.3	16 906	18 169
Supplies and services	3.1	5 653	6 965
Unrealised losses on financial assets		1 518	-
Impairment loss on receivables		-	2
Net loss from disposal of plant and equipment		36	1
Depreciation and amortisation	3.2	2 122	936
Borrowing Costs	3.3	325	-
Total expenses		26 560	26 073
Net result before income tax equivalents		5 648	4 912
Income tax equivalent		1 694	1 474
Net result after income tax equivalents		3 954	3 438
Total comprehensive result		3 954	3 438

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
as at 30 June 2020

	Note	2020 \$'000	2019 \$'000
<u>Current assets</u>			
Cash and cash equivalents	6.1	12 274	9 089
Receivables	6.2	970	1 181
Total current assets		13 244	10 270
<u>Non-current assets</u>			
Other Financial Assets	6.3	19 241	23 019
Property, plant and equipment	5.1	14 544	961
Intangible assets	5.4	456	363
Total non-current assets		34 241	24 343
Total assets		47 485	34 613
<u>Current liabilities</u>			
Payables	7.1	2 531	2 421
Lease Incentive		-	245
Financial Liabilities	7.2	972	-
Employee benefits	2.4	2 153	2 413
Provisions	7.3	147	62
Total current liabilities		5 803	5 141
<u>Non-current liabilities</u>			
Payables	7.1	363	430
Financial Liabilities	7.2	14 041	-
Employee benefits	2.4	3 723	4 264
Provisions	7.3	142	75
Total non-current liabilities		18 269	4 769
Total liabilities		24 072	9 910
Net assets		23 413	24 703
<u>Equity</u>			
Retained earnings		23 413	24 703
Total equity		23 413	24 703

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 2020

	Retained Earnings \$'000	Total \$'000
Balance at 30 June 2018	24 293	24 293
Adjustments on initial adoption of AASB 9	(12)	(12)
Restated balance at 1 July 2018	24 281	24 281
 <u>Net result for 2018-19</u>	 3 438	 3 438
Total comprehensive result for 2018-19	3 438	3 438
 <u>Transactions with State Government as owner</u>		
Dividends paid	(3 016)	(3 016)
Balance at 30 June 2019	24 703	24 703
Change in accounting policy AASB16	(3 728)	(3 728)
Adjusted balance at 1 July 2019	20 975	20 975
 <u>Net result for 2019-20</u>	 3 954	 3 954
Total comprehensive result for 2019-20	3 954	3 954
Transactions with State Government as owner		
Dividends paid	(1 516)	(1 516)
Balance at 30 June 2020	23 413	23 413

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 2020

		2020	2019
		Inflows	Inflows
		(Outflows)	(Outflows)
	Note	\$'000	\$'000
<u>Cash flows from operating activities</u>			
<u>Cash inflows</u>			
Fees and Charges		25 268	25 761
Community service obligations		5 243	4 315
Investment income		792	1 228
Sundry income		190	764
Interest		186	321
Cash generated from operations		31 679	32 389
<u>Cash outflows</u>			
Employee benefit payments		(17 599)	(17 254)
Payments for supplies and services		(6 218)	(8 388)
Tax equivalents		(1 725)	(438)
GST remitted to ATO		(1 574)	(1 514)
Interest paid		(325)	-
Cash used in operations		(27 441)	(27 594)
Net cash provided by operating activities	8.1	4 238	4 795
<u>Cash flows from investing activities</u>			
<u>Cash inflows</u>			
Proceeds from sales/maturities of investments		3 015	-
Cash received from investing activities		3 015	-
<u>Cash outflows</u>			
Purchase of financial assets		(755)	(4)
Purchase of intangibles		(218)	(237)
Purchase of property, plant and equipment		(18)	(87)
Cash used in investing activities		(991)	(328)
Net cash provided by / (used) in investing activities		2 024	(328)
<u>Cash flows from financing activities</u>			
<u>Cash outflows</u>			
Dividend distribution to State Government		(1 516)	(3 016)
Lease liabilities repaid		(1 561)	-
Cash used in financing activities		(3 077)	(3 016)
Net increase in cash and cash equivalents		3 185	1 451
Cash and cash equivalents at the beginning of the reporting period		9 089	7 638
Cash and cash equivalents at the end of the reporting period	6.1	12 274	9 089

The accompanying notes form part of these financial statements.

The Public Trustee
CORPORATE
Notes to and forming part of the financial statements
for the year ended 30 June 2020

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The Public Trustee
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Notes to and forming part of the financial statements
for the year ended 30 June 2020

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 2019-20 financial statements the Public Trustee adopted *AASB 15 – Revenue from Contracts with Customers*, *AASB 16 – Leases* and *AASB 1058 – Income of Not-for-Profit Entities*. 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.

Commencing from 1 July 2019, the Public Trustee only provides Will making and Enduring Power of Attorney 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.

The Public Trustee
CORPORATE
Notes to and forming part of the financial statements
for the year ended 30 June 2020

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

The COVID-19 pandemic has impacted on the operations of the Public Trustee. The key impacts in 2019-20 were:

- Unavoidable additional expenditure of approximately \$300 000 to maintain business operations.
- Lower corporate investment returns.
- Lower than budgeted fees and charges revenue.
- Operational changes were implemented to enable our employees to maximise working from home and flexible employment practices.

1.4. Significant transactions with government related entities

Significant transactions with the SA Government include:

- Community Service Obligations \$5 243 000 (2019: \$4 315 000)
- Lease Payments to Department of Planning, Transport and Infrastructure \$2 154 000 (2019: \$2 172 000)
- Dividends \$1 516 000 (2019: \$3 016 000)
- Income tax equivalents \$1 694 000 (2019: \$1 474 000)

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. Total compensation for key management personnel was \$901 000 in 2019-20 and \$933 000 in 2018-19. 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*.

	2020 \$'000	2019 \$'000
Key management personnel compensation		
Salaries and other short term employee benefits	825	848
Post-employment benefits	76	85
Total compensation	901	933

The compensation detailed above excludes the salary and other benefits 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 (2019: Nil).

The Public Trustee
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Notes to and forming part of the financial statements
for the year ended 30 June 2020

2.2. Remuneration of Board and Committee members

Members during the 2020 financial year were:

The Public Trustee Audit and Risk Management Committee:

V Hickey (chair)	S Woolhouse*
C Oerman	D Corcoran*

The Public Trustee Investment Advisory Committee:

D Holston (chair)	S Calder (appointed 1 March 2020)
T Brumfield*	F Bartlett (appointed 1 March 2020)
N Rantanen*	K Kelly*

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* (ceased 1 March 2020)
N Rantanen*	K Kelly*
N Hughes* (appointed 6 April 2020)	

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

The Public Trustee Health and Safety Committee

S Virgili (chair)*	K Kelly*
E Zorbas* (ceased 1 March 2020)	
N Hughes (appointed 6 April 2020)	

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

The Public Trustee Customer Experience Committee

K Kelly (chair)*	N Rantanen*
T Brumfield*	B McKenzie*
S Dinning*	K Sinkinson*
J Baxter*	

The Public Trustee Customer Experience Committee was established in January 2020, it also includes no more than 3 nominations from Team Leaders/ Front line staff.

*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:

	2020 No.	2019 No.
\$0 - \$19 999	5	3
\$20 000- \$39 999	1	1
	6	4

The total remuneration received or receivable by members was \$53 255 (2019: \$48 000). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

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Notes to and forming part of the financial statements
for the year ended 30 June 2020

2.3. Employee benefits expenses

	2020	2019
	\$'000	\$'000
Salaries and wages	13 163	13 277
Targeted voluntary separation packages	-	444
Long service leave	54	962
Annual leave	1 163	1 111
Employment on-costs - superannuation ¹	1 424	1 481
Employment on-costs - other	782	784
Board and committee fees	53	48
Other employee related expenses	7	2
Workers compensation	260	60
Total employee benefit expenses	16 906	18 169

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

Targeted voluntary separation packages (TVSPs)

The number of employees who accepted a TVSP during the reporting period was nil (2019: 5).

	2020	2019
	\$'000	\$'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:

	2020	2019
	No.	No.
\$151 000 - \$154 000*	N/A	-
\$154 001 - \$174 000**	2	1
\$174 001 - \$194 000	1	1
\$214 001 - \$234 000	-	1
\$234 001 - \$254 000	1	1
\$354 001 - \$374 000	1	1
Total number of employees	5	5

* This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2018-19.

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

The Public Trustee
CORPORATE
Notes to and forming part of the financial statements
for the year ended 30 June 2020

2.3. Employee benefits expenses (continued)

The Total remuneration received by those employees for the year was \$1 126 000 (2019: \$1 164 000).

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.

2.4. Employee benefits liability

	2020	2019
	\$'000	\$'000
Current		
Accrued salaries and wages	356	672
Annual leave	1 172	1 037
Long service leave	471	545
Skills and experience retention leave	154	159
Total current employee benefits	2 153	2 413
Non-current		
Long service leave	3 723	4 264
Total non-current employee benefits	3 723	4 264
Total employee benefits	5 876	6 677

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.

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Notes to and forming part of the financial statements
for the year ended 30 June 2020

3. Expenses

Employee benefits expenses are disclosed in note 2.3

3.1. Supplies and services

	2020	2019
	\$'000	\$'000
Minor works, maintenance and equipment	8	22
Insurance	330	299
Information technology and communications	1 636	1 488
Accommodation	727	151
Operating lease	-	2 172
Legal expenses	24	14
Service contractors	1 130	1 168
Resources seconded from SA Government	-	187
Other Supplies and services	1 570	1 134
Auditors remuneration	228	202
Consultants	-	128
Total supplies and services	5 653	6 965

Operating lease payments (less any lease incentives) are recognised on a straight-line basis over the lease term. A new lease accounting standard AASB 16 Leases commenced 1 July 2019.

AASB 16 has resulted in leases previously classified as operating leases having right-of-use assets and liabilities being recognised in the Statement of Financial Position for the first time. The operating lease expense included in supplies and services for the year-ended 30 June 2019 is replaced with a depreciation expense that represents the use of the right-of-use asset; interest expenses that represent the borrowing costs associated with financing the right-of-use asset and outgoings.

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

Consultants

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

	2020		2019	
	No.	\$'000	No.	\$'000
Below \$10,000	-	-	1	3
Above \$10,000	-	-	4	125
Total	-	-	5	128

The Public Trustee
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Notes to and forming part of the financial statements
for the year ended 30 June 2020

3.2. Depreciation and amortisation

	2020	2019
	\$'000	\$'000
Plant and equipment	148	150
Right-of-use	1 196	-
Accommodation and Leasehold improvements	653	648
Intangible assets	125	138
Total depreciation and amortisation	2 122	936

All non-current assets with 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.

Useful life

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

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

Review of accounting estimates

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

The useful life of the initial leasehold improvements that remain in use (\$4.882 million) have been extended by a further 10 years in line with the lease extension. This results in a write back of depreciation that was raised in previous years of \$2.464 million.

3.3. Borrowing costs

	2020	2019
	\$'000	\$'000
Interest expense on lease liabilities	325	-
Total Borrowing Costs	325	-

The Public Trustee does not capitalise borrowing costs. Interest expense on lease liabilities are recognised for the first time in 2020 under the new lease standard AASB16.

The Public Trustee
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Notes to and forming part of the financial statements
for the year ended 30 June 2020

4. Income

4.1. Fees and charges

	2020	2019
	\$'000	\$'000
Commissions	10 566	11 504
Fees and charges	2 192	2 522
Management fees ¹	9 843	9 654
Total fees and charges	22 601	23 680

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

	2020	2019
	\$'000	\$'000
Community service obligations from SA Government	5 243	4 315
Total Community Service Obligations	5 243	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. Will making and Enduring Power of Attorney writing services were approved as new community service obligation activities for 2019-2020.

4.3. Interest

	2020	2019
	\$'000	\$'000
Interest on operating account	12	30
Interest on fixed term investments	165	268
Total interest	177	298

4.4. Other income

	2020	2019
	\$'000	\$'000
Recoupment of salaries and oncosts	89	226
Targeted voluntary separation packages	-	444
Gain on lease modification	532	-
Sundry income	101	94
Total other income	722	764

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Notes to and forming part of the financial statements
for the year ended 30 June 2020

5. Non-financial assets

5.1. Property, plant and equipment by asset class

	2020	2019
	\$'000	\$'000
Accommodation and leasehold improvements		
Leasehold improvements at cost	6 597	6 300
Accumulated depreciation	(2 506)	(5 631)
Total Leasehold improvements	4 091	669
Right-of-use Building		
Office accommodation lease	22 593	-
Accumulated depreciation	(12 319)	-
Total right-of-use building	10 274	-
Plant and equipment		
Plant and equipment at cost	1 426	1 407
Accumulated depreciation	(1 264)	(1 115)
Total plant and equipment	162	292
Right-of-use vehicles		
Right-of-use vehicles	28	-
Accumulated depreciation	(11)	-
Total right-of-use vehicles	17	-
Total property, plant and equipment	14 544	961

The Public Trustee
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Notes to and forming part of the financial statements
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5.2. Property, plant and equipment owned by the Public Trustee

Property, plant and equipment owned by the Public Trustee with a value equal to or in excess of \$5 000 is capitalised, otherwise it is expensed. Property, plant and equipment owned by the Public Trustee is recorded at fair value. Detail about the Public Trustee's approach to fair value is set out in note 11.2.

Reconciliation 2019-20

	Plant and equipment	Accommodation & Leasehold improvements	Total
	\$'000	\$'000	\$'000
Carrying amount at 1 July 2019	292	669	961
Acquisitions	18	1 647	1 665
Disposals	-	(36)	(36)
Depreciation and amortisation	(148)	(653)	(801)
Write back of depreciation	-	2 464	2 464
Carrying amount at 30 June 2020	162	4 091	4 253

Reconciliation 2018-19

	Plant and equipment	Accommodation & Leasehold improvements	Total
	\$'000	\$'000	\$'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

The Public Trustee
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Notes to and forming part of the financial statements
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5.3. Property, plant and equipment leased by the Public Trustee

Property, plant and equipment leased by the Public Trustee is recorded at cost. Additions to leased property, plant and equipment during 2019-20 were \$22 621 000. The additions relate to the accounting standard changes for leases and right-of-use assets being recognised for the first time.

Short-term leases of 12 months or less and low value leases where the underlying asset value is less than \$15 000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and are disclosed in note 3.1.

The Public Trustee has a limited number of leases:

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

The lease liabilities related to the right-of-use assets are disclosed in note 7.2. The Public Trustee's maturity analysis of its lease liabilities is disclosed in note 11.3. Expenses related to leases, including depreciation and interest expenses, are disclosed in note 3. Cash outflows related to leases are disclosed in note 8.1.

Impairment

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

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5.4. Intangible assets

	2020	2019
	\$'000	\$'000
Software		
Software at cost	7 322	7 139
Accumulated amortisation	(6 934)	(6 808)
Total software	388	331
Work in progress		
Work in progress at cost	68	32
Total work in progress	68	32
Total intangible assets	456	363

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 2019-20

	Software	Work in progress	Total
	\$'000	\$'000	\$'000
Carrying amount at 1 July 2019	331	32	363
Acquisitions	150	68	218
Amortisation	(125)	-	(125)
Transfer from work in progress	32	(32)	-
Carrying amount at 30 June 2020	388	68	456

Reconciliation 2018-19

	Software	Work in progress	Total
	\$'000	\$'000	\$'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

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6. Financial assets

6.1. Cash and cash equivalents

	2020	2019
	\$'000	\$'000
Public Trustee Operating Account	2 474	3 089
Short term financial assets held to maturity	9 800	6 000
Total cash and cash equivalents	12 274	9 089

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

	2020	2019
	\$'000	\$'000
Current		
Receivables	85	184
Allowance for impairment loss on receivables	(12)	(21)
Prepayments	211	532
Accrued investment income	686	486
Total current receivables	970	1 181

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

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

Refer to note 11.3 for further information on risk management.

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.

Allowance for impairment loss on receivables

	2020	2019
	\$'000	\$'000
Carrying amount at the beginning of the period	21	19
Amounts written off	(5)	-
Increase /(decrease) in allowance recognised in profit or loss	(4)	2
Carrying amount at the end of the period	12	21

All of the above impairment losses are from receivables arising from contracts with customers.

Refer to note 11.3 for details regarding credit risk and the methodology for determining impairment.

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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.

	2020	2019
	\$'000	\$'000
Australian Fixed interest	-	3 015
Australian Fixed interest (pooled funds)	8 118	7 394
International equities (pooled funds)	4 531	4 472
Australian listed property (pooled funds)	1 584	2 112
Australian equities (pooled funds)	5 008	6 026
Total Financial assets	19 241	23 019

7. Liability

Employee benefits liabilities are disclosed in note 2.4.

7.1. Payables

	2020	2019
	\$'000	\$'000
Current		
Trade payables	791	687
Income tax equivalents	1 266	1,298
GST payable	98	84
Employment on-costs	376	352
Total current payables	2 531	2 421
Non-current		
Employment on-costs	363	430
Total non-current payables	363	430
Total payables	2 894	2 851

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

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has increased to 42% from 41% rate in 2019. The average factor for the calculation of employer superannuation cost on-costs has remained unchanged from the 2019 rate 9.8%. The net financial effect in the current financial year is immaterial.

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7.2. Financial Liabilities

	2020 \$'000	2019 \$'000
Current		
Lease Liabilities	972	-
Total current liabilities	972	-
Non-current		
Lease Liabilities	14 041	-
Total non-current liabilities	14 041	-
Total Financial Liabilities	15 013	-

All material cash outflows are reflected in the lease liabilities disclosed above.

7.3. Provisions

	2020 \$'000	2019 \$'000
Current		
Provision for workers compensation	147	62
Total current provision	147	62
Non-current		
Provision for workers compensation	142	75
Total non-current provision	142	75
Total provisions	289	137

Movement in provision

Provision for workers compensation¹

Provision for workers compensation at 1 July	137	121
Add: increase in provision	260	63
Less: payments from provision	(108)	(47)
Carrying amount at 30 June	289	137

Provision for dividend to State Government²

Provision for dividend to State Government at 1 July	-	-
Add: additional provision recognised	1 516	3 016
Less: payments to State Government	(1 516)	(3 016)
Provision for dividend at 30 June	-	-

¹A provision has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2020 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.

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

²In accordance with the Public Trustee Charter, agreed by the Attorney-General and the Treasurer, any differences between forecast profit and audited profit will be addressed through an adjustment to the final dividend in the following financial year. A final dividend for 2018-19 of \$521 400 was paid in 2019-20. In addition an interim dividend of \$995 000 was paid for 2019-20.

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.

	2020	2019
	\$'000	\$'000
Leases		
Plant and equipment	1 561	-
Total cash outflow for leases	1 561	-

Cash flow reconciliation

	2020	2019
	\$'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	12 274	9 089
Balance as per the Statement of Cash Flows	12 274	9 089

Reconciliation of net cash provided by operating activities to net result:

Net cash provided by operating activities	4 238	4 795
Add / (less) non cash items:		
Lease incentive	-	267
Unrealised (gain) / loss on financial assets	(1 518)	1 039
Write back on lease modification	2 464	-
Gain On Lease Modification	532	-
Loss / (Gain) on disposal of equipment	(36)	(1)
Depreciation and amortisation expense of non-current assets	(2 122)	(936)
Movements in assets / liabilities:		
Increase / (Decrease) in receivables	(211)	(127)
Decrease / (Increase) in payables	(104)	424
Decrease / (Increase) in employee benefits and on-costs	844	(915)
Decrease / (Increase) in provisions	(152)	(16)
Decrease / (Increase) in income tax equivalents	33	(1 036)
Decrease / (Increase) GST liability	(14)	(56)
Net result	3 954	3 438

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9. Changes in accounting policy

9.1. AASB 16 Leases

AASB 16 sets out a comprehensive model for lessee accounting that addresses recognition, measurement, presentation and disclosure of leases. Lessor accounting is largely unchanged. AASB 16 Leases replaces AASB 117 Leases and related interpretations.

The adoption of AASB 16 Leases from 1 July 2019 resulted adjustments to the amounts recognised from a lessee perspective in the financial statements:

- AASB 117 Leases only required the recognition of an asset and lease liability in relation to finance leases. AASB 16 Leases applies a comprehensive model to all leases. 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.
- AASB 117 Leases resulted in operating lease payments being recognised as an expense under Supplies and Services. AASB 16 Leases largely replaces this with depreciation expenses 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.

Impact on retained earnings

The total impact on the Public Trustee's retained earnings as at 1 July 2019 is as follows:

	\$'000
Closing retained earnings 30 June 2019 – AASB 117	24 703
<u>Assets</u>	
Property, plant and equipment	7 205
<u>Liabilities</u>	
Financial liabilities	(11 178)
Lease incentive	<u>245</u>
Opening retained earnings 1 July 2019 – AASB 16	<u><u>20 975</u></u>

The lease incentive liability totalling \$245 000 has been written off against retained earnings on transition.

The Public Trustee disclosed in its 2018-19 financial report total undiscounted operating lease commitments of \$2 074 000 under AASB 117.

Commitments related to leases are included in Note 10.1.

Accounting policies on transition

AASB 16 sets out accounting policies on transition in its transitional provisions. The Treasurer's Instructions (Accounting Policy Statements) requires certain choices in those transitional provisions to be taken. The Public Trustee has adopted the following accounting policies:

- to apply AASB 16 retrospectively. The cumulative effect of initially applying the Standard was recognised at 1 July 2019. Comparatives have not been restated.
- at 1 July 2019 AASB 16 was applied only to contracts that were previously identified as containing a lease under AASB 117 and related interpretations.
- the initial measurement of lease liability was the present value of the remaining lease payments discounted using the relevant incremental borrowing published by the Department of Treasury and Finance rate as at 1 July 2019 based on the SA Government's cost of borrowing. The average weighted incremental borrowing rate for this purpose was 3.13% for the office accommodation lease and motor vehicle leases.

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- the initial measurement of right-of-use assets has been calculated as an amount equal to the lease liability on transition adjusted for prepaid or accrued lease payments and lease incentives, with the exception of a lease liability greater than \$10 million. In these cases the right-of-use asset has been calculated at its carrying amount as if the standard applied since the lease commencement date.

Ongoing accounting policies

The Treasurer's Instructions (Accounting Policy Statements) specify required accounting policies for public authorities in applying AASB 16. These requirements are reflected in the Public Trustee's accounting policies as follows:

- AASB 16 is not applied to leases of intangible assets.
- right-of-use assets and lease liabilities are not recognised for leases of low value assets, being assets which have a value of \$15 000 or less, nor short-term leases, being those with a lease term of 12 months or less.
- the Public Trustee, in the capacity of a lessee, does not include non-lease components in lease amounts.
- right-of-use assets are not measured at fair value on initial recognition for leases that have significantly below-market terms and conditions principally to enable the public authority to further its objectives.
- right-of-use assets are subsequently measured applying a cost model.

Significant accounting policies relate to the application of AASB 16 are disclosed under relevant notes and are referenced at note 5.3.

9.2. AASB 15 Revenue from Contracts with Customers

AASB 15 Revenue from Contracts with Customers establishes a revenue recognition model for revenue arising from contracts with customers. It requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 supersedes AASB 111 Construction contracts, AASB 118 Revenue and related Interpretations and applies to all revenue arising from contracts with customers.

Adapting AASB15 does not have an impact on the timing or the recognition of revenue by the Public Trustee. On transition there was no impact on retained earnings.

9.3. AASB 1058 Income of Not-for-Profit Entities

AASB 1058 Income of Not-for-Profit Entities establishes new income recognition requirements for not-for-profit entities. Its requirements apply where the consideration to acquire an asset, including cash, is significantly less than fair value principally to the entity to further its objectives. AASB 1058 also contains requirements for the receipt of volunteer services. AASB 1058 supersedes income recognition requirements in AASB 1004 Contributions, AASB 118 Revenue and AASB 111 Construction Contracts. However, elements of AASB 1004 remain in place, primarily in relation to restructures of administrative arrangements and other contributions and distributions by owners.

Accounting policies on transition

On transition, there was no impact on retained earnings.

9.4. Presentation of Financial Statements

Treasurer's Instructions (Accounting Policy Statements) issued on 1 June 2020 removed the previous requirement for financial statements to be prepared using the net cost of services format. The net cost of services is the total cost of services less any revenue retained by public authorities involved in the provision of services but does not include items classified as revenues from and payments to the South Australian Government.

Presentation of the Statement of Comprehensive Income on an 'income and expense' basis allows information to be presented in such a way that eliminates potential confusion as to the source of funding for the Public Trustee. As well as changes to the format of the Statement of Comprehensive Income, there are presentational changes to remove the net cost of services format from the Statement of Cash Flows. These statements now show income before expenses, and cash receipts before cash payments. Related disclosures also reflect this changed format.

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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:

	2020	2019
	\$'000	\$'000
Operating lease commitments		
Within one year	-	2 048
Later than one year but not later than five years	-	26
Total operating lease commitments	-	2 074
Representing:		
Non-cancellable operating leases	-	2 074
Total operating lease commitments	-	2 074

Operating lease commitments is provided for the comparative year only as AASB 16 Leases does not distinguish between operating and finance leases for the lessee.

10.2. Contingent assets and liabilities

The Public Trustee is not aware of any contingent assets as at balance date. The Public Trustee is confirming that correct Services Australia Social Services has been claimed for some customers. A maximum amount of \$179 000 may need to be paid to customers. This is dependent on recoveries from an appeals process that is underway with Services Australia. The Public Trustee is not aware of any other contingent liabilities.

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, and has determined that there will be no financial impact arising from them.

10.4. COVID-19 pandemic outlook for the Public Trustee

The COVID-19 pandemic will continue to impact the operations of the Public Trustee in 2020-21. The key expected impacts are:

- Continued variation to operating practices to enable working from home and flexible working arrangements.
- Earnings from investments and other fees and charges are likely to be impacted by constrained economic activity.

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10.5. Events after reporting period

Where an event occurs after 30 June 2020 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 2020 has decreased to 0.75% (2019: 1.25%).

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

The actuarial assessment performed by the Department of Treasury and Finance decreased the salary inflation rate from 4% in 2018-19 to 2.5% 2019-20 for long service leave liability. This resulted in a decrease to the reported long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$299 000 and the associated decrease in employee benefits expense of \$299 000. 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 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 leasehold improvements

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

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

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

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11.3. Financial Instruments

Financial Instruments – Measurement

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

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

Financial Instruments – Classification

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

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

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

Financial risk management

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

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

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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.

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11.3. Financial Instruments (continued)

Sensitivity analysis – 30 June 2020

Financial Assets	Carrying amount	Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
		Statement of Comprehensive income	Statement of Comprehensive income	Statement of Comprehensive income	Statement of Comprehensive income
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	12 274	(123)	123	-	-
<i>Financial assets at fair value through profit or loss:</i>					
Australian Fixed Interest (pooled funds)	8 118	(81)	81	-	-
International equities (pooled funds)	4 531	-	-	(906)	453
Australian listed property (pooled funds)	1 584	-	-	(317)	158
Australian equities (pooled funds)	5 008	-	-	(1 002)	501
Total (decrease)/increase		(204)	204	(2 225)	1 112

Sensitivity analysis – 30 June 2019

Financial Assets	Carrying amount	Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
		Statement of Comprehensive income	Statement of Comprehensive income	Statement of Comprehensive income	Statement of Comprehensive income
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	9 089	(91)	91	-	-
<i>Financial assets at fair value through profit or loss:</i>					
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

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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.

	2020	2019
	\$'000	\$'000
<i>Cash at bank, short-term bank deposits and floating rate notes</i>		
A1+ Credit Rating	2 474	3 089
A2 Credit Rating	9 800	6 000
Total Cash at bank, short-term bank deposits and floating rate notes	12 274	9 089
<i>Long-term bank deposits</i>		
A Credit Rating	-	3 015
Total long-term bank deposits	-	3 015
<i>Trade receivables</i>		
<i>Counterparties with external ratings</i>		
A1+ Credit Rating	-	2
A2 Credit Rating	25	26
A Credit Rating	-	6
<i>Counterparties without external ratings</i>		
existing customers with no defaults in the past	734	615
Total trade receivables ¹	759	649

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

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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 of financial instruments

Category of financial asset and financial liability	Note	2020	2020 Contractual maturities		
		Carrying amount / Fair value	Within 1 year	1-5 years	More than 5 years
		\$'000	\$'000	\$'000	\$'000
<u>Financial assets</u>					
Cash and cash equivalent	6.1	12 274	n/a	n/a	n/a
Financial assets at fair value through profit or loss					
Other financial assets	6.3	19 241	n/a	n/a	n/a
Financial assets at amortised cost					
Receivables	6.2	759	759	-	-
Total financial assets		32 274	759	-	-
<u>Financial liabilities</u>					
Financial liabilities at amortised cost					
Payables	7.1	564	564	-	-
Finance lease liability	7.2	15 013	972	4 732	9 309
Total financial liabilities		15 577	1 536	4 732	9 309

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11.3. Financial Instruments (continued)

Category of financial asset and financial liability	Note	2019	2019 Contractual maturities		
		Carrying amount / Fair value	Within 1 year	1-5 years	More than 5 years
		\$'000	\$'000	\$'000	\$'000
<u>Financial assets</u>					
Cash and cash equivalent	6.1	9 089	n/a	n/a	n/a
Financial assets at fair value through profit or loss					
Other financial assets	6.3	23 019	n/a	n/a	n/a
Financial assets at amortised cost					
Receivables	6.2	649	649	-	-
Total financial assets		32 757	649	-	-
<u>Financial liabilities</u>					
Financial liabilities at amortised cost					
Payables	7.1	469	469	-	-
Total financial liabilities		469	469	-	-

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



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To the Public Trustee Public Trustee

Opinion

I have audited the financial report of the Public Trustee for the financial year ended 30 June 2020.

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 2020, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2020 for the Corporate operations
- a Statement of Financial Position as at 30 June 2020 for the Corporate operations
- a Statement of Changes in Equity for the year ended 30 June 2020 for the Corporate operations
- a Statement of Cash Flows for the year ended 30 June 2020 for the Corporate operations
- a Statement of Trusts being Administered as at 30 June 2020
- 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, comprising significant accounting policies and other explanatory information
- a Certificate from the Public Trustee and General Manager Business and Client Financial Service.

Basis for opinion

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

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

Responsibilities of the Chief Executive for the financial report

The Public Trustee is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 26(2), 30(2) and 50(2) of the *Public Trustee Act 1995*, I have audited the financial report of the Public Trustee for the financial year ended 30 June 2020.

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 {the entity's} internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

A handwritten signature in black ink, appearing to read 'A. Richardson', with a long horizontal stroke extending to the right.

Andrew Richardson

Auditor-General

23 September 2020

The Public Trustee

Common Fund

Financial Statements

For the year ended 30 June 2020

The Public Trustee

211 Victoria Square Adelaide SA 5000

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publictrustee@sa.gov.au

The Public Trustee
COMMON FUNDS
Statement of Comprehensive Income
for the year ended 30 June 2020

Cash Common Fund

	Note	2020 \$'000	2019 \$'000
Investment income			
Interest	1.1(d)	9 277	15 200
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	8	204
Other income		-	1
Total investment income		9 285	15 405
Expenses			
The Public Trustee management fees	1.1(e), (m)	4 394	4 487
Legal and advisory expenses		104	104
Other expenses		12	21
Total expenses		4 510	4 612
Net result from operating activities		4 775	10 793
Financing costs attributable to unitholders			
Undistributed income brought forward		1 083	966
Distributions to unitholders	4.4	(5 644)	(10 472)
Transfers from / (to) net assets to determine distributable income	1.1(g)	(8)	(204)
Total financing costs attributable to unitholders		(4 569)	(9 710)
(Increase) / decrease in net assets attributable to unitholders		(206)	(1 083)
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 2020

Cash Common Fund

	Note	2020 \$'000	2019 \$'000
Assets			
Cash and cash equivalents	3.1	38 261	5 899
Advances to estates	1.1(i)	4 100	2 969
Financial assets held at fair value through profit or loss	3.2	424 149	493 104
Other assets	1.1(j)	1 678	3 052
Total assets		468 188	505 024
Liabilities			
Income distribution payable		206	1 083
Funds due to other Common Funds		37 177	88 427
Other liabilities		16	15
Total liabilities (excluding net assets attributable to unitholders)		37 399	89 525
Net assets attributable to unitholders - Liability	4.2	430 789	415 499
Represented by:			
Fair value of outstanding units based on net asset value		430 789	415 499

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Cash Flows
for the year ended 30 June 2020

Cash Common Fund

		2020 Inflows (Outflows) \$'000	2019 Inflows (Outflows) \$'000
Cash flows from operating activities	Note		
<u>Cash inflows</u>			
Interest received		10 662	16 105
Cash generated from operations		10 662	16 105
<u>Cash outflows</u>			
Payments for expenses		(4 503)	(4 620)
Cash used in operations		(4 503)	(4 620)
Net cash provided by / (used in) operating activities	5.2	6 159	11 485
Cash flows from investing activities			
<u>Cash inflows</u>			
Proceeds from the sale of financial assets held at fair value through profit or loss		199 973	372 482
Net repayments of advances to estates		-	476
Cash generated from investing activities		199 973	372 958
<u>Cash outflows</u>			
Purchase of financial assets held at fair value through profit or loss		(131 028)	(345 983)
Net advances to estates		(1 131)	-
Cash used in investing activities		(132 159)	(345 983)
Net cash provided by / (used in) investing activities		67 814	26 975
Cash flows from financing activities			
<u>Cash inflows</u>			
Proceeds from applications by unitholders		15 283	8 212
Cash generated from financing activities		15 283	8 212
<u>Cash outflows</u>			
Net proceeds / payments from applications / redemptions from / (to) other common funds		(51 250)	(37 790)
Distributions paid		(5 644)	(10 472)
Cash used in financing activities		(56 894)	(48 262)
Net cash provided by / (used in) financing activities		(41 611)	(40 050)
Net increase / (decrease) in cash and cash equivalents		32 362	(1 590)
Cash and cash equivalents at the beginning of the period		5 899	7 489
Cash and cash equivalents at the end of the period	3.1	38 261	5 899

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Comprehensive Income
for the year ended 30 June 2020

Short Term Fixed Interest Common Fund

	Note	2020 \$'000	2019 \$'000
Investment income			
Interest	1.1(d)	1 165	1 508
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	709	137
Total investment income		1 874	1 645
Expenses			
The Public Trustee management fees	1.1(e), (m)	700	664
Legal and advisory expenses		17	15
Total expenses		717	679
Net result from operating activities		1 157	966
Financing costs attributable to unitholders			
Undistributed income brought forward		414	359
Distributions to unitholders	4.4	(684)	(773)
Transfers from / (to) net assets to determine distributable income	1.1(g)	(709)	(138)
Total financing costs attributable to unitholders		(979)	(552)
(Increase) / decrease in net assets attributable to unitholders		(178)	(414)
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 2020

Short Term Fixed Interest Common Fund

	Note	2020 \$'000	2019 \$'000
Assets			
Cash and cash equivalents	3.1	7 156	30 179
Financial assets held at fair value through profit or loss	3.2	58 429	33 722
Other assets	1.1(j)	297	163
Total assets		65 882	64 064
Liabilities			
Income distribution payable		178	414
Total liabilities (excluding net assets attributable to unitholders)		178	414
Net assets attributable to unitholders - Liability	4.2	65 704	63 650
Represented by:			
Fair value of outstanding units based on net asset value		65 704	63 650

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Cash Flows
for the year ended 30 June 2020

Short Term Fixed Interest Common Fund

		2020	2019
		Inflows	Inflows
		(Outflows)	(Outflows)
		\$'000	\$'000
Cash flows from operating activities	Note		
<u>Cash inflows</u>			
Interest received		1 030	1 545
Cash generated from operations		1 030	1 545
<u>Cash outflows</u>			
Payments for expenses		(717)	(679)
Cash used in operations		(717)	(679)
Net cash provided by / (used in) operating activities	5.2	313	866
Cash flows from investing activities			
<u>Cash inflows</u>			
Proceeds from the sale of financial assets held at fair value through profit or loss		7 000	12 000
Cash generated from investing activities		7 000	12 000
<u>Cash outflows</u>			
Purchase of financial assets held at fair value through profit or loss		(30 997)	(16 502)
Cash used in investing activities		(30 997)	(16 502)
Net cash provided by / (used in) investing activities		(23 997)	(4 502)
Cash flows from financing activities			
<u>Cash inflows</u>			
Proceeds from applications by unitholders		4 637	7 402
Cash generated from financing activities		4 637	7 402
<u>Cash outflows</u>			
Payments for redemptions by unitholders		(3 292)	(3 396)
Distributions paid		(684)	(773)
Cash used in financing activities		(3 976)	(4 169)
Net cash provided by / (used in) financing activities		661	3 233
Net increase / (decrease) in cash and cash equivalents		(23 023)	(403)
Cash and cash equivalents at the beginning of the period		30 179	30 582
Cash and cash equivalents at the end of the period	3.1	7 156	30 179

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Comprehensive Income
for the year ended 30 June 2020

Long Term Fixed Interest Common Fund

	Note	2020 \$'000	2019 \$'000
Investment income			
Interest	1.1(d)	2 709	3 032
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	936	928
Total investment income		3 645	3 960
Expenses			
The Public Trustee management fees	1.1(e), (m)	1 132	1 066
Legal and advisory expenses		27	25
Total expenses		1 159	1 091
Net result from operating activities		2 486	2 869
Financing costs attributable to unitholders			
Undistributed income brought forward		997	902
Distributions to unitholders	4.4	(1 837)	(1 846)
Transfers from / (to) net assets to determine distributable income	1.1(g)	(911)	(928)
Total financing costs attributable to unitholders		(1 751)	(1 872)
(Increase) / decrease in net assets attributable to unitholders		(735)	(997)
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 2020

Long Term Fixed Interest Common Fund

	Note	2020 \$'000	2019 \$'000
Assets			
Cash and cash equivalents	3.1	14 064	23 327
Financial assets held at fair value through profit or loss	3.2	92 481	81 120
Other assets	1.1(j)	494	491
Total assets		107 039	104 938
Liabilities			
Income distribution payable		735	997
Other liabilities		1	-
Total liabilities (excluding net assets attributable to unitholders)		736	997
Net assets attributable to unitholders - Liability	4.2	106 303	103 941
Represented by:			
Fair value of outstanding units based on net asset value		106 303	103 941

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Cash Flows
for the year ended 30 June 2020

Long Term Fixed Interest Common Fund

		2020 Inflows (Outflows) \$'000	2019 Inflows (Outflows) \$'000
Cash flows from operating activities	Note		
<u>Cash inflows</u>			
Interest received		2 752	3 050
Cash generated from operations		2 752	3 050
<u>Cash outflows</u>			
Payments for expenses		(1 158)	(1 091)
Cash used in operations		(1 158)	(1 091)
Net cash provided by / (used in) operating activities	5.2	1 594	1 959
Cash flows from investing activities			
<u>Cash inflows</u>			
Proceeds from the sale of financial assets held at fair value through profit or loss		11 030	-
Cash generated from investing activities		11 030	-
<u>Cash outflows</u>			
Purchase of financial assets held at fair value through profit or loss		(21 501)	(29 000)
Cash used in investing activities		(21 501)	(29 000)
Net cash provided by / (used in) investing activities		(10 471)	(29 000)
Cash flows from financing activities			
<u>Cash inflows</u>			
Proceeds from applications by unitholders		7 524	13 458
Cash generated from financing activities		7 524	13 458
<u>Cash outflows</u>			
Payments for redemptions by unitholders		(6 073)	(6 474)
Distributions paid		(1 837)	(1 846)
Cash used in financing activities		(7 910)	(8 320)
Net cash provided by / (used in) financing activities		(386)	5 138
Net increase / (decrease) in cash and cash equivalents		(9 263)	(21 903)
Cash and cash equivalents at the beginning of the period		23 327	45 230
Cash and cash equivalents at the end of the period	3.1	14 064	23 327

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Comprehensive Income
for the year ended 30 June 2020

Overseas Fixed Interest Common Fund

	Note	2020 \$'000	2019 \$'000
Investment income			
Trust distributions		1 920	1 262
Interest	1.1(d)	50	368
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	(755)	638
Other income		108	53
Total investment income		1 323	2 321
Expenses			
The Public Trustee management fees	1.1(e), (m)	645	607
Legal and advisory expenses		15	14
Total expenses		660	621
Net result from operating activities		663	1 700
Financing costs attributable to unitholders			
Undistributed income brought forward		812	384
Distributions to unitholders	4.4	(950)	(634)
Transfers from / (to) net assets to determine distributable income	1.1(g)	755	(638)
Total financing costs attributable to unitholders		617	(888)
(Increase) / decrease in net assets attributable to unitholders		(1 280)	(812)
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 2020

Overseas Fixed Interest Common Fund

	Note	2020 \$'000	2019 \$'000
Assets			
Cash and cash equivalents	3.1	1 297	6 110
Financial assets held at fair value through profit or loss	3.2	58 006	53 152
Other assets	1.1(j)	1 341	741
Total assets		60 644	60 003
Liabilities			
Income distribution payable		1 280	812
Total liabilities (excluding net assets attributable to unitholders)		1 280	812
Net assets attributable to unitholders - Liability	4.2	59 364	59 191
Represented by:			
Fair value of outstanding units based on net asset value		59 364	59 191

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Cash Flows
for the year ended 30 June 2020

Overseas Fixed Interest Common Fund

		2020 Inflows (Outflows) \$'000	2019 Inflows (Outflows) \$'000
Cash flows from operating activities	Note		
<u>Cash inflows</u>			
Trust distributions received		1 300	846
Interest received		70	374
Cash generated from operations		1 370	1 220
<u>Cash outflows</u>			
Payments for expenses		(660)	(621)
Cash used in operations		(660)	(621)
Net cash provided by / (used in) operating activities	5.2	710	599
Cash flows from investing activities			
<u>Cash outflows</u>			
Purchase of financial assets held at fair value through profit or loss		(5 501)	(15 000)
Cash used in investing activities		(5 501)	(15 000)
Net cash provided by / (used in) investing activities		(5 501)	(15 000)
Cash flows from financing activities			
<u>Cash inflows</u>			
Proceeds from applications by unitholders		4 290	7 544
Cash generated from financing activities		4 290	7 544
<u>Cash outflows</u>			
Payments for redemptions by unitholders		(3 362)	(3 554)
Distributions paid		(950)	(634)
Cash used in financing activities		(4 312)	(4 188)
Net cash provided by / (used in) financing activities		(22)	3 356
Net increase / (decrease) in cash and cash equivalents		(4 813)	(11 045)
Cash and cash equivalents at the beginning of the period		6 110	17 155
Cash and cash equivalents at the end of the period	3.1	1 297	6 110

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Comprehensive Income
for the year ended 30 June 2020

Australian Shares Common Fund

	Note	2020 \$'000	2019 \$'000
Investment income			
Trust distributions		7 627	11 592
Interest	1.1(d)	129	298
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	(10 110)	(8 671)
Other income		615	563
Total investment income		(1 739)	3 782
Expenses			
The Public Trustee management fees	1.1(e), (m)	1 852	1 784
Legal and advisory expenses		45	42
Total expenses		1 897	1 826
Net result from operating activities		(3 636)	1 956
Financing costs attributable to unitholders			
Undistributed income brought forward		9 089	18 315
Distributions to unitholders	4.4	(11 773)	(19 853)
Transfers from / (to) net assets to determine distributable income	1.1(g)	11 707	8 671
Total financing costs attributable to unitholders		9 023	7 133
(Increase) / decrease in net assets attributable to unitholders		(5 387)	(9 089)
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 2020

Australian Shares Common Fund

	Note	2020 \$'000	2019 \$'000
Assets			
Cash and cash equivalents	3.1	7 601	13 212
Financial assets held at fair value through profit or loss	3.2	156 902	160 397
Other assets	1.1(j)	5 802	9 362
Total assets		170 305	182 971
Liabilities			
Income distribution payable		5 387	9 089
Other liabilities		1	-
Total liabilities (excluding net assets attributable to unitholders)		5 388	9 089
Net assets attributable to unitholders - Liability	4.2	164 917	173 882
Represented by:			
Fair value of outstanding units based on net asset value		164 917	173 882

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Cash Flows
for the year ended 30 June 2020

Australian Shares Common Fund

		2020 Inflows (Outflows) \$'000	2019 Inflows (Outflows) \$'000
Cash flows from operating activities	Note		
<u>Cash inflows</u>			
Trust distributions received		11 167	17 162
Interest received		148	295
Cash generated from operations		11 315	17 457
<u>Cash outflows</u>			
Payments for expenses		(1 895)	(1 826)
Cash used in operations		(1 895)	(1 826)
Net cash provided by / (used in) operating activities	5.2	9 420	15 631
Cash flows from investing activities			
<u>Cash inflows</u>			
Proceeds from the sale of financial assets held at fair value through profit or loss		7 500	-
Cash generated from investing activities		7 500	-
<u>Cash outflows</u>			
Purchase of financial assets held at fair value through profit or loss		(13 500)	(8 000)
Cash used in investing activities		(13 500)	(8 000)
Net cash provided by / (used in) investing activities		(6 000)	(8 000)
Cash flows from financing activities			
<u>Cash inflows</u>			
Proceeds from applications by unitholders		13 305	22 682
Cash generated from financing activities		13 305	22 682
<u>Cash outflows</u>			
Payments for redemptions by unitholders		(10 563)	(11 533)
Distributions paid		(11 773)	(19 853)
Cash used in financing activities		(22 336)	(31 386)
Net cash provided by / (used in) financing activities		(9 031)	(8 704)
Net increase / (decrease) in cash and cash equivalents		(5 611)	(1 073)
Cash and cash equivalents at the beginning of the period		13 212	14 285
Cash and cash equivalents at the end of the period	3.1	7 601	13 212

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Comprehensive Income
for the year ended 30 June 2020

Overseas Shares Common Fund

	Note	2020 \$'000	2019 \$'000
Investment income			
Trust distributions		2 512	3 445
Interest	1.1(d)	64	119
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	(6 194)	8 471
Other income		406	392
Total investment income		(3 212)	12 427
Expenses			
The Public Trustee management fees	1.1(e), (m)	1 530	1 471
Legal and advisory expenses		37	35
Total expenses		1 567	1 506
Net result from operating activities		(4 779)	10 921
Financing costs attributable to unitholders			
Undistributed income brought forward		3 824	16 152
Distributions to unitholders	4.4	(3 824)	(27 154)
Transfers from / (to) net assets to determine distributable income	1.1(g)	6 194	3 905
Total financing costs attributable to unitholders		6 194	(7 097)
(Increase) / decrease in net assets attributable to unitholders		(1 415)	(3 824)
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 2020

Overseas Shares Common Fund

	Note	2020 \$'000	2019 \$'000
Assets			
Cash and cash equivalents	3.1	3 727	5 390
Financial assets held at fair value through profit or loss	3.2	134 231	138 038
Other assets	1.1(j)	2 186	3 186
Total assets		140 144	146 614
Liabilities			
Income distribution payable		1 415	3 824
Other liabilities		1	-
Total liabilities (excluding net assets attributable to unitholders)		1 416	3 824
Net assets attributable to unitholders - Liability	4.2	138 728	142 790
Represented by:			
Fair value of outstanding units based on net asset value		138 728	142 790

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Cash Flows
for the year ended 30 June 2020

Overseas Shares Common Fund

		2020 Inflows (Outflows) \$'000	2019 Inflows (Outflows) \$'000
Cash flows from operating activities	Note		
<u>Cash inflows</u>			
Trust distributions received		3 500	9 257
Interest received		76	125
Cash generated from operations		3 576	9 382
<u>Cash outflows</u>			
Payments for expenses		(1 566)	(1 506)
Cash used in operations		(1 566)	(1 506)
Net cash provided by / (used in) operating activities	5.2	2 010	7 876
Cash flows from investing activities			
<u>Cash inflows</u>			
Proceeds from the sale of financial assets held at fair value through profit or loss		-	5 029
Cash generated from investing activities		-	5 029
<u>Cash outflows</u>			
Purchase of financial assets held at fair value through profit or loss		(1 981)	-
Cash used in investing activities		(1 981)	-
Net cash provided by / (used in) investing activities		(1 981)	5 029
Cash flows from financing activities			
<u>Cash inflows</u>			
Proceeds from applications by unitholders		10 859	18 526
Cash generated from financing activities		10 859	18 526
<u>Cash outflows</u>			
Payments for redemptions by unitholders		(8 727)	(9 421)
Distributions paid		(3 824)	(27 154)
Cash used in financing activities		(12 551)	(36 575)
Net cash provided by / (used in) financing activities		(1 692)	(18 049)
Net increase / (decrease) in cash and cash equivalents		(1 663)	(5 144)
Cash and cash equivalents at the beginning of the period		5 390	10 534
Cash and cash equivalents at the end of the period	3.1	3 727	5 390

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Comprehensive Income
for the year ended 30 June 2020

Property Common Fund

	Note	2020 \$'000	2019 \$'000
Investment income			
Trust distributions		2 948	3 661
Interest	1.1(d)	85	172
Net gain / (loss) on financial assets held at fair value through profit or loss	4.3	(10 026)	5 625
Other income		138	133
Total investment income		(6 855)	9 591
Expenses			
The Public Trustee management fees	1.1(e), (m)	1 241	1 147
Legal and advisory expenses		127	105
Total expenses		1 368	1 252
Net result from operating activities		(8 223)	8 339
Financing costs attributable to unitholders			
Undistributed income brought forward		2 148	3 303
Distributions to unitholders	4.4	(2 894)	(3 885)
Transfers from / (to) net assets to determine distributable income	1.1(g)	9 875	(5 609)
Total financing costs attributable to unitholders		9 129	(6 191)
(Increase) / decrease in net assets attributable to unitholders		(906)	(2 148)
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 2020

Property Common Fund

	Note	2020 \$'000	2019 \$'000
Assets			
Cash and cash equivalents	3.1	3 332	10 209
Financial assets held at fair value through profit or loss	3.2	104 914	105 795
Other assets	1.1(j)	541	2 088
Total assets		108 787	118 092
Liabilities			
Income distribution payable		906	2 148
Other liabilities		1	-
Total liabilities (excluding net assets attributable to unitholders)		907	2 148
Net assets attributable to unitholders - Liability	4.2	107 880	115 944
Represented by:			
Fair value of outstanding units based on net asset value		107 880	115 944

The accompanying notes form part of these financial statements.

The Public Trustee
COMMON FUNDS
Statement of Cash Flows
for the year ended 30 June 2020

Property Common Fund

		2020 Inflows (Outflows) \$'000	2019 Inflows (Outflows) \$'000
Cash flows from operating activities	Note		
<u>Cash inflows</u>			
Trust distributions received		4 479	5 054
Interest received		101	168
Cash generated from operations		4 580	5 222
<u>Cash outflows</u>			
Payments for expenses		(1 264)	(1 253)
Cash used in operations		(1 264)	(1 253)
Net cash provided by / (used in) operating activities	5.2	3 316	3 969
Cash flows from investing activities			
<u>Cash inflows</u>			
Proceeds from the sale of financial assets held at fair value through profit or loss		1 000	88
Cash generated from investing activities		1 000	88
<u>Cash outflows</u>			
Purchase of financial assets held at fair value through profit or loss		(10 110)	(5 456)
Cash used in investing activities		(10 110)	(5 456)
Net cash provided by / (used in) investing activities		(9 110)	(5 368)
Cash flows from financing activities			
<u>Cash inflows</u>			
Proceeds from applications by unitholders		8 826	14 437
Cash generated from financing activities		8 826	14 437
<u>Cash outflows</u>			
Payments for redemptions by unitholders		(7 015)	(7 375)
Distributions paid		(2 894)	(3 885)
Cash used in financing activities		(9 909)	(11 260)
Net cash provided by / (used in) financing activities		(1 083)	3 177
Net increase / (decrease) in cash and cash equivalents		(6 877)	1 778
Cash and cash equivalents at the beginning of the period		10 209	8 431
Cash and cash equivalents at the end of the period	3.1	3 332	10 209

The accompanying notes form part of these financial statements.

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The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2020

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 2019-20 (and 2018-19), has nil assets and liabilities and has not been reported.

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

- | | |
|------------------|------------|
| • Capital Stable | • Growth |
| • Balanced | • Equities |

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

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

1.1. Basis of preparation

a) Statement of Compliance

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

b) Basis of Preparation

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

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

The 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

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2020

1. About Public Trustee COMMON FUNDS (continued)

settled within twelve months, except for financial assets at fair value through profit or loss and net assets attributable to unitholders.

c) Comparative Information

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

d) Investment income

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

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2020

1. About Public Trustee COMMON FUNDS (continued)

in the same year in which it becomes assessable for tax. Movements in net assets attributable to unitholders are recognised in the Statement of Comprehensive Income as financing costs.

h) Foreign currency translation

i) Functional and presentation currency

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

ii) Transactions and balances

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

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

i) Advances to estates

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

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

j) Other assets

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

k) Other liabilities

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

The distribution amount payable to unitholders as at the end of each reporting period is recognised separately on the Statement of Financial Position as unitholders are presently entitled to the distributable income as at 30 June 2020 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 Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2020

1. About Public Trustee COMMON FUNDS (continued)

The GST incurred on the costs of various services provided to the Common Funds by third parties such as management fees have been passed onto the Common Funds. The Common Funds qualify for Reduced Input Tax Credits (RITC) at a rate of 75% hence investment management fees and other expenses have been recognised in the Statement of Comprehensive Income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in other assets in the Statement of Financial Position.

n) Use of estimates

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

o) Rounding

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

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

The COVID-19 pandemic and its effects on the global economy were profound. Both portfolio growth and investment returns have been affected. The 2019-20 financial year was extremely volatile for financial markets, after a challenging third quarter, markets staged a strong recovery in the June quarter. A number of significant government stimulus measures and cuts to interest rates helped to restore confidence.

The key impacts in 2019-20 were:

- Lower investment returns coupled with corresponding lower portfolio growth
- Lower returns to clients through distributions paid; and

1.3. 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 \$6.0 million was invested during 2019-20 by the Residential Tenancies Fund by the Commissioner for Consumer Affairs (2019: \$6.3 million by the Residential Tenancies and Retail Shop Leases 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 \$11.5 million (2019: \$11.2 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 2020, there were no material transactions or balances to disclose with key management personnel or other related parties (2019: Nil).

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2020

3. Financial Assets

3.1. Cash and cash equivalents

	2020 \$'000	2019 \$'000
Cash Common Fund		
Cash	2 261	899
Money market instruments	36 000	5 000
	38 261	5 899
Short Term Fixed Interest Common Fund		
Deposits in Cash Common Fund	7 156	30 179
	7 156	30 179
Long Term Fixed Interest Common Fund		
Deposits in Cash Common Fund	14 064	23 327
	14 064	23 327
Overseas Fixed Interest Common Fund		
Deposits in Cash Common Fund	1 297	6 110
	1 297	6 110
Australian Shares Common Fund		
Deposits in Cash Common Fund	7 601	13 212
	7 601	13 212
Overseas Shares Common Fund		
Deposits in Cash Common Fund	3 727	5 390
	3 727	5 390
Property Common Fund		
Deposits in Cash Common Fund	3 332	10 209
	3 332	10 209
Total cash and cash equivalents	75 438	94 326

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 0.45% (2019: 1.45%) per annum as at 30 June 2020 available at call. During 2019-20, 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 2019-20 where a small number of deposits continue to be received on behalf of customers.

Deposits in Cash Common Fund

Deposits in the Cash Common Fund act as operating cash accounts for the other Common Funds, and are interest bearing at 0.50% (2019: 2.00%). These investments are available at call.

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2020

3. Financial Assets (continued)

Money market instruments

Money market investments comprise short term at call deposit accounts. Interest rates range from 0.60% to 1.30% (2019: 1.60%).

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

	Cash		Short Term Fixed Interest	
	2020	2019	2020	2019
	Fair	Fair	Fair	Fair
	Value	Value	Value	Value
	\$'000	\$'000	\$'000	\$'000
Designated as at fair value through profit or loss				
Fixed interest securities ¹	424 149	493 104	58 429	33 722
Unlisted unit trusts	-	-	-	-
Total designated as at fair value through profit or loss	424 149	493 104	58 429	33 722
	Long Term Fixed Interest		Overseas Fixed Interest	
	2020	2019	2020	2019
	Fair	Fair	Fair	Fair
	Value	Value	Value	Value
	\$'000	\$'000	\$'000	\$'000
Designated as at fair value through profit or loss				
Fixed interest securities	92 481	81 120	-	-
Unlisted unit trusts	-	-	58 006	53 152
Total designated as at fair value through profit or loss	92 481	81 120	58 006	53 152
	Australian Shares		Overseas Shares	
	2020	2019	2020	2019
	Fair	Fair	Fair	Fair
	Value	Value	Value	Value
	\$'000	\$'000	\$'000	\$'000
Designated as at fair value through profit or loss				
Fixed interest securities	-	-	-	-
Unlisted unit trusts	156 902	160 397	134 231	138 038
Total designated as at fair value through profit or loss	156 902	160 397	134 231	138 038
	Property		Total	
	2020	2019	2020	2019
	Fair	Fair	Fair	Fair
	Value	Value	Value	Value
	\$'000	\$'000	\$'000	\$'000
Designated as at fair value through profit or loss				
Fixed interest securities	-	-	575 059	607 946
Unlisted unit trusts	104 914	105 795	454 053	457 382
Total designated as at fair value through profit or loss	104 914	105 795	1 029 112	1 065 328

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 \$37.2 million (2019: \$88.4 million).

Fixed interest securities

These investments bear floating interest rates between 0.87% and 5.30% (2019: 2.11% and 5.30%). These investments are available at call.

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2020

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

	2020		2019	
	Purchase Price	Redemption Price	Purchase Price	Redemption Price
Cash	\$ 1.0000	\$ 1.0000	\$ 1.0000	\$ 1.0000
Short Term Fixed Interest	\$ 1.0188	\$ 1.0178	\$ 1.0077	\$ 1.0067
Long Term Fixed Interest	\$ 1.0695	\$ 1.0685	\$ 1.0603	\$ 1.0593
Overseas Fixed Interest	\$ 0.8603	\$ 0.8589	\$ 0.8711	\$ 0.8702
Australian Shares	\$ 1.6553	\$ 1.6474	\$ 1.7686	\$ 1.7598
Overseas Shares	\$ 1.1498	\$ 1.1450	\$ 1.1990	\$ 1.1940
Property	\$ 1.0416	\$ 1.0439	\$ 1.1377	\$ 1.1352

Movements in units

	Short Term Fixed Interest		Long Term Fixed Interest		Overseas Fixed Interest	
	2020 No. of units 000's	2019 No. of units 000's	2020 No. of units 000's	2019 No. of units 000's	2020 No. of units 000's	2019 No. of units 000's
Opening balance	63 193	59 215	98 080	91 444	67 982	63 371
Applications	4 576	7 358	7 053	12 798	4 865	8 720
Redemptions	(3 248)	(3 380)	(5 693)	(6 162)	(3 829)	(4 109)
Closing balance	64 521	63 193	99 440	98 080	69 018	67 982

	Australian Shares		Overseas Shares		Property	
	2020 No. of units 000's	2019 No. of units 000's	2020 No. of units 000's	2019 No. of units 000's	2020 No. of units 000's	2019 No. of units 000's
Opening balance	98 585	92 349	119 364	111 780	101 492	95 103
Applications	7 258	12 687	8 783	15 404	7 534	13 093
Redemptions	(5 951)	(6 451)	(7 211)	(7 820)	(6 161)	(6 704)
Closing balance	99 892	98 585	120 936	119 364	102 865	101 492

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2020

4. Liabilities (continued)

4.2. Movements in funds employed

	Cash		Short Term Fixed Interest		Long Term Fixed Interest		Overseas Fixed Interest	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	415 499	407 080	63 650	59 508	103 941	96 029	59 191	54 564
Applications	3 195	5 001	4 637	7 402	7 524	13 458	4 290	7 544
Redemptions	(2 261)	(2 355)	(3 292)	(3 396)	(6 073)	(6 474)	(3 362)	(3 554)
Transfers from/(to) net assets to determine distributable income ¹	14,356	5 773	709	136	911	928	(755)	637
Closing balance	430 789	415 499	65 704	63 650	106 303	103 941	59 364	59 191

	Australian Shares		Overseas Shares		Property		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	173 882	171 404	142 790	137 589	115 944	103 274	1 074 897	1 029 448
Applications	13 305	22 682	10 859	18 526	8 826	14 437	52 636	89 050
Redemptions	(10 563)	(11 533)	(8 727)	(9 421)	(7 015)	(7 375)	(41 293)	(44 108)
Transfers from/(to) net assets to determine distributable income ¹	(11 707)	(8 671)	(6 194)	(3 904)	(9 875)	5 608	(12 555)	507
Closing balance	164 917	173 882	138 728	142 790	107 880	115 944	1 073 685	1 074 897

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

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2020

4. Liabilities (continued)

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

	2020	2019
	\$'000	\$'000
Cash Common Fund		
Net Unrealised Gains / (Losses)	80	238
Net Realised Gains / (Losses)	(72)	(34)
Total	8	204
Short Term Fixed Interest Common Fund		
Net Unrealised Gains / (Losses)	725	137
Net Realised Gains / (Losses)	(16)	-
Total	709	137
Long Term Fixed Interest Common Fund		
Net Unrealised Gains / (Losses)	975	928
Net Realised Gains / (Losses)	(39)	-
Total	936	928
Overseas Fixed Interest Common Fund		
Net Unrealised Gains / (Losses)	(755)	638
Total	(755)	638
Australian Shares Common Fund		
Net Unrealised Gains / (Losses)	(10 479)	(8 671)
Net Realised Gains / (Losses)	369	-
Total	(10 110)	(8 671)
Overseas Shares Common Fund		
Net Unrealised Gains / (Losses)	(6 194)	8 411
Net Realised Gains / (Losses)	-	60
Total	(6 194)	8 471
Property Common Fund		
Net Unrealised Gains / (Losses)	(9 312)	5 620
Net Realised Gains / (Losses)	(714)	5
Total	(10 026)	5 625
Total net gain / (loss) on financial assets held at fair value through profit or loss	(25 432)	7 332

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2020

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:

	2020	2020	2019	2019
	\$'000	CPU	\$'000	CPU
Cash Common Fund				
Distributions to unitholders	5 644	0.0132	10 472	0.0254
Undistributed income brought forward	(1 083)	-	(966)	-
Distributions payable	206	-	1 083	-
Total Distributions to unitholders	4 767		10 589	
	2020	2020	2019	2019
	\$'000	CPU	\$'000	CPU
Short Term Fixed Interest Common Fund				
Distributions to unitholders	684	0.0106	773	0.0122
Undistributable income brought forward	(414)	-	(359)	-
Distributions payable	178	-	414	-
Total Distributions to unitholders	448		828	
	2020	2020	2019	2019
	\$'000	CPU	\$'000	CPU
Long Term Fixed Interest Common Fund				
Distributions to unitholders	1 837	0.0185	1 846	0.0188
Undistributable income brought forward	(997)	-	(902)	-
Distributions payable	735	-	997	-
Total Distributions to unitholders	1 575		1 941	
	2020	2020	2019	2019
	\$'000	CPU	\$'000	CPU
Overseas Fixed Interest Common Fund				
Distributions to unitholders	950	0.0138	634	0.0093
Undistributable income brought forward	(812)	-	(384)	-
Distributions payable	1 280	-	812	-
Total Distributions to unitholders	1 418		1 062	

The Public Trustee
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4. Liabilities (continued)

	2020 \$'000	2020 CPU	2019 \$'000	2019 CPU
Australian Shares Common Fund				
Distributions to unitholders	11 773	0.1179	19 853	0.2014
Undistributable income brought forward	(9 089)	-	(18 315)	-
Distributions payable	5 387	-	9 089	-
Total Distributions to unitholders	8 071		10 627	
Overseas Shares Common Fund				
Distributions to unitholders	3 824	0.0316	27 154	0.2275
Undistributable income brought forward	(3 824)	-	(16 152)	-
Distributions payable	1 415	-	3 824	-
Total Distributions to unitholders	1 415		14 826	
Property Common Fund				
Distributions to unitholders	2 894	0.0281	3 885	0.0383
Undistributable income brought forward	(2 148)	-	(3 303)	-
Distributions payable	906	-	2 148	-
Total Distributions to unitholders	1 652		2 730	

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 2020 were the following net realised capital gains which were distributed to unitholders based on the number of units held as at 30 June 2020:

	2020 \$'000	2020 CPU	2019 \$'000	2019 CPU
Common Fund Capital Distributions Payable				
Long Term Fixed Interest	25	0.0003	-	-
Australian Shares	5 388	0.0539	7 283	0.0739
Overseas Shares	1 202	0.0099	3 387	0.0284
Property	-	-	1 369	0.0135
	6 615		12 039	

The Public Trustee
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5. Other disclosures

5.1. Derivative financial instruments

The Public Trustee did not invest in derivative investments for the year ended 30 June 2020 (2019: \$Nil).

5.2. Cash flow

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

Reconciliation of net result to cash flows from operating activities

Cash Common Fund	2020	2019
	\$'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	38 261	5 899
Balance as per the Statement of Cash Flows	38 261	5 899
Reconciliation of net cash provided by operating activities to net result:		
Net operating result	4 775	10 793
Add / (less) non cash items:		
Net losses / (gains) on financial instruments held at fair value through profit or loss	(8)	(204)
Amortisation of discounts and premiums	9	-
Movements in assets / liabilities:		
Decrease / (Increase) in receivables and other assets	1 374	903
Increase / (Decrease) in payables and other liabilities	1	(11)
Adjustment for balance day transactions	8	4
Net cash provided by operating activities	6 159	11 485
Short Term Fixed Interest Common Fund	2020	2019
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period:		
Cash and cash equivalents disclosed in the Statement of Financial Position	7 156	30 179
Balance as per the Statement of Cash Flows	7 156	30 179
Reconciliation of net cash provided by operating activities to net result:		
Net operating result	1 157	966
Add / (less) non cash items:		
Net losses / (gains) on financial instruments held at fair value through profit or loss	(709)	(137)
Amortisation of discounts and premiums	(1)	(1)
Movements in assets / liabilities:		
Decrease / (Increase) in receivables and other assets	(134)	38
Increase / (Decrease) in payables and other liabilities	-	-
Net cash provided by operating activities	313	866

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5. Other disclosures (continued)

Long Term Fixed Interest Common Fund	2020	2019
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period:		
Cash and cash equivalents disclosed in the Statement of Financial Position	14 064	23 327
Balance as per the Statement of Cash Flows	14 064	23 327
Reconciliation of net cash provided by operating activities to net result:		
Net operating result	2 486	2 869
Add / (less) non cash items:		
Net losses / (gains) on financial instruments held at fair value through profit or loss	(936)	(928)
Amortisation of discounts and premiums	46	68
Movements in assets / liabilities:		
Decrease / (Increase) in receivables and other assets	(3)	(50)
Increase / (Decrease) in payables and other liabilities	1	-
Net cash provided by operating activities	1 594	1 959
Overseas Fixed Interest Common Fund	2020	2019
	\$'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	1 297	6 110
Balance as per the Statement of Cash Flows	1 297	6 110
Reconciliation of net cash provided by operating activities to net result:		
Net operating result	663	1 700
Add / (less) non cash items:		
Net losses / (gains) on financial instruments held at fair value through profit or loss	755	(638)
Income reinvested and not received in cash	(108)	(53)
Movements in assets / liabilities:		
Decrease / (Increase) in receivables and other assets	(600)	(410)
Net cash provided by operating activities	710	599
Australian Shares Common Fund	2020	2019
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period:		
Cash and cash equivalents disclosed in the Statement of Financial Position	7 601	13 212
Balance as per the Statement of Cash Flows	7 601	13 212
Reconciliation of net cash provided by operating activities to net result:		
Net operating result	(3 636)	1 956
Add / (less) non cash items:		
Net losses / (gains) on financial instruments held at fair value through profit or loss	10 110	8 671
Income reinvested and not received in cash	(615)	(563)
Movements in assets / liabilities:		
Decrease / (Increase) in receivables and other assets	3 560	5 567
Increase / (Decrease) in payables and other liabilities	1	-
Net cash provided by operating activities	9 420	15 631

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5. Other disclosures (continued)

Overseas Shares Common Fund	2020	2019
	\$'000	\$'000
Reconciliation of cash and cash equivalents:		
Cash and cash equivalents disclosed in the Statement of Financial Position	3 727	5 390
Balance as per the Statement of Cash Flows	3 727	5 390
Reconciliation of net cash provided by operating activities to net result:		
Net operating result	(4 779)	10 921
Add / (less) non cash items:		
Net losses / (gains) on financial instruments held at fair value through profit or loss	6 194	(8 471)
Income reinvested and not received in cash	(406)	(392)
Movements in assets / liabilities:		
Decrease / (Increase) in receivables and other assets	1 000	5 818
Increase / (Decrease) in payables and other liabilities	1	-
Net cash provided by operating activities	2 010	7 876
Property Common Fund	2020	2019
	\$'000	\$'000
Reconciliation of cash and cash equivalents:		
Cash and cash equivalents disclosed in the Statement of Financial Position	3 332	10 209
Balance as per the Statement of Cash Flows	3 332	10 209
Reconciliation of net cash provided by operating activities to net result:		
Net operating result	(8 223)	8 339
Add / (less) non cash items:		
Net losses / (gains) on financial instruments held at fair value through profit or loss	10 026	(5 625)
Income reinvested and not received in cash	(138)	(133)
Investment fees funded through unit redemption	103	-
Realignment of capital distribution relating to prior year	-	235
Movements in assets / liabilities:		
Decrease / (Increase) in receivables and other assets	1 547	1 153
Increase / (Decrease) in payables and other liabilities	1	-
Net cash provided by operating activities	3 316	3 969

6. Changes in accounting policy

6.1. AASB 15 Revenue from Contracts with Customers

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 *Financial Instruments*.

6.2. Presentation of Financial Statements

Treasurer's Instructions (Accounting Policy Statements) approved on 1 June 2020 removed the previous requirement for financial statements to be prepared using the net cost of services format. The net cost of services is the total cost of services less any revenue retained by public authorities involved in the provision of services but does not include items classified as revenues from and payments to the South Australian Government.

As the Common Fund financial statements have been prepared outside of this format, the presentation changes have not affected these financial statements

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.

The Public Trustee does not expect there to be 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.

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8. Measurement and Risk (continued)

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

	Note	2020 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial assets					
Cash and cash equivalents	3.1	75 438	75 438	-	-
Financial assets at fair value through profit or loss					
Fixed interest securities	3.2	575 059	361 000	214 059	-
Unlisted unit trusts	3.2	454 053	-	454 053	-
Total		1 104 550	436 438	668 112	-
	Note	2019 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial assets					
Cash and cash equivalents	3.1	94 326	94 326	-	-
Financial assets at fair value through profit or loss					
Fixed interest securities	3.2	607 946	425 500	182 446	-
Unlisted unit trusts	3.2	457 382	-	457 382	-
Total		1 159 654	519 826	639 828	-

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

During 2020 and 2019, the Public Trustee had no valuations categorised in level 3; there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there was no changes in valuation technique.

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 98% hedged.

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

Credit risk

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

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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.

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8. Measurement and Risk (continued)

Credit risk analysis

	2020	2019
	\$'000	\$'000
Cash Common Fund		
<i>Cash and short term investments</i>		
A1+	183 525	154 531
A1	66 008	79 534
A2	56 005	94 507
Cash at bank	38 261	5 899
Total cash and short term investments	343 799	334 471
<i>Long term investments</i>		
AA-	108 602	159 990
A+	1 511	4 542
BBB+	8 498	-
Total long term investments	118 611	164 532
Short Term Fixed Interest Common Fund		
<i>Cash and short term investments</i>		
A1+	6 050	-
A1	2 005	4 013
A2	3 510	2 002
Cash at bank	7 156	30 179
Total cash and short term investments	18 721	36 194
<i>Long term investments</i>		
AA-	39 877	19 183
A-	-	2 986
A+	-	2 020
BBB+	6 987	-
BBB	-	3 518
Total long term investments	46 864	27 707
Long Term Fixed Interest Common Fund		
<i>Cash and short term investments</i>		
A1+	15 604	4 015
A2	3 510	1 000
Cash at bank	14 064	23 327
Total cash and short term investments	33 178	28 342
<i>Long term investments</i>		
AAA	2 265	2 251
AA+	-	12 943
AA-	69 111	55 402
A-	-	1 991
BBB+	1 991	-
BBB	-	3 518
Total long term investments	73 367	76 105

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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. Derivatives are permitted for the purpose of portfolio management provided the fund is not geared.

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

The Property Common Fund 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 and long term investments. Instruments issued at fixed interest rates expose the Public Trustee to fair value interest rate risk and variable rate instruments expose the Public Trustee to cash flow interest rate risk.

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

The Short Term Fixed Interest Common Fund can invest in fixed interest securities with maturity terms of three years if the credit rating is A+ or better, or a maturity term of up to six years for Commonwealth 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 through the profit or loss; resulting in no impact on equity.

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8. Measurement and Risk (continued)

Cash Common Fund

		2020			
Financial Assets	Carrying amount	Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
		Statement of Comprehensive Income	Statement of Comprehensive Income	Statement of Comprehensive Income	Statement of Comprehensive Income
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	38 261	(383)	383	-	-
Financial assets held at fair value through profit or loss	424 149	(4 241)	4 241	-	-
Total increase/(decrease)		(4 624)	4 624	-	-

Cash Common Fund

		2019			
Financial Assets	Carrying amount	Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
		Statement of Comprehensive Income	Statement of Comprehensive Income	Statement of Comprehensive Income	Statement of Comprehensive Income
	\$'000	\$'000	\$'000	\$'000	\$'000
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 increase/(decrease)		(4 990)	4 990	-	-

Short Term Fixed Interest

		2020			
Financial Assets	Carrying amount	Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
		Statement of Comprehensive Income	Statement of Comprehensive Income	Statement of Comprehensive Income	Statement of Comprehensive Income
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	7 156	(72)	72	-	-
Financial assets held at fair value through profit or loss	58 429	(584)	584	-	-
Total increase/(decrease)		(656)	656	-	-

Short Term Fixed Interest

		2019			
Financial Assets	Carrying amount	Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
		Statement of Comprehensive Income	Statement of Comprehensive Income	Statement of Comprehensive Income	Statement of Comprehensive Income
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	30 179	(302)	302	-	-
Financial assets held at fair value through profit or loss	33 722	(337)	337	-	-
Total increase/(decrease)		(639)	639	-	-

Long Term Fixed Interest

		2020			
Financial Assets	Carrying amount	Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
		Statement of Comprehensive Income	Statement of Comprehensive Income	Statement of Comprehensive Income	Statement of Comprehensive Income
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	14 064	(141)	141	-	-
Financial assets held at fair value through profit or loss	92 481	(925)	925	-	-
Total increase/(decrease)		(1 066)	1 066	-	-

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8. Measurement and Risk (continued)

Long Term Fixed Interest

		2019			
Financial Assets	Carrying amount	Interest Rate Risk		Price Risk	
		-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	23 327	(233)	233	-	-
Financial assets held at fair value through profit or loss	81 120	(811)	811	-	-
Total increase/(decrease)		(1 044)	1 044	-	-

Overseas Fixed Interest

		2020			
Financial Assets	Carrying amount	Interest Rate Risk		Price Risk	
		-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	1 297	(13)	13	-	-
Financial assets held at fair value through profit or loss	58 006	-	-	(11 601)	5 801
Total increase/(decrease)		(13)	13	(11 601)	5 801

Overseas Fixed Interest

		2019			
Financial Assets	Carrying amount	Interest Rate Risk		Price Risk	
		-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	6 110	(61)	61	-	-
Financial assets held at fair value through profit or loss	53 152	-	-	(10 630)	5 315
Total increase/(decrease)		(61)	61	(10 630)	5 315

Australian Shares

		2020			
Financial Assets	Carrying amount	Interest Rate Risk		Price Risk	
		-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	7 601	(76)	76	-	-
Financial assets held at fair value through profit or loss	156 902	-	-	(31 380)	15 690
Total increase/(decrease)		(76)	76	(31 380)	15 690

Australian Shares

		2019			
Financial Assets	Carrying amount	Interest Rate Risk		Price Risk	
		-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	13 212	(132)	132	-	-
Financial assets held at fair value through profit or loss	160 397	-	-	(32 079)	16 040
Total increase/(decrease)		(132)	132	(32 079)	16 040

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8. Measurement and Risk (continued)

Overseas Shares

		2020			
Financial Assets	Carrying amount	Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
		Statement of Comprehensive Income	Statement of Comprehensive Income	Statement of Comprehensive Income	Statement of Comprehensive Income
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	3 727	(37)	37	-	-
Financial assets held at fair value through profit or loss	134 231	-	-	(26 846)	13 423
Total increase/(decrease)		(37)	37	(26 846)	13 423

Overseas Shares

		2019			
Financial Assets	Carrying amount	Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
		Statement of Comprehensive Income	Statement of Comprehensive Income	Statement of Comprehensive Income	Statement of Comprehensive Income
	\$'000	\$'000	\$'000	\$'000	\$'000
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 increase/(decrease)		(54)	54	(27 608)	13 804

Property

		2020			
Financial Assets	Carrying amount	Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
		Statement of Comprehensive Income	Statement of Comprehensive Income	Statement of Comprehensive Income	Statement of Comprehensive Income
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	3 332	(33)	33	-	-
Financial assets held at fair value through profit or loss	104 914	-	-	(20 983)	10 491
Total increase/(decrease)		(33)	33	(20 983)	10 491

Property

		2019			
Financial Assets	Carrying amount	Interest Rate Risk		Price Risk	
		-1%	+1%	-20%	+10%
		Statement of Comprehensive Income	Statement of Comprehensive Income	Statement of Comprehensive Income	Statement of Comprehensive Income
	\$'000	\$'000	\$'000	\$'000	\$'000
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 increase/(decrease)		(102)	102	(21 159)	10 580

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.

The Public Trustee
COMMON FUNDS
Notes to and forming part of the financial statements
for the year ended 30 June 2020

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 of financial instruments

On initial recognition, a financial asset / liability is classified as measured at amortised cost or at fair value through profit or loss as described in note 8.1.

Maturity analysis of financial assets and financial liabilities

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

Category of financial asset and financial liability	Note	2020 Carrying amount \$'000	2020 Contractual Maturities		
			Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets					
Cash and cash equivalents	3.1	75 438	75 438	-	-
Advances to estates		4 100	4 100	-	-
Financial assets held at fair value through profit or loss	3.2	1 029 112	788 272	233 771	7 069
Other assets		12 339	12 339	-	-
Total financial assets		1 120 989	880 149	233 771	7 069
Financial liabilities					
Income distribution payable		10 107	10 107	-	-
Funds due to other Common Funds		37 177	37 177	-	-
Other liabilities		20	20	-	-
Total financial liabilities		47 304	47 304	-	-
Category of financial asset and financial liability		2019 Carrying amount \$'000	2019 Contractual Maturities		
	Note		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	-	-

The Public Trustee
STATEMENT OF TRUSTS BEING ADMINISTERED

for the year ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Trust funds under administration	3		
Deceased Estates		175 979	170 781
Trusts		134 651	133 821
Administration Matters		40 417	41 220
Court Award Orders		428 606	439 244
Protected Estates		382 166	382 705
Workers Compensation Awards		97	270
Powers of Attorney		65 178	57 991
Investors		440 037	439 151
Total funds		1 667 131	1 665 183
Represented by			
Investment in Common Funds	1(b), 2		
Non current assets			
Australian equities		156 902	160 397
International equities		134 231	138 038
Property securities		104 914	105 795
Australian fixed interest investments		238 840	268 344
International fixed interest investments		58 006	53 152
		692 893	725 726
Current assets			
Cash and cash equivalents		38 261	5 899
Australian fixed interest investments		336 219	339 602
Advances to estates		4 100	2 969
Other assets		12 339	19 083
		390 919	367 553
Current liabilities			
Income distribution payable		10 107	18 367
Other liabilities		20	15
		10 127	18 382
Net Common Fund assets		1 073 685	1 074 897
Estate assets	1(c)		
Non current assets			
Real estate		364 203	360 892
Superannuation		153 814	155 144
Personal chattels		33 038	30 066
Equities		27 862	25 261
Fixed interest and cash assets		16 553	14 658
Mortgages		18	54
		595 488	586 075
Current assets			
Other assets		11 585	19 189
Current liabilities			
Other liabilities		13 627	14 978
Net estate assets		593 446	590 286
Total net assets		1 667 131	1 665 183

The Public Trustee
STATEMENT OF TRUSTS BEING ADMINISTERED
Notes to and forming part of the Statement of Trusts being Administered
for the year ended 30 June 2020

1. Statement of Principal Accounting Policies

a) Basis of preparation

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 2019-20 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 2020 was 0.50% (2019: 2.00%).

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 2020. Accommodation bonds are valued annually at cost less retention amount until the retention terms have expired.

Superannuation: During the 2019-2020 reporting period, customer moneys were invested within an approved superannuation provider and were valued at fair value.

The Public Trustee
STATEMENT OF TRUSTS BEING ADMINISTERED
Notes to and forming part of the Statement of Trusts being Administered
for the year ended 30 June 2020

1. Statement of Principal Accounting Policies (continued)

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

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

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

2. Operation of the Common Funds

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

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

- Capital Stable
- Balanced
- Growth
- Equities

The Public Trustee
STATEMENT OF TRUSTS BEING ADMINISTERED
Notes to and forming part of the Statement of Trusts being Administered
for the year ended 30 June 2020

3. Trust Funds under Administration

	Number		Value	
	2020	2019	2020 \$'000	2019 \$'000
Deceased Estates				
Monies and assets held under the administration of the Public Trustee pursuant to the provisions of the <i>Public Trustee Act 1995</i>	1 026	1 091	175 979	170 781
Trusts				
Monies and assets held under the administration of the Public Trustee pursuant to the terms of a Will or a Deed of Trust	1 258	1 250	134 651	133 821
Administration Matters				
Monies paid and assets transferred to the Public Trustee on account of minor beneficiaries pursuant to the <i>Public Trustee Act 1995</i>	317	320	40 417	41 220
Court Award Orders				
Monies directed by the Court to be paid to the Public Trustee on behalf of clients and invested and applied by the Public Trustee as the Court directs and monies administered by the Public Trustee under the <i>Aged and Infirm Persons Property Act 1940</i>	769	777	428 606	439 244
Protected Estates				
Monies administered by the Public Trustee under the <i>Guardianship and Administration Act 1993</i>	3 828	3 748	382 166	382 705
Workers Compensation Awards				
Monies directed by the Court to be paid to the Public Trustee on behalf of widows and minors and invested and applied by the Public Trustee as the Court directs	5	7	97	270
Powers of Attorney				
Monies and assets held on behalf of donors who have appointed the Public Trustee to act on their behalf	280	285	65 178	57 991
Investors				
Monies invested in Common Funds pursuant to Section 29 (1) of the <i>Public Trustee Act 1995</i> by classes of persons approved by the Minister	153	214	440 037	439 151
	7 636	7 692	1 667 131	1 665 183

4. Unclaimed Monies

During the reporting period, amounts totalling \$1,320,436 (2019: \$596,792) 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.