

**Public Trustee's Office**  
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The Hon John Elferink MLA  
Attorney-General and Minister for Justice  
Parliament House  
State Square  
DARWIN NT 0800

Dear Attorney-General

## **ANNUAL REPORT - PUBLIC TRUSTEE FOR THE NORTHERN TERRITORY**

In accordance with section 18 of the *Public Trustee Act*, I submit this Report on the operations of the Public Trustee for the year ended 30 June 2013.

This Report should be read in conjunction with the 2012-2013 Department of the Attorney-General and Justice Annual Report. That report includes information on those aspects of the operations of the Public Trustee's Office that must be reported on pursuant to the *Financial Management Act* and the *Public Sector Employment and Management Act*.

Section 18(3) of the *Public Trustee Act* requires that you table a copy of the report in the Legislative Assembly within 6 sitting days after it is received.

Yours sincerely



**DAVID LISSON**  
**Public Trustee for the Northern Territory**

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## PUBLIC TRUSTEE OVERVIEW

It is with pleasure that I present the Annual Report and Financial Statements of the Public Trustee for the Northern Territory for the year ended 30 June 2013.

It has been a positive year for my office and most importantly in achieving good outcomes for our clients.

The office has continued to provide quality, professional trustee and administration services to the Northern Territory community. This is reflected in our customer satisfaction rating of 94% which is an excellent result given the challenging nature of trustee and administration work.

The overall work volumes for deceased estates, trusts and wills were at a similar level to the previous year, however it is of note that the proportion of aged and infirmed persons trusts are gradually increasing. The trusts are intensive and require significant expertise and attention.

In the 2011/12 Annual Report it was noted that over time the number of aged and infirm persons trusts are likely to increase given the gradual ageing and increased life expectancy of our population. With dementia being the leading cause of disability in Australians aged 65 and over. I expect that this trend will continue.

After several years of varying returns on the investment of client funds it is pleasing to see stronger returns across the Public Trustee Common Funds. For example, the Conservative Common Fund recorded a 9.68% return on investment compared to 6.67% in 2011/12 and 7.49% in 2010/11. Similarly, the Balanced Common Fund recorded an 18.06% return on investment when compared to 4.29% in 2011/12 and 8.78% in 2010/11. The returns on investment are close to benchmark levels which reflects the indexed investment model chosen for the Common Funds.

I would like to record my appreciation and thanks to the members of the Public Trustee Investment Board, specifically John Montague and Alastair Shields, for their continued guidance and advice which ensures our clients' funds are being invested appropriately.

In 2012/13 we were able to pay \$1.14 million in commission, fees and levy into consolidated revenue as a result of our administration of estates and trusts. In addition to this, a total of \$868,000 was paid into consolidated revenue as funds realised from the forfeiture of property under the *Criminal Property Forfeiture Act*.

My office has provided in depth submissions in relation to law reform proposed in the Northern Territory, such as the Advance Personal Planning legislation. This legislation will, amongst other things, allow Territorians to make advance personal health care directives and also appoint future decision makers in relation to health treatment and other needs. When this legislation is operative the Public Trustee is likely to have an information provision and plan preparation role which we look forward to undertaking as an additional element of our service to Territorians.

We have also been able to make some significant improvements in the way we conduct our business with the implementation of an upgraded version of a trust accounting information system and the development of information guides for prospective executors located on our webpage.

Finally, I would like to thank the staff of my office who continue to undertake their duties with diligence and professionalism.



**DAVID LISSON  
PUBLIC TRUSTEE**

## THE PUBLIC TRUSTEE AND THE PUBLIC TRUSTEE INVESTMENT BOARD

### Public Trustee services

The Office of the Public Trustee for the Northern Territory:

- manages trusts for children, aged, infirm and mentally incapacitated people;
- acts as attorney or agent for people when appointed by the person;
- provides a will-making service and maintains a register of wills;
- administers the estates of deceased persons when selected by them and in situations where there is nobody else willing or able to do so;
- manages restrained and forfeited property under the *Criminal Property Forfeiture Act*;
- manages funds paid to it by local government councils under *the Local Government Act* when land is sold under statutory charge; and
- manages the Public Trustee Common Funds for client moneys.

The aim of the office is to provide an independent, efficient, cost effective and comprehensive executor and trustee service at minimal cost to Government. The office charges a range of competitive fees and commissions for its services.

### The Public Trustee

The Public Trustee for the Northern Territory is a corporation sole established by section 9 of the *Public Trustee Act*. The Office is funded as an output within the Northern Territory Department of the Attorney-General and Justice budget.

The Public Trustee has functions and responsibilities under a large number of Acts, including the *Public Trustee Act*, the *Trustee Act*, the *Administration and Probate Act*, the *Wills Act*, the *Aged and Infirm Persons' Property Act* and the *Criminal Property Forfeiture Act*, in addition to duties as a trustee and executor that arise under the general law.

In addition:

- the *Financial Management Act* regulates the expenditure and receipt of public moneys under the control of the Public Trustee as part of the Department of Attorney-General and Justice; and
- the *Public Sector Employment and Management Act* regulates employment of the staff of the office.

While Public Trustee staff carry out most day to day services, the office relies on outsourced professional services for specialised legal, financial planning and accounting advice where required.

### Public Trustee Investment Board

The Public Trustee Investment Board is established by section 12 of the *Public Trustee Act*. The function of the Board is to control the investment of money held on behalf of clients in the common funds. The Board comprises the Public Trustee or, in the absence of the Public Trustee, the Deputy Public Trustee, and two persons appointed by the Minister.

The Board is committed to acting prudently in accordance with the *Public Trustee Act* and *Trustee Act* to obtain the maximum return on the investments of Common Fund monies commensurate with sound investment practices and to ensure that estates and trusts receive commercial rates of return on their funds. An Investment Policy has been developed to guide the Board and the Public Trustee's Office in the management of its investments.

As at 30 June 2013, Investment Board members were Mr David Lisson, Public Trustee, Mr Alastair Shields, Department of the Attorney-General and Justice and Mr John Montague, Northern Territory Treasury. The Board is chaired by the Public Trustee.

### Location of the Office of the Public Trustee

Street Address	Postal Address	Phone	Fax
Nichols Place Cnr Cavenagh and Bennett Streets Darwin NT 0800	GPO Box 470 Darwin NT 0801	(08) 8999 7271	(08) 8999 7882
Agent for Public Trustee: Centrepont Building Cnr Gregory Terrace and Hartley Street Alice Springs NT 0870	PO Box 8043 Alice Springs NT 0871	(08) 8951 5339	(08) 8951 5340

## **CORPORATE PLANNING**

The Public Trustee contributes to the corporate planning processes of the Northern Territory Department of the Attorney-General and Justice, including development and implementation of strategic and risk management plans. The office develops a comprehensive business plan each financial year to guide its operations. It should be noted that information relevant to planning and performance of the office is also included in the Department of the Attorney-General and Justice Annual Report.

## **ACHIEVEMENTS 2012-2013**

- Client satisfaction has been maintained at a high 94%.
- Successfully implemented the upgraded trust accounting system (TACT).
- Finalised tender for the delivery of financial planning services to the Public Trustee.
- \$1.14M in commissions, fees and levies paid into Consolidated Revenue.
- \$868,000 paid into Consolidated Revenue from realisation of property forfeited under the *Criminal Property Forfeiture Act*.
- Reviewed Criminal Property Forfeiture processes and procedures in relation to the control and management of restrained assets and funds by the Public Trustee.
- Developed fact sheets/guides for private executors or family members.
- Improved data collection.
- Submissions on law reform such as the proposed Advance Personal Planning Act.

## **DIRECTIONS 2013-2014**

- Develop information materials and draft plans in anticipation of the Advance Personal Planning legislation becoming operational.
- Review work safe and risk management plans.
- Panel contract for the provision of real estate services to the Public Trustee.
- Finalise induction manual.
- Develop Aboriginal Wills Handbook.

## PERFORMANCE

The following indicators for the various areas of activity represent an overview of the outputs of the office in carrying out its functions.

### Wills prepared

The Public Trustee provides a low cost will making service for members of the public who wish to nominate the Public Trustee as executor.

During 2009-10 the Public Trustee introduced a policy to limit the circumstances in which instructions will be accepted from individuals who do not nominate the Public Trustee as executor. Accordingly, since 2009-10 there has been a reduction in the number of wills prepared but an improvement in the timeliness of will preparation. This is a trend also observed in other jurisdictions which have implemented such changes.

Number of wills	2009-10	2010-11	2011-12	2012-13
Wills prepared	384	311	240	311

### Wills Register

The *Wills Act* provides that wills may be lodged with a person prescribed by the regulations, or if no such person has been prescribed, the Public Trustee. As at 30 June 2013, no person had been prescribed, and the Public Trustee continues to provide a free, secure wills storage and retrieval service.

Registration of Wills	2012-13
Number of wills registered at beginning of year	13,914
Amendments	38
New wills registered (as distinct from prepared)	478
Wills revoked, taken or administered	378
Number of wills registered at end of year	14052

### Administration of the estates of deceased persons

The Public Trustee administers the estates of people who have appointed the Public Trustee as executor of their will and the estates of people who have died intestate if there is no one willing or able to administer the estate.

The number of estates commenced during the year were in line with the number commenced in 2011-12 but is a reduction from previous years. While the change in will-making policy discussed above may have been a contributing factor, it is not expected to have a major impact for some time to come. Factors such as an increased willingness of individuals to administer the estates of their relatives and normal annual variations may also play a part in the reduction but there is no definitive explanation. It should be noted that office staff, while not providing legal



advice, very regularly assist or provide information to people wanting to administer an estate themselves or who need some guidance about the first steps to take when a relative or close associate has died.

Deceased Estates	2009-10	2010-11	2011-12	2012-13
Estates on hand at beginning of year	250	175	129	142
Estates commenced during year	185	124	122	130
Estates finalised during year	260	170	109	133
Estates on hand at end of year	175	129	142	139

### Finalisation of large estates

(over \$85,000 in net value)

Of the current large estates, how long have they been on hand	30 June 2011	30 June 2012	30 June 2013
< 6 months	11	7	14
6 to 12 months	12	7	6
12 to 24 months	7	7	7
Over 2 years	11	12	13

### Finalisation of small estates

(below \$85,000 in net value)

Of the current small estates, how long have they been on hand	30 June 2011	30 June 2012	30 June 2013
< 6 months	31	31	39
6 to 12 months	12	36	20
12 to 24 months	20	11	19
Over 2 years	25	31	21

*Delays in finalising files over 2 years are mainly attributable to missing relatives, taxation issues and delays in Superannuation Fund decisions.*

### Client satisfaction

This indicator measures client satisfaction with the services provided by the Public Trustee.

	2010-11	2011-12	2012-13
Client satisfaction	93%	91%	94%

## Management of trusts

The Public Trustee acts as attorney, agent or manager for persons who are minors, incapacitated or who are required to leave the Territory for some time. The Public Trustee also manages the estates of aged, infirm or mentally ill persons on appointment by:

- the Supreme Court under the *Aged and Infirm Person's Property Act*; and
- the Local Court under section 32 of the *Public Trustee Act*.

Additionally, the Public Trustee manages property and monies held under the *Criminal Property Forfeiture Act* as separate trusts.

Trusts (including the Aged, Infirm and Agencies)	2009-10	2010-11	2011-12	2012-13
Trusts on hand at beginning	615	635	669	662
Trusts received during the year	119	157	105	97
Trusts paid out during the year	99	123	112	94
Trusts on hand at end of the year	635	669	662	665

## Criminal Property Forfeiture

Under the *Criminal Property Forfeiture Act*, property that is crime used or crime derived can be seized and restrained under a court order and may eventually be forfeited. The Public Trustee's role is to manage restrained property and dispose of property forfeited under the Act.

The table below lists the main activity in the office for the period from July 2012 to June 2013.

Matters under the <i>Criminal Property Forfeiture Act</i>	2010-11	2011-12	2012-13
Number of new criminal property forfeiture matters dealt with by the Public Trustee	26	10	6
Number of vehicles restrained under the Act on hand as at 30 June	23	15	18
Real estate properties restrained under the Act on hand as at 30 June	9	8	2
Number of vehicles disposed of during the year	2	4	1
Amount of forfeited money paid to Consolidated Revenue in the year *	\$350,000	\$719,000	\$868,000

\* The Public Trustee retains a minimum amount of \$100,000 in the control account to meet the costs and expenses associated with functions under the *Criminal Property Forfeiture Act*.

## MANAGEMENT AND INVESTMENTS

The *Trustee Act* requires all trustee organisations to consider a range of matters in regard to the investment of capital held in trust. Effectively, this means that capital must be managed in accordance with the short, medium and long-term investment objectives pertaining to the circumstances of the ultimate beneficiary.

This necessitates a variety of investments aimed at meeting the needs and interests of individual beneficiaries. These can include real property, motor vehicles and investments such as personal superannuation accounts which are held outside the Public Trustee Common Funds. However, the bulk of client assets are managed through the Public Trustee Common Funds.

### Common Funds Management

The *Public Trustee Act* allows for the Public Trustee to undertake this process by enabling the establishment of multiple Common Funds, each with a discrete investment profile. The Public Trustee oversees the management of four Common Funds, on advice from the Public Trustee Investment Board.

The Common Funds allow for the effective management of assets held within each fund in accordance with the specific investment mandate. Based upon the development of personal investment plans, the Public Trustee makes the allocation of the capital of an estate or trust into one or more of the Common Funds.

This process of investing capital enables the Office of the Public Trustee to maximise investments, according to need and circumstances, on behalf of clients. The Public Trustee does not withdraw capital funds from the Common Funds to defray any possible losses.

The *Public Trustee Act* also provides for deduction of levies and management fees to account for the cost of maintaining the funds.

Common Fund	2010-2011	2011-2012	2012-2013
Common Fund 1 balance (\$m)	27.5	22.1	24.5
Common Fund 2 balance (\$m)	3.3	3.1	4.5
Common Fund 3 balance (\$m)	4.3	5.0	6.2
Common Fund 4 balance (\$m)	7.7	8.4	8.9
<b>Total of Funds(\$m)</b>	<b>42.8</b>	<b>38.6</b>	<b>44.1</b>
Commission and Fees paid to Consolidated Revenue (\$,000)	635.9	397.9	401.9
Management Fees paid to Consolidated Revenue (\$,000)	516.1	488.1	464.6
Levy paid to Consolidated Revenue (\$,000)	281.8	275.4	279.6

## Standard Investment Strategies

The primary investment objective of the Public Trustee for the Northern Territory is to consider, on each trust and estate, the return on investment before fees and charges on a basis considered consistent with its needs and objectives.

This is equal to the prevailing relevant indices against which the sub-sectors of each individual fund are benchmarked, so as to achieve the stated purpose of each investment profile whilst at the same time:

- maximising the investment rate of return within the nominal risk constraints;
- minimising the volatility of returns within each asset sector;
- investing within legislative constraints;
- managing the funds in an economic and efficient manner, ensuring the preservation of the Public Trustee's reputation as a professional administrator; and
- managing the funds in accordance with section 8 of the *Trustee Act*.

The Common Funds are managed on a fund to fund basis under a formal Investment and Financial Service Association standard mandate. A financial service custodian and financial accountant manage the accounts on an outsourced basis.

The Public Trustee Investment Board guides the Public Trustee in matters pertaining to the investment mandate, strategic and tactical allocation of assets, appointment of fund managers and general management of funds.

The Public Trustee acts as a manager and investor on behalf of represented clients. There is a clear delineation between these functions within the Office of the Public Trustee. The Public Trustee approves investment allocations into each fund on a client basis with the guidance of a financial planner appointed by the Public Trustee.

Funds in Common Fund 1 are invested predominantly in cash specific investments. The capital in Common Fund 1 is guaranteed and investments generate guaranteed returns, being 1% below the Reserve Bank of Australia cash rate for trusts and 3% below that rate for estates.

The following is a description of the asset allocations pertaining to the other Common Funds.

## **CONSERVATIVE PORTFOLIO**

Investment Profile: Conservative, stable return, medium term. The Conservative investment portfolio has been constructed to offer moderate levels of capital growth and thereby outperform inflation, whilst at the same time limiting capital volatility such that the historical incidence of the probability of a negative return in any one year is 12 percent, and to provide sound income yield. This fund distributes income on a half yearly basis.

<b>Sector</b>	<b>Asset Allocation 30 June 2013</b>	<b>Net Asset Value 30 June 2013</b>		<b>Tolerance (%)</b>
Australian Shares	16.0%	\$782,557	17.14%	14-18
International Shares	5.0%	\$223,527	4.9%	4-6
International Shares (Hedged)	5.0%	\$213,213	4.67%	4-6
Listed Property Securities	4.0%	\$201,303	4.41%	3-5
<b>Total Growth</b>	<b>30%</b>	<b>\$1,420,600</b>	<b>31.12%</b>	<b>28-32</b>
Australian Fixed Interest	25%	\$1,105,874	24.22%	23-27
International Fixed Interest	25%	\$1,071,438	23.46%	23-27
Cash	20%	\$968,489	21.20%	18-22
<b>Total Income</b>	<b>70%</b>	<b>\$3,145,801</b>	<b>68.88%</b>	<b>68-72</b>
<b>Total</b>	<b>100%</b>	<b>\$4,566,401</b>	<b>100.00%</b>	

**PERFORMANCE****Performance before fees, taxes and transaction costs<sup>1</sup>**

<b>Year ended 30 June 2013</b>	<b>Portfolio (%)<sup>2</sup></b>	<b>Benchmark (%)<sup>3</sup></b>	<b>Deviation (%)</b>
3 Months	0.70	0.57	0.12
6 Months	3.65	3.59	0.06
12 Months	9.68	9.99	-0.30

The Benchmark index is as follows:

Australian shares:	S&P ASX 300 Index
International shares:	MSCI World ex-Australia Index in \$A
International shares (hedged) :	MSCI World ex-Australia Index in \$A (hedged)
Listed property securities:	S&P ASX 300 A-REIT Index
Australian fixed interest:	UBS Australian composite bond index
International fixed interest:	Barclays Capital Global Treasury Index in \$A (Hedged)
Cash:	Vanguard Cash Plus Index

<sup>1</sup> Performance summary for the Conservative fund is provided by Deloitte Financial Services.

<sup>2</sup> Portfolio performance is based on actual asset mix during the year.

<sup>3</sup> Benchmark is based on asset mix as at the end of the year.

## BALANCED PORTFOLIO

Investment Profile: Some scope for risk, Medium outlook. The portfolio is diversified and protects the investor from inflation seeking reasonable rates of growth whilst seeking some tax efficiency and an income return. The portfolio will display some level of risk in that the historical incidence of the probability of a negative return in any one year is 20%. This fund distributes income on a half yearly basis.

Sector	Asset Allocation 30 June 2013	Net Asset Value 30 June 2013		Tolerance (%)
Australian Shares	26%	\$1,541,840	24.89%	24-28
International Shares	8.5%	\$578,303	9.34%	8-10
International Shares (Hedged)	8.5%	\$549,350	8.87%	8-10
Listed Property Securities	6%	\$407,805	6.58%	5-7
Emerging Markets Shares	1%	\$42,877	0.69%	0.5-1.5
<b>Total Growth</b>	<b>50%</b>	<b>\$3,120,175</b>	<b>50.37%</b>	<b>48-52</b>
Australian Fixed Interest	20%	\$1,279,583	20.66%	18-22
International Fixed Interest	20%	\$1,174,517	18.96%	18-22
Cash	10%	\$620,365	10.01%	8-12
<b>Total Income</b>	<b>50%</b>	<b>\$3,074,465</b>	<b>49.63%</b>	<b>48-52</b>
<b>Total</b>	<b>100%</b>	<b>\$6,194,640</b>	<b>100.0%</b>	

**PERFORMANCE****Performance before fees, tax and transaction costs<sup>4</sup>**

<b>Year ended 30 June 2013</b>	<b>Portfolio (%)<sup>5</sup></b>	<b>Benchmark (%)<sup>6</sup></b>	<b>Deviation (%)</b>
3 Months	2.17	1.17	1.00
6 Months	5.21	5.57	-0.35
12 Months	13.96	14.14	-0.19

The Benchmark index is as follows:

Australian shares:	S&P ASX 300 Index
International shares:	MSCI World ex-Australia Index in \$A unhedged
International shares (hedged):	MSCI World ex-Australia Index in \$A hedged
Listed property securities:	S&P ASX 300 A-REIT Index
Australian fixed interest:	UBS Australian composite bond index
International fixed interest:	Barclays Capital Global Treasury Index in \$A (Hedged)
Cash:	Vanguard Cash Plus Index

<sup>4</sup> Performance summary for the Balanced fund is provided by Deloitte Financial Services.

<sup>5</sup> Portfolio performance is based on actual asset mix during the year.

<sup>6</sup> Benchmark is based on asset mix as at the end of the year.



## GROWTH PORTFOLIO

Investment Profile: Growth expected, higher risk, long-term investment. The portfolio invests in a broad range of quality investments predominantly in assets that provide for growth in capital returns. The portfolio is of a higher risk in nature in that the historical incidence of the probability of a negative return in any one year is 25%. The portfolio is designed for the investor who seeks a higher rate of return and is able to invest for a greater length of time so as to contend with the cyclical nature of growth oriented asset classes. This fund distributes income on a half yearly basis.

Sector	Asset Allocation 30 June 2013	Net Asset Value 30 June 2013		Tolerance (%)
Australian Shares	37%	\$3,274,288	36.26%	35-39
International Shares	11.5%	\$1,184,240	13.12%	10-14
International Shares (Hedged)	11.5%	\$1,193,597	13.22%	10-14
Listed Property Securities	8%	\$696,397	7.71%	7-9
Emerging Markets Shares	2%	\$167,224	1.85%	1.5-2.5
<b>Total Growth</b>	<b>70%</b>	<b>\$6,515,746</b>	<b>72.16%</b>	<b>68-72</b>
Australian Fixed Interest	14%	\$1,126,150	12.47%	12-16
International Fixed Interest	14%	\$1,253,408	13.88%	12-16
Cash	2%	\$134,295	1.49%	1-3
<b>Total Income</b>	<b>30%</b>	<b>\$2,513,853</b>	<b>27.84%</b>	<b>28-32</b>
<b>Total</b>	<b>100%</b>	<b>\$9,029,599</b>	<b>100.0%</b>	

**PERFORMANCE****Performance before fees, tax and transaction costs<sup>7</sup>**

<b>Year ended 30 June 2013</b>	<b>Portfolio (%)<sup>8</sup></b>	<b>Benchmark (%)<sup>9</sup></b>	<b>Deviation (%)</b>
3 Months	1.74	1.57	0.17
6 Months	7.23	7.53	-0.29
12 Months	18.06	18.67	-0.60

The Benchmark index is as follows:

Australian shares:	S&P ASX 300 Index
International shares:	MSCI World ex-Australia Index in \$A unhedged
International shares (hedged):	MSCI World ex-Australia Index in \$A hedged
Listed property securities:	S&P ASX 300 A-REIT Index
Australian fixed interest:	UBS Australian composite bond index
International fixed interest:	Barclays Capital Global Treasury Index in \$A (Hedged)
Cash:	Vanguard Cash Plus Index

<sup>7</sup> Performance summary for the Growth fund is provided by Deloitte Financial Services

<sup>8</sup> Portfolio performance is based on actual asset mix during the year.

<sup>9</sup> Benchmark is based on asset mix as at the end of the year.

## COMMON FUND FEES TABLE FOR THE PUBLIC TRUSTEE FOR THE NORTHERN TERRITORY

### Fees and Expenses Table

Fund	Fee Type	Fee pa	Management Expense Ratio
Public Trustee Common Fund No 1: Cash Common Fund	Management Fee	Not More than 2.2% (GST Inclusive)	2.03% (GST Inclusive)
	Levy	1.21%(GST Inclusive)	
Public Trustee Common Fund No 2: Conservative portfolio	Management Fee	Not More than 2.2% (GST Inclusive)	2.01% (GST Inclusive)
	Levy	.11%(GST Inclusive)	
Public Trustee Common Fund No 3: Balanced Portfolio	Management Fee	Not More than 2.2% (GST Inclusive)	2.01% (GST Inclusive)
	Levy	.11%(GST Inclusive)	
Public Trustee Common Fund No 4: Growth Portfolio	Management Fee	Not More than 2.2% (GST Inclusive)	2.02% (GST Inclusive)
	Levy	.11%(GST Inclusive)	

*Calculated in accordance with the Investment and Financial Services Association Policy No 4 (2000) as at 30 June 2013 (GST inclusive). Levy and Management Fees are combined.*

### Management expense ratio

The Management expense ratio measures the total fees and expenses charged annually to the Trust excluding transaction costs. It is calculated on the total of the management fee, underlying asset management fee, custodial fees and other expenses divided by average fund size.

### Unit price valuation

The net asset value representing the foundation for the unit price for each fund is valued on a weekly basis. The majority asset under each asset sector within each fund is valued daily. The Public Trustee reserves the right to calculate the net asset value for each fund as required.

## Fee Calculation basis

All fees are charged daily against the net asset value of each fund, accumulated and distributed to the Public Trustee for the Northern Territory on a monthly basis.

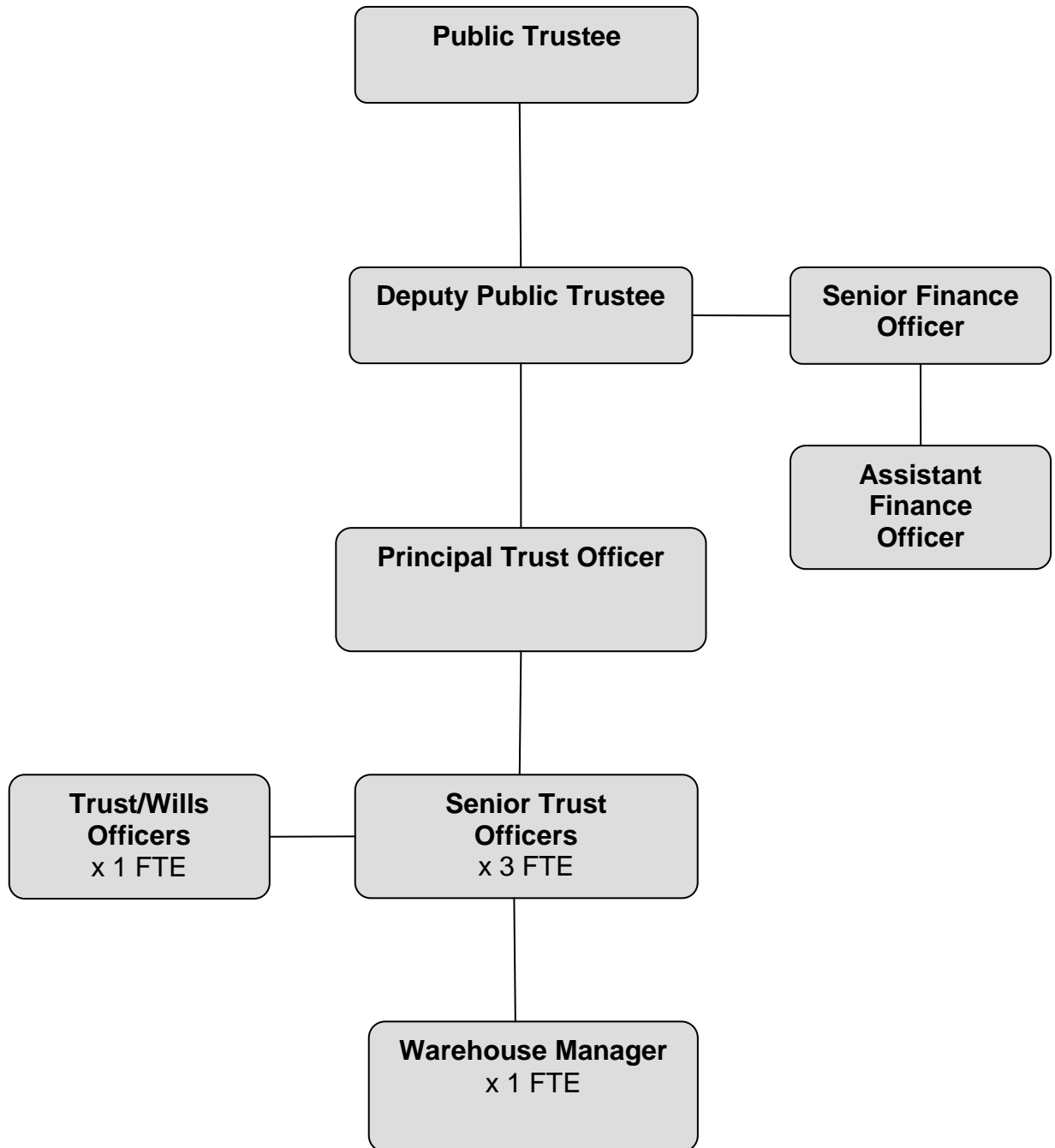
## ADMINISTRATIVE FEES AND CHARGES

The fees charged by the Public Trustee are set by Determination notified in the Government Gazette in accordance with section 74(2) of the *Public Trustee Act*. The main elements of the fee schedule (\*) which became operative on 26 June 2013 (being the date of their *Gazetta*) were as follows:

- \$110 for wills if naming Public Trustee as Executor
- \$22 for amendments to wills prepared by Public Trustee
- \$277.20 for 'complex' wills
- \$554.50 for administration work where grant of representation is not obtained
- In respect of the administration of estates
  - 4.4% for the first \$200,000 worth of assets administered
  - 3.3% for the next \$200,000 worth of assets administered
  - 2.2% for the next \$200,000 worth of assets administered
  - 1.1% for assets in excess of \$600,000
  - commission of 6% on income received.
- In respect of the administration of trusts
  - 1.1% of the capital for trusts with a defined termination date;
  - 2.2% of the capital for trusts with no defined termination date other than death;
  - commission of 6.6% on income received.
  - Levy not to exceed 1.1% per annum
  - Management fee not to exceed 2% per annum

(\*) Note – GST is applied to Public Trustee fees and commissions. Clients are charged the fee plus GST. The above fees quoted are GST inclusive.

## STAFFING STRUCTURE OF THE OFFICE



**PUBLIC TRUSTEE FOR THE NORTHERN TERRITORY**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2013**



**Auditor-General**

**Independent Auditor's Report to the Attorney-General  
on the Common Funds of the Public Trustee for the Northern Territory  
Year Ended 30 June 2013**

I have audited the accompanying financial statements of the Common Funds of the Public Trustee of the Northern Territory ("the Public Trustee"), which comprises the statement of financial position for each of the Common Funds numbered 1 to 4 as at 30 June 2013, and the statement of profit or loss and other comprehensive income for each of the Common Funds numbered 1 to 4, statement of changes in equity for each of the Common Funds numbered 1 to 4 and statement of cash flows for each of the Common Funds numbered 1 to 4 for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

**The Responsibility of the Public Trustee for the Financial Statements**

The Public Trustee is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the *Public Trustee Act*. The Public Trustee's responsibility also includes such internal control as the Public Trustee determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Public Trustee, as well as evaluating the overall presentation of the financial statements.

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

**Auditor's Opinion**

In my opinion, the financial statements presents fairly, in all material respects, the financial position of the Common Funds of the Public Trustee for the Northern Territory as of 30 June 2013, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the *Public Trustee Act*.

A handwritten signature in black ink, appearing to read 'F. McGuinness'.

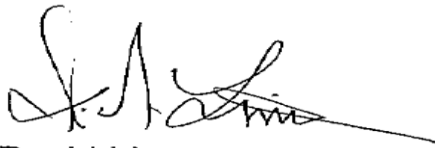
F. McGuinness  
Auditor-General for the Northern Territory

Darwin, Northern Territory  
3 December 2013

Level 12 Northern Territory House 22 Mitchell Street Darwin 0800 Tel: 08 8999 7155

## STATEMENT BY PUBLIC TRUSTEE FOR THE NORTHERN TERRITORY

In my opinion, the accompanying Financial Report of the Common Funds comprising Statements of Profit or Loss and Other Comprehensive Income for Common Funds 1 to 4, Statements of Financial Position for Common Funds 1 to 4, Statements of Changes in Equity for Common Funds 1 to 4, Statement of Cash Flows for Common Funds 1 to 4 and Notes to the Financial Statements are based on proper accounts and records and have been properly drawn up so as to present fairly the transactions of the Public Trustee Common Funds for the year ended 30 June 2013 and their financial position at that date.



David Lisson

Dated:- 3/12/13



**COMMON FUND 1 : THE CASH COMMON FUND**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 \$	2012 \$
<b>INCOME</b>			
Interest – Bank		79,383	75,871
Income – Managed Funds and Term Deposit		731,023	990,029
Change in Net Market Value of Investments	13	-	32,309
Other Income	4	395,900	344,382
		<b>1,206,306</b>	<b>1,442,591</b>
<b>EXPENDITURE</b>			
Government Management Fees and Levy	2(p)	809,094	836,455
Legal and Advisory Expenses		8,763	16,877
Other Expenses	5	123,060	100,656
Change in Net Market Value of Investments	13	7,918	-
		<b>948,835</b>	<b>953,988</b>
<b>SURPLUS FOR THE YEAR</b>		<b>257,471</b>	<b>488,603</b>
Other Comprehensive Income		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>257,471</b>	<b>488,603</b>

*To be read in conjunction with the accompanying notes to the accounts.*

**COMMON FUND 1 : THE CASH COMMON FUND**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2013**

	Note	2013 \$	2012 \$
<b>ASSETS</b>			
<b>Current</b>			
Cash and Cash Equivalents		2,918,735	1,544,091
Investments	6	21,000,347	20,021,274
Receivables	2(f)	49,905	47,378
		<b>23,968,987</b>	<b>21,612,743</b>
<b>Non Current</b>			
Coonawarra Store	2(g)	655,000	635,000
<b>TOTAL ASSETS</b>		<b>24,623,987</b>	<b>22,247,743</b>
<b>LIABILITIES</b>			
<b>Current</b>			
Accrued Expenses		80,941	82,016
<b>NET ASSETS</b>		<b>24,543,046</b>	<b>22,165,727</b>
<b>EQUITY</b>			
Funds under Administration	8	24,065,407	21,674,601
Undistributed Surplus	10	477,639	491,126
<b>TOTAL EQUITY</b>		<b>24,543,046</b>	<b>22,165,727</b>

*To be read in conjunction with the accompanying notes to the accounts.*

**COMMON FUND 1 : THE CASH COMMON FUND**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 \$	2012 \$
Balance of Equity at 1 July		22,165,727	27,980,912
<b>Funds Under Administration</b>			
Balance at 1 July		21,674,601	27,540,418
Proceeds from client activity		38,267,335	27,128,354
Payments made on behalf of clients		(35,876,530)	(32,994,171)
Balance at 30 June		24,065,406	21,674,601
<b>Undistributed Surplus</b>			
Balance at 1 July		491,126	440,494
Surplus for the Year		257,471	488,603
Less Distribution Paid		(270,957)	(437,971)
Balance at 30 June	10	477,640	491,126
<b>BALANCE OF EQUITY AT 30 JUNE</b>		<b>24,543,046</b>	<b>22,165,727</b>

*To be read in conjunction with the accompanying notes to the accounts.*

**COMMON FUND 1 : THE CASH COMMON FUND**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

	Notes	2013 \$	2012 \$
<b>Cash Flows From Operating Activities</b>			
Income		1,203,845	1,390,792
Expenses		(942,036)	(956,872)
<b>Net cash provided by operating activities</b>	11(a)	<b>261,809</b>	<b>433,920</b>
<b>Cash Flows from Investing Activities</b>			
Payments for investments		(1,006,991)	(4,010,977)
Proceeds from sale of investments		-	7,200,000
<b>Net cash provided by (used in) investing activities</b>		<b>(1,006,991)</b>	<b>3,189,023</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds received from clients activity		23,006,316	15,566,187
Payments made on behalf of clients		(20,886,490)	(21,869,855)
<b>Net cash provided by (used in) financing activities</b>		<b>2,119,826</b>	<b>(6,303,668)</b>
<b>Net increase (decrease) in cash held</b>		<b>1,374,644</b>	<b>(2,680,725)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>1,544,091</b>	<b>4,224,816</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>2,918,735</b>	<b>1,544,091</b>

*To be read in conjunction with the accompanying notes to the accounts.*

**COMMON FUND 2 : THE CONSERVATIVE FUND**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 \$	2012 \$
<b>INCOME</b>			
Interest - Bank		2,080	8,771
Trust distributions		122,914	202,984
Changes in net market value of investments	13	220,667	-
		<b>345,661</b>	<b>211,755</b>
<b>EXPENDITURE</b>			
Management fees	2(k)	77,126	62,006
Other expenses		157	73
Changes in net market value of investments	13	-	15,890
		<b>77,283</b>	<b>77,969</b>
<b>SURPLUS FOR THE YEAR</b>		<b>268,378</b>	<b>133,786</b>
Other Comprehensive Income		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>268,378</b>	<b>133,786</b>

*To be read in conjunction with the accompanying notes to the accounts.*

**COMMON FUND 2 : THE CONSERVATIVE FUND**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2013**

	Note	2013 \$	2012 \$
<b>ASSETS</b>			
<b>Current</b>			
Cash and Cash equivalents		-	16,491
Investments	6	4,566,401	3,110,559
<b>TOTAL ASSETS</b>		<b>4,566,401</b>	<b>3,127,050</b>
<b>LIABILITIES</b>			
<b>Current</b>			
Overdraft		17,517	-
Payables		7,354	5,106
<b>TOTAL LIABILITIES</b>		<b>24,871</b>	<b>5,106</b>
<b>NET ASSETS</b>		<b>4,541,530</b>	<b>3,121,944</b>
<b>EQUITY</b>			
Funds under Administration	8	4,541,530	3,121,944
<b>TOTAL EQUITY</b>		<b>4,541,530</b>	<b>3,121,944</b>

*To be read in conjunction with the accompanying notes to the accounts.*

**COMMON FUND 2 : THE CONSERVATIVE FUND**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 \$	2012 \$
As at 1 July		3,121,944	3,267,857
Surplus for the year		268,378	133,786
Distributions to unitholders		(52,584)	(208,592)
Application for units		2,814,419	2,040,847
Redemption of units		(1,610,627)	(2,111,954)
<b>BALANCE OF EQUITY AT 30 JUNE</b>		<b>4,541,530</b>	<b>3,121,944</b>

*To be read in conjunction with the accompanying notes to the accounts*

**COMMON FUND 2 : THE CONSERVATIVE FUND**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 \$	2012 \$
<b>Cash flows from operating activities</b>			
Interest received		2,080	8,771
Management fees		(78,349)	(67,267)
Other expenses		(157)	(73)
<b>Net cash used in operating activities</b>	11(a)	<b>(76,426)</b>	<b>(58,569)</b>
<b>Cash flows from investing activities</b>			
Payments for investments		(1,900,000)	(1,024,900)
Proceeds from sale of investments		791,210	1,358,000
<b>Net cash provided by (used in) investing activities</b>		<b>(1,108,790)</b>	<b>333,100</b>
<b>Cash flows from financing activities</b>			
Proceeds from unit applications		2,814,419	2,040,847
Payments on redemptions		(1,610,627)	(2,111,954)
Income distributed		(52,584)	(208,592)
<b>Net cash provided by (used in) financing activities</b>		<b>1,151,208</b>	<b>(279,699)</b>
<b>Net decrease in cash held</b>		<b>(34,008)</b>	<b>(5,168)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>16,491</b>	<b>21,659</b>
<b>Cash and cash equivalents (overdraft) at the end of the year</b>		<b>(17,517)</b>	<b>16,491</b>

*To be read in conjunction with the accompanying notes to the accounts.*



**COMMON FUND 3 : THE BALANCED FUND**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 \$	2012 \$
<b>INCOME</b>			
Interest - Bank		3,036	6,001
Trust distributions		166,815	267,972
Changes in net market value of investments	13	517,436	-
		<b>687,287</b>	<b>273,973</b>
<b>EXPENDITURE</b>			
Changes in net market value of investments	13	-	57,783
Management fees	2(k)	104,043	87,303
Other expenses		128	71
		<b>104,171</b>	<b>145,157</b>
<b>SURPLUS FOR THE YEAR</b>		<b>583,116</b>	<b>128,816</b>
Other Comprehensive Income		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>583,116</b>	<b>128,816</b>

*To be read in conjunction with the accompanying notes to the accounts.*

**COMMON FUND 3 : THE BALANCED FUND**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2013**

	Note	2013 \$	2012 \$
<b>ASSETS</b>			
<b>Current</b>			
Cash and cash equivalents		25,508	24,127
Investments	6	6,194,640	4,964,677
<b>TOTAL ASSETS</b>		<b>6,220,148</b>	<b>4,988,804</b>
<b>LIABILITIES</b>			
<b>Current</b>			
Payables		10,057	8,173
<b>TOTAL LIABILITIES</b>		<b>10,057</b>	<b>8,173</b>
<b>NET ASSETS</b>		<b>6,210,091</b>	<b>4,980,631</b>
<b>EQUITY</b>			
Funds under Administration	8	6,210,091	4,980,631
<b>TOTAL EQUITY</b>		<b>6,210,091</b>	<b>4,980,631</b>

*To be read in conjunction with the accompanying notes to the accounts*

**COMMON FUND 3 : THE BALANCED FUND**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 \$	2012 \$
As at 1 July		4,980,631	4,262,526
Surplus for the year		583,116	128,816
Distributions to unitholders		(72,324)	(257,976)
Application for units		2,860,981	2,634,276
Redemption of units		(2,142,313)	(1,787,011)
<b>BALANCE OF EQUITY AT 30 JUNE</b>		<b>6,210,091</b>	<b>4,980,631</b>

*To be read in conjunction with the accompanying notes to the accounts*

**COMMON FUND 3 : THE BALANCED FUND**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 \$	2012 \$
<b>Cash flows from operating activities</b>			
Interest received		3,036	6,001
Management fees		(107,170)	(92,947)
Other expenses		(128)	(71)
<b>Net cash used in operating activities</b>	11(a)	<b>(104,262)</b>	<b>(87,017)</b>
<b>Cash flows from investing activities</b>			
Payments for investments		(1,279,500)	(970,000)
Proceeds from sale of investments		738,800	469,200
<b>Net cash used in investing activities</b>		<b>(540,700)</b>	<b>(500,800)</b>
<b>Cash flows from financing activities</b>			
Proceeds from unit applications		2,860,981	2,634,276
Payments on redemptions		(2,142,313)	(1,787,011)
Income distributed		(72,325)	(257,975)
<b>Net cash provided by financing activities</b>		<b>646,343</b>	<b>589,290</b>
<b>Net increase in cash held</b>		<b>1,381</b>	<b>1,473</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>24,127</b>	<b>22,654</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>25,508</b>	<b>24,127</b>

*To be read in conjunction with the accompanying notes to the accounts.*

**COMMON FUND 4 : THE GROWTH FUND**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 \$	2012 \$
<b>INCOME</b>			
Interest - Bank		2,162	6,470
Trust distributions		284,081	462,974
Changes in net market value of investments	13	1,162,182	-
		<b>14,448,426</b>	<b>469,444</b>
<b>EXPENDITURE</b>			
Changes in net market value of investments	13	-	338,158
Management fees	2(k)	169,341	146,234
Other expenses		1,020	733
		<b>170,361</b>	<b>485,125</b>
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>		<b>1,278,065</b>	<b>(15,681)</b>
Other Comprehensive Income		-	-
<b>TOTAL COMPREHENSIVE INCOME/(LOSS)</b>		<b>1,278,065</b>	<b>(15,681)</b>

*To be read in conjunction with the accompanying notes to the accounts.*

**COMMON FUND 4 : THE GROWTH FUND**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2013**

	Note	2013 \$	2012 \$
<b>ASSETS</b>			
<b>Current</b>			
Cash and cash equivalents		-	28,198
Investments	6	9,029,599	8,351,611
<b>TOTAL ASSETS</b>		<b>9,029,599</b>	<b>8,379,809</b>
<b>LIABILITIES</b>			
<b>Current</b>			
Overdraft		28,649	-
Payables		14,910	13,625
<b>TOTAL LIABILITIES</b>		<b>43,559</b>	<b>13,625</b>
<b>NET ASSETS</b>		<b>8,986,040</b>	<b>8,366,184</b>
<b>EQUITY</b>			
Funds under Administration	8	8,986,040	8,366,184
<b>TOTAL EQUITY</b>		<b>8,986,040</b>	<b>8,366,184</b>

*To be read in conjunction with the accompanying notes to the accounts*

**COMMON FUND 4 : THE GROWTH FUND**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 \$	2012 \$
As at 1 July		8,366,184	7,730,073
Surplus for the year		1,278,065	(15,681)
Distributions to unitholders		(128,363)	(442,733)
Application for units		835,409	2,134,258
Redemption of units		(1,365,254)	(1,039,733)
<b>BALANCE OF EQUITY AT 30 JUNE</b>		<b>8,986,040</b>	<b>8,366,184</b>

*To be read in conjunction with the accompanying notes to the accounts.*

**COMMON FUND 4 : THE GROWTH FUND**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 \$	2012 \$
<b>Cash flows from operating activities</b>			
Interest received		2,162	6,470
Management fees		(176,329)	(157,381)
Other expenses		(1,020)	(733)
<b>Net cash used in operating activities</b>	11(a)	<b>(175,187)</b>	<b>(151,644)</b>
<b>Cash flows from investing activities</b>			
Payments for investments		(234,000)	(1,069,800)
Proceeds from sale of investments		1,010,550	569,300
<b>Net cash provided by (used in) investing activities</b>		<b>776,550</b>	<b>(500,500)</b>
<b>Cash flows from financing activities</b>			
Proceeds from unit applications		835,409	2,134,258
Payments on redemptions		(1,365,255)	(1,039,733)
Income distributed		(128,364)	(442,733)
<b>Net cash provided by (used in) financing activities</b>		<b>(658,210)</b>	<b>651,792</b>
<b>Net decrease in cash held</b>		<b>(56,847)</b>	<b>(352)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>28,198</b>	<b>28,550</b>
<b>Cash and cash equivalents (overdraft) at the end of the year</b>		<b>(28,649)</b>	<b>28,198</b>

*To be read in conjunction with the accompanying notes to the accounts.*



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

**1. ACTIVITIES OF THE PUBLIC TRUSTEE**

The functions of the Public Trustee are defined in the *Public Trustee Act 1985* and include the administration of deceased estates and trusts and the preparation of wills. The Public Trustee also acts as financial manager under order from the court under the *Aged and Infirm Persons' Property Act*. This financial report shows the value of trusts and estates and management funds under administration at the year-end.

**2 STATEMENT OF ACCOUNTING POLICIES**

**(a) *Basis of Preparation***

The financial report is a general purpose financial report which has been prepared in accordance with the Australian Accounting Standards (including Australian Accounting Interpretations).

The financial report is prepared on an accrual basis and is based on the historical cost convention, except for the valuation of managed fund investments and the Coonawarra Store, which are recorded at fair value.

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Public Trustee's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumption and estimates are significant to the financial statements are disclosed in Note 2.

The financial report is presented in Australian dollar, which is Public Trustee's functional and presentation currency.

**(b) *Operation of the Common Funds***

The common funds have been established pursuant to the *Public Trustee Act*. The Common Fund was separated into four Common Funds on 1 October 2002. Three of the Common Funds are managed by an external financial manager and reported separately from Common Fund 1 which is managed internally.

External advisers have been appointed to assist with the management of Common Funds 2, 3 and 4. The external advisers appointed are Sandhurst Trustees Limited.

**(c) *Revenue***

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Specific revenues are recognised as follows:

*Trust distributions*

Trust distributions from managed investment funds are recognised on an accrual basis up to reporting date.

*Interest income*

Income from cash on deposit is recognised on an accrual basis.

*Change in the net market value of investments*

Gains and losses on investments are calculated as the difference between the net market value at sale, or at the year end, and the net market value at the previous valuation point. This includes both realised gains and losses and unrealised gains and losses.

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**2. STATEMENT OF ACCOUNTING POLICIES (continued)****(d) Cash and Cash Equivalents**

For the purpose of the Cash Flow Statement, cash and cash equivalents includes notes and coins held, advances made and any deposits with a bank or financial institution held at call or with an original maturity of three months or less that are readily convertible to known amounts of cash and subject to insignificant risk of change in value.

**(e) Investments and other financial assets**

Investments and other financial assets are categorised as either financial assets at fair value through profit and loss, or loans and receivables. The classification depends on the purpose for which the financial asset was acquired.

Financial assets are recognised and derecognised upon trade date. When financial assets are recognised initially, they are measured at fair value. In the case of assets not at fair value through profit and loss, directly attributable transaction costs are taken into account.

Financial assets are derecognised when the contractual rights to the cash flow from the financial assets expire or the asset is transferred to another entity. In the case of transfer to another entity, it is necessary that the risks and rewards of ownership are also transferred.

*Financial assets at fair value through profit and loss*

Investments designated at fair value through profit and loss are shares in managed investment funds (unlisted unit trusts).

The investment portfolio for each of the Common Funds is managed in accordance with a documented investment strategy on a fair value basis. The portfolio's performance was managed and evaluated on a fair value basis, and information about the portfolio was provided internally on a fair value basis to the Public Trustee and Public Trustee Investment Board.

Investments designated as fair value through profit and loss are initially measured at their fair value at settlement date. After initial recognition, financial assets at fair value through profit and loss are measured at their fair value. The fair value is determined in accordance with unit prices at the reporting date as advised by the managers of the funds. The unrealised increment (decrement) in the fair value (market value) of the portfolio is recognised in the profit or loss.

*Loans and receivables*

Financial instruments designated as loans and receivables are short term deposits with major banks, trade and other receivables and mortgage loans receivable. Subsequent to initial recognition such assets are carried at amortised cost using the effective interest rate method.

*Impairment of financial assets*

Financial assets are assessed for impairment at each reporting date.

If there is objective evidence that an impairment loss has been incurred for financial assets held at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the profit or loss.

Additional disclosures in relation to financial instruments are provided at Note 11.

**2. STATEMENT OF ACCOUNTING POLICIES (continued)**

**(f) *Receivables***

Receivables represent the amounts due but not yet received from the underlying investments of Common Funds 1 to 4.

**(g) *Investment in Coonawarra Road Store***

Coonawarra Road Store is accounted for as an investment property which is comprised of freehold land and building held for long term rental and capital appreciation that are not occupied by the Common Fund.

The investment in Coonawarra Road Store is measured on fair value. At each reporting date, the fair value of the asset is reviewed to ensure that it does not differ materially from the asset's fair value at that date. Movements in fair value are recognised in profit or loss. The last valuation was conducted on the 12 July 2013 and will be conducted every 3 years; the next valuation will be due in 2016. The asset is derecognised when disposed of or when there is no future economic benefit expected.

**(h) *Payables***

Payables are carried at amortised cost using the effective interest rate method. Due to their short term nature they are not discounted. Liabilities are recognised to the extent that the goods and services have been received (and irrespective of having been invoiced). The amounts are unsecured and usually paid within 30 days of recognition.

**(i) *Income Tax***

Under current income tax legislation, no income tax is payable by any of the Common Funds provided their taxable income is fully distributed.

**(j) *Distributions***

Common fund distributions are made to contributors on a half yearly basis. Such distributions are determined by reference to the surplus of the Common Funds. Payment is not made until after the reporting date as advice of distribution entitlements from underlying investments is not received by the Public Trustee until after the reporting date.

Unrealised gains and losses on investments are not assessable and distributable until realised.

**(k) *Management fees***

A management fee is charged against the Cash Common Fund at a rate of no more than 2.2% of the value of the Common Fund as at the first business day of each month.

**(l) *Transfer to/from unit holders' funds***

Unrealised gains and losses in the net market value of investments accrued income not yet assessable, expenses provided for or accrued but not yet deductible, and net capital losses are transferred to unit holders' funds, and are not included in the determination of distributions to unit holders.

**2. STATEMENT OF ACCOUNTING POLICIES (continued)****(m) Goods and Services Tax (GST)**

The Common Funds are not registered entities under the Goods and Services Tax ("GST") legislation. Expenses incurred and incomes earned by the Common Funds are recognised as inclusive of the amount of GST.

**(n) Terms and conditions on units**

With the exception of the Cash Common Fund each unit issued confers upon the unit holder an equal interest in the Common Funds, and is of equal value. A unit does not confer a right to any particular asset or investment of the Common Funds. Unit holders have various rights, including the right to have their units redeemed and receive income distributions.

The rights, obligations and restrictions attached to each unit holder are identical in all respects.

The Cash Common Fund does not issue units.

**(o) Unit Prices**

Unit Prices are calculated on the net assets of the Common Funds adjusted for any transaction costs, divided by the number of units on issue.

**(p) Commission, Levy and Management Fees**

Commission, Levies and Management fees are charged to the Trusts and Estates in accordance with sections 24 and 28 of the *Public Trustee Act* and associated regulations.

**(q) New, revised or amending Accounting Standards and Interpretations adopted**

The Public Trustee has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the Public Trustee from the adoption of these Accounting Standards and Interpretations are disclosed in the relevant accounting policy. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Public Trustee.

The following Accounting Standards and Interpretations are most relevant to the Public Trustee:

***AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income***

The Public Trustee has applied AASB 2011-9 amendments from 1 July 2012. The amendments requires grouping together of items within other comprehensive income on the basis of whether they will eventually be 'recycled' to the profit or loss (reclassification adjustments). The change provides clarity about the nature of items presented as other comprehensive income and the related tax presentation. The amendments also introduced the term "Statement of profit and loss and other comprehensive income" clarifying that there are two discrete sections, the profit and loss section (or separate statement of profit or loss) and other comprehensive income.

**2. STATEMENT OF ACCOUNTING POLICIES (continued)****(r) Accounting Standards Issued But Not Yet Effective**

Certain new accounting standards, amendments and interpretations have been published that are not mandatory for 30 June 2013 reporting periods. The management's assessment of the impact of these new standards, amendments and interpretations are set out below.

*AASB 9 Financial Instruments, 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and 2010-7 Amendments to Australian Accounting Standards arising from AASB 9*

Effective for annual reporting period beginning on or after 1 January 2015.

The standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The Accounting for financial liabilities continues to be classified and measured in accordance with AASB 139 with one exception, being the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. The Public Trustee will adopt this standard on 1 July 2015 but the impact of adoption is yet to be assessed by the Public Trustee.

*AASB 12 Disclosures of Interests in Other Entities*

This standard is applicable to annual reporting beginning on or after 1 January 2013. It contains the entire disclosure requirement associated with other entities, being subsidiaries, associates and joint ventures. The disclosure requirements have been significantly enhanced when compared to the disclosures previously located in AASB 127 'Consolidated and Separate Financial Statements', AASB 128 'Investments in Associates', AASB 131 'Interests in Joint Ventures' and Interpretation 112 'Consolidated – special Purpose Entities'. The adoption of this standard from 1 July 2013 has no impact on Public Trustee as it has no controlling or non controlling interest in another entity.

*AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13*

Effective for annual reporting period beginning on or after 1 January 2013

The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the exit price and it provides guidance on measuring fair value when a market becomes less active. The highest and best approach would be used to measure assets whereas liabilities would be based on transfer value. As the standard does not introduce any new requirements for the use of fair value, its impact on adoption by the Public Trustee should be minimal, although there will be increased disclosures where fair value is used.

*AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)*

Effective for annual reporting period beginning on or after 1 January 2013

The amendments make changes to the accounting for defined benefits plans and the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. The later will require annual leave that is not expected to be wholly settled within 12 months to be discounted allowing for expected salary levels in the future period when the leave is expected to be taken. The adoption of the revised standard from 1 July 2013 will not have any impact on the Public Trustee annual statement.

**2. STATEMENT OF ACCOUNTING POLICIES (continued)**

*AASB 127 Separate Financial Statements (Revised)*  
*AASB 128 Investments in Associates and Joint Ventures (reissued)*

These standards are applicable to annual reporting periods beginning on or after 1 January 2013. They have been modified to remove specific guidance that is now contained in AASB 10, AASB 11 and AASB 12. The adoption of these revised standards from 1 July 2013 will not have a material impact on the Public Trustee.

*AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities*

Effective for annual reporting period beginning on or after 1 January 2013. The disclosure requirements of AASB 7 'Financial Instruments: Disclosures' (and consequential amendments to AASB 132 'Financial Instrument: Presentation') have been enhanced to provide users of financial statements with information about netting arrangements, including rights of set-off related to an entity financial instruments and the effects of such right on its financial position. The adoption of the amendments from 1 July 2013 will increase the disclosures by the Public Trustee.

*AASB 2012-3 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities*

Effective for annual reporting period beginning on or after 1 January 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 "Financial Instruments: Presentation", by clarifying the meaning of "currently has a legally enforceable right to set-off": and clarifies that some gross settlement systems may be considered to be equivalent to net settlement. The adoption of the amendments from 1 July 2014 will not have a material impact on the Public Trustee.

*AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle*

Effective for annual reporting period beginning on or after 1 January 2013. The amendments affect five Australian Accounting Standards as Follows: Confirmation that repeat the application of AASB 1 (IFRS 1) 'First-time Adoption of Australian Accounting Standards' is permitted; Clarification of borrowing cost exemption in AASB 1; Clarification of the comparative information requirements when an entity provides an optional third column or is required to present a third statement of financial position in accordance with AASB 101 'Presentation of Financial Statements'; Clarification that servicing of equipment is covered by AASB 116 'Property, Plant and Equipment', if such equipment is used for more than one period; clarification that the tax effect of distribution to holders of equity instruments and equity transaction cost in AASB 132 'Financial Instruments: Presentation' should be accounted for in accordance with AASB 112 'Income Taxes'; and clarification of the financial reporting requirements in AASB 134 'Interim Financial Reporting' and the disclosure requirements of segment assets and liabilities. The adoption of the amendments from 1 July 2013 will not have a material impact on the Public Trustee.

*AASB 2012-9 Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039*

This amendment is applicable to annual reporting periods beginning on or after 1 January 2013. The amendment removes reference to AASB 1048 following the withdrawal of Interpretation 1039. The adoption of this amendment will not have a material impact on Public Trustee.

**2. STATEMENT OF ACCOUNTING POLICIES (continued)***AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments*

These amendments are applicable to annual reporting periods beginning on or after 1 January 2013. They amend AASB 10 and related standards for the transition guidance relevant to the initial application of those standards. The amendments clarify the circumstances in which adjustments to an entity's previous accounting for its involvement with other entities are required and the timing of such adjustments. The adoption of these amendments will not have a material impact on the Public Trustee.

**3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Public Trustee continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Public Trustee bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

*(a) Valuation of Investments*

The market value of managed investment schemes (unlisted unit trusts) is determined by reference to the last available sales price of the scheme, as quoted on the day of valuation, which inherently includes transaction costs. Changes in the net market value of investments are recognised in the profit or loss and transferred to unit holders' funds reserve until realisation.

The details on the market value of the investments are disclosed in Note 6.

*(b) Valuation of the Coonawarra Road Store*

The fair value of the Coonawarra Road store is based on the independent valuation of the Australian Valuation Office. The valuation approach used has been assessed having regards to market evidence, prevailing economical conditions and to anticipate yields in the investment market. The fair value of the Coonawarra Road Store amounted to \$655,000 in 2013 (\$635,000 in 2012) based on independent valuation report.

**4. OTHER INCOME**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Receipts from Fund Managers	367,266	319,587
Rent Received	28,634	24,795
<b>Total</b>	<b>395,900</b>	<b>344,382</b>

**5. OTHER EXPENSES**

	2013 \$	2012 \$
Bank Charges	1,983	1,858
Property Expenses	10,089	10,495
Fund Management Fees	110,988	88,303
<b>Total</b>	<b>123,060</b>	<b>100,656</b>

**6. INVESTMENTS**

The funds in which the Common Funds invest hold various direct investments but the individual Common Funds have no direct control over these underlying investments. A break down of the investments as at 30 June 2013 is as follows:

	Common Fund 1		Common Fund 2	
	2013	2012	2013	2012
	\$	\$	\$	\$
<b>Australian cash</b>	21,000,347	20,021,274	968,489	623,859
<b>Australian shares</b>		-	782,557	460,703
<b>Australian fixed interest</b>		-	1,105,874	770,152
<b>Australian property</b>		-	201,303	104,823
<b>International shares</b>		-	436,740	338,681
<b>International fixed Interest</b>		-	1,071,438	812,341
	<b>21,000,347</b>	<b>20,021,274</b>	<b>4,566,401</b>	<b>3,110,559</b>

	Common Fund 3		Common Fund 4	
	2013	2012	2013	2012
	\$	\$	\$	\$
<b>Australian cash</b>	620,365	425,684	134,295	192,661
<b>Australian shares</b>	1,541,840	1,296,931	3,274,288	2,942,406
<b>Australian fixed interest</b>	1,279,583	1,004,659	1,126,150	1,126,408
<b>Australian property</b>	407,805	279,652	696,397	743,889
<b>International shares</b>	1,127,653	915,042	2,377,837	1,998,203
<b>International fixed Interest</b>	1,174,517	1,005,495	1,253,408	1,202,908
<b>Emerging Markets</b>	42,877	37,214	167,224	145,136
	<b>6,194,640</b>	<b>4,964,677</b>	<b>9,029,599</b>	<b>8,351,611</b>



**7(a) UNITHOLDERS' FUNDS****Units on Issue**

Movements during the period in the number of units on issue were:

	Common Fund 2		Common Fund 3	
	2013 Units	2012 Units	2013 Units	2012 Units
Balance at the beginning of the year	3,462,179	3,541,659	5,276,945	4,349,587
Applications	3,016,033	2,340,755	2,869,010	2,901,140
Redemptions	(1,723,257)	(2,420,235)	(2,180,634)	(1,973,782)
<b>Balance at the end of the period</b>	<b>4,754,955</b>	<b>3,462,179</b>	<b>5,965,321</b>	<b>5,276,945</b>

	Common Fund 4	
	2013 Units	2012 Units
Balance at the beginning of the year	8,456,141	7,327,162
Applications	804,534	2,218,898
Redemptions	(1,261,744)	(1,089,919)
<b>Balance at the end of the period</b>	<b>7,998,931</b>	<b>8,456,141</b>

The Cash Common Fund 1 does not issue units.

**(b) Components of unit holders' funds**

Included within closing unit holders' funds are unrealised gains/ (losses) on investments.

	2013 \$	2012 \$
Common Fund 2	170,783	(3,783)
Common Fund 3	528,841	(26,255)
Common Fund 4	1,420,475	(365,280)

The Cash Common Fund 1 does not issue units.

**8. FUNDS UNDER ADMINISTRATION**

	Common Fund 1	Common Fund 1	Common Fund 2	Common Fund 2
	2013	2012	2013	2012
	\$	\$	\$	\$
Deceased Estates	7,652,041	5,885,625	-	-
Beneficial Trusts	1,319,254	783,653	121,834	319,095
Legal Trusts	6,045,622	4,909,499	3,198,040	2,068,151
Aged, Infirm and Mental Health Trusts	3,431,042	3,305,449	1,221,656	734,698
Crimes Property Forfeiture	170,334	704,461	-	-
Miscellaneous Trusts	5,447,114	6,085,914	-	-
<b>Total Funds</b>	<b>24,065,407</b>	<b>21,674,601</b>	<b>4,541,530</b>	<b>3,121,944</b>

	Common Fund 3	Common Fund 3	Common Fund 4	Common Fund 4
	2013	2012	2013	2012
	\$	\$	\$	\$
Deceased Estates	-	-	-	-
Beneficial Trusts	335,855	427,105	312,126	398,313
Legal Trusts	4,034,531	3,587,085	6,802,995	6,656,804
Aged, Infirm and Mental Health Trusts	1,839,705	966,441	1,870,919	1,311,067
Crimes Property Forfeiture	-	-	-	-
Miscellaneous Trusts	-	-	-	-
<b>Total Funds</b>	<b>6,210,091</b>	<b>4,980,631</b>	<b>8,986,040</b>	<b>8,366,184</b>

	Total	Total
	2013	2012
	\$	\$
Deceased Estates	7,652,041	5,885,625
Beneficial Trusts	2,089,069	1,928,166
Legal Trusts	20,081,188	17,221,539
Aged, Infirm and Mental Health Trusts	8,363,322	6,317,655
Crimes Property Forfeiture	170,334	704,461
Miscellaneous Trusts	5,447,114	6,085,914
<b>Total Funds</b>	<b>43,803,068</b>	<b>38,143,360</b>

**9. INVESTMENT IN COONAWARRA ROAD**

	2013 \$	2012 \$
Beginning of Year	635,000	635,000
Change in Fair Value	20,000	-
End of Year	655,000	635,000

The Property is leased out for office accommodation and storage for 3 years, from 1 January 2012 to 31 December 2014. The rent amounted to \$28,220 per annum exclusive of GST payable by equal monthly instalments in advance. Rent received for the year ended 30 June 2013 amounted to \$28,634 (2012: \$24,795).

The future minimum lease payments:

	2013 \$	2012 \$
Not later than 1 year	28,220	28,634
Later than one year but not less than five years	14,110	42,330
Refer to Note 2 for basis of valuation.		

**10. UNDISTRIBUTED SURPLUS**

Undistributed surplus is income received but not yet distributed to the Trusts and Estates.

**11. NOTES TO THE STATEMENT OF CASH FLOWS****(a) Reconciliation of surplus to net cash provided by operating activities****Common Fund 1**

	2013 \$	2012 \$
Surplus for the year	257,471	488,603
- Changes in net market value of investments – unrealised	7,918	(59,784)
- Movements in receivables	(2,516)	(19,593)
- Movements in payables	(1,064)	(2,781)
- Realised gain on sale of investments (note 13)	-	27,475
<b>Net cash provided by operating activities</b>	<b>261,809</b>	<b>433,920</b>

**Common Fund 2**

Surplus for the year	268,378	133,786
- Changes in net market value of investments – unrealised	(170,782)	3,783
- Movements in payables	2,249	(343)
- Realised gain (loss) on sale of investments (note 13)	(49,885)	12,107
- Non cash dividends received from investments	(126,386)	(207,902)
<b>Net cash used in operating activities</b>	<b>(76,426)</b>	<b>(58,569)</b>

11. **NOTES TO THE STATEMENT OF CASH FLOWS - Continued****Common Fund 3**

	2013 \$	2012 \$
Surplus for the year	583,116	128,816
- Changes in net market value of investments – unrealised	(528,841)	26,255
- Movements in payables	1,885	1,192
- Realised gain on sale of investments (note 12)	11,405	31,528
- Non cash dividends received from investments	(171,825)	(274,808)
<b>Net cash used in operating activities</b>	<b>(104,262)</b>	<b>(87,017)</b>

**Common Fund 4**

Surplus /(Deficit) for the year	1,278,065	(15,681)
- Changes in net market value of investments – unrealised	(1,420,475)	365,280
- Movements in payables	1,284	1,142
- Realised gain on sale of investments (note 12)	258,293	(27,122)
- Non cash dividends received from investments	(292,354)	(475,263)
<b>Net cash used in operating activities</b>	<b>(175,187)</b>	<b>(151,644)</b>

12. **FINANCIAL RISK MANAGEMENT****(a) Risk Management Objectives and Policies**

The Common Funds have exposure to the following financial risks through the use of financial instruments:

- Market risk (interest rate risk and price risk)
- Credit risk
- Liquidity risk

Exposure to these financial risks is managed in accordance with the Investment Policy of the Public Trustee. The Public Trustee Investment Board, established under section 12 of the *Public Trustee Act*, is responsible for controlling the investment of money held on behalf of clients in the Common Funds.

The principal investment objective is to consider on each trust and estate, the return on investment having regard to the level of risk appropriate to the needs and objectives of the client. This includes maximising the investment rate of return within the nominal risk constraints and minimising the volatility of returns within each asset sector.

**12. FINANCIAL RISK MANAGEMENT - Continued****Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to movements in market interest rates.

The Common Funds are primarily exposed to interest rate risk from cash and cash equivalents and mortgage loan assets. As these are held in floating interest arrangements, the Common Funds are exposed to movements in the amount of interest it may earn on these assets.

Other than Common Fund 1, the common funds cash flows are not significantly dependant on interest earned from cash and cash equivalents, a sensitivity analysis of the interest rate risk has not been performed.

The table below details the interest rate sensitivity analysis of Common Fund 1 at the reporting date holding all other variables constant. As the operating cash flows of the other Common Funds are not significantly dependant on interest earned from cash and cash equivalents and mortgage loans, a sensitivity analysis of the interest rate risk for these funds has not been performed. A 100 basis point change is deemed to be possible change and is used when reporting interest rate risk.

Common Fund 1	Change in Interest Rate	Effect On		Effect On	
		Profit or loss	Equity	Profit or loss	Equity
		2013 \$	2013 \$	2012 \$	2012 \$
Interest Rate Risk	+ 100 basis points	29,187	29,187	15,440	15,440
	- 100 basis points	(29,187)	(29,187)	(15,440)	(15,440)

The following tables disclose the interest rate repricing dates and effective weighted average interest rate on classes of financial assets and financial liabilities, is as follows:

**Common Fund 1**

Weighted Average Effective Interest Rate	Variable Interest Rate Within 1 Year		Non Interest Bearing		Total	
	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$
<b>Financial Assets</b>						
Cash 2.5\4.4%	2,918,735	1,544,091	-	-	2,918,735	1,544,091
Receivables			49,905	47,378	49,905	47,378
Investment			21,000,347	20,021,274	21,000,347	20,021,274
	<b>2,918,735</b>	<b>1,544,091</b>	<b>21,050,252</b>	<b>20,068,652</b>	<b>23,968,987</b>	<b>21,612,743</b>

12. **FINANCIAL RISK MANAGEMENT - Continued****Common Fund 2**

Weighted Average Effective Interest Rate	Variable Interest Rate		Non Interest Bearing		Total	
	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$
<b>Financial Assets</b>						
Cash 2.5/4.4%	(17,517)	16,491	-	-	(17,517)	16,491
Investments	-	-	4,566,401	3,110,559	4,566,401	3,110,559
	<b>(17,517)</b>	<b>16,491</b>	<b>4,566,401</b>	<b>3,110,559</b>	<b>4,548,884</b>	<b>3,127,050</b>
<b>Financial Liabilities</b>						
Payables	-	-	7,354	5,106	7,354	5,106
	-	-	<b>7,354</b>	<b>5,106</b>	<b>7,354</b>	<b>5,106</b>

**Common Fund 3**

Weighted Average Effective Interest Rate	Variable Interest Rate		Non Interest Bearing		Total	
	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$
<b>Financial Assets</b>						
Cash 2.5/4.4%	25,508	24,127	-	-	25,508	24,127
Investments	-	-	6,194,640	4,964,677	6,194,640	4,964,677
	<b>25,508</b>	<b>24,127</b>	<b>6,194,640</b>	<b>4,964,877</b>	<b>6,220,148</b>	<b>4,988,804</b>
<b>Financial Liabilities</b>						
Payables	-	-	10,057	8,173	10,057	8,173
	-	-	<b>10,057</b>	<b>8,173</b>	<b>10,157</b>	<b>8,173</b>

**Common Fund 4**

Weighted Average Effective Interest Rate	Variable Interest Rate		Non Interest Bearing		Total	
	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$
<b>Financial Assets</b>						
Cash 2.5/4.4%	(28,649)	28,198	-	-	(28,649)	28,198
Investments	-	-	9,029,599	8,351,611	9,029,599	8,351,611
	<b>(28,649)</b>	<b>28,198</b>	<b>9,029,599</b>	<b>8,351,611</b>	<b>9,000,950</b>	<b>8,379,809</b>
<b>Financial Liabilities</b>						
Payables	-	-	14,910	13,625	14,910	13,625
	-	-	<b>14,910</b>	<b>13,625</b>	<b>14,910</b>	<b>13,625</b>

**12. FINANCIAL RISK MANAGEMENT – Continued****Sensitivity Analysis**

As the Board's investments with Vanguard Investments are in the form of units in a unit trust, it is not possible to perform an effective sensitivity analysis as it is not possible to identify the proportion of the shares held by the trust which relate directly to the Board. The movement in the price of the units is a combination of the underlying shares invested and the overheads accruing to the trust.

**Credit Risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Common Funds' maximum credit risk exposure at reporting date in relation to each class of recognised financial assets is the carrying amount as disclosed in the Statement of Financial Position and notes to the financial statements. All are current and not impaired.

The Common Funds do not have any material credit risk exposure to a single debtor or group of debtors under financial instruments entered into by the Common Funds.

In order to manage credit risk the Common Funds bank accounts are held with an Australian "Big 4" bank, a diversified portfolio of managed funds is held and the Public Trustee Investment Board has a policy of "no new lending".

	Note	Carrying Amount	
		2013	2012
<b>Common Fund 1</b>			
Cash and cash equivalents*		7,918,735	5,544,091
Financial Assets at Fair Value through profit and loss	6	16,000,347	16,021,274
Loans and Receivables	2(h)	49,905	47,378
<b>Common Fund 2</b>			
Cash and cash equivalents		(17,517)	16,491
Financial Assets at Fair Value through profit and loss	6	4,566,401	3,110,559
<b>Common Fund 3</b>			
Cash and cash equivalents		25,508	24,127
Financial Assets at Fair Value through profit and loss	6	6,194,640	4,964,677
<b>Common Fund 4</b>			
Cash and cash equivalents		(28,649)	28,198
Financial Assets at Fair Value through profit and loss	6	9,029,599	8,351,611

\* Cash and cash equivalents includes Term Deposit of \$5 million.

**12. FINANCIAL RISK MANAGEMENT – Continued****Liquidity Risk**

Liquidity risk is the risk that the Common Funds will encounter difficulty in realising assets or otherwise raising funds to meet commitments associated with financial instruments.

To control liquidity and cash flow risk, the Common Funds invest in financial instruments, which under normal market conditions are readily convertible into cash. The Public Trustee ensures that funds are available to meet client needs and also ensures that at any particular point in time there are sufficient current financial assets to meet current financial liabilities.

All financial liabilities have maturities of less than 3 months.

**(b) Net Fair Values**

The following levels detail the Common Fund's fair values of financial instruments categorised by the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, wither directly (as Prices) or indirectly (derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The fair values of the financial instruments are categorised under Level 1. There were no transfers between levels during the reporting year.

Unless otherwise stated, the carrying amounts of the financial instruments reflect their fair values. The carrying amounts of trade receivables and trade payables are assumed to approximate their fair value due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instructions.

**13. CHANGES IN NET MARKET VALUE OF INVESTMENTS**

	2013 \$	2012 \$
<b>Common Fund 1</b>		
Realised capital gains during the period	-	(27,475)
Revaluation of investments to market value – Unrealised	(7,918)	59,784
	<b>(7,918)</b>	<b>32,309</b>
<b>Common Fund 2</b>		
Realised capital gains during the period	49,885	(12,107)
Revaluation of investments to market value – Unrealised	170,782	(3,783)
	<b>220,667</b>	<b>(15,890)</b>



**13. CHANGES IN NET MARKET VALUE OF INVESTMENTS- Continued****Common Fund 3**

Realised capital gains during the period	(11,405)	(31,528)
Revaluation of investments to market value – Unrealised	528,841	(26,255)
	<b>517,436</b>	<b>(57,783)</b>

**Common Fund 4**

Realised capital gains during the period	(258,293)	27,122
Revaluation of investments to market value – Unrealised	1,420,475	(365,280)
	<b>1,162,182</b>	<b>(338,158)</b>

**14. CONTINGENT LIABILITIES**

No contingent liabilities existed as at 30 June 2013 or have arisen since reporting date.

**15. SUBSEQUENT EVENTS**

No significant events have occurred since reporting date which would impact on the financial position of the Common Funds as disclosed in the Statement of Financial Position as at 30 June 2013, and the results of the operation and Statement of Cash Flows of the Common Funds for the period ended on that date.

UNCLAIMED MONEYS  
AND  
MONEYS DEEMED  
BONA VACANTIA

**UNCLAIMED MONEYS AND MONEYS DEEMED BONA VACANTIA  
(IN EXCESS OF \$1,000)  
HELD BY THE PUBLIC TRUSTEE  
AS AT JUNE 2013**

DECEASED ESTATE NAME	BENEFICIARY NAME	AMOUNT \$
ESTATE:- MATTHEW HALL	BERYL HALL	107,696.08
ESTATE:- CHIUSIU CHAN		38,717.47
ESTATE:- THOMAS PRITCHARD		35,873.59
ESTATE:- GEORGE PRITCHARD		27,097.21
ESTATE:- WILLIAM PRITCHARD		27,096.89
ESTATE:- PETER BEGIC	FRANK BEGIC	19,932.81
ESTATE:- THOMAS MATTHEWS		19,564.46
ESTATE:- GEORGE JAMDIJINGA		12,007.29
ESTATE:- ALLAN MURPHY	ADAM MURPHY	11,576.86
ESTATE:- RUBY MEIWALA	DON GUNDINGA	11,499.45
ESTATE:- ALICE FULLER	ROBERT FULLER	11,409.22
ESTATE:- BILLY MUKA		10,938.99
TRUST: MARCUS NELSON		10,418.59
TRUST: JASON NELSON		10,297.87
TRUST:- ALBERT WALPOLE		9,704.16
ESTATE: JAMES FARRELL		8,464.03
TRUST: LAMET NAMUNDJA		7,766.66
ESTATE: BEDRICH MOHAUPT		7,704.03
ESTATE: MARY ASHLEY	NELL DUBULWANGA	7,197.42
ESTATE: JENNY TIGER BAKER		7,195.20
TRUST: JOANNE KELLY MCDONALD		6,951.02
ESTATE: MINNIE NIMARA		6,846.74
ESTATE:- GERALD MARTIN		6,406.79
ESTATE: DAWNA BRAEDON	WARREN BRAEDON	5,972.05
ESTATE: DAWNA BRAEDON	RICKY BRAEDON	5,972.05
ESTATE: DAWNA BRAEDON	JACQUELINE BRAEDON	5,972.05
TRUST:- EMMA JINDERAH		5,323.38
ESTATE:- LEO JOHN	SANDY AUGUST BOOKEDEA BADIN	5,320.65
ESTATE:- LEO JOHN	TIBBY WARATBUGGUAN BULAINJAN	5,320.65
ESTATE:- RICHARD BAILEY		4,976.13
ESTATE: NORMAN ANDERSON		4,767.87
ESTATE:- HANSAKE HELLBERG		4,678.78
ESTATE:- MARY NUNGALA/ROSS		3,909.05
ESTATE: JOHN PATTERSON		3,876.85
ESTATE:- JOHN FRANCIS MOORE	DENNIS MOORE	3,857.00
ESTATE:- TOMMY PANANGALKU	MOLLY KUMNANARA	3,493.47
ESTATE:- JOSEPH N DOOLAN	SIMON WANDI DOOLAN	3,461.69
ESTATE:- MONICA CONWAY	JOHN CONWAY	3,418.81
ESTATE:- WILLIAM TAME		3,023.01

**UNCLAIMED MONEYS AND MONEYS DEEMED BONA VACANTIA  
(CONTINUED)  
(IN EXCESS OF \$1,000)  
HELD BY THE PUBLIC TRUSTEE  
AS AT JUNE 2013**

DECEASED ESTATE NAME	BENEFICIARY NAME	AMOUNT \$
ESTATE: CHRISTIAN PRAUD		2,765.27
ESTATE:- JAMES LIDDY		2,753.57
ESTATE:- LEO JOHN	JOHNNY GODIJA JALYERI BEETALOO	2,660.33
ESTATE:- LEO JOHN	TOMMY BEETALOO	2,660.32
ESTATE:- KRESTEN MADSEN		2,579.57
ESTATE:- GERARD SMITH		2,479.72
ESTATE: DAVID HARRIS	ROBERT HARRIS	2,452.41
ESTATE:- WILLIAM TREMBLAY	WILLIAM TREMBLAY THE THIRD	2,327.41
ESTATE:- DARNEY DIXON	SUZANNE DIXON	2,316.35
ESTATE:- HACENE BOUFERGUENE		2,139.84
ESTATE:- JAN KOHN		2,126.32
ESTATE:- MINNIE NANGALA	RAINYERRI JABALJARI	1,948.71
ESTATE:- NIKOLA MATOJEVIC		1,901.94
ESTATE:- LASZLO MAGYARY		1,838.98
ESTATE:- LEO JOHN	MARY MAGDELENE KINGSLEY	1,773.55
ESTATE:- LEO JOHN	PEARL WILFRED NGAMAIYANG	1,773.55
ESTATE:- LEO JOHN	DALLAS KINGSLEY	1,773.54
ESTATE:- LORNA MALBUNKA	SYBIL MALBUNKA	1,725.45
ESTATE:- LORNA MALBUNKA	PATSY MALBUNKA	1,725.44
ESTATE:- LORNA MALBUNKA	RUDOLPH MALBUNKA	1,725.44
ESTATE:- FRANCIS BAIRD		1,696.58
ESTATE: KITTY MINYINGMA	WILLIAM PRESLEY	1,617.64
ESTATE:- STEVEN ROSS		1,400.00
ESTATE: ALMA GIBBS	CHARLIE WAGAMAN	1,250.97
ESTATE:- PAUL BARRY STEWART		1,152.24
ESTATE:- LINDY RANKINE	CHARLES RANKINE	1,148.76
ESTATE:- ELENOR BROOKS		1,128.65
ESTATE:- ROBERT WANAT	OLGA STROSIKOVA	1,063.54
<b>TOTAL</b>		<b>\$549,612.41</b>