



Northern
Territory
Government

DEPARTMENT OF THE ATTORNEY-GENERAL AND JUSTICE

Public Trustee for the Northern Territory

Annual Report

2015-2016

**Public Trustee for the
Northern Territory**

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The Hon Natasha Fyles 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 2016.

This Report should be read in conjunction with the 2015-2016 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

19 January 2017

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PUBLIC TRUSTEE OVERVIEW

I am pleased to present the Annual Report and Financial Statements of the Public Trustee for the Northern Territory for the year ended 30 June 2016.

It has been a busy and rewarding period with the office continuing to provide quality, professional trustee and administration services to the Northern Territory community. This is reflected in our customer satisfaction rating of 96%, 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, and the office maintained a solid finalisation rate for deceased estates, which is reflected by customer satisfaction.

The proportion of adult financial management trusts continues to increase and these trusts are intensive and require significant expertise and attention. Given the gradual ageing and increased life expectancy of our population, I expect that this trend will continue.

In terms of the financial performance, the total funds under management of the Public Trustee increased from \$52.3 million in 2014-15 to \$54.3 million in 2015-16. Funds under Public Trustee management are diversified across assets to reduce risk. Common Funds 2, 3 and 4 all recorded performance close to benchmark levels.

In 2015-16 we were able to pay almost \$1.6 million in commission, fees and levy into consolidated revenue as a result of our administration of estates and trusts.

I would like to record my appreciation and thanks to the members of the Public Trustee Investment Board, specifically, Lynette Walsh and Alex Pollon, for their guidance and advice which ensures our clients' funds are being invested appropriately.

Finally, I would like to thank the staff of my office who continue to undertake their duties with diligence, professionalism and a strong focus on service delivery for our clients.



**DAVID LISSON
PUBLIC TRUSTEE**

19 January 2017

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 appointed by them in their will and in situations where there is nobody else willing or able to do so;
- maintains a general register of Advance Personal Plans;
- 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 many Acts, including the *Public Trustee Act*, the *Trustee Act*, the *Administration and Probate Act*, the *Wills Act*, the *Aged and Infirm Persons' Property Act*, the *Advance Personal Planning 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 2016, Investment Board members were Mr David Lisson, Public Trustee, Ms Lynette Walsh, Department of the Attorney-General and Justice and Mr Alex Pollon, 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 (for referral purposes only): 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 2015-2016

- Client satisfaction has been maintained at a high 96%.
- Contribute information content to the Northern Territory Government website.
- Contribute to the Health and Safety Committee meetings and review and improve Work Health and Safety standards
- \$1.6M in commissions, fees and levies paid into Consolidated Revenue.

DIRECTIONS 2016-2017

- Review processes and procedures for the management of Estates and Trusts
- Finalise induction manual for new staff members
- Develop a culturally appropriate Aboriginal Will Kit

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 concession holders who may nominate their own executor and for members of the public who wish to nominate the Public Trustee as executor.

Number of wills	2012-13	2013-14	2014-15	2015-16
Wills prepared	311	326	299	233

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 2016, no person had been prescribed, and the Public Trustee continues to provide a free, secure wills storage and retrieval service.

Registration of Wills	2015-2016
Number of wills registered at beginning of year	15,071
Amendments	136
New wills registered (as distinct from prepared)	419
Wills revoked, taken or administered	377
Number of wills registered at end of year	15249

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.

Deceased Estates	2012-13	2013-14	2014-15	2015-16
Estates on hand at beginning of year	142	139	127	122
Estates commenced during year	130	134	136	127
Estates finalised during year	133	146	141	103
Estates on hand at end of year	139	127	122	146

Finalisation of large estates

(over \$85,000 in net value)

Of the current large estates, how long have they been on hand	30 June 2014	30 June 2015	30 June 2016
< 6 months	6	11	7
6 to 12 months	11	9	7
12 to 24 months	9	1	12
Over 2 years	14	8	8

Finalisation of small estates

(below \$85,000 in net value)

Of the current small estates, how long have they been on hand	30 June 2014	30 June 2015	30 June 2016
< 6 months	46	45	46
6 to 12 months	15	15	21
12 to 24 months	8	15	19
Over 2 years	18	18	26

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.

	2013-14	2014-15	2015-16
Client satisfaction	94%	95%	96%

Management of trusts

The Public Trustee acts as attorney, agent or manager for persons who are minors or incapacitated. The Public Trustee also manages the estates of aged, infirm or mentally ill persons on appointment by the Northern Territory Civil and Administrative Tribunal under the *Guardianship of Adults 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)	2012-13	2013-14	2014-15	2015-16
Trusts on hand at beginning	662	665	663	624
Trusts received during the year	97	91	72	58
Trusts paid out during the year	94	93	111	82
Trusts on hand at end of the year	665	663	624	600

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 to the Territory. 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 2015 to June 2016.

Matters under the <i>Criminal Property Forfeiture Act</i>	2013-14	2014-15	2015-16
Number of new criminal property forfeiture matters dealt with by the Public Trustee	9	22	14
Number of vehicles restrained under the Act on hand as at 30 June	22	9	4
Real estate properties restrained under the Act on hand as at 30 June	4	14	9
Number of vehicles disposed of during the year	3	3	4
Amount of forfeited money paid to Consolidated Revenue in the year *	\$1,315,000	\$428,000	\$0

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

Common Fund	2013-14	2014-15	2015-16
Common Fund 1 balance (\$m)	32.7	31.7	33.6
Common Fund 2 balance (\$m)	4.4	4.0	4.0
Common Fund 3 balance (\$m)	6.9	7.8	7.8
Common Fund 4 balance (\$m)	9.6	8.8	8.9
Total of Funds(\$m)	53.6	52.3	54.3
Commission and Fees paid to Consolidated Revenue (\$,000)	661.28	533.4	831.8
Management Fees paid to Consolidated Revenue (\$,000)	460.1	388.8	380.6
Levy paid to Consolidated Revenue (\$,000)	332.3	376.3	384.0

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 targets a 70 percent allocation to income oriented assets and 30 percent allocation to growth oriented assets. In 2015 the allocation of these funds was move to the Vanguard Conservative Index Fund.

PERFORMANCE

Performance before fees, taxes, but after transaction and operational costs

Year ended 30 June 2016	Portfolio (%)	Benchmark (%)	Deviation (%)
3 Months	0.51	0.51	0.00
6 Months	3.30	3.26	0.04
12 Months	6.54	6.44	0.10

BALANCED PORTFOLIO

Investment Profile: Some scope for risk, Medium outlook. The portfolio targets a 50 percent allocation to growth oriented assets. In 2015 the allocation of these funds were move to the Vanguard Balanced Index Fund.

PERFORMANCE

Performance before fees, taxes but after transaction and operational costs

Year ended 30 June 2016	Portfolio (%)	Benchmark (%)	Deviation (%)
3 Months	-0.14	-0.14	0.00
6 Months	3.81	3.82	-0.01
12 Months	5.84	5.79	0.05

GROWTH PORTFOLIO

Investment Profile: Growth expected, higher risk, long-term investment. The portfolio targets a 30 percent allocation to income oriented assets and 70 percent allocation to growth oriented assets. In 2015 the allocation of these funds were move to the Vanguard Growth Index Fund.

PERFORMANCE

Performance before fees, taxes, but after transaction and operational costs

Year ended 30 June 2016	Portfolio (%)	Benchmark (%)	Deviation (%)
3 Months	-0.96	-0.94	-0.02
6 Months	4.12	4.11	0.01
12 Months	4.55	4.47	0.08

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.

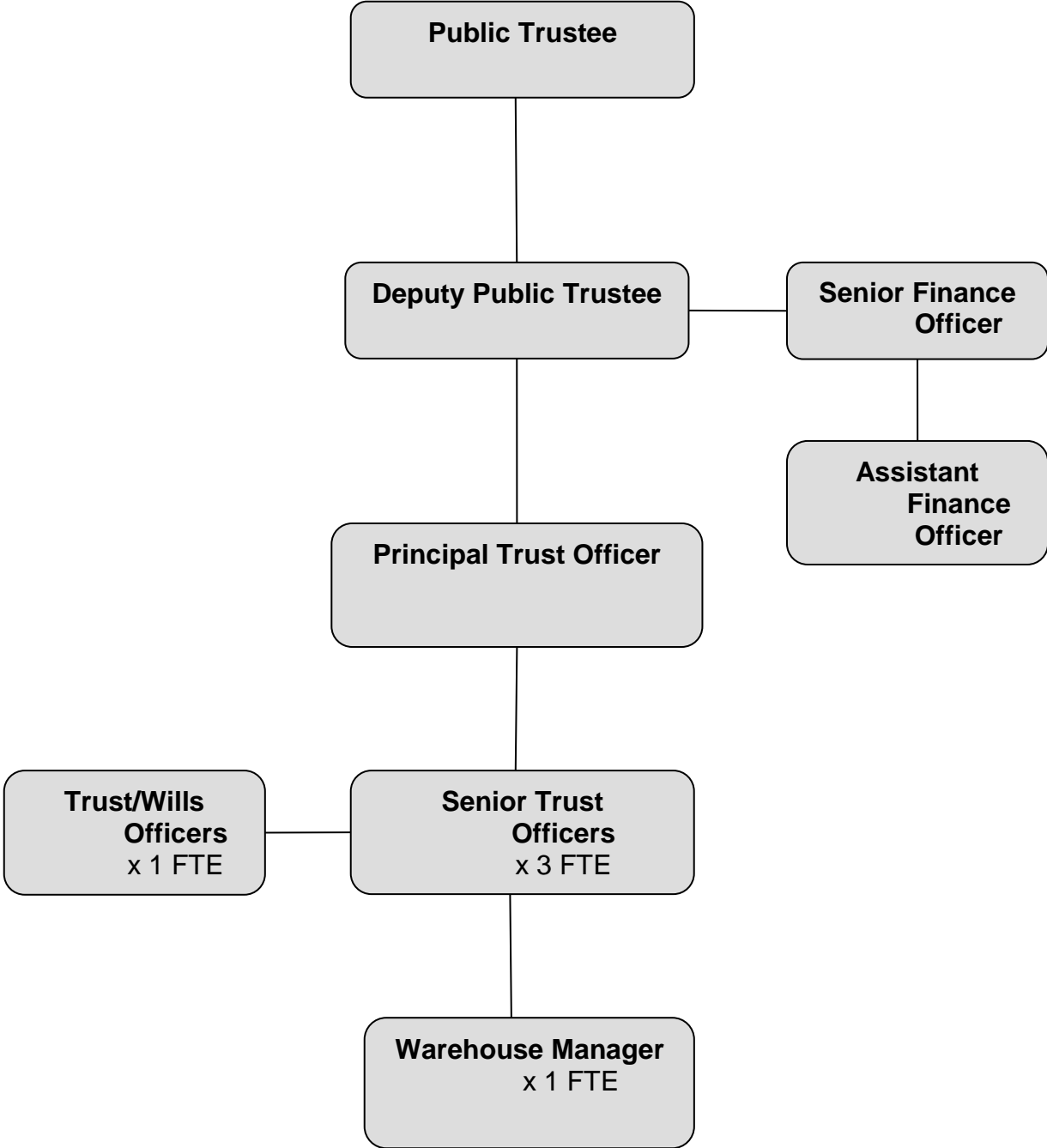
ADMINISTRATIVE FEES AND CHARGES

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:

- \$118 for wills if naming Public Trustee as Executor
- \$24 for wills for Concession card holders.
- \$59.40 for amendments to wills prepared by Public Trustee
- \$295.90 for 'complex' wills
- \$592 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 6.6% 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 - 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 2016



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 2016**

I have audited the accompanying financial report of the Common Funds of the Public Trustee for 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 2016, 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 Report

The Public Trustee is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and for such internal control as the Public Trustee determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I 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 report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, 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 report 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 report.

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

Opinion

In my opinion the financial report gives a true and fair view of the financial position of the Common Funds of the Public Trustee for the Northern Territory as of 30 June 2016, 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*.

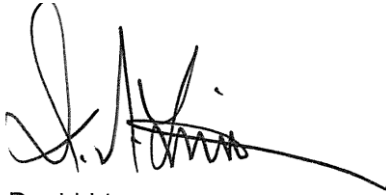
A handwritten signature in cursive script, appearing to read 'Julie Crisp'.

Julie Crisp
Auditor-General for the Northern Territory

Darwin, Northern Territory
30 November 2016

STATEMENT BY PUBLIC TRUSTEE FOR THE NORTHERN TERRITORY

In my opinion the accompanying Financial Report of the Common Funds comprising Statement of Profit or Loss and Other Comprehensive Income for Common Funds 1 to 4, Statement of Financial Position for Common Funds 1 to 4, Statement 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 2016 and their financial position at that date.



David Lisson

Dated: 30/11/16

COMMON FUND 1 : THE CASH COMMON FUND
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
INCOME			
Interest – Bank		53,685	110,502
Income – Managed Funds and Term Deposit		643,545	679,354
Other Income	4	386,890	455,433
		1,084,120	1,245,289
EXPENDITURE			
Government Management Fees and Levy		796,878	854,218
Legal and Advisory Expenses		8,184	18,854
Other Expenses	5	103,317	141,148
Change in Net Market Value of Investments	14	304	1,453
		908,683	1,015,673
SURPLUS FOR THE YEAR		175,437	229,616
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		175,437	229,616

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 2016

	Note	2016 \$	2015 \$
ASSETS			
Current			
Cash and Cash Equivalents		868,060	1,064,700
Investments	6	32,247,848	30,024,822
Receivables		34,828	38,358
		33,150,736	31,127,880
Non Current			
Investment Property		650,000	655,000
TOTAL ASSETS		33,800,736	31,782,880
LIABILITIES			
Current			
Accrued Expenses		113,496	82,615
TOTAL LIABILITIES		113,496	82,615
NET ASSETS		33,687,240	31,700,266
EQUITY			
Funds under Administration	8	33,250,643	31,228,816
Undistributed Surplus	10	436,597	471,450
TOTAL EQUITY		33,687,240	31,700,266

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 2016

	Note	2016 \$	2015 \$
Balance of Equity at 1 July		31,700,266	32,731,516
Funds Under Administration			
Balance at 1 July		31,228,816	32,254,845
Proceeds from client activity		34,620,553	39,312,495
Payments made on behalf of clients		(32,598,726)	(40,338,524)
Balance at 30 June		33,250,643	31,228,816
Undistributed Surplus			
Balance at 1 July		471,450	476,671
Surplus for the Year		175,437	229,616
Other Comprehensive Income		-	-
Total Comprehensive Income		175,437	229,616
Less Distribution Paid		(210,290)	(234,837)
Balance at 30 June	10	436,597	471,450
BALANCE OF EQUITY AT 30 JUNE		33,687,240	31,700,266

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 2016

	Notes	2016 \$	2015 \$
Cash Flows From Operating Activities			
Income		1,123,289	1,244,005
Expenses		(913,137)	(1,084,991)
Net cash provided by operating activities	11(a)	210,152	159,014
Cash Flows from Investing Activities			
Payments for investments		(4,618,330)	(7,010,779)
Proceeds from sale of investments		2,400,000	1,000,000
Net cash used in investing activities		(2,218,330)	(6,010,779)
Cash Flows from Financing Activities			
Proceeds received from clients activity		23,205,962	23,259,792
Payments made on behalf of clients		(21,394,424)	(24,519,848)
Net cash provided by/ (used in) financing activities		1,811,538	(1,260,056)
Net (decrease) in cash held		(196,640)	(7,111,821)
Cash and Cash Equivalents at the beginning of the year		1,064,700	8,176,521
Cash and Cash Equivalents at the end of the year		868,060	1,064,700

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 2016

	Note	2016 \$	2015 \$
INCOME			
Interest - Bank		939	1,655
Trust distributions		117,035	113,599
Changes in net market value of investments	14	142,027	198,180
		260,001	313,434
EXPENDITURE			
Management fees		77,687	82,281
Other expenses		207	209
		77,894	82,490
SURPLUS FOR THE YEAR		182,107	230,944
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		182,107	230,944

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 2016

	Note	2016 \$	2015 \$
ASSETS			
Current			
Cash and Cash Equivalents		23,154	15,179
Investments	6	4,662,772	4,025,791
TOTAL ASSETS		4,685,926	4,040,970
LIABILITIES			
Current			
Payables		7,692	6,689
TOTAL LIABILITIES		7,692	6,689
NET ASSETS		4,678,234	4,034,281
EQUITY			
Funds under Administration	8	4,678,234	4,034,281
TOTAL EQUITY		4,678,234	4,034,281

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 2016

	2016 \$	2015 \$
As at 1 July	4,034,281	4,376,479
Surplus for the year	182,107	230,944
Distributions to unit holders	(348,127)	(32,319)
Application for units	2,072,969	1,978,967
Redemption of units	(1,262,996)	(2,519,790)
BALANCE OF EQUITY AT 30 JUNE	4,678,234	4,034,281

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 2016

	Note	2016 \$	2015 \$
Cash flows from operating activities			
Interest received		939	1,655
Management fees		(82,503)	(88,260)
Other expenses		(207)	(209)
Net cash used in operating activities	11(a)	(81,771)	(86,814)
Cash flows from investing activities			
Payments for investments		(1,497,800)	(5,545,905)
Proceeds from sale of investments		1,125,700	6,261,505
Net cash (used in)/provided by investing activities		(372,100)	715,600
Cash flows from financing activities			
Proceeds from unit applications		2,072,969	1,978,968
Payments on redemptions		(1,262,996)	(2,519,790)
Income distributed		(348,127)	(32,319)
Net cash provided by/(used in) financing activities		461,846	(573,141)
Net increase/(decrease) in cash held		7,975	55,645
Cash and Cash Equivalents at the beginning of the year		15,179	(40,466)
Cash and Cash Equivalents at the end of the year		23,154	15,179

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 2016

	Note	2016 \$	2015 \$
INCOME			
Interest - Bank		856	1,369
Trust distributions		242,896	201,116
Changes in net market value of investments	14	124,566	238,979
		368,318	441,464
EXPENDITURE			
Management fees		127,358	144,522
Other expenses		208	208
		127,566	144,730
SURPLUS FOR THE YEAR		240,752	296,734
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		240,752	296,734

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 2016

	Note	2016 \$	2015 \$
ASSETS			
Current			
Cash and Cash Equivalents		26,842	14,765
Investments	6	7,126,885	7,869,852
TOTAL ASSETS		7,153,727	7,884,617
LIABILITIES			
Current			
Payables		11,819	13,107
TOTAL LIABILITIES		11,819	13,107
NET ASSETS		7,141,908	7,871,510
EQUITY			
Funds under Administration	8	7,141,908	7,871,510
TOTAL EQUITY		7,141,908	7,871,510

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 2016

	2016 \$	2015 \$
As at 1 July	7,871,510	6,913,798
Surplus for the year	240,752	296,734
Distributions to unit holders	(1,244,155)	(61,877)
Application for units	1,793,178	3,019,613
Redemption of units	(1,519,377)	(2,296,758)
BALANCE OF EQUITY AT 30 JUNE	7,141,908	7,871,510

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 2016

	Note	2016 \$	2015 \$
Cash flows from operating activities			
Interest received		856	1,369
Management fees		(139,316)	(148,247)
Other expenses		(208)	(208)
Net cash used in operating activities	11(a)	(138,668)	(147,086)
Cash flows from investing activities			
Payments for investments		(843,900)	(10,399,246)
Proceeds from sale of investments		1,965,000	9,901,195
Net cash provided by/(used in) investing activities		1,121,100	(498,051)
Cash flows from financing activities			
Proceeds from unit applications		1,793,178	3,019,612
Payments on redemptions		(1,519,377)	(2,296,758)
Income distributed		(1,244,156)	(61,877)
Net cash (used in)/provided by financing activities		(970,355)	660,977
Net increase in cash held		12,077	15,840
Cash and Cash Equivalents at the beginning of the year		14,765	(1,075)
Cash and Cash Equivalents at the end of the year		26,842	14,765

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 2016

	Note	2016 \$	2015 \$
INCOME			
Interest - Bank		1,241	1,214
Trust distributions		311,392	278,097
Changes in net market value of investments	14	-	657,422
		312,633	936,733
EXPENDITURE			
Management fees		122,901	180,420
Other expenses		222	206
Changes in net market value of investments		40,521	-
		163,644	180,626
SURPLUS FOR THE YEAR		148,989	756,107
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		148,989	756,107

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 2016

	Note	2016 \$	2015 \$
ASSETS			
Current			
Cash and Cash Equivalents		26,545	15,294
Investments	6	6,486,547	8,818,575
TOTAL ASSETS		6,513,092	8,833,869
LIABILITIES			
Current			
Payables		10,717	14,748
TOTAL LIABILITIES		10,717	14,748
NET ASSETS		6,502,375	8,819,121
EQUITY			
Funds under Administration	8	6,502,375	8,819,121
TOTAL EQUITY		6,502,375	8,819,121

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 2016

	2016 \$	2015 \$
As at 1 July	8,819,121	9,699,776
Surplus for the year	148,989	756,107
Distributions to unit holders	(2,343,516)	(92,279)
Application for units	1,396,504	1,097,521
Redemption of units	(1,518,723)	(2,642,004)
BALANCE OF EQUITY AT 30 JUNE	6,502,375	8,819,121

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 2016

	Note	2016 \$	2015 \$
Cash flows from operating activities			
Interest received		1,241	1,214
Management fees		(138,531)	(188,467)
Other expenses		(223)	(206)
Net cash used in operating activities	11(a)	(137,513)	(187,459)
Cash flows from investing activities			
Payments for investments		(661,100)	(10,347,076)
Proceeds from sale of investments		3,275,600	12,154,975
Net cash provided by investing activities		2,614,500	1,807,899
Cash flows from financing activities			
Proceeds from unit applications		1,396,504	1,097,521
Payments on redemptions		(1,518,723)	(2,642,004)
Income distributed		(2,343,517)	(92,279)
Net cash used in financing activities		(2,465,736)	(1,636,762)
Net increase/(decrease) in cash held		11,251	(16,322)
Cash and Cash Equivalents at the beginning of the year		15,294	31,616
Cash and Cash Equivalents at the end of the year		26,545	15,294

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

1. ACTIVITIES OF THE PUBLIC TRUSTEE

The functions of the Public Trustee (the Entity) are defined in the *Public Trustee Act as enforced at 13 November 2014* 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 investment property, 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 3.

The financial report is presented in Australian dollars, which is Public Trustee's functional and presentation currency. All amounts have been rounded off to the nearest dollar.

(b) *Operation of the Common Funds*

The common funds have been established pursuant to the *Public Trustee Act as enforced at 13 November 2014*. 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 all Common Funds are reported separately.

External advisers have been appointed to assist with the management of Common Funds 2, 3 and 4, while Common Fund 1 is managed internally. 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 and unrealised gains and losses.

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

(d) *Cash and Cash Equivalents*

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. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown as current liabilities on the statement of financial position (where applicable).

(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 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 Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognised on the Statement of Financial Position when the Entity becomes a party to the contractual provisions of the financial instrument. Public Trustee's financial statements include cash, investments, receivables and payables.

Exposure to interest rate risk, foreign exchange risk, credit risk, price risk and liquidity risk arise in the normal course of activities. The Public Trustee's investments are predominantly managed through Northern Territory Treasury Corporation adopting strategies to minimise the risk.

Classification of Financial Instruments

Financial assets are classified into the following categories:

- financial assets at fair value through profit and loss;
- held to-maturity investments;
- loans and receivables; and
- available-for-sale financial assets.

Financial liabilities are classified into the following categories:

- financial liabilities at fair value through profit or loss (FVTPL); and
- financial liabilities at amortised cost.

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).

2. STATEMENT OF ACCOUNTING POLICIES (continued)**(e)** *Investments and other financial assets (continued)*

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 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 and 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 12.

(f) *Receivables*

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

(g) *Investment property*

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. The asset is derecognised when disposed of or when there is no future economic benefit expected.

(h) *Impairment of non-financial assets*

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

2. STATEMENT OF ACCOUNTING POLICIES (continued)

(i) *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.

(j) *Income Tax*

Under current income tax legislation, no income tax is payable by any of the Common Funds.

(k) *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 for the second half of the year 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 distributable until realised.

(l) *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.

(m) *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.

(n) *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.

(o) *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.

(p) *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.

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

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

In the current period the Public Trustee for the Northern Territory has adopted all the new and revised Standards and Interpretations issues by the Australian Accounting Standards Board (the AASB) that are relevant to its operation and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has resulted in no significant change to the Public Trustee for the Northern Territory accounting policies.

A number of Australian Accounting standards and Interpretations are in issue but not effective for the current period end. The reported results and position of the Public Trustee for the Northern Territory will not change on adoption of these pronouncements as they do not result in any changes to the Public Trustee for the Northern Territory's existing accounting policies. Adoption would, however, result in changes to information currently disclosed in the financial statements. The Public Trustee for the Northern Territory does not intend to adopt any of these pronouncements before their effective dates.

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 not 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

Investment in Coonawarra Road Store is measured at fair value at each reporting date. Fair Value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the reporting date.

For the year ended 30 June 2016, the fair value of the Coonawarra Road store was based on the independent valuation performed by Herron Todd White. The valuation approach used has been assessed having regards to market evidence, prevailing economic conditions and to anticipate yields in the investment market. The carrying value of the investment property is assessed at reporting date to ensure there has been no material changes in the fair value since the valuation date. The fair value of the Coonawarra Road Store amounted to \$650,000 in 2016 (\$655,000 in 2015).

4. OTHER INCOME – COMMON FUND 1

	2016	2015
	\$	\$
Management Fees received from the other 3 Common Funds	356,034	424,896
Rent Received	30,856	30,537
Total	386,890	455,433

5. OTHER EXPENSES – COMMON FUND 1

	2016	2015
	\$	\$
Bank Charges	1,604	1,928
Property Expenses	12,786	10,817
Fund Management Fees	88,927	128,403
	103,317	141,148

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 breakdown of the investments as at 30 June 2016 is as follows:

	Common Fund 1		Common Fund 2	
	2016	2015	2016	2015
	\$	\$	\$	\$
Unlisted Managed investment Schemes	32,247,848	30,024,822	4,662,772	4,025,791
	32,247,848	30,024,822	4,662,772	4,025,791

	Common Fund 3		Common Fund 4	
	2016	2015	2016	2015
	\$	\$	\$	\$
Unlisted Managed investment Schemes	7,126,885	7,869,852	6,486,547	8,818,575
	7,126,885	7,869,852	6,486,547	8,818,575

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

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

	Common Fund 2		Common Fund 3	
	2016 Units	2015 Units	2016 Units	2015 Units
Balance at the beginning of the year	3,849,439	4,366,524	6,639,615	6,174,917
Applications	2,144,513	1,926,093	1,777,398	2,480,108
Redemptions	(1,299,470)	(2,443,178)	(1,512,581)	(2,015,410)
Balance at the end of the year	4,694,482	3,849,439	6,904,432	6,639,615

	Common Fund 4	
	2016 Units	2015 Units
Balance at the beginning of the year	6,579,616	7,772,964
Applications	1,402,700	868,201
Redemptions	(1,538,892)	(2,061,549)
Balance at the end of the Year	6,443,424	6,579,616

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.

	2016 \$	2015 \$
Common Fund 2	137,675	(276,339)
Common Fund 3	140,686	(1,119,415)
Common Fund 4	9,946	(1,724,885)

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
	2016	2015	2016	2015
	\$	\$	\$	\$
Deceased Estates	5,674,676	5,858,650	-	-
Beneficial Trusts	891,126	1,261,249	434,968	182,969
Legal Trusts	8,528,895	7,989,005	2,240,457	1,552,204
Aged, Infirm and Mental Health Trusts	7,154,804	5,174,044	2,002,809	2,299,108
Crimes Property Forfeiture	1,318,584	825,238	-	-
Miscellaneous Trusts	9,682,558	10,120,630	-	-
Total Funds	33,250,643	31,228,816	4,678,234	4,034,281

	Common Fund 3	Common Fund 3	Common Fund 4	Common Fund 4
	2016	2015	2016	2015
	\$	\$	\$	\$
Beneficial Trusts	1,495,577	2,045,030	377,336	740,713
Legal Trusts	2,600,260	2,886,948	1,947,151	3,792,693
Aged, Infirm and Mental Health Trusts	3,046,071	2,939,532	4,177,888	4,285,715
Total Funds	7,141,908	7,871,510	6,502,375	8,819,121

	Total	Total
	2016	2015
	\$	\$
Deceased Estates	5,674,676	5,858,650
Beneficial Trusts	3,199,007	4,229,961
Legal Trusts	15,316,763	16,220,850
Aged, Infirm and Mental Health Trusts	16,381,572	14,698,399
Crimes Property Forfeiture	1,318,584	825,238
Miscellaneous Trusts	9,682,558	10,120,630
Total Funds	51,573,160	51,953,728

9. INVESTMENT IN COONAWARRA ROAD

	2016	2015
	\$	\$
Beginning of Year	655,000	655,000
Change in Fair Value	(5,000)	-
End of Year	650,000	655,000

9. INVESTMENT IN COONAWARRA ROAD (Continued)

The Property is leased out for office accommodation and storage for 3 years, from 1 January 2015 to 31 December 2018. The rent amounted to \$30,772 per annum exclusive of GST payable by equal monthly instalments in advance. Rent received for the year ended 30 June 2016 amounted to \$30,856 (2015: \$30,537).

The future minimum lease payments:

	2016 \$	2015 \$
Not later than 1 year	30,772	30,772
Later than one year but not less than five years	12,822	43,594

Refer to Note 3 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/(used in) operating activities****Common Fund 1**

	2016 \$	2015 \$
Surplus for the year	175,437	229,616
- Changes in net market value of investments – unrealised (note 14)	25,176	(15,119)
- Movements in receivables	3,530	(1,383)
- Movements in payables	30,881	(70,672)
- Realised gain on sale of investments (note 14)	(24,872)	16,572
Net cash provided by operating activities	210,152	159,014

Common Fund 2

Surplus for the year	182,107	230,944
- Changes in net market value of investments – unrealised (note 14)	(137,675)	276,339
- Movements in payables	1,003	(579)
- Realised (loss) on sale of investments (note 14)	(4,352)	(474,519)
- Non cash dividends received from investments	(122,854)	(118,999)
Net cash (used in) operating activities	(81,771)	(86,814)

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

	2016 \$	2015 \$
Surplus for the year	240,752	296,734
- Changes in net market value of investments – unrealised (note 14)	(140,686)	1,119,415
- Movements in payables	(1,288)	1,708
- Realised gain/(loss) on sale of investments (note 14)	16,120	(1,358,394)
- Non cash dividends received from investments	(253,567)	(206,549)
Net cash (used in) operating activities	(138,668)	(147,086)

Common Fund 4

Surplus for the year	148,989	756,107
- Changes in net market value of investments – unrealised (note 14)	(9,946)	1,724,885
- Movements in payables	(4,031)	(1,208)
- Realised gain/(loss) on sale of investments (note 14)	50,467	(2,382,307)
- Non cash dividends received from investments	(322,992)	(284,936)
Net cash (used in) operating activities	(137,513)	(187,459)

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

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments held by the Public Trustee include cash, investments, receivables and payables.

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. 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 dependent on interest earned from cash and cash equivalents, 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
		2016	2016	2015	2015
		\$	\$	\$	\$
Interest Rate Risk	+ 100 basis points	8,680	8,680	10,647	10,647
	- 100 basis points	(8,680)	(8,680)	(10,647)	(10,647)

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	
	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$
Financial Assets						
Cash 1.90/2.25%	868,060	1,064,700			868,060	1,064,700
Receivables	-	-	34,828	38,358	34,828	38,358
Investment			32,247,848	30,024,822	32,247,848	30,024,822
	868,060	1,064,700	32,282,676	30,063,180	33,150,736	31,127,880
Financial Liabilities						
Payables	-	-	113,496	82,615	113,496	82,615
	-	-	113,496	82,615	113,496	82,615

12. **FINANCIAL RISK MANAGEMENT (Continued)****Common Fund 2**

Weighted Average Effective Interest Rate	Variable Interest Rate		Non Interest Bearing		Total	
	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$
Financial Assets						
Cash 1.40/2.25%	23,154	15,179			23,154	15,179
Investments			4,662,772	4,025,791	4,662,772	4,025,791
	23,154	15,179	4,662,772	4,025,791	4,685,926	4,040,970
Financial Liabilities						
Payables	-	-	7,692	6,689	7,692	6,689
	-	-	7,692	6,689	7,692	6,689

Common Fund 3

Weighted Average Effective Interest Rate	Variable Interest Rate		Non Interest Bearing		Total	
	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$
Financial Assets						
Cash 1.40/2.25%	26,842	14,765	-	-	26,842	14,765
Investments			7,126,885	7,869,852	7,126,885	7,869,852
	26,842	14,765	7,126,885	7,869,852	7,153,727	7,884,617
Financial Liabilities						
Payables	-	-	11,819	13,107	11,819	13,107
	-	-	11,819	13,107	11,819	13,107

Common Fund 4

Weighted Average Effective Interest Rate	Variable Interest Rate		Non Interest Bearing		Total	
	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$
Financial Assets						
Cash 1.40/2.25%	26,545	15,294	-	-	26,545	15,294
Investments	-	-	6,486,547	8,818,575	6,486,547	8,818,575
	26,545	15,294	6,486,547	8,818,575	6,513,092	8,833,869
Financial Liabilities						
Payables	-	-	10,717	14,748	10,717	14,748
	-	-	10,717	14,748	10,717	14,748

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. 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".

		Carrying Amount	
	Note	2016	2015
		\$	\$
Common Fund 1			
Cash and cash equivalents		868,060	1,064,700
Financial Assets at Fair Value through profit and loss - Designated as FVTPL	6	32,247,848	30,024,822
Loans and Receivables		34,828	38,358
Common Fund 2			
Cash and cash equivalents		23,154	15,179
Financial Assets at Fair Value through profit and loss - Designated as FVTPL	6	4,662,772	4,025,791
Common Fund 3			
Cash and cash equivalents		26,842	14,765
Financial Assets at Fair Value through profit and loss - Designated as FVTPL	6	7,126,885	7,869,852
Common Fund 4			
Cash and cash equivalents		26,545	15,294
Financial Assets at Fair Value through profit and loss - Designated as FVTPL	6	6,486,547	8,818,575

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.

13. FAIR VALUE MEASUREMENT

The following levels detail the Common Fund's assets measured at fair value 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, whether 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 investment in securities are categorised under Level 1. There were no transfers between levels during the reporting year. The fair value of the investment property is categorised under Level 2. The method used for the valuation of the property is known as the "Summation Approach" in which the subject property is compared with other industrial buildings that have recently been sold. Given the age and utility of the improvements, it only adds holding income until such time the property is redeveloped.

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.

14. CHANGES IN NET MARKET VALUE OF INVESTMENTS

	2016 \$	2015 \$
Common Fund 1		
Realised capital gain/(loss) during the period	24,872	(16,572)
Revaluation of investments to market value – Unrealised	(25,176)	15,119
	(304)	(1,453)
Common Fund 2		
Realised capital gains during the period	4,352	474,519
Revaluation of investments to market value – Unrealised	137,675	(276,339)
	142,027	198,180

14. CHANGES IN NET MARKET VALUE OF INVESTMENTS (Continued)

	2016 \$	2015 \$
Common Fund 3		
Realised capital (loss)/gain during the period	(16,120)	1,358,394
Revaluation of investments to market value – Unrealised	140,686	(1,119,415)
	124,566	238,979
Common Fund 4		
Realised capital (loss)/gain during the period	(50,467)	2,382,307
Revaluation of investments to market value – Unrealised	9,946	(1,724,885)
	(40,521)	657,422

15. CONTINGENT LIABILITIES

No contingent liabilities existed as at 30 June 2016 or have arisen since reporting date (2015: Nil).

16. EVENTS AFTER THE REPORTING DATE

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 2016, and the results of the operation and Statement of Cash Flows of the Common Funds for the period ended on that date.

17. COMMITMENT

There were no material contractual commitments for capital or other expenditure as at 30 June 2016 (30 June 2015: Nil).

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 2016**

DECEASED ESTATE NAME	BENEFICIARY NAME	AMOUNT \$
EST: GINO NESIC		\$ 204,398.23
EST: JOHN MAY		\$ 193,351.70
EST: MICHAEL P J FLAHERTY		\$ 177,357.67
EST: MATTHEW HALL		\$ 107,696.08
EST: WILLIAM TUCKETT	MELONIE ANDERSON	\$ 105,940.30
EST: THOMAS PRITCHARD		\$ 35,873.59
EST: RAJKO MILOVAC		\$ 34,239.76
EST: GEORGE PRITCHARD		\$ 27,097.21
EST: WILLIAM PRITCHARD		\$ 27,096.89
EST: PETER BEGIC	FRANK BEGIC	\$ 19,932.81
EST: THOMAS MATTHEWS		\$ 19,564.46
EST: RAYLOND MAYO	ABRAHAM MAYO	\$ 19,225.27
EST: LEO RIDDER		\$ 15,508.57
EST: JOE GORDON	JILL GORDON	\$ 14,447.43
EST: CAROL LANE		\$ 13,951.23
TRUST: TENNAYA STANTON- STEVENS		\$ 13,577.08
EST: WILLIAM HOLLEY		\$ 11,928.52
TRUST: DAZARIA CHUNGALOO		\$ 11,502.79
EST: RUBY MEIWALA	DON GUNDINGA	\$ 11,499.45
EST: KEVIN PEPPERILL	DICK JLARMA	\$ 11,409.64
EST: ALICE FULLER	ROBERT FULLER	\$ 11,409.22
EST: BILLY MUKA		\$ 10,938.99
TRUST: DIANDRA LEWIS		\$ 10,754.42
TRUST: MARCUS NELSON		\$ 10,418.59
TRUST: JASON NELSON		\$ 10,297.87
TRUST: ANITA BALIEDJA		\$ 8,382.83
TRUST: MANAHN NAMUNJDJA		\$ 8,351.43
TRUST: LAMET NAMUNDJA		\$ 7,766.66
EST: BEDRICH MOHAUPT		\$ 7,704.03
EST: PETER BOZOKI		\$ 7,647.29
EST: THELMA CROSBIE	MONA WALTON	\$ 7,583.66
EST: THELMA CROSBIE	VIOLET CRAWFORD	\$ 7,583.66
EST: MARY ASHLEY	NELL DUBULWANGA	\$ 7,197.42
TRUST: JOANNE KELLY MCDONALD		\$ 6,951.02
EST: MINNIE NIMARA		\$ 6,846.74
EST: GERALD MARTIN		\$ 6,406.79
EST: LIONEL JEFFREY		\$ 6,081.08
EST: TIBOR VESZ		\$ 5,367.36

**UNCLAIMED MONEYS AND MONEYS DEEMED BONA VACANTIA
(IN EXCESS OF \$1,000)
HELD BY THE PUBLIC TRUSTEE
AS AT 30 JUNE 2016**

DECEASED ESTATE NAME	BENEFICIARY NAME	AMOUNT \$
TRUST: EMMA JINDERAH		\$ 5,323.38
EST: LEO JOHN	SANDY AUGUST BOOKEDEA BADIN	\$ 5,320.65
EST: LEO JOHN	TIBBY WARATBUNGGUAN BULAINJAN	\$ 5,320.65
EST: RICHARD BAILEY		\$ 4,976.13
EST: NORMAN ANDERSON		\$ 4,767.87
EST: ANTHONY DJIGADJIGA		\$ 4,363.59
EST: SAMUEL BRADSHAW	WILLIAM BRADSHAW	\$ 4,252.64
EST: SAMUEL BRADSHAW	ROBERT BRADSHAW	\$ 4,252.64
EST: MARY NUNGALA/ROSS		\$ 3,909.05
EST: JOHN PATTERSON		\$ 3,876.85
EST: JOHN FRANCIS MOORE	DENNIS MOORE	\$ 3,857.00
EST: BIDDY TEX	DENIE TUNGERRAI	\$ 3,853.28
EST: BIDDY TEX	NORMAN TEX	\$ 3,853.28
EST: YVONNE FISCHER	TENILLE SALLY -ANNE FISCHER	\$ 3,788.29
EST: YVONNE FISHCER	WILHELM MARIA KOEPPL	\$ 3,788.29
TRUST: CAROL DAIRIYI		\$ 3,662.85
EST: TOMMY PANANGALKU	MOLLY KUMNANARA	\$ 3,493.47
EST: MONICA CONWAY	JOHN CONWAY	\$ 3,418.81
EST: ERMINIO NEPI	LEO NEPI	\$ 3,372.56
TRUST: KRYSTAL BYRNE		\$ 3,179.69
EST: CHRISTIAN PRAUD		\$ 2,765.27
EST: LEO JOHN	JOHNNY GODIJIA JALYERI (BEETALOO)	\$ 2,660.33
EST: LEO JOHN	TOMMY BEETALOO(LEFTHAND TOMMY)	\$ 2,660.32
EST: KRESTEN MADSEN		\$ 2,579.57
TRUST: ALGELINA MYER OWEN		\$ 2,499.51
TRUST: ERNEST OWEN		\$ 2,488.92
EST: DAVID HARRIS	ROBERT HARRIS	\$ 2,452.41
EST: WILLIAM TREMBLAY	WILLIAM TREMBLAY THE THIRD	\$ 2,327.41
EST: DARNEY DIXON	SUZANNE DIXON	\$ 2,316.35
EST: JON HONI THOMPSON	KARA-MEA JO	\$ 2,165.21
EST: JON HONI THOMPSON	NGARAMA LEE	\$ 2,165.21
EST: JON HONI THOMPSON	HAYLEY JANE	\$ 2,165.21
EST: HACENE BOUFERGUENE		\$ 2,139.84
EST: JAN KOHN		\$ 2,126.32
EST: ALBIE DIXON		\$ 2,072.39
EST: MINNIE NANGALA	RAINYERRI JABALJARI	\$ 1,948.71
EST: JOANNIE ROSS		\$ 1,870.13
EST: LASZLO MAGYARY		\$ 1,838.98

**UNCLAIMED MONEYS AND MONEYS DEEMED BONA VACANTIA
(IN EXCESS OF \$1,000)
HELD BY THE PUBLIC TRUSTEE
AS AT 30 JUNE 2016**

DECEASED ESTATE NAME	BENEFICIARY NAME	AMOUNT \$
EST: GRAHAM PEDDER		\$ 1,829.91
EST: LEO JOHN	MARY MAGDELENE KINGSLEY	\$ 1,773.55
EST: LEO JOHN	PEARL WILFRED NGAMAIYANG	\$ 1,773.55
EST: LEO JOHN	DALLAS KINGSLEY	\$ 1,773.54
EST: LORNA MALBUNKA	SYBIL MALBUNKA	\$ 1,725.45
EST: LORNA MALBUNKA	PATSY MALBUNKA	\$ 1,725.44
EST: LORNA MALBUNKA	RUDOLPH MALBUNKA	\$ 1,725.44
EST: FRANCIS BAIRD		\$ 1,696.58
EST: KITTY MINYINGMA	WILLIAM PRESLEY	\$ 1,617.64
EST: EMILY WILLIAMS	ANDREW WILLIAMS	\$ 1,547.49
EST: STEVEN ROSS		\$ 1,400.00
EST: MAY HILLMAN		\$ 1,288.98
EST: BIDDY TEX	MARILYN GILL	\$ 1,284.42
EST: REGINALD MATTHEWS		\$ 1,207.92
EST: LINDY RANKINE	CHARLES RANKINE	\$ 1,148.76
EST: ELENOR BROOKS		\$ 1,128.65
EST GERARD MARTEL	LORRAINE MARTEL	\$ 1,071.12
EST: BRUCE SNELLING	PATRICIA SNELLING	\$ 1,063.54
EST: NANCY LAMB	AMANDA SHEPHERD	\$ 1,000.00
		\$ 1,374,942.78