



**PUBLIC TRUSTEE
AND GUARDIAN**

**ANNUAL REPORT
2016-17
CORRIGENDUM**



CORRIGENDUM
PUBLIC TRUSTEE AND GUARDIAN
ANNUAL REPORT 2016-17

This Corrigendum relates to the Annual Report for the Public Trustee and Guardian for 2016-17 and should be read together with and part of the Annual Report.

The Annual Report is amended as follows –

By inserting in “Annexure- Financial Statements”, after Page 111, the following pages numbered Pages 4 – 52, commencing with the page titled “Statement of Changes in Equity (Continued) for the Year Ended 30 June 2017”.

The additional pages relate to the audited Financial Statements for the Public Trustee and Guardian Office Account.



Andrew Taylor

PUBLIC TRUSTEE AND GUARDIAN

13 October 2017

PUBLIC TRUSTEE AND GUARDIAN
STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017

	Accumulated Funds Actual 2016 \$	Asset Revaluation Surplus Actual 2016 \$	Total Equity Actual 2016 \$
Balance at 1 July 2015	4,339,289	481,789	4,821,078
Comprehensive Income			
Operating Surplus	357,219	-	357,219
Total Comprehensive Income	357,219	-	357,219
Transactions Involving Owners Affecting Accumulated Funds			
Dividend Approved	(178,610)	-	(178,610)
Net assets transferred in as part of an Administrative Restructure	87,613	-	87,613
Total Transactions Involving Owners Affecting Accumulated Funds	(90,997)	-	(90,997)
Balance at 30 June 2016	4,605,511	481,789	5,087,300

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

PUBLIC TRUSTEE AND GUARDIAN
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

	Note No.	Actual 2017 \$	Original Budget 2017 \$	Actual 2016 \$
Cash Flows from Operating Activities				
Receipts				
Controlled Recurrent Payments		1,643,250	1,602,000	624,001
Community Service Obligations		503,000	503,000	496,000
		<u>2,146,250</u>	<u>2,105,000</u>	<u>1,120,001</u>
User Charges		5,189,330	4,695,000	4,749,702
Interest Received		200,429	180,000	174,470
Goods and Services Tax Collected from Customers		497,533	469,000	469,877
Insurance Recoveries		-	-	146,715
Other		111,973	-	165,994
		<u>8,145,515</u>	<u>7,449,000</u>	<u>6,826,759</u>
Total Receipts from Operating Activities				
Payments				
Employee		4,555,463	4,384,000	3,800,451
Superannuation		653,359	567,000	531,126
Supplies and Services		1,600,545	1,567,000	1,127,792
Goods and Services Tax Remitted to the Australian Taxation Office		323,951	320,000	390,579
Goods and Services Tax Paid to Suppliers		162,164	146,000	86,511
Other		6,328	-	9,913
		<u>7,301,810</u>	<u>6,984,000</u>	<u>5,946,372</u>
Total Payments from Operating Activities				
Net Cash Inflows from Operating Activities	22(b)	<u><u>843,705</u></u>	<u><u>465,000</u></u>	<u><u>880,387</u></u>

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

PUBLIC TRUSTEE AND GUARDIAN
CASH FLOW STATEMENT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017

	Note No.	Actual 2017 \$	Original Budget 2017 \$	Actual 2016 \$
Cash Flows from Investing Activities				
Payments				
Payments for Plant and Equipment		220,512	-	6,748
Total Payments from Investing Activities		220,512	-	6,748
Net Cash (Outflows) from Investing Activities		(220,512)	-	(6,748)
Cash Flows from Financing Activities				
Payments				
Payment of Dividends		178,610	167,000	354,557
Repayment of Borrowings		4,476	-	-
Total Payments from Financing Activities		183,086	167,000	354,557
Net Cash (Outflows) from Financing Activities		(183,086)	(167,000)	(354,557)
Net Increase in Cash and Cash Equivalents Held		440,107	298,000	519,082
Cash and Cash Equivalents at the Beginning of the Reporting Period		6,762,293	6,497,000	6,243,211
Cash and Cash Equivalents at the End of the Reporting Period	22(a)	7,202,400	6,795,000	6,762,293

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

PUBLIC TRUSTEE AND GUARDIAN

STATEMENT OF APPROPRIATION
FOR THE YEAR ENDED 30 JUNE 2017

	Original Budget 2017 \$	Total Appropriated 2017 \$	Appropriation Drawn 2017 \$	Appropriation Drawn 2016 \$
Controlled Recurrent Payments	2,105,000	2,311,000	2,146,250	1,120,001
Total Appropriation	2,105,000	2,311,000	2,146,250	1,120,001

Column Heading Explanations:

The *Original Budget* column shows the amounts that appear in the Cash Flow Statement in the Budget Papers. This amount equals the sum of Controlled Recurrent Payments and the Community Service Obligation shown in the Cash Flow Statement.

The *Total Appropriated* column includes all appropriation variations occurring after the Original Budget.

The *Appropriation Drawn* is the total amount of appropriation received by the Public Trustee and Guardian during the reporting period. This amount equals the sum of Controlled Recurrent Payments and Community Service Obligation shown in the Cash Flow Statement.

Variances between 'Original Budget' and 'Total Appropriated'

The increase in the total Appropriation was due to an increase in funds received for the administration of the Guardianship unit. This was a Section 16B transfer from the prior period.

Variances between 'Total Appropriated' and 'Appropriation Drawn'

The Appropriation drawn was \$164,750 less than the total appropriated. This was due to funds required to administer the Official Visitors Scheme being lower than budget and savings initiatives implemented by the ACT Government reduced the funds that the Public Trustee and Guardian was permitted to draw down during the year.

The above Statement of Appropriation should be read in conjunction with the accompanying notes.

PUBLIC TRUSTEE AND GUARDIAN
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FOR THE YEAR ENDED 30 JUNE 2017

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PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1. OBJECTIVES OF THE PUBLIC TRUSTEE AND GUARDIAN

The Public Trustee and Guardian was established on 1 April 2016, merging the former Public Trustee for the ACT with the Guardianship function of the Public Advocate of the ACT.

The objectives of the Public Trustee and Guardian, as authorised by the *Public Trustee and Guardian Act 1985* and the *Trustee Act 1925*, is to protect and support rights, choices, security and justice for all persons in the ACT Community by preparing wills and enduring powers of attorney, administering estates and trust management. The Public Trustee and Guardian is also responsible for the protection of the financial personal and property interests of persons with a legal disability, where appointed under the *Guardianship and Management of Property Act 1991* as a financial manager and/or guardian.

The Public Trustee and Guardian acts as agent for the Territory under the *Confiscation of Criminal Assets Act 2003*, is agent of the Territory for unclaimed moneys under the *Unclaimed Money Act 1950* and holds investment responsibility for government and non-government trust funds.

The Public Trustee and Guardian is trustee for the Perpetual Care Trusts under the *Cemeteries and Crematoria Act 2003* and for the Capital Region Community Foundation (GreaterGood).

The Public Trustee and Guardian is chair of the Official Visitors Board under the *Official Visitors Act 2012* and is responsible for providing administration services to Official Visitors.

2. SIGNIFICANT ACCOUNTING POLICIES

Refer to the following appendices for the notes comprising significant accounting policies and other explanatory information.

Appendix A - Basis of Preparation of the Financial Statements
Appendix B - Significant Accounting Policies
Appendix C - Impact of Accounting Standards Issued But Yet to Be Applied

3. CHANGE IN ACCOUNTING ESTIMATES

Refer to Appendix D - Change in Accounting Estimates.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

4. CONTROLLED RECURRENT PAYMENTS

Controlled Recurrent Payments (CRP) is revenue received from the ACT Government to fund the costs of delivering outputs. The ACT Government pays CRP appropriation on a fortnightly basis.

Community Service Obligations (CSO) is revenue received from the ACT Government to fund services to the public at subsidised rates.

	2017 \$	2016 \$
Controlled Recurrent Payments	1,643,250	624,001
Community Service Obligations	503,000	496,000
Total Controlled Recurrent Payments	2,146,250	1,120,001

The increase in CRP was due to an additional amount of appropriation transferred from Justice and Community Safety Directorate under Section 16B of the *Financial Management Act 1996*. It relates to the establishment of the Public Trustee and Guardian on 1 April 2016 and was not received in 2015-16 financial year.

5. USER CHARGES

User charges revenue is derived by providing services related services to other ACT Government agencies and to the public. User charges revenue is paid by the user of the services and legally retained by the agency. This revenue is driven by consumer demand.

User Charges – ACT Government		
Commission (a)	242,279	262,594
Other Fees	1,200	1,200
Total User Charges - ACT Government	243,479	263,794
User Charges – Non ACT Government		
Commission (b)	1,807,866	1,996,386
Management Fees	1,972,694	1,938,209
Other Fees (c)	987,464	846,164
Total User Charges – Non ACT Government	4,768,024	4,780,759
Total User Charges	5,011,503	5,044,553

PUBLIC TRUSTEE AND GUARDIAN**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017****5. USER CHARGES (CONTINUED)**

(a) Commission from ACT Government entities is based on the return on invested funds on behalf of the Justice and Community Safety Directorate Trust Funds. The interest rate has decreased during the financial year and the return on investments reflects this decrease.

(b) Commission from Non-ACT Government entities is charged on the value of the income earned for funds managed in the Public Trustee and Guardian Trust Account. This has decreased due to lower interest rates received on cash invested in term deposits.

(c) Other fees have increased due to an increase in fees recovered from the management of Unclaimed Moneys.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
6. EMPLOYEE EXPENSES		
Wages and Salaries (a)	4,324,199	3,634,125
Wages and Superannuation Cost of Official Visitors	-	9,392
Annual Leave Expense (b)	34,785	40,476
Long Service Leave Expense (c)	(29,090)	89,977
Termination Payments (d)	70,598	9,627
Fringe Benefits Tax	14,089	8,664
Workers' Compensation Insurance Premiums (e)	71,688	49,984
Other Employee Expenses and On-Costs	3,563	538
Total Employee Expenses	4,489,832	3,842,783

(a) Public Trustee and Guardian had 54 staff employed at 30 June 2017 (51 at 30 June 2016). Wages and Salary costs have increased due to a full financial year of salaries of the Guardianship Unit staff from the transfer of staff from the Public Advocate of the ACT to the Public Trustee and Guardian in April 2016. In 2015-16 only 3 months of wages and salaries for the Guardianship staff were recorded. In addition, there was an increase in staffing numbers overall due to an increase in workload.

(b) Annual leave expenses decreased due to a reduction in the present value factor used for calculating leave from 101.4 per cent in 2015-16 to 99.8 per cent in 2016-17.

(c) Long Service Leave expenses decreased due to a reduction in the present value factor used for calculating leave from 114.7 per cent in 2015-16 to 103.4 per cent in 2016-17.

(d) A larger number of staff ceased their employment in 2016-17 compared to 2015-16 and their employee entitlements were higher in value.

(e) Workers' Compensation Insurance Premium is assessed yearly and is calculated by the ACT Insurance Authority on an actuarial basis as a percentage of estimated salaries. The premium increased compared to 2015-16 due to higher wages and salaries mainly from an increase in the number of staff as a result of the transfer of the Guardianship Unit in April 2016.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

7. SUPERANNUATION EXPENSES

The Public Trustee and Guardian makes fortnightly payments to the Territory Banking Account for CSS and PSS superannuation liabilities. The productivity benefit for these schemes is paid directly to the Commonwealth Superannuation Corporation (CSC).

Superannuation payments are also made to external providers as part of employee fund of choice arrangements.

	2017 \$	2016 \$
Superannuation Contributions to the Territory		
Banking Account	309,601	239,422
Productivity Benefit	43,911	34,235
Superannuation to External Providers	293,032	250,338
Total Superannuation Expenses (a)	646,544	523,995

(a) The increase in Superannuation Expense is due to a full financial year of superannuation relating to the Guardianship Unit's staff. In the 2015-16 year only 3 months of the superannuation expense was recorded relating to these staff members. In addition, the increase in staffing numbers also contributed to the increase in superannuation expenses.

PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
8. SUPPLIES AND SERVICES		
Audit Fee	80,049	78,681
Borrowing Costs	-	2,567
Computer Expenses	262,148	275,731
Consultants Costs (a)	147,112	58,365
Electricity	9,490	6,495
Greatergood Foundation Costs (b)	12,886	160
Insurance Risk Management Levy	23,716	28,278
Licence Fees (c)	15,473	31,210
Marketing	34,331	31,970
Motor Vehicle Expenses	19,017	16,819
Office Equipment	14,219	11,264
Official Visitors Expenses	268,527	271,235
Other Expenses	47,588	37,542
Postage	16,844	15,428
Printing/Stationery (d)	48,351	34,745
Rental and Property Expenses (e)	378,552	308,903
Repairs/Maintenance (f)	116,364	102,870
Staff Training	26,690	20,995
Subscriptions/Memberships	15,939	14,336
Telephones	23,687	19,686
Translation/Interpreter Costs	238	870
Relocation/Renovation Costs	19,653	17,032
Protection of Rights Expenses (g)	1,390	31,193
Travel Expenses (h)	14,712	3,757
Total Supplies and Services	1,596,976	1,420,132

(a) Consultants' costs increased as a result of the contracting of a firm to perform an organisational review of the Public Trustee and Guardian staffing structure and staff remuneration in 2016-17.

(b) Public Trustee and Guardian assisted the Capital Region Community Foundation with administration costs in 2016-17 as a result of the increased income provided to Public Trustee and Guardian.

(c) Licence fees decreased due to the expense being paid from the Public Trustee and Guardian Trust account in 2016-17.

(d) Printing and Stationery costs increased due to the introduction of new information brochures about the new and changed services provided by the Public Trustee and Guardian in 2016-17 and an increase in the use of stationery from an increase in staff numbers.

PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

8. SUPPLIES AND SERVICES (CONTINUED)

(e) Rental and Property expenses increased due to the Public Trustee and Guardian entering a new lease that provided for an increase in lettable area in 2016-17. This resulted from the amalgamation of the Guardianship Unit with the former Public Trustee for the ACT.

(f) Repairs and Maintenance costs increased due to the upgrade of the business application software, TACT in 2016-17. In addition, the IT maintenance agreement costs increased as a result of an increase in staff numbers and associated licences for software products required.

(g) Protection of Rights Expenses relates to the change of name from the Public Trustee of the ACT to the Public Trustee and Guardian. The costs associated with this change were primarily incurred in the 2015-16 year and completed in the 2016-17 year.

(h) An increase in Travel Expenses occurred in 2016-17 due to increased staffing numbers requiring local and interstate travel for industry specific conferences and meetings.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

9. WAIVERS AND WRITE-OFFS

There were no waivers in 2016-17 (2015-16: none).

The Public Trustee and Guardian approved the write-off of debts owed by third parties. The write-offs disclosed below have occurred during the reporting period for Public Trustee and Guardian.

Ordinary Activities	No.	2017		2016
		\$	No.	\$
Write-offs				
Irrecoverable Debts	6	5,795	4	1,641
Total Write-offs	6	5,795	4	1,641

In 2016-17, write-offs were made by the Public Trustee and Guardian under delegated authority. Write-offs were due to amounts that were unable to be recovered from clients.

10. AUDITOR'S REMUNERATION

Auditor's remuneration consists of financial audit services provided to the Public Trustee and Guardian by the ACT Audit Office. No other services were provided by the ACT Audit Office.

Audit Fees Paid or Payable to the ACT Audit Office	80,049	78,681
Audit fees paid for by the Public Trustee and Guardian were:		
Financial Statements of the Public Trustee and Guardian (Office Account)	40,355	40,355
Financial Statements of the Public Trustee and Guardian (Trust Account) and Capital Region Gift and Open Funds	39,694	38,326
	80,049	78,681

PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

11. CASH AND CASH EQUIVALENTS

The Public Trustee and Guardian holds a bank account with Westpac Banking Corporation as part of the whole-of-government banking arrangements. The weighted average interest rate returned on the bank account was 2.62% in 2016-17 (2.82% in 2015-16).

The Public Trustee and Guardian held deposits with various other financial institutions at call throughout the year. The weighted average interest rate returned on these investments was 2.79% in 2016-17 (2.93% in 2015-16).

	2017 \$	2016 \$
Cash at Bank (a)	801,700	911,593
Cash on Hand	700	700
Short Term Investments (b)	6,400,000	5,850,000
Total Cash and Cash Equivalents	7,202,400	6,762,293

(a) The decrease in Cash at Bank is due to an increase in payment of supplier invoices prior to year end.

(b) The increase in Short Term Investments is the result of an increase in funds available for investment due to an operating surplus in 2015-16 and in 2016-17.

12. RECEIVABLES

Current Receivables		
Trade Receivables (a)	432,283	632,561
Less: Allowance for Impairment Losses	-	-
	432,283	632,561
Accrued Revenue (b)	43,196	56,369
Other Receivables (c)	-	87,613
Total Receivables	475,479	776,543

(a) The decrease in Trade Receivables relates to an increase in payment of invoices for services provided being received prior to year end.

(b) Accrued Revenue is interest receivable on investments which has decreased due to lower interest rates being received on invested funds in comparison to the 2015-16 financial year.

(c) There are no Other Receivables as at 30 June 2017. At 30 June 2016, Other Receivables related to costs reimbursed for the Administrative Restructure of the Public Trustee and Guardian payable from the Justice and Community Safety Directorate.

PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

12. RECEIVABLES (CONTINUED)

Ageing of Receivables	Not Overdue	Overdue			Total
		Less than 30 Days	30 to 60 Days	Greater than 60 Days	
	\$	\$	\$	\$	\$
2017					
Not Impaired Receivables	471,612	-	-	3,867	475,479
Impaired Receivables	-	-	-	-	-
2016					
Not Impaired Receivables	776,543	-	-	-	776,543
Impaired Receivables	-	-	-	-	-

Receivables overdue for more than 60 days relate to a salary reimbursement for a transferring staff member. These funds are due from another ACT Government agency and are not impaired

Classification of ACT Government//Non-ACT Government Receivables

	2017 \$	2016 \$
Receivables with ACT Government Entities		
Trade Receivables	29,136	29,448
Other Current Receivables	-	87,613
Total Receivables with ACT Government Entities	29,136	117,061
Receivables with Non-ACT Government Entities		
Net Trade Receivables	403,147	603,113
Accrued Revenue	43,196	56,369
Total Receivables with Non-ACT Government Entities	446,343	659,482
Total Receivables	475,479	776,543

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
13. PLANT AND EQUIPMENT		
Plant and equipment includes a motor vehicle, computer equipment, furniture and fittings, office fit-out and a security system.		
Motor Vehicle (at Fair Value)	14,500	21,000
Less: Accumulated Depreciation	-	(4,997)
	<u>14,500</u>	<u>16,003</u>
Furniture and Fittings (at Fair Value)	27,650	36,747
Less: Accumulated Depreciation	-	(5,606)
	<u>27,650</u>	<u>31,141</u>
Computer Equipment (at Fair Value)	4,400	9,467
Less: Accumulated Depreciation	-	(3,267)
	<u>4,400</u>	<u>6,200</u>
Office Fit-out (at Fair Value) (a)	1,321,140	413,899
Less: Accumulated Depreciation	-	(383,604)
	<u>1,321,140</u>	<u>30,295</u>
Security System (at Fair Value)	250	3,600
Less: Accumulated Depreciation	-	(3,456)
	<u>250</u>	<u>144</u>
Total Plant and Equipment	<u>1,367,940</u>	<u>83,783</u>

(a) On 6 March 2017, the Public Trustee and Guardian entered into a new lease for part of the ground floor and level 9 of 221 London Circuit. The increase in Office Fit-out relates to the valuation of both part of the ground floor and level 9. In 2015-16, the Office Fit-out related to the ground floor only.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

13. PLANT AND EQUIPMENT (CONTINUED)

Valuation of Plant and Equipment

Mr Ty Noble FAPI, CPV (P&M) Executive Director of Australian Valuation Solutions Pty Limited, an independent valuer, performed a valuation of the office fit-out, furniture and fittings, computer equipment, motor vehicles and security system at 30 June 2017.

As disclosed in *Appendix B Note 17 Provision for Make Good*, the Public Trustee and Guardian has included in the office fit-out valuation, the estimated cost of returning the premises occupied by the Public Trustee and Guardian to a similar condition to that which existed prior to the occupancy in the event the Public Trustee and Guardian were to leave the premises.

The fair valuation of the office fit-out, furniture and fittings, computer equipment, motor vehicles and security system is based on its assessed estimated depreciated replacement cost as the current operating lease of the office accommodation on part of the ground floor and level 9 of 221 London Circuit has an expiry date of 6 March 2027 (with an option to extend for a further five years). The next valuation is expected to be undertaken at 30 June 2020.

PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

13. PLANT AND EQUIPMENT (CONTINUED)

Reconciliations of the Carrying Amounts of Plant and Equipment.

The following table shows the movements of Plant and Equipment during 2016-17.

	Motor Vehicle	Furniture and Fittings	Computer Equipment	Office Fit-out	Security System	Total
	\$	\$	\$	\$	\$	\$
Carrying Amount at the Beginning of the Reporting Period	16,003	31,141	6,200	30,295	144	83,783
Additions	-	2,291	-	826,912	-	829,203
Revaluation Increment / (Decrement)	1,122	(2,609)	541	504,906	250	504,210
Depreciation	(2,625)	(3,173)	(2,341)	(40,973)	(144)	(49,256)
Carrying Amount at the End of the Reporting Period	14,500	27,650	4,400	1,321,140	250	1,367,940

The following table shows the movements of Plant and Equipment during 2015-16.

	Motor Vehicle	Furniture and Fittings	Computer Equipment	Office Fit-out	Security System	Total
	\$	\$	\$	\$	\$	\$
Carrying Amount at the Beginning of the Reporting Period	18,628	29,489	8,598	220,340	1,872	278,927
Additions	-	4,618	-	2,130	-	6,748
Depreciation	(2,625)	(2,966)	(2,398)	(192,175)	(1,728)	(201,892)
Carrying Amount at the End of the Reporting Period	16,003	31,141	6,200	30,295	144	83,783

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

13. PLANT AND EQUIPMENT (CONTINUED)

Fair Value Hierarchy

The Public Trustee and Guardian is required to classify plant and equipment into a Fair Value Hierarchy that reflects the significance of the inputs used in determining their fair value. The Fair Value Hierarchy is made up of the following three levels:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the agency can access at the measurement date;
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - inputs that are unobservable for particular assets or liabilities.

Details of the Public Trustee and Guardian's plant and equipment at fair value and information about the Fair Value Hierarchy at 30 June 2017 are as follows:

Classification According to the Fair Value Hierarchy**30 June 2017**

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Plant and Equipment at Fair Value				
Motor Vehicle	-	14,500	-	14,500
Furniture and Fittings	-	27,650	-	27,650
Computer Equipment	-	4,400	-	4,400
Office Fit-out	-	-	1,321,140	1,321,140
Security System	-	-	250	250
	-	46,550	1,321,390	1,367,940

Details of the Public Trustee and Guardian's plant and equipment at fair value and information about the Fair Value Hierarchy at 30 June 2016 are as follows:

Classification According to the Fair Value Hierarchy**30 June 2016**

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Plant and Equipment at Fair Value				
Motor Vehicle	-	16,003	-	16,003
Furniture and Fittings	-	31,141	-	31,141
Computer Equipment	-	6,200	-	6,200
Office Fit-out	-	18,615	11,680	30,295
Security System	-	-	144	144
	-	71,959	11,824	83,783

Transfers Between Categories

Office Fitout has been transferred from Level 2 to Level 3 during the reporting period as per advice provided in the valuation report.

PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

13. PLANT AND EQUIPMENT (CONTINUED)

Valuation Techniques, Inputs and processes

Level 2 Valuation Techniques and Inputs

Valuation Technique: The valuation technique used to value the Motor Vehicle, Furniture and Fittings and Computer Equipment and some Office Fit-Out is the market approach that reflects recent transaction prices for similar plant and equipment.

Inputs: Prices and other relevant information generated by market transactions involving comparable assets were considered.

Level 3 Valuation Techniques and Significant Unobservable Inputs

Valuation Technique: The majority of the Office Fit-out and Security System were considered to be specialised assets with no observable market sales data. These were measured using the depreciated replacement cost approach that reflects the cost to a market participant to construct assets of comparable utility adjusted for obsolescence.

Significant Unobservable Inputs: In determining the value of Office Fit-out and Security System, consideration was given to the age and condition of the assets, their estimated replacement cost and current use.

There has been no change to the above valuation techniques during the reporting period.

Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

13. PLANT AND EQUIPMENT (CONTINUED)

Fair Value Measurements using Significant Unobservable Inputs (Level 3)

30 June 2017	Office Fit-out	Security System
	\$	\$
Fair Value at the Beginning of the Reporting Period	11,680	144
Additions	826,912	-
Revaluation Increments Recognised in Other Comprehensive Income	504,906	250
Transfers from Level 2	18,615	-
Depreciation	(40,973)	(144)
Fair Value at the End of the Reporting Period	1,321,140	250

Total gains or losses for the reporting period included in profit or loss, under 'Other Gains'

Change in unrealised gains or losses for the reporting period included in profit or loss for assets held at the end of the reporting period

30 June 2016	Office Fit-out	Security System
	\$	\$
Fair Value at the Beginning of the Reporting Period	201,518	1,872
Additions	-	-
Revaluation Increments/(Decrements) Recognised in Other Comprehensive Income	-	-
Depreciation	(189,838)	(1,728)
Fair Value at the End of the Reporting Period	11,680	144

Total gains or losses for the reporting period included in profit or loss, under 'Other Gains'

Change in unrealised gains or losses for the reporting period included in profit or loss for assets held at the end of the reporting period

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
14. PAYABLES		
Current Payables		
Trade Payables (a)	34,128	55,861
Accrued Expenses	366,373	354,820
	<u>400,501</u>	<u>410,681</u>
Net Goods and Services Tax Payable	142,731	139,672
Total Current Payables	543,232	550,353
Payables are aged as follows:		
Not Overdue	543,165	545,181
Overdue for less than 30 Days	-	-
Overdue for more than 30 Days and less than 60 Days	52	-
Overdue for more than 60 Days	15	5,172
Total Current Payables	543,232	550,353
Classification of ACT Government/Non-ACT Government Payables		
Payables with ACT Government Entities		
Trade Payables	900	17,444
Accrued Expenses	341,148	338,270
Total Payables with ACT Government Entities	342,048	355,714
Payables with Non-ACT Government Entities		
Trade Payables	33,228	38,417
Accrued Expenses	25,225	16,550
Net Goods and Services Tax Payable	142,731	139,672
Total Payables with Non-ACT Government Entities	201,184	194,639
Total Current Payables	543,232	550,353

(a) The decrease in trade payables is due to the payment of invoices due upon receipt.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

15. NON-INTEREST-BEARING LIABILITIES

The Public Trustee and Guardian entered into a new lease agreement on 6 March 2017 for part of the ground floor and level 9 of 221 London Circuit. To assist with the cost of the fit-out, the lease agreement included a lease incentive and an interest-free loan of \$139,332 provided by Namazzi Pty Limited and Eudora (ACT) Pty Limited. Repayments of the loan are made in equal monthly instalments of the principal amount commencing in March 2017, over the 10 year term of the loan.

	2017 \$	2016 \$
Current Non-Interest-Bearing Liabilities		
Other Borrowings	13,933	-
Total Current Non-Interest-Bearing Liabilities	13,933	-
Non-Current Non-Interest-Bearing Liabilities		
Other Borrowings	120,923	-
Total Non-Current Non-Interest-Bearing Liabilities	120,923	-
Total Non-Interest-Bearing Liabilities	134,856	-

PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
16. EMPLOYEE BENEFITS		
Current Employee Benefits		
Annual Leave	462,670	471,992
Long Service Leave (a)	935,222	992,118
Accrued Salaries (b)	51,808	81,967
Other Employee Benefits	44,167	45,602
Total Current Employee Benefits	1,493,867	1,591,679
Non-Current Employee Benefits		
Long Service Leave (a)	180,375	152,568
Total Non-Current Employee Benefits	180,375	152,568
Total Employee Benefits	1,674,242	1,744,247

Estimated Amount Payable within 12 months		
Annual Leave	462,670	471,992
Long Service Leave	39,537	45,838
Accrued Salaries	51,808	81,967
Other Employee Benefits	44,167	45,602
Total Employee Benefits Payable within 12 months	598,182	645,399
Estimated Amount Payable after 12 Months		
Long Service Leave	1,076,060	1,098,848
Total Employee Benefits Payable after 12 months	1,076,060	1,098,848
Total Employee Benefits	1,674,242	1,744,247

(a) The overall decrease in Long Service Leave is mainly attributable to the retirement of long serving employees replaced with new staff with no long service leave balances.

(b) Accrued salaries included employee expenses for the Guardianship Unit's staff not yet recovered from Justice and Community Safety Directorate at 30 June 2016. No such recoverables occurred at 30 June 2017.

The Public Trustee and Guardian had 52.48 full time equivalent staff employed at 30 June 2017 (47.2 at 30 June 2016).

PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
17. OTHER PROVISIONS		
Current Other Provisions		
Provision for Dividends	281,200	178,610
Total Current Other Provisions	281,200	178,610
Non-Current Other Provisions		
Provision for Make Good	129,300	104,425
Total Non-Current Other Provisions	129,300	104,425
Total Other Provisions	410,500	283,035

Provision for Dividends

The Public Trustee and Guardian proposed a final dividend of \$281,200 and this amount was authorised to be paid before the end of the reporting period. This amount will be paid to the ACT Government in the 2017-18 financial year.

Reconciliation of the Provision for Dividends

Balance at the Beginning of the Reporting Period	178,610	354,557
Increase in Provision during the Reporting Period	281,200	178,610
Amount Paid during the Reporting Period	(178,610)	(354,557)
Provision for Dividends at the end of the Reporting Period	281,200	178,610

Provision for Make Good

The Public Trustee and Guardian entered into a new lease agreement on 6 March 2017 for part of the ground floor and level 9 221 London Circuit Canberra. There are clauses within the lease agreement which require the Public Trustee and Guardian, upon cessation of the tenancy, to return the office space to the condition it was in before it was leased (this is referred to as 'make good'). The lease is for 10 years with a 5-year option to extend.

As disclosed in *Appendix B Note 17 - Other Provisions*, the Public Trustee and Guardian has included in the fit-out valuation the estimated cost of returning the premises occupied by the Public Trustee and Guardian to a similar condition to that which existed prior to the occupancy in the event the Public Trustee and Guardian were to leave the premises.

Reconciliation of Provision for Make Good

Balance at the Beginning of the Reporting Period	104,425	101,859
Increase in Provision due to Unwinding of Discount	-	2,566
Increase in Provision as per Valuation	24,875	
Balance at the End of the Reporting Period	129,300	104,425

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
18. OTHER LIABILITIES		
Current Other Liabilities		
Lease Incentive Liability	46,936	-
Total Current Other Liabilities	46,936	-
Non-Current Other Liabilities		
Lease Incentive Liability	407,535	-
Total Non-Current Other Liabilities	407,535	-
Total Other Liabilities	454,471	-

The Public Trustee and Guardian entered into a new lease agreement on 6 March 2017 for part of the ground floor and level 9 of 221 London Circuit, Canberra. Part of the agreement was a lease incentive of \$469,358.75 for the fit-out of level 9 of 221 London Circuit, Canberra. An interest free loan for the balance of the cost of the fit-out was provided by Namazzi Pty Limited and Eudora (ACT) Pty Limited. The lease incentive will be amortised over the term of the lease (10 years).

19. EQUITY**Asset Revaluation Surplus**

The Asset Revaluation Surplus is used to record the increments and decrements in the value of plant and equipment.

Balance at the Beginning of the Reporting Period	481,789	481,789
Increment in Plant and Equipment due to Revaluation to Fair Value	504,210	-
Decrease as a result of an Increase in the Provision for Make Good	(24,875)	-
Total Increase in Asset Revaluation Surplus	479,335	-
Balance at the End of the Reporting Period	961,124	481,789

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

20. FINANCIAL INSTRUMENTS

Details of the significant policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset and financial liability are disclosed in Note 2 (see Appendix B) *Significant Accounting Policies*.

(a) 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 Public Trustee and Guardian's financial assets consist of cash and cash equivalents and receivables, and its financial liabilities are comprised of payables and non-interest bearing liabilities. This means a significantly greater proportion of financial assets are subject to floating interest rate arrangements, compared to financial liabilities, limiting the Public Trustee and Guardian's to movements in the amount of interest receivable.

As the Public Trustee and Guardian's operating 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 Public Trustee and Guardian's exposure to interest rate risk relating to these financial assets and liabilities is shown below in Note 20 (e) *Maturity Analysis and Exposure to Interest Rates*.

As receivables, payables and interest-free borrowings are held in non-interest bearing arrangements, the Public Trustee and Guardian is not exposed to movements in interest rates in respect of these financial assets and liabilities.

Sensitivity Analysis

A sensitivity analysis has not been undertaken for the interest rate risk of the agency as it has been determined that the possible impact on income and expenses or total equity from fluctuations in interest rate is immaterial.

(b) 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 Public Trustee and Guardian's credit risk is limited to the amount of financial assets it holds net of any allowance for impairment losses. The Public Trustee and Guardian expects to collect all receivables that are not past due or impaired.

Credit risk is managed by the Public Trustee and Guardian for cash and cash equivalents investments by only investing surplus funds with various financial institutions, who have a "BBB" credit rating or above indicating that they have adequate capacity to meet their financial commitments. There is no collateral held as security for financial assets. Investments are structured with the highest rating banks to ensure more security over funds invested.

Credit risk of receivables is managed by ensuring clients are invoiced for services, and requesting payment from clients when the service is performed.

There have been no changes in credit risk exposure since the last reporting period.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

20. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Liquidity Risk

Liquidity risk is the risk that the Public Trustee and Guardian will encounter difficulty in meeting obligations associated with financial liabilities. To limit its exposure to liquidity risk, the Public Trustee and Guardian ensures that it does not have a large portion of its financial liabilities maturing in any reporting period and that, at any particular point in time it has a sufficient amount of current financial assets to meet its current financial liabilities.

The Public Trustee and Guardian's maximum exposure to liquidity risk relating to these financial liabilities is shown below in Note 20(e) *Maturity Analysis and Exposure to Interest Rates*.

(d) Fair Value of Financial Assets and Liabilities

The carrying amounts and fair values of financial assets and liabilities at the end of the reporting period are:

	Note No.	Carrying Amount	Fair Value	Carrying Amount	Fair Value
		2017 \$	2017 \$	2016 \$	2016 \$
Financial Assets					
Cash and Cash Equivalents	11	7,202,400	7,202,400	6,762,293	6,762,293
Receivables	12	475,479	475,479	776,543	776,543
Total Financial Assets		7,677,879	7,677,879	7,538,836	7,538,836
Financial Liabilities					
Payables	14	400,501	400,501	410,681	410,681
Non-interest bearing liabilities	15	134,856	134,856	-	-
Total Financial Liabilities		535,357	535,357	410,681	410,681

PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

20. FINANCIAL INSTRUMENTS (CONTINUED)

(e) Maturity Analysis and Exposure to Interest Rates

The following table sets out the Public Trustee and Guardian's maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period at 30 June 2017. All financial assets and liabilities which have a floating interest rate or are non-interest bearing will mature in one year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

	30 June 2017	Note No.	Weighted Average Interest Rate	Fixed Interest Maturing In				Non-Interest Bearing	Total
				Floating Interest Rate	1 Year or Less	Over 1 Year to 5 Years	Over 5 Years		
Financial Instruments				\$	\$	\$	\$	\$	\$
Financial Assets									
Cash and Cash Equivalents	11		2.79%	801,700	6,400,000	-	-	700	7,202,400
Receivables	12			-	-	-	-	432,283	432,283
Total Financial Assets				801,700	6,400,000	-	-	432,983	7,634,683
Financial Liabilities									
Payables	14			-	-	-	-	400,501	400,501
Non-interest bearing liabilities	15			-	-	-	-	134,856	134,856
Total Financial Liabilities				-	-	-	-	535,357	535,357
Net Financial Assets				801,700	6,400,000	-	-	(102,374)	7,099,326

PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

20. FINANCIAL INSTRUMENTS (CONTINUED)

(e) Maturity Analysis and Exposure to Interest Rates (Continued)

The following table sets out the Public Trustee and Guardian's maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period at 30 June 2016. Except for all financial assets and liabilities which have a floating interest rate or are non-interest bearing will mature in one year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

30 June 2016	Note No.	weighted Average Interest Rate	Fixed Interest Maturing In				Non-Interest Bearing	Total
			Floating Interest Rate	1 Year or Less	Over 1 Year to 5 Years	Over 5 Years		
			\$	\$	\$	\$	\$	\$
Financial Instruments								
Financial Assets								
Cash and Cash Equivalents	11	2.93%	911,593	5,850,000	-	-	700	6,762,293
Receivables	12		-	-	-	-	720,174	720,174
Total Financial Assets			911,593	5,850,000	-	-	720,874	7,482,467
Financial Liabilities								
Payables	14		-	-	-	-	410,681	410,681
Total Financial Liabilities			-	-	-	-	410,681	410,681
Net Financial Assets			911,593	5,850,000	-	-	310,193	7,071,786

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

20. FINANCIAL INSTRUMENTS (CONTINUED)

(f) Fair Value Hierarchy

All financial assets and liabilities are measured subsequent to initial recognition at amortised cost and as such no Fair Value Hierarchy is disclosed.

21. COMMITMENTS

The operating lease, with Namazzi Pty Limited and Eudora (ACT) Pty Limited, for part of the ground floor and level 9 of 221 London Circuit relates to the premises occupied by the Public Trustee and Guardian. The term of the lease is for a period of 10 years with a 5-year option. This lease commenced in March 2017 and the 10 year lease finishes in March 2027.

	2017 \$	2016 \$
Non-Cancellable Operating Lease Commitments are Payable as follows:		
Not later than one year	474,477	-
Later than one year but not later than five years	2,082,634	-
Later than five years but not later than ten years	2,859,116	-
Total Operating Lease Commitments	5,416,227	-

PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

22. CASH FLOW RECONCILIATION

(a) Reconciliation of Cash and Cash Equivalents at the end of the Reporting Period in the Cash Flow Statement to the Equivalent Items in the Balance Sheet.

	2017	2016
	\$	\$
Total Cash and Cash Equivalents Recorded in the Balance Sheet	7,202,400	6,762,293
Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Cash Flow Statement	7,202,400	6,762,293

(b) Reconciliation of the Operating Surplus to Net Cash Inflows from Operating Activities

Operating Surplus	562,401	357,219
Add / (Less) Non-Cash Items		
Depreciation	49,256	201,893
Borrowing costs	-	2,566
Amortisation of lease incentive	(14,888)	-
Add / (Less) Items Classified as Investing or Financing		
Loss on derecognition of leased Motor Vehicle	-	87,613
Cash Before Changes in Operating Assets and Liabilities	596,769	649,291
Changes in Operating Assets and Liabilities		
Decrease / (Increase) in Receivables	301,064	(269,362)
Decrease / (Increase) in Prepayments	22,998	(3,950)
(Decrease) / Increase in Payables	(7,121)	313,448
(Decrease) / Increase in Employee Benefits	(70,005)	190,960
Net Changes in Operating Assets and Liabilities	246,936	231,096
Net Cash Inflows from Operating Activities	843,705	880,387

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

23. RELATED PARTY DISCLOSURES

A related party is a person that controls or has significant influence over the reporting entity, or is a member of the Key Management Personnel (KMP) of the reporting entity or its parent entity, and includes their close family members and entities in which the KMP or/and their close family members individually or jointly have controlling interests.

Key Management Personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

KMP of the Public Trustee and Guardian are the Portfolio Minister, Public Trustee and Guardian and certain members of the Senior Management Team. The Head of Service and the ACT Executive comprising the Cabinet Ministers are KMP of the ACT Government and therefore related parties of Public Trustee and Guardian.

This note does not include typical citizen transactions between the KMP and Public Trustee and Guardian that occur on terms and conditions no different to those applying to the general public.

(A) CONTROLLING ENTITY

Public Trustee and Guardian is an ACT Government controlled entity. The consolidated Territory Government reporting entity is the parent of Public Trustee and Guardian.

(B) KEY MANAGEMENT PERSONNEL

B.1 Compensation of Key Management Personnel

Compensation details for all Cabinet Ministers, including the Attorney-General, is disclosed in the note on related party disclosures, included in the ACT Executive's financial statements for the financial year ended 30 June 2017.

Compensation of the Head of Service is included in the note on related party disclosures, included in the Chief Minister, Treasury and Economic Development Directorate(CMTEDD) financial statements for the financial year ended 30 June 2017.

PUBLIC TRUSTEE AND GUARDIAN

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

23. RELATED PARTY DISCLOSURES (CONTINUED)

(B) KEY MANAGEMENT PERSONNEL (CONTINUED)

B.1 Compensation of Key Management Personnel (continued)

Total Compensation for the Public Trustee and Guardian and others assessed to be KMP of the Public Trustee and Guardian who are paid by the Public Trustee and Guardian are set out below.

	2017
	\$
Short-term employee benefits	510,949
Post employment benefits	79,668
Other long-term benefits	12,133
Termination benefits	-
Board member fees	-
Total Compensation to Key Management Personnel	602,750

B.2 Transactions with Key Management Personnel

There were no transactions with KMP that were material to the financial statements of the Public Trustee and Guardian.

B.3 Transactions with parties related to Key Management Personnel

There were no transactions with parties related to KMP, including transactions with KMP's close family members or other related entities that were material to the financial statements of the Public Trustee and Guardian.

(C) TRANSACTIONS WITH OTHER ACT GOVERNMENT CONTROLLED ENTITIES

All transactions with other ACT Government controlled entities are disclosed in the relevant notes of the financial statements of the Public Trustee and Guardian.

PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

24. BUDGETARY REPORTING

The following are brief explanations of major line item variances between budget estimates and actual outcomes. Variances are considered to be major variances if both of the following criteria are met:

(a) The line item is a significant line item: where either the line item actual amount accounts for more than 10% of the relevant associated category (Income, Expenses and Equity totals) or more than 10% of the sub-element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the financial statements; and

(b) The variances (original budget to actual) are greater than plus (+) or minus (-) 10% of the budget for the financial statement line item.

Balance Sheet Line Items	Actual 2016-17	Original Budget* 2016-17	Variance	Variance	Variance Explanation
				%	
Plant and Equipment	\$ 1,367,940	\$ 270,000	\$ 1,097,940	407%	The higher than anticipated value of Plant and Equipment is due to the fit-out of the new premises on level 9 of 221 London Cct, Canberra and the revaluation of the Office Fitout on the ground floor and level 9 which was not anticipated in the budget.
Current Payables	543,232	264,000	279,232	106%	The higher than anticipated value of Current Payables is the result of the late receipt of invoices relating to Information Technology costs for the 2016-17 year, which remain unpaid at 30 June 2017. This was not anticipated in the budget.

* Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2016-17 Budget Papers). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

24. BUDGETARY REPORTING (CONTINUED)

Balance Sheet Line Items (Continued)	Actual 2016-17	Original Budget* 2016-17	Variance	Variance	Variance Explanation
	\$	\$	\$	%	
Current Other Provisions	281,200	166,000	115,200	69%	The higher than anticipated value of Current Other Provisions is due to the Provision for Dividend being higher than expected to the budget. This is directly attributable to the higher than budgeted Operating Surplus.
Non-Current Non-Interest Bearing Liabilities	120,923	-	120,923	100%	The higher than anticipated value of Non-Current Interest-free Borrowings is due to an interest-free loan received from Namazzi Pty Limited and Eudora (ACT) Pty Limited for fit-out costs for 221 London Circuit, Canberra. This was not anticipated in the budget.
Non-Current Employee Benefits	180,375	132,000	48,375	37%	The higher than anticipated value of Non-Current Employee Benefits is due to a higher than expected number of staff commencing with the Public Trustee and Guardian.
Non-Current Other Provisions	129,300	102,000	27,300	27%	The higher than anticipated value of Non-Current Other Provisions is due to the revaluation of the Provision for Make Good as a result of a new lease agreement signed on 6 March 2017. This was not anticipated in the budget.

* Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2016-17 Budget Papers). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

24. BUDGETARY REPORTING (CONTINUED)

Balance Sheet Line Items (Continued)	Actual 2016-17	Original Budget* 2016-17	Variance	Variance	Variance Explanation
	\$	\$	\$	%	
Non-Current Other Liabilities	407,535	-	407,535	100%	The higher than anticipated Non-current Other Liabilities relates to the lease incentive received from Namazzi Pty Limited and Eudora (ACT) Pty Limited for the new lease for 221 London Circuit, Canberra. This was not anticipated in the budget and was to cover part of the fit-out costs. It is recognised as a liability and will be amortised over the term of the lease (10 years).
Asset Revaluation Surplus	961,124	782,000	179,124	23%	The higher than anticipated movement in the Asset Revaluation Surplus is attributed to an increment in Plant & Equipment due to a revaluation to fair value undertaken as at 30 June 2017.

Statement of Changes in Equity Line Items

These line items are disclosed in other financial statements.

* Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2016-17 Budget Papers). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

PUBLIC TRUSTEE AND GUARDIAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

24. BUDGETARY REPORTING (CONTINUED)

Cash Flow Statement Line Items	Actual 2016-17	Original Budget* 2016-17	Variance	Variance	Variance Explanation
	\$	\$	\$	%	
User Charges	5,189,330	4,395,000	794,330	18%	The higher than anticipated user charges were received due to higher than anticipated management fees received from Unclaimed Moneys and the timely payment of fees received.
Payments for Plant and Equipment	220,512	-	220,512	100%	The higher than anticipated value of Plant and Equipment is due to the payments made for the Office Fit-out of the new premises on level 9, 221 London Circuit, Canberra. This was not anticipated in the budget.

* Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2016-17 Budget Papers). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

PUBLIC TRUSTEE AND GUARDIAN

APPENDIX A – BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

APPENDIX A – BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

LEGISLATIVE REQUIREMENT

The *Financial Management Act 1996 (FMA)* requires the preparation of annual financial statements for ACT Government Agencies. The FMA and the *Financial Management Guidelines* issued under the Act, requires the Public Trustee and Guardian's financial statements to include:

- (i) an Operating Statement for the reporting period;
- (ii) a Balance Sheet at the end of the reporting period;
- (iii) a Statement of Changes in Equity for the reporting period;
- (iv) a Cash Flow Statement for the reporting period;
- (v) a Statement of Appropriation for the reporting period;
- (vi) the significant accounting policies adopted for the reporting period; and
- (vii) other statements as are necessary to fairly reflect the financial operations of the Public Trustee and Guardian during the year and its financial position at the end of the reporting period.

These general purpose financial statements have been prepared to comply with Australian Accounting Standards as required by the FMA. Accordingly, these financial statements have been prepared in accordance with:

- (i) Australian Accounting Standards; and
- (ii) ACT Accounting and Disclosure Policies.

ACCRUAL ACCOUNTING

The financial statements have been prepared using the accrual basis of accounting, which recognises the effects of transactions and events when they occur. The financial statements are prepared according to historical cost convention, except for plant and equipment which is valued at fair value in accordance with the valuation policies applicable to the Public Trustee and Guardian during the year.

CURRENCY

These financial statements are presented in Australian dollars, which is the Public Trustee and Guardian's functional currency.

INDIVIDUAL REPORTING ENTITY

The Public Trustee and Guardian is an individual reporting entity.

REPORTING PERIOD

These financial statements state the financial performance, changes in equity and cash flows of the Public Trustee and Guardian for the year ending 30 June 2017 and the financial position of the Public Trustee and Guardian as at 30 June 2017.

COMPARATIVE FIGURES

BUDGET FIGURES

To facilitate a comparison with the Budget Papers, as required by the FMA, budget numbers for 2016-17 has been presented in the financial statements. Budget numbers in the financial statement are the original budget numbers that appear in the Budget Papers.

PUBLIC TRUSTEE AND GUARDIAN**APPENDIX A – BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS
FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017****COMPARATIVE FIGURES (CONTINUED)****PRIOR YEAR COMPARATIVES**

Comparative Information has been disclosed in respect of the previous period for all amounts reported in the financial statements, except where an Australian Accounting Standard does not require comparative information to be disclosed.

Where the presentation or classification of items in the financial statements is amended, the comparative amounts have been reclassified where practical. Where a reclassification has occurred the nature, amount and reason for the reclassification is provided.

ROUNDING

All amounts in the financial statements have been rounded to the nearest whole dollar (\$). Use of "-" represents zero amounts or amounts rounded down to zero.

GOING CONCERN

The 2016-17 financial statements have been prepared on a going concern basis as the ongoing functions, activities and funding of the Public Trustee and Guardian are set out in the 2017-18 Budget Papers.

PUBLIC TRUSTEE AND GUARDIAN

APPENDIX B – SIGNIFICANT ACCOUNTING POLICIES FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

APPENDIX B – SIGNIFICANT ACCOUNTING POLICIES

SIGNIFICANT ACCOUNTING POLICIES - INCOME

REVENUE RECOGNITION

Revenue is recognised at the fair value of the consideration received or receivable in the Operating Statement. In addition, the following specific recognition criteria must also be met before revenue is recognised:

NOTE 4 – CONTROLLED RECURRENT PAYMENTS

Controlled Recurrent Payments are recognised as revenue when the Public Trustee and Guardian gains control over the funding. Control over appropriated funds is obtained upon receipt of cash.

NOTE 5 – USER CHARGES

Revenue from providing Trustee services is recognised as revenue once the service has been provided.

INTEREST

Interest revenue is recognised using the effective interest method.

SIGNIFICANT ACCOUNTING POLICIES - EXPENSES

NOTE 6 – EMPLOYEE EXPENSES

Employee benefits include:

- Short-term employee benefits, such as wages and salaries, annual leave loading, and applicable on-costs, if expected to be settled wholly before twelve months (see *Appendix B - Note 16 Employee Benefits* if lower than 12 months) after the end of the annual reporting period in which the employees render the related services;
- Other long-term benefits, such as long service leave and annual leave; and
- Termination benefits.

On-costs include annual leave, long service leave, superannuation and other costs that are incurred when employees take annual leave and long service leave.

(See *Appendix B – Note 16 Employee Benefits* for accrued wages and salaries and annual and long service leave).

NOTE 7 – SUPERANNUATION EXPENSES

The Public Trustee and Guardian receives funding for superannuation payments as part of Controlled Recurrent Payments.

Superannuation payments are made to the Territory Banking Account on a fortnightly basis, to cover the Public Trustee and Guardian's superannuation liability for employees who are members of the Commonwealth Superannuation Scheme (CSS) and the Public Sector Superannuation Scheme (PSS). This payment does not include the CSS and PSS productivity component which is paid directly to the Commonwealth Superannuation Corporation (CSC) by the Public Trustee and Guardian.

PUBLIC TRUSTEE AND GUARDIAN

**APPENDIX B – SIGNIFICANT ACCOUNTING POLICIES
FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

SIGNIFICANT ACCOUNTING POLICIES – EXPENSES (CONTINUED)**NOTE 7 – SUPERANNUATION EXPENSES (CONTINUED)**

Superannuation payments have also been made directly to superannuation funds for those members of the Public Sector who are part of the superannuation accumulation schemes. This includes the Public Sector Superannuation Scheme Accumulation Plan (PSSAP) and schemes of employee choice.

The Public Trustee and Guardian's accruing superannuation liability obligations are expensed as they are incurred.

SUPERANNUATION LIABILITY RECOGNITION

The superannuation liability for the Territory's relevant share of the employer financed portion of entitlements of all employees participating in the CSS and PSS schemes who became Territory employees with effect on or after 1 July 1989 is recognised at a total Territory level in the Chief Minister, Treasury and Economic Development Directorate's Superannuation Provision Account.

The ACT Government reimburses the CSC annually for the Territory's share of employer superannuation benefits paid to Territory employees who are, or were, members of the CSS and PSS. These reimbursement payments are made from the Superannuation Provision Account.

NOTE 8 – SUPPLIES AND SERVICES**INSURANCE**

Major risks are insured through the ACT Insurance Authority. The excess payable, under this arrangement, varies depending on each class of insurance held.

REPAIRS AND MAINTENANCE

Maintenance expenses, which do not increase the service potential of an asset, are expensed.

OPERATING LEASES

Operating leases do not effectively transfer to the Public Trustee and Guardian substantially all the risks and rewards incidental to ownership of the asset under an operating lease. The operating lease relates to a new lease with Namazzi Pty Limited and Eudora (ACT) Pty Limited for part of the ground floor and level 9 of 221 London Circuit, Canberra. The lease commenced on 6 March 2017 for a period of 10 years with a 5 year option. The lease payments are recorded as Rental and Property Expenses in the Operating Statement on a straight-line basis over the term of the lease.

PUBLIC TRUSTEE AND GUARDIAN

**APPENDIX B – SIGNIFICANT ACCOUNTING POLICIES
FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

SIGNIFICANT ACCOUNTING POLICIES – EXPENSES (CONTINUED)**DEPRECIATION OF NON-CURRENT ASSETS**

Depreciation is applied to physical assets such as plant and equipment. Depreciation is calculated on a straight-line basis and the useful lives of all major assets held by the Public Trustee and Guardian are reviewed annually. Depreciation of Plant and Equipment is determined as follows:

Class of Asset	Depreciation Method	Useful Life (Years)
Furniture and Fittings	Straight line	5-10
Computer Equipment	Straight line	5
Office Fit-out	Straight line	5-10
Security System	Straight line	5
Motor Vehicle	Straight line	8

NOTE 9 – WAIVERS

Debts waived are expensed during the year in which the right to payment was waived. Further details of waivers are disclosed at Note 9 *Waivers and Write-offs*.

SIGNIFICANT ACCOUNTING POLICIES – ASSETS**ASSETS – CURRENT AND NON-CURRENT**

Assets are classified as current or non-current in the Balance Sheet and relevant notes. Assets are classified as current where they are expected to be realised within 12 months after the reporting date. Assets which do not fall within the current classification are classified as non-current.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES – FAIR VALUE OF ASSETS

The Public Trustee and Guardian has made a significant estimate regarding the value of its assets. Office fit-out, furniture and fittings, computer equipment, security system and the motor vehicle have been recorded at fair value as determined by an independent valuer. The valuations were performed on the basis that the assets would be replaced with assets similar, if not the same, in nature. See Note 13 *Plant and Equipment* for further information. The valuation uses significant judgements and estimates to determine fair value, including the appropriate indexation figure and quantum of assets held. The fair value of assets is subject to management assessment between formal valuations.

NOTE 11 – CASH AND CASH EQUIVALENTS

Cash includes cash at bank and cash on hand. Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk on changes in value.

PUBLIC TRUSTEE AND GUARDIAN

APPENDIX B – SIGNIFICANT ACCOUNTING POLICIES FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

SIGNIFICANT ACCOUNTING POLICIES – ASSETS (CONTINUED)

NOTE 12 - RECEIVABLES

ACCOUNTS RECEIVABLES

Accounts receivable are initially recognised at fair value and are subsequently measured at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement.

IMPAIRMENT LOSS - RECEIVABLES

The allowance for impairment losses represents the amount of receivables the Public Trustee and Guardian estimates will not be repaid. The allowance for impairment losses based on objective evidence and a review of overdue balances. The Public Trustee and Guardian considers the following is objective evidence of impairment:

- a) becoming aware of financial difficulties of debtors;
- b) default payments; or
- c) debts more than 180 days overdue.

NOTE 13 – PLANT AND EQUIPMENT

ACQUISITION AND RECOGNITION OF PLANT AND EQUIPMENT

Plant and equipment is initially recorded at cost.

Where plant and equipment is acquired at no cost, or minimal cost, cost is its fair value as at the date of acquisition. However, property, plant and equipment acquired at no cost or minimal cost as part of a restructuring of administrative arrangements is measured at the transferor's book value.

Plant and equipment with a minimum value of \$2,000 is capitalised.

MEASUREMENT OF PLANT AND EQUIPMENT AFTER INITIAL RECOGNITION

Plant and equipment is measured at fair value.

Plant and Equipment is revalued every three years. However, if at any time it is considered that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place. Any accumulated depreciation relating to Plant and Equipment at the date of revaluation is written back against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES – USEFUL LIVES OF PLANT AND EQUIPMENT

The Public Trustee and Guardian has made a significant estimate in determining the useful lives of its Plant and Equipment. The estimation of useful lives of Plant and Equipment has been based on the historical experience of similar assets and on valuations provided by Australian Valuation Solutions Pty Limited. The useful lives are assessed on an annual basis and any adjustments are made when necessary.

Further information concerning useful lives can be found in Appendix B – *Depreciation of Non-current Assets*.

PUBLIC TRUSTEE AND GUARDIAN

APPENDIX B – SIGNIFICANT ACCOUNTING POLICIES FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

SIGNIFICANT ACCOUNTING POLICIES – LIABILITIES

LIABILITIES – CURRENT AND NON-CURRENT

Liabilities are classified as current or non-current in the Balance Sheet and in the relevant notes. Liabilities are classified as current when they are due to be settled within 12 months after the reporting date or the Public Trustee and Guardian does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Liabilities which do not fall within the current classification are classified as non-current.

NOTE 14 – PAYABLES

Payables are initially recognised at fair value based on the transaction cost and subsequent to initial recognition at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement. All amounts are normally settled within 30 days after the invoice date.

Payables include Trade Payables and Accrued Expenses.

NOTE 15 – NON-INTEREST-BEARING LIABILITIES

Non interest bearing liabilities are a financial liability and are measured at the fair value of the consideration received when initially recognised and at amortised cost subsequent to initial recognition, with any adjustments to the carrying amount being recorded in the Operating Statement.

NOTE 16 – EMPLOYEE BENEFITS

Employee benefits are listed in Appendix B – Note 6 *Employee Expenses*.

WAGES AND SALARIES

Accrued wages and salaries are measured at the amount that remains unpaid to employees at the end of the reporting period.

ANNUAL AND LONG SERVICE LEAVE

Annual and long service leave, including applicable on-costs that are not expected to be wholly settled before twelve months after the end of the reporting period when the employees render the related service, are measured at the present value of estimated future payments to be made in respect of services provided by employees up to the reporting period. Consideration is given to the future wage and salary levels, experience of employee departures and periods of service. At each reporting period end, the present value of future payments is calculated using market yields on Commonwealth Government Bonds with terms to maturity that match, as closely as possible, the estimated future cash flows.

Annual leave liabilities have been estimated on the assumption that they will be wholly settled within three years. In 2016-17 the rate used to estimate the present value of future:

- Annual leave payments is 99.8% at 30 June 2017 (101.4% in 2015-16).
- Long service leave is 103.4% at 30 June 2017 (114.7% in 2015-2016).

The long service leave liability is estimated with reference to the minimum period of qualifying service. For employees with less than the required minimum period of 7 years qualifying service, the probability that employees will reach the required minimum period has been taken into account in estimating the provision for long service leave and applicable on-costs.

PUBLIC TRUSTEE AND GUARDIAN

APPENDIX B – SIGNIFICANT ACCOUNTING POLICIES FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

SIGNIFICANT ACCOUNTING POLICIES – LIABILITIES (CONTINUED)

ANNUAL AND LONG SERVICE LEAVE (CONTINUED)

The provision for annual leave and long service leave includes estimated on-costs. As these on-costs only become payable if the employee takes annual and long service leave while in service, the probability that employees will take annual and long service leave while in service has been taken into account in estimating the liability for on-costs.

Annual leave and long service leave liabilities are classified as current liabilities in the Balance Sheet where there are no unconditional rights to defer the settlement of the liability for at least 12 months. Conditional long service leave liabilities are classified as non-current because the Public Trustee and Guardian has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

SIGNIFICANT JUDGEMENTS AND ESTIMATES – EMPLOYEE BENEFITS

Significant judgements have been applied in estimating the liability for employee benefits. The estimated liability for annual leave and long service leave requires a consideration of the future wage and salary levels, experience of employee departures and periods of service. The estimate also includes an assessment of the probability that employees will meet the minimum service period required to qualify for long service leave, probability that leave will be taken service and that on-costs will become payable.

The significant judgements and assumptions included in the estimation of annual and long service leave liabilities include an assessment by an actuary. The Australian Government Actuary performed this assessment in May 2014. The assessment by an actuary is performed every 5 years. However it may be performed more frequently if there is a significant contextual change in the parameters underlying the 2014 report. The next actuarial review is expected to be undertaken by May 2019.

NOTE 17 – OTHER PROVISIONS

PROVISION FOR MAKE GOOD

The Public Trustee and Guardian has recorded a liability and a corresponding asset for the estimated cost of returning the premises occupied by the Public Trustee and Guardian, to a similar condition to that which existed prior to the occupancy if the Public Trustee and Guardian was to leave.

The provision for make good was estimated by an independent valuer at 30 June, 2017. (Mr Ty Noble FAPI CPV (P&M), Executive Director, Australian Valuation Solutions Pty Limited).

SIGNIFICANT JUDGEMENTS AND ESTIMATES – PROVISION FOR MAKE GOOD

Provision for Make Good is the cost of returning the premises occupied by the Public Trustee and Guardian to a similar condition to that which existed prior to the occupancy if the Public Trustee and Guardian was to leave the premises. This cost has been estimated by an independent valuer. The dollar value has been compared to recent make good payments by other government departments and depends on a variety of factors like location, area, density and quality of the fit-out.

NOTE 18 – OTHER LIABILITIES

The Public Trustee and Guardian has an agreement to lease the part of the ground and level 9 of 221 London Circuit, Canberra, which commenced on 6 March 2017. As the Public Trustee and Guardian entered into this lease. (A lease incentive was provided by the landlord). The Public Trustee and Guardian is amortising the lease incentive over the term of the lease (10 years).

PUBLIC TRUSTEE AND GUARDIAN**APPENDIX B – SIGNIFICANT ACCOUNTING POLICIES
FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017****SIGNIFICANT ACCOUNTING POLICIES – OTHER NOTES****NOTE 24 – BUDGETARY REPORTING**

Explanations of major variances between the 2016-17 Budget Papers and the 30 June 2017 actual results are discussed in Note 24 *Budgetary Reporting*.

SIGNIFICANT JUDGEMENTS AND ESTIMATES – BUDGETARY REPORTING

Significant judgements have been applied in determining what variances are considered as 'major variances' requiring explanations in Note 24 *Budgetary Reporting*. Variances are considered to be major variances if both of the following criteria are met:

- The line item is a significant line item: where either the line item actual amount accounts for more than 10% of the relevant associated category (Income, Expenses and Equity totals) or more than 10% of the sub-element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the financial statements; and
- The variances (original budget to actual) are greater than plus (+) or minus (-) 10% of the budget for the financial statement line item.

PUBLIC TRUSTEE AND GUARDIAN

**APPENDIX C – IMPACT OF ACCOUNTING STANDARDS ISSUED BUT YET TO BE
APPLIED
FORMS PART OF NOTE 2 OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

ACCOUNTING STANDARDS ISSUED BUT YET TO BE APPLIED

The following new and revised accounting standards and interpretations have been issued by the Australian Accounting Standards Board but do not apply to the current reporting period. These standards and interpretations are applicable to future reporting periods. The Public Trustee and Guardian does not intend to adopt these standards and interpretations early. Where applicable, these Australian Standards will be adopted from their application date.

- AASB 15 Revenue from Contracts with Customers (application date 1 January 2018 for for-profit entities, 1 Jan 2019 for not-for-profit entities);

AASB 15 is the new standard for revenue recognition. It establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces AASB 111 Construction Contracts and AASB 118 Revenue. The Public Trustee and Guardian is currently assessing the impact of this standard and has identified there could be a potential impact on the timing of the recognition of revenue for user charges. At this stage Public Trustee and Guardian is not able to estimate the impact of this new standard on its financial statements. The Public Trustee and Guardian will make a more detailed assessment of the impact over the next 12 months.

AASB 2016-7 Amendments to Australian Accounting Standards – Deferral if AASB for Not-for-Profit Entities defers the effective date of AASB 15 for not-for-profit entities to 1 January 2019.

- AASB 16 Leases (application date 1 Jan 2019)

AASB 16 is the new standard for leases. It introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset value is low. At this stage the Public Trustee and Guardian is not able to estimate the impact of this new standard on its financial statements. The Public Trustee and Guardian will make a more detailed assessment of the impact over the next 12 months.

- AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 [AASB 1, 3, 4, 9 (December 2009) (December 2010), 101, 102, 112, 116, 132, 134, 134, 137, 138, 139, 140, 1023, 1038, 1039, 1049, 1053, 1056, Interpretation 12, 127, 132, 1031, 1038 & 1052] (application date 1 Jan 2018);

This standard makes consequential amendments to a number of standards and interpretations as a result of the issuing of AASB 15. The Public Trustee and Guardian is assessing the potential impact of AASB 15.

- AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107 (application date 1 January 2017)

This standard amends AASB 107 Statement of Cash Flows to require agencies preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

This standard relates to disclosure only and there is no material financial impact on the Public Trustee and Guardian.

- AASB 2016-3 Amendments to Australian Accounting Standards- Clarifications to AASB 15 (application date 1 Jan 2018)

PUBLIC TRUSTEE AND GUARDIAN

APPENDIX D – CHANGE IN ACCOUNTING ESTIMATES FORMS PART OF NOTE 3 OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

ACCOUNTING STANDARDS ISSUED BUT YET TO BE APPLIED (Continued)

This standard clarifies the existing requirements of ASSB 15. The Public Trustee and Guardian is not able to estimate the impact on its financial statements. The Public Trustee and Guardian will make a more detailed assessment of the impact over the next 12 months.

CHANGE IN ACCOUNTING ESTIMATES

Public Trustee and Guardian had the following changes in Accounting Estimates during the reporting period:

The Public Trustee and Guardian estimates the present value of long service leave liabilities which do not fall due in the next 12 months. Last financial year the rate used to estimate the present value of these liabilities was 114.7%, however, due a change in the Commonwealth Government bond rate the rate was changed to 103.4%. The change to employee benefits as a result of the reduced rate is a decrease of \$121,926.



PUBLIC TRUSTEE AND GUARDIAN

Ground Floor, 221 London Circuit,

Canberra City ACT 2601

PO Box 221, Civic Square ACT 2608

Tel (02) 6207 9800 • Fax (02) 6207 9811 • Email ptg@act.gov.au