PTG

PUBLIC TRUSTEE AND GUARDIAN

ANNUAL REPORT 2016–17

CORRIGENDUM

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ANNUAL REPORT 2016–17 CORRIGENDUM

ACT GOVERNMENT

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 122, the following pages numbered Pages 10 – 15, commencing with the page titled "Notes to and forming part of the Financial Statements for the Year Ended 30 June 2017".

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

Andrew Taylor
PUBLIC TRUSTEE AND GUARDIAN
27 October 2017

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT

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

	2017 $	2016 $
7. PROPERTY		
Leasehold Building at Market Value	300,000	390,000
Less: Accumulated Depreciation	(15,000)	(90,000)
	285,000	300,000
Total Property	**285,000**	**300,000**

An independent valuation of the Public Trustee and Guardian's warehouse at Mitchell was performed by David James (AAPI Certified Practicing Valuer) of Herron Todd White as at 30 June 2016. The next valuation is due to be performed on 30 June 2019.

8. TRUST LIABILITIES		
Mortgages	5,040,911	2,892,870
Funeral Expenses	69,554	18,081
Bank Loans and Credit Cards	653,527	123,119
Medical/Dental Costs	30,620	28,453
Property/Utility Costs	87,679	45,043
Personal Expenses	124,673	165,251
Accommodation/Rent	95,510	150,195
Taxation Debts	7,320	82,637
Sundry Debts	254,577	289,088
Dividends to be Distributed	2,674,876	2,031,669
Accrued Income Commission	131,319	99,992
Accrued Management Fees	245,295	253,936
Total Trust Liabilities	**9,415,861**	**6,180,334**

Trust liabilities increased primarily as result of an increase in mortgages held. This is in line with the increase in real estate values. The number and value of clients with debts to banks and credit cards also increased, as well as an increase in dividends to be distributed to clients at 30 June 2017 due to higher dividends received from Australian and International Equity Fund investments.

9. OTHER LIABILITIES		
GST Payable	13,132	9,999
Accrued Expenses	19,131	-
Total Other Current Liabilities	**32,263**	**9,999**

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT

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

	2017 $	2016 $
10. ESTATES AND TRUSTS UNDER ADMINISTRATION		
Unclaimed Monies	33,723,250	31,496,538
Capital Region Community Foundation - Gift Fund	12,787,325	10,590,930
Capital Region Community Foundation - Open Fund	6,171,206	6,059,220
Estates and Trusts	256,419,746	223,266,139
Total Estates and Trusts Under Administration	**309,101,527**	**271,412,827**

Estates and Trusts Under Administration have increased due to an overall increase in the number and value of net assets of all clients held.

11. ASSET REVALUATION SURPLUS		
Asset Revaluation Surplus		
Balance at the Beginning of the Reporting Period	371,028	316,778
Increase in the Asset Revaluation Surplus	-	54,250
Balance at the End of the Reporting Period	**371,028**	**371,028**

13. CASH FLOW RECONCILIATION

(a) Reconciliation of Cash and Cash Equivalents at the end of the Financial Year in the Cash Flow Statement to the Equivalent Items in the Balance Sheet

	2017 $	2016 $
Cash at Bank	104,769,583	79,936,016
Total Cash and Cash Equivalents	**104,769,583**	**79,936,016**

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

Operating (Deficit) / Surplus - Common Fund	(44,525)	137,106
Operating (Deficit) - Guarantee and Reserve Account	(47,641)	(88,946)
Add / (Less) Non-Cash Items		
Depreciation	15,000	14,500
Management Fee Rebate	(124,317)	(120,908)
Interest Distributed to Estates and Trusts	1,489,592	1,642,017
Dividends Distributed to Estates and Trusts	5,018,947	4,045,563
Net Cash Inflow Before Changes in Operating Assets and Liabilities	6,307,056	5,629,332
Changes in Operating Assets and Liabilities:		
(Increase) in Receivables	(449,688)	(1,763,013)
(Increase) in Prepayments	(15,718)	-
(Decrease) in Trust Liabilities	(22,686)	(5,230)
Increase / (Decrease) in Other Liabilities	22,264	(63,237)
Net Change in Operating Assets and Liabilities	(465,828)	(1,831,480)
Net Cash Inflows from Operating Activities	**5,841,228**	**3,797,852**

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT

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

BASIS OF PREPARATION

The financial statements have been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards and other significant accounting policies disclosed below, which the Public Trustee and Guardian has determined the basis of preparation of the financial statements is appropriate. The accounting policies are consistent with the previous period unless stated otherwise.

These financial statements are a special purpose financial statements that have been prepared for the sole purpose of preparing and distributing a financial report for stakeholders, including Trust Clients, the Public Trustee and Guardian and service providers.

ACCRUAL ACCOUNTING

The financial statements have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes.

CURRENCY

These financial statements have been presented in Australian dollars, which is the Trust's functional currency.

ROUNDING

Amounts in the financial statements have been rounded to the nearest dollar.

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT

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 measured at the value of the consideration received or receivable in the Operating Statement.

DIVIDENDS
Dividend revenue is recognised when the right to receive a dividend has been established.

INTEREST
Interest revenue is recognised using the effective interest method.

SIGNIFICANT ACCOUNTING POLICIES - EXPENSES

DEPRECIATION
Depreciation is applied to physical assets such as buildings for the length of their useful life.

INTEREST DISTRIBUTIONS
Interest distributions are made to Estates and Trusts quarterly and are made on a cash basis. Interest rates are set by the Public Trustee and Guardian Investment Board. The recommended interest rate is based on the average yield earned on term deposits.

DIVIDEND DISTRIBUTIONS
Dividend distributions are made to Estates and Trusts quarterly and are made on an accruals basis. The distribution is dollar based and determined by the amount of dividend received less any expenses directly related to the investment.

MANAGEMENT FEES
A management fees is charged against the Common Fund Interest Account, by the Public Trustee and Guardian, at a rate of 1.1%. The fees is based on the value of cash on the client accounts at the end of each month. It is calculated monthly and charged quarterly once distributions are received.

SIGNIFICANT ACCOUNTING POLICIES - ASSETS

NOTE 5 - UNREALISED ASSETS
Estates and Trusts under administration represent both realised and unrealised assets. Unrealised assets of Estates and Trusts under administration are initially recorded by the Public Trustee and Guardian at the value the assets were received, in accordance with the Public Trustee and Guardian guidelines.

After initial recognition, unrealised assets are valued using the cost or revaluation model of valuation. Unit based assets are measured at fair value. Property and other assets are recorded at historical cost.

PUBLIC TRUSTEE AND GUARDIAN TRUST ACCOUNT

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 5 - UNREALISED ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES - FAIR VALUE OF UNREALISED ASSETS

The Public Trustee and Guardian has made a significant judgement regarding Unrealised Assets measured at fair value. Unit based assets are valued at 30 June each financial year based on current market values of investments and all other assets are valued at cost. This valuation uses significant judgments and estimates of investments to determine the fair value of investment unit based assets.

NOTE 6 - INVESTMENTS

Australian Equities, Fixed Interest, International Equities and Listed Property investments are valued at market value by the Public Trustee and Guardian's external custodians using independently sourced prices and foreign exchange rates.

Investments in pooled investment funds are valued in accordance with unit prices at the balance date as advised by the managers of the funds.

The distributions received on the Fixed Interest, International Equities and Listed Property investments are recorded net of management fees and charges. These fees are deducted at the source prior to distribution.

NOTE 7 - PROPERTY

The building is valued at fair value. The last valuation of the building was in June 2016. The valuation was performed by David James (AAPI Certified Practicing Valuer) of Herron Todd White. The fair value of the building is measured using current prices in a market for similar properties. Valuations are performed every three years.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES - IMPAIRMENT OF ASSETS

The Public Trustee and Guardian, at each reporting date, assesses whether there is any indication that an asset may be impaired. Assets are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

SIGNIFICANT ACCOUNTING POLICIES - LIABILITIES

NOTE 8 - TRUST LIABILITIES

The Public Trustee and Guardian has made a significant judgement regarding Trust Liabilities. Liabilities are only brought to account for those clients that have available funds to pay their debts. Where a client is potentially insolvent, no liabilities are brought to account.

PUBLIC TRUSTEE AND GUARDIAN

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