



PUBLIC TRUSTEE

**FOR THE
NORTHERN TERRITORY**

ANNUAL REPORT

2010/2011

Public Trustee's Office

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The Hon Daniel Robert Knight 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 2011.

This Report should be read in conjunction with the 2010-2011 Department of 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



PETER SHOYER
Public Trustee for the Northern Territory

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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 2011.

It has been a busy year for the Office, which took on the management of 124 new deceased estates during the year and was able to close 170 estate files. This reduced the number of active estates from 175 to 129 at 30 June 2011. This is a significant achievement.

On the other hand, our trusts under management continued to increase rising from 635 in 2009-10 to 669 at the end of 2010-2011. This is consistent with a trend that has emerged over recent years. I anticipate our trust numbers will continue to grow as the Territory grows.

Trust investments are reviewed on a yearly basis in collaboration with an independent financial planner. This ensures that the investment strategies for our trusts continue to reflect their intended purpose and needs. In this way, the Public Trustee acts to safeguard the best interests of each client.


Cash funds in trusts are predominantly invested in one or more of four diversified Common Funds to achieve the best result taking into account the trust's individual needs. The Common Funds are Cash, Conservative, Balanced and Growth. Each provides a different level of return along with an associated risk factor. Occasionally, a complex trust may require an investment strategy outside the four Common Funds. In those instances we work closely with the independent financial planner to tailor an investment strategy.

The Public Trustee Investment Board continues to be a valuable source of advice and guidance for my Office to ensure our client's funds are being invested in the best possible way during these uncertain times. I am very grateful for the input of the other members of the Board, Mr John Montague and Mr Alastair Shields. I would also like to thank Mr Jim Laouris, Mr Romi Peerzada and Mrs Mandy Fairless for the support and assistance they have provided to the Board throughout the year.

It is notable that the balance of funds in the Public Trustee Common Funds exceeded \$40Million for the first time, with \$42.8Million in the four Funds as at 30 June 2011. A total of \$1.43Million was paid to Consolidated Revenue during the year in commissions, fees and levies.

The Office continues to manage property restrained under the *Criminal Property Forfeiture Act*, and where property is forfeited to arrange for its sale. This year, we were able to pay \$350,000.00 to Consolidated Revenue in proceeds from forfeited property.

Finally, I would like to thank Deputy Public Trustee, Mr Jim Laouris and Mr Romi Peerzada who has been Acting Deputy Public Trustee in Jim's absence on other duties. I also wish to thank and commend the staff of the Office who have worked hard and productively in performing the many and varied duties that fall to the Office.

A handwritten signature in blue ink, appearing to read 'P Shoyer', is positioned above a thin horizontal line.

**PETER SHOYER
PUBLIC TRUSTEE**

THE PUBLIC TRUSTEE AND THE PUBLIC TRUSTEE INVESTMENT BOARD

Public Trustee services

The Office of the Public Trustee for the Northern Territory:

- manages trusts for children, aged, infirm and mentally incapacitated people;
- acts as attorney or agent for people when appointed by the person;
- provides a will-making service and maintains a register of wills;
- administers the estates of deceased persons when selected by them and in situations where there is nobody else willing or able to do so;
- manages restrained and forfeited property under the *Criminal Property Forfeiture Act*; 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 Justice budget.

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

In addition:

- the *Financial Management Act* regulates the expenditure and receipt of public moneys under the control of the Public Trustee as part of the Department of 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 moneys 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 2011, Investment Board Members were Mr Peter Shoyer, Public Trustee, Mr Alastair Shields, Department of Justice and Mr John Montague, Northern Territory Treasury. The Board is chaired by the Public Trustee.

Location of the Office of the Public Trustee

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

CORPORATE PLANNING

The Public Trustee contributes to the corporate planning processes of the Northern Territory Department of 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 Justice Annual Report.

ACHIEVEMENTS 2010-2011

- Further improvement in the timeliness of preparing wills within 10 days from 90% in 2009-2010 to 94% in 2010-2011.
- Continued high rate of estate finalisation (170 finalised) leading to a reduction in active estates from 175 in 2009-2010 to 129 in 2010-2011.
- Continued reduction in small estates over 6 months old, falling from 88 in 2009-2010 to 57 in 2010-2011.
- Client satisfaction has been maintained at a high 93%.
- The balance of funds in the Public Trustee Common Funds exceeded \$40M for the first time with \$42.8M in the four Funds as at 30 June 2011.
- Development of service standards and administration plans for large estates.
- On-going development of trust fact sheets and a private executor kit.
- \$1.43M in commissions, fees and levies paid to Consolidated Revenue.
- \$350,000 paid to Consolidated Revenue from realisation of property forfeited under the *Criminal Property Forfeiture Act*.

DIRECTIONS 2011-2012

- Continue to monitor and implement changes where required to further improve operational practices, procedures and overall service delivery for the Public Trustee will, estate and trust services.
- Finalise policy and develop web page to deal with unclaimed moneys.
- Review Criminal Property Forfeiture processes and procedures in relation to the control and management of restrained assets and funds by the Public Trustee.
- Continued development of the trust fact sheets and the private executor kit.
- Develop induction package for new staff.
- Improve marketing and communication materials including the webpage.
- Review and update internal estate and trust management procedures.

PERFORMANCE

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

Wills prepared

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

During 2009-10 the Public Trustee introduced a policy to limit the circumstances in which instructions will be accepted from individuals who do not nominate the Public Trustee as Executor. Accordingly, since 2009-10 there has been a decline in the number of wills prepared but an improvement in the timeliness of Will preparation. This is a trend which has been observed in other jurisdictions which have implemented such changes. In 2010-11 the number of wills that were prepared within 10 days of receiving instructions was 94% which represents a 4 year high.

Number of Wills	2007-2008	2008-2009	2009-2010	2010-2011
Wills prepared	556	519	384	311
Wills prepared within 10 days of receiving instructions	61%	86%	90%	94%

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 2011, no person had been prescribed, and the Public Trustee continues to provide a free, secure wills storage and retrieval service.

Registration of Wills	2010-2011
Number of wills registered at beginning of year	13,683
Amendments	206
New Wills registered (as distinct from prepared)	316
Wills revoked, taken or administered	349
Number of wills registered at end of year	13,856

Administration of the estates of deceased persons

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

The number of estates commenced during the year reduced substantially from previous years. While the change in will-making policy discussed above may have been a contributing factor, it is not likely to have a major impact for some years to come. Factors such as an increased willingness of individuals to administer the estates of their relatives and simple annual variations may also play a part in the reduction but there is no definitive explanation.

Deceased Estates	2007-2008	2008-2009	2009-2010	2010-2011
Estates on hand at beginning of year	235	233	250	175
Estates commenced during year	169	163	185	124
Estates finalised during year	171	146	260	170
Estates on hand at end of year	233	250	175	129

Finalisation of large estates

Of the current large estates, how long have they been on hand	30 June 2009	30 June 2010	30 June 2011
< 6 months	13	14	11
6 to 12 months	22	6	12
12 to 24 months	14	7	7
Over 2 years	18	13	11

Finalisation of small estates

Of the current small estates, how long have they been on hand	30 June 2009	30 June 2010	30 June 2011
< 6 months	57	47	31
6 to 12 months	39	33	12
12 to 24 months	42	19	20
Over 2 years	45	36	25

The number of small estates on hand over 6 months has significantly decreased from 88 as at 30 June 2010 to 57 as at 30 June 2011. 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.

	2008-2009	2009-2010	2010-2011
Client satisfaction	86%	94%	93%

Management of trusts

The Public Trustee acts as attorney, agent or manager for persons who are minors, incapacitated or who are required to leave the Territory for some time. The Public Trustee also manages the estates of aged, infirm or mentally ill persons on appointment by the Supreme Court under the *Aged and Infirm Person's Property Act*.

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

Trusts (including the Aged, Infirm and Agencies)	2007-2008	2008-2009	2009-2010	2010-2011
Trusts on hand at beginning	626	636	615	635
Trusts received during the year	113	81	119	157
Trusts paid out during the year	103	102	99	123
Trusts on hand at end of the year	636	615	635	669

Criminal Property Forfeiture

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

The table below lists the main activity in the Office for the period from July 2008 to June 2011.

Matters under the <i>Criminal Property Forfeiture Act</i>	2008-2009	2009-2010	2010-2011
Number of new criminal property forfeiture matters dealt with by the Public Trustee	16	14	26
Number of vehicles restrained under the Act on hand as at 30 June	25	9	23
Real estate properties restrained under the Act on hand as at 30 June	9	6	9
Number of vehicles disposed of during the year	45	5	2
Value of Property forfeited under the Act since inception (including unrealised property) as at 30 June	\$4,727,321	\$5,309,214	\$5,608,349
Amount of forfeited money paid to Consolidated Revenue in the year (1)	\$715,000	\$1,000,000	\$350,000

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

MANAGEMENT AND INVESTMENTS

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

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

Common Funds Management

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

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

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

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

Common Fund	2008-2009	2009-2010	2010-2011
Common Fund 1 balance (\$m)	21.2	24.2	27.5
Common Fund 2 balance (\$m)	3.5	3.1	3.3
Common Fund 3 balance (\$m)	3.7	3.7	4.3
Common Fund 4 balance (\$m)	6.1	6.9	7.7
Total of Funds(\$m)	34.5	37.9	42.80
Commission and Fees paid to Consolidated Revenue (\$,000)	558.6	565.3	635.9
Management Fees paid to Consolidated Revenue (\$,000)	579.3	*381.0	516.1
Levy paid to Consolidated Revenue (\$,000)	278.5	269.2	281.8

* Management Fees reduced as the returns generated in relation to Common Fund 1 significantly decreased. Therefore less revenue was available to pay the management fee in 2009-10.

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:

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

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

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

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

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

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

CONSERVATIVE PORTFOLIO

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

Sector	Asset Allocation 30 June 2011	Net Asset Value 30 June 2011		Tolerance (%)
Australian Shares	16.0%	\$529,893	16.3%	14-18
International Shares	5.0%	\$159,094	4.9%	4-6
International Shares (Hedged)	5.0%	\$160,847	4.9%	4-6
Listed Property Securities	4.0%	\$137,024	4.2%	3-5
Total Growth	30%	\$986,858	30.3%	28-32
Australian Fixed Interest	25%	\$789,085	24.3%	23-27
International Fixed Interest	25%	\$817,463	25.2%	23-27
Cash	20%	\$658,240	20.2%	18-22
Total Income	70%	\$2,264,788	69.7%	68-72
Total	100%	\$3,251,646	100.00%	

PERFORMANCE**Performance before fees, taxes and transaction costs**

Year ended 30 June 2011	Portfolio (%)	Benchmark (%)	Deviation (%)
3 Months	0.75	0.69	0.06
6 Months	2.82	2.70	0.12
12 Months	7.49	7.41	0.08
3 Years (pa)	5.21	4.86	0.35
Since Inception (1 October 2002)pa	6.49	6.27	0.22

The Benchmark index is as follows:

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

BALANCED PORTFOLIO

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

Sector	Asset Allocation 30 June 2011	Net Asset Value 30 June 2011		Tolerance (%)
Australian Shares	26%	\$1,056,139	24.8%	24-28
International Shares	8.5%	\$399,607	9.4%	8-10
International Shares (Hedged)	8.5%	\$360,265	8.5%	8-10
Listed Property Securities	6%	\$261,827	6.2%	5-7
Emerging Markets Shares	1%	\$42,606	1.0%	0.5-1.5
Total Growth	50%	\$2,120,444	49.9%	48-52
Australian Fixed Interest	20%	\$845,051	19.9%	18-22
International Fixed Interest	20%	\$852,722	20.1%	18-22
Cash	10%	\$428,744	10.1%	8-12
Total Income	50%	\$2,126,517	50.1%	48-52
Total	100%	\$4,246,961	100.0%	

PERFORMANCE**Performance before fees, tax and transaction costs**

Year ended 30 June 2011	Portfolio (%)	Benchmark (%)	Deviation (%)
3 Months	-0.19%	-0.26	0.07
6 Months	2.34	2.18	0.16
12 Months	8.78	8.69	0.09
3 Years (pa)	3.97	3.63	0.34
Since Inception (1 October 2002) pa	6.60	6.39	0.21

The Benchmark index is as follows:

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

GROWTH PORTFOLIO

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

Sector	Asset Allocation 30 June 2011	Net Asset Value 30 June 2011		Tolerance (%)
Australian Shares	37%	\$2,768,836	35.9%	35-39
International Shares	11.5%	\$892,796	11.6%	10-14
International Shares (Hedged)	11.5%	\$952,542	12.3%	10-14
Listed Property Securities	8%	\$618,136	8.0%	7-9
Emerging Markets Shares	2%	\$153,514	2.0%	1.5-2.5
Total Growth	70%	\$5,385,824	69.8%	68-72
Australian Fixed Interest	14%	\$1,083,538	14.0%	12-16
International Fixed Interest	14%	\$1,077,152	14.0%	12-16
Cash	2%	\$167,879	2.2%	1-3
Total Income	30%	\$2,328,569	30.2%	28-32
Total	100%	\$7,714,393	100.0%	

PERFORMANCE**Performance before fees, tax and transaction costs**

Year ended 30 June 2011	Portfolio (%)	Benchmark (%)	Deviation (%)
3 Months	-1.22	-1.26	0.04
6 Months	1.73	1.59	0.14
12 Months	9.99	9.91	0.08
3 Years (pa)	2.72	2.29	0.43
Since Inception (1 October 2002) pa	6.81	6.51	0.30

The Benchmark index is as follows:

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

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 2011 (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 half yearly basis.

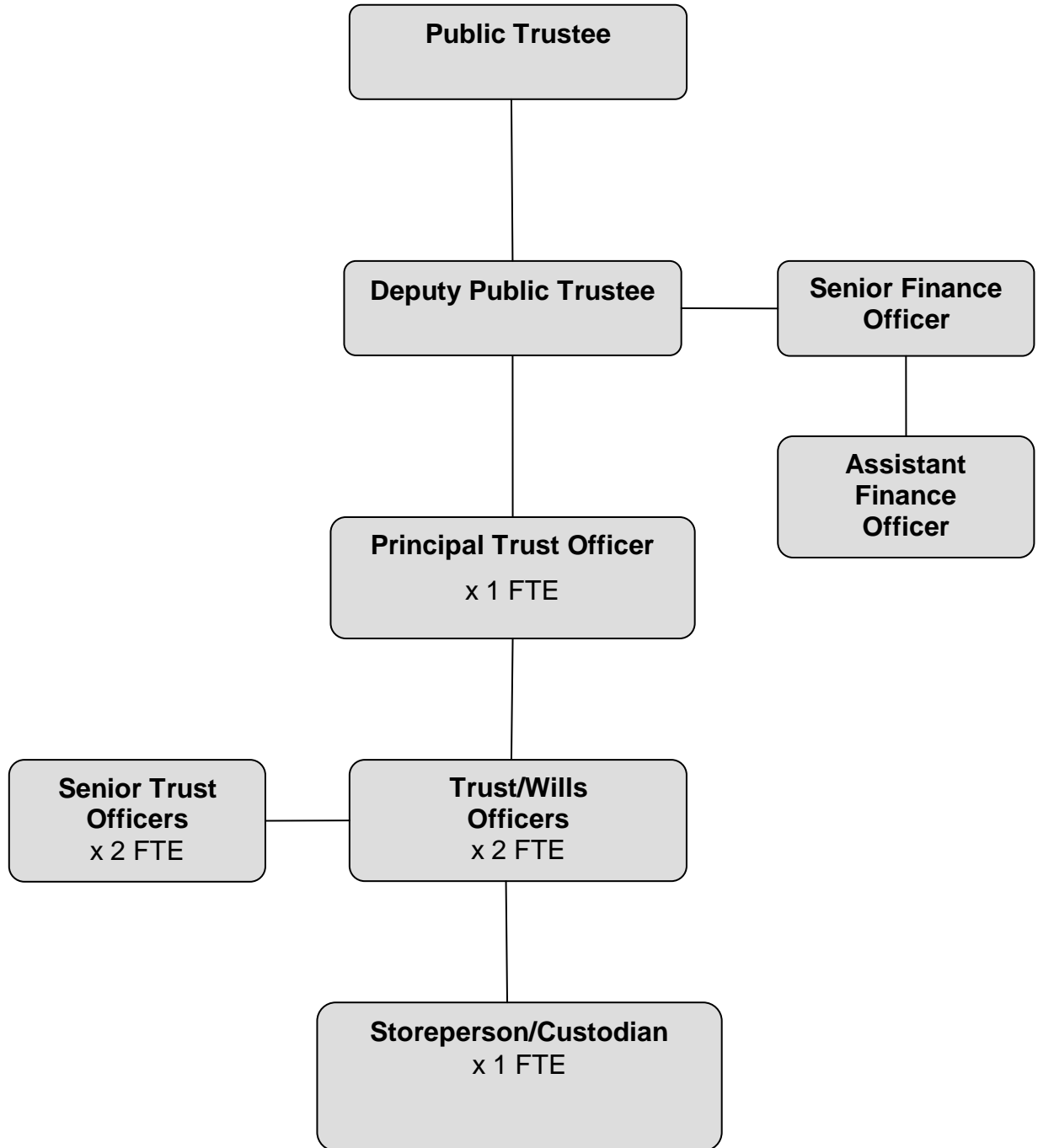
ADMINISTRATIVE FEES AND CHARGES

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 fees are GST exclusive. The main elements of the fee schedule (*) which became operative on 17 March 2010 (being the date of their *Gazetta*) were as follows:

- \$40 for wills if naming Public Trustee as Executor
- \$20 for amendments to wills prepared by Public Trustee
- \$115 for 'complex' wills
- \$460 for administration work where grant of representation is not obtained
- In respect of the administration of estates
 - \$150 for the first \$1000 worth of assets administered,
 - 4% for the next \$199,000 worth of assets administered
 - 3% for the next \$200,000 worth of assets administered
 - 2% for the next \$200,000 worth of assets administered
 - 1% for assets in excess of \$600,000
 - commission of 6% on income received.
- In respect of the administration of trusts
 - 1% of the capital and a commission of 6% on income received.
 - Levy not to exceed 1.1% per annum
 - Management fee not to exceed 2% per annum

(*) Note – GST is applied to Public Trustee fees and commissions. Clients are charged the fee plus GST (for example, \$40 fee plus \$4 GST to draft a will where the Public Trustee is named as executor).

STAFFING STRUCTURE OF THE OFFICE



PUBLIC TRUSTEE FOR THE NORTHERN TERRITORY

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2011



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 2011**

I have audited the accompanying financial report of the Common Funds of the Public Trustee of the Northern Territory ("the Public Trustee"), which comprises the statement of financial position for each of the Common Funds numbered 1 to 4 as at 30 June 2011, and the statement of 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 the *Public Trustee Act*, and for such internal controls as management determines is necessary to enable the preparation of 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.

Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Common Funds of the Public Trustee for the Northern Territory as of 30 June 2011, and of their financial performance and their cash flows for the year then ended in accordance with Australian Accounting Standards and the *Public Trustee Act*.

A handwritten signature in blue ink, appearing to read 'E. McGuinness'.

E. McGuinness

Auditor-General for the Northern Territory
Darwin, Northern Territory

2 February 2012

STATEMENT BY PUBLIC TRUSTEE FOR THE NORTHERN TERRITORY

In my opinion, the accompanying Financial Report of the Common Funds comprising Statements of Comprehensive Income for Common Funds 1 to 4, Statements of Financial Position for Common Funds 1 to 4, Statements of Changes in Equity for Common Funds 1 to 4, Statement of Cash Flows for Common Funds 1 to 4 and Notes to the Financial Statements are based on proper accounts and records and have been properly drawn up so as to present fairly the transactions of the Public Trustee Common Funds for the year ended 30 June 2011 and their financial position at that date.



Peter Shoyer

Dated:-

20 January 2012

COMMON FUND 1 : THE CASH COMMON FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
INCOME			
Interest – Bank		159,859	71,012
Income – Managed Funds		1,070,556	806,554
Change in Net Market Value of Investments	12	(90,090)	247,606
Other Income	3	324,581	301,236
		1,464,906	1,426,408
EXPENDITURE			
Government Management Fees and Levy	2(q)	917,183	680,361
Legal and Advisory Expenses		21,765	23,263
Other Expenses	4	104,283	110,793
		1,043,231	814,417
SURPLUS FOR THE YEAR		421,675	611,991
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		421,675	611,991

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 2011

	Note	2011 \$	2010 \$
ASSETS			
Current			
Cash and Cash Equivalents		4,224,816	1,810,006
Investments	5	23,177,989	21,756,893
Receivables	2(h)	27,904	25,968
		27,430,709	23,592,867
Non Current			
Coonawarra Store – Valuation 2010	2(d)	635,000	635,000
TOTAL ASSETS		28,065,709	24,227,867
LIABILITIES			
Accrued Expenses		84,797	44,961
NET ASSETS		27,980,912	24,182,906
EQUITY			
Funds under Administration	7	27,540,418	23,652,556
Undistributed Surplus	8	440,494	530,350
TOTAL EQUITY		27,980,912	24,182,906

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 2011

	Note	2011 \$	2010 \$
Balance of Equity at 1 July		24,182,906	21,192,746
Funds Under Administration			
Balance at 1 July		23,652,553	20,892,941
Proceeds from client activity		46,605,840	44,929,482
Payments made on behalf of clients		(42,717,975)	(42,169,870)
Balance at 30 June		27,540,418	23,652,553
Undistributed Surplus			
Balance at 1 July		530,353	299,805
Surplus for the Period		421,671	611,991
Less Distribution Paid		(511,530)	(381,443)
Balance at 30 June	8	440,494	530,353
BALANCE OF EQUITY AT 30 JUNE		27,980,912	24,182,906

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 2011

	Notes	2011 \$	2010 \$
Cash Flows From Operating Activities			
Income		1,553,045	1,177,658
Expenses		(1,003,380)	(849,058)
Net cash provided by operating activities	9(a)	549,665	328,600
Cash Flows from Investing Activities			
Payments for investments		(3,011,187)	(8,010,938)
Proceeds from sale of investments		1,500,000	6,000,000
Net cash (used in) investing activities		(1,511,187)	(2,010,938)
Cash Flows from Financing Activities			
Proceeds received from clients activity		26,879,619	28,711,470
Payments made on behalf of clients		(23,503,287)	(26,333,301)
Net cash provided by financing activities		3,376,332	2,378,169
Net increase in cash held		2,414,810	695,831
Cash and cash equivalents at the beginning of the period		1,810,006	1,114,175
Cash and cash equivalents at the end of the period		4,224,816	1,810,006

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

COMMON FUND 2 : THE CONSERVATIVE FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
INCOME			
Interest - Bank		8,697	2,059
Trust distributions		216,270	126,046
Changes in net market value of investments	12	13,398	141,954
		238,365	270,059
EXPENDITURE			
Management fees	2(l)	65,248	61,840
Other expenses		85	178
		65,333	62,018
SURPLUS FOR THE YEAR		173,032	208,041
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		173,032	208,041

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 2011

	Note	2011 \$	2010 \$
ASSETS			
Current			
Cash and cash equivalents		21,659	15,914
Investments	5	3,251,646	3,146,812
TOTAL ASSETS		3,273,305	3,162,726
LIABILITIES			
Current			
Payables		5,448	5,224
TOTAL LIABILITIES		5,448	5,224
NET ASSETS		3,267,857	3,157,502
EQUITY			
Funds under Administration	7	3,267,857	3,157,502
TOTAL EQUITY		3,267,857	3,157,502

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 2011

	Note	2011 \$	2010 \$
As at 1 July		3,157,502	3,532,345
Surplus for the year		173,032	208,041
Distributions to unitholders		(123,397)	(70,500)
Application for units		2,163,266	1,969,041
Redemption of units		(2,102,546)	(2,481,425)
BALANCE OF EQUITY AT 30 JUNE		3,267,857	3,157,502

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 2011

	Note	2011 \$	2010 \$
Cash flows from operating activities			
Interest received		8,697	2,059
Management fees		(69,690)	(67,012)
Other expenses		(85)	(177)
Net cash used in operating activities	9(a)	(61,078)	(65,130)
Cash flows from investing activities			
Payments for investments		(694,500)	(1,869,000)
Proceeds from sale of investments		824,000	2,517,000
Net cash provided by investing activities		129,500	648,000
Cash flows from financing activities			
Proceeds from unit applications		2,163,266	1,969,041
Payments on redemptions		(2,102,546)	(2,481,425)
Income distributed		(123,397)	(70,500)
Net cash (used in) financing activities		(62,677)	(582,884)
Net Decrease in cash held		5,745	(14)
Cash and cash equivalents at the beginning of the period		15,914	15,928
Cash and cash equivalents at the end of the period		21,659	15,914

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

COMMON FUND 3 : THE BALANCED FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
INCOME			
Interest - Bank		3,092	2,184
Trust distributions		247,129	132,395
Changes in net market value of investments	12	70,433	208,504
		320,654	343,083
EXPENDITURE			
Management fees	2(l)	75,884	71,835
Other expenses		86	144
		(75,970)	(71,979)
SURPLUS FOR THE YEAR		244,684	271,104
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		244,684	271,104

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 2011

	Note	2011 \$	2010 \$
ASSETS			
Current			
Cash and cash equivalents		22,654	17,539
Investments	5	4,246,852	3,732,603
TOTAL ASSETS		4,269,506	3,750,142
LIABILITIES			
Current			
Payables		6,981	6,247
TOTAL LIABILITIES		6,981	6,247
NET ASSETS		4,262,525	3,743,895
EQUITY			
Funds under Administration	7	4,262,525	3,743,895
TOTAL EQUITY		4,262,525	3,743,895

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 2011

	Note	2011 \$	2010 \$
As at 1 July		3,743,895	3,746,839
Surplus for the year		244,684	271,104
Distributions to unitholders		(130,298)	(83,663)
Application for units		1,876,803	1,610,870
Redemption of units		(1,472,558)	(1,801,255)
BALANCE OF EQUITY AT 30 JUNE		4,262,526	3,743,895

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 2011

	Note	2011 \$	2010 \$
Cash flows from operating activities			
Interest received		3,092	2,184
Management fees		(80,837)	(77,329)
Other expenses		(86)	(144)
Net cash used in operating activities	9(a)	(77,831)	(75,289)
Cash flows from investing activities			
Payments for investments		(566,000)	(974,000)
Proceeds from sale of investments		375,000	1,317,000
Net cash provided by investing activities		(191,000)	343,000
Cash flows from financing activities			
Proceeds from unit applications		1,876,803	1,610,870
Payments on redemptions		(1,472,558)	(1,801,254)
Income distributed		(130,299)	(83,663)
Net cash (used in) financing activities		273,946	(274,047)
Net (decrease)/ increase in cash held		5,115	(6,336)
Cash and cash equivalents at the beginning of the period		17,539	23,875
Cash and cash equivalents at the end of the period		22,654	17,539

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

COMMON FUND 4 : THE GROWTH FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
INCOME			
Interest - Bank		3,843	2,989
Trust distributions		429,787	208,631
Changes in net market value of investments	12	250,523	431,700
		684,153	643,320
EXPENDITURE			
Management fees	2(l)	140,370	129,432
Other expenses		747	512
		141,117	129,944
SURPLUS FOR THE YEAR		543,036	513,376
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		543,036	513,376

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 2011

	Note	2011 \$	2010 \$
ASSETS			
Current			
Cash and cash equivalents		28,550	24,460
Investments	5	7,714,007	6,948,637
TOTAL ASSETS		7,742,557	6,973,097
LIABILITIES			
Current			
Payables		12,484	11,704
TOTAL LIABILITIES		12,484	11,704
NET ASSETS		7,730,073	6,961,393
EQUITY			
Funds under Administration	7	7,730,073	6,961,393
TOTAL EQUITY		7,730,073	6,961,393

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 2011

	Note	2011 \$	2010 \$
As at 1 July		6,961,393	6,182,961
Surplus for the year		543,036	513,376
Distributions to unitholders		(207,617)	(156,934)
Application for units		1,765,717	1,331,248
Redemption of units		(1,332,456)	(909,258)
BALANCE OF EQUITY AT 30 JUNE		7,730,073	6,961,393

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 2011

	Note	2011 \$	2010 \$
Cash flows from operating activities			
Interest received		3,843	2,990
Management fees		(150,649)	(137,702)
Other expenses		(747)	(512)
Net cash used in operating activities	9(a)	(147,553)	(135,224)
Cash flows from investing activities			
Payments for investments		(748,000)	(1,630,000)
Proceeds from sale of investments		674,000	1,489,000
Net cash (used in) investing activities		(74,000)	(141,000)
Cash flows from financing activities			
Proceeds from unit applications		1,765,717	1,331,248
Payments on redemptions		(1,332,456)	(909,258)
Income distributed		(207,618)	(156,934)
Net cash provided by financing activities		225,643	265,056
Net (decrease)/increase in cash held		4,090	(11,168)
Cash and cash equivalents at the beginning of the period		24,460	35,628
Cash and cash equivalents at the end of the period		28,550	24,460

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

1. ACTIVITIES OF THE PUBLIC TRUSTEE

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

2 STATEMENT OF ACCOUNTING POLICIES

(a) *Basis of Accounting*

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

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

(b) *Operation of the Common Funds*

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

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

(c) *Valuation of investments*

The net 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 Income Statement and transferred to unit holders' funds reserve until realisation.

(d) *Valuation of Coonawarra Road Store*

The investment in Coonawarra Store is measured on a fair value basis. 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 last valuation was conducted on the 19 June 2010 and will be conducted every 3 years; the next valuation will be due in 2013.

(e) *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:

2. STATEMENT OF ACCOUNTING POLICIES (continued)

Trust distributions

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

Interest income

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

Change in the net market value of investments

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

(f) Cash and Cash Equivalents

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

(g) Investments and other financial assets

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

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

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

Financial assets at fair value through profit and loss

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

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

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

2. STATEMENT OF ACCOUNTING POLICIES (continued)*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 balance 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 Income Statement.

Additional disclosures in relation to financial instruments are provided at Note 10.

(h) *Receivables*

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

(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 provided their taxable income is fully distributed.

(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 is not made until after the balance date as advice of distribution entitlements from underlying investments is not received by the Public Trustee until after the balance date.

Unrealised gains and losses on investments are not assessable and 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.

2. STATEMENT OF ACCOUNTING POLICIES (continued)**(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,
- * receive income distributions,
- * attend and vote at meetings of unit holders, and
- * participate in the termination and winding up of the Common Funds.

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 determined in accordance with the Common Funds' Constitution and are calculated on the net assets of the Common Funds adjusted for any transaction costs, divided by the number of units on issue.

(q) *Commission, Levy and Management Fees*

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 standards and interpretations not yet adopted*

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2010, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Public Trustee, except for AASB 9 Financial Instruments, which becomes mandatory for Public Trustee's 2014 financial statements and could change the classification and measurement of financial assets. Public Trustee does not plan to adopt this standard early and the extent of the impact has not been determined.

3. OTHER INCOME

	2011	2010
	\$	\$
Receipts from Fund Managers	302,914	282,903
Rent Received	21,667	18,333
Total	324,581	301,236

4. OTHER EXPENSES

	2011	2010
	\$	\$
Bank Charges	2,768	2,701
Property Expenses	9,974	22,593
Fund Management Fees	91,541	85,499
Total	104,283	110,793

5. INVESTMENTS

The funds in which the Common Funds invest hold various direct investments but the individual Common Funds have no direct control over these underlying investments. A break down of the investments as at 30 June 2011 is as follows:

	Common Fund 1		Common Fund 2	
	2011	2010	2011	2010
	\$	\$	\$	\$
Australian cash	23,177,989	21,756,893	658,239	635,270
Australian shares	-	-	529,893	477,203
Australian fixed interest	-	-	789,085	800,155
Australian property	-	-	137,024	134,716
International shares	-	-	319,942	299,484
International fixed Interest	-	-	817,463	799,984
	23,177,989	21,756,893	3,251,646	3,146,812

	Common Fund 3		Common Fund 4	
	2011	2010	2011	2010
	\$	\$	\$	\$
Australian cash	428,744	384,416	167,879	145,220
Australian shares	1,056,139	947,819	2,768,836	2,451,441
Australian fixed interest	845,051	772,867	1,083,538	996,341
Australian property	261,827	222,474	618,136	576,313
International shares	802,370	639,485	1,845,339	1,718,768
International fixed Interest	852,721	765,542	1,230,279	1,060,554
	4,246,852	3,732,603	7,714,007	6,948,637

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

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

	Common Fund 2		Common Fund 3	
	2011 Units	2010 Units	2011 Units	2010 Units
Balance at the beginning of the period	3,481,201	4,054,230	3,946,034	4,145,159
Applications	2,355,141	2,167,378	1,922,294	1,724,081
Redemptions	(2,294,683)	(2,740,407)	(1,518,741)	(1,923,206)
Balance at the end of the period	3,541,659	3,481,201	4,349,587	3,946,034

	Common Fund 4	
	2011 Units	2010 Units
Balance at the beginning of the period	6,908,986	6,511,426
Applications	1,688,523	1,527,007
Redemptions	(1,270,347)	(1,129,447)
Balance at the end of the period	7,327,162	6,908,986

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.

	2011 \$	2010 \$
Common Fund 2	15,536	430,567
Common Fund 3	115,181	276,312
Common Fund 4	202,327	502,013

The Cash Common Fund 1 does not issue units.

7. FUNDS UNDER ADMINISTRATION

	Common Fund 1	Common Fund 1	Common Fund 2	Common Fund 2
	2011	2010	2011	2010
	\$	\$	\$	\$
Deceased Estates	11,116,243	12,017,663	-	-
Beneficial Trusts	1,241,824	1,340,392	192,339	260,257
Legal Trusts	6,271,793	5,488,677	1,767,050	2,068,942
Aged, Infirm and Mental Health Trusts	2,936,484	3,188,399	1,308,468	828,303
Crimes Property Forfeiture	371,519	401,693	-	-
Miscellaneous Trusts	5,602,555	1,215,732	-	-
Total Funds	27,540,418	23,652,556	3,267,857	3,157,502

	Common Fund 3	Common Fund 3	Common Fund 4	Common Fund 4
	2011	2010	2011	2010
	\$	\$	\$	\$
Deceased Estates	-	-	-	-
Beneficial Trusts	710,286	505,260	463,409	580,145
Legal Trusts	2,897,898	2,559,142	6,312,733	5,759,579
Aged, Infirm and Mental Health Trusts	654,342	679,493	953,931	621,669
Crimes Property Forfeiture	-	-	-	-
Miscellaneous Trusts	-	-	-	-
Total Funds	4,262,526	3,743,895	7,730,073	6,961,393

	Total	Total
	2011	2010
	\$	\$
Deceased Estates	11,116,243	12,017,663
Beneficial Trusts	2,607,858	2,686,054
Legal Trusts	17,249,474	15,876,340
Aged, Infirm and Mental Health Trusts	5,853,225	5,317,864
Crimes Property Forfeiture	371,519	401,693
Miscellaneous Trusts	5,602,555	1,215,732
Total Funds	42,800,874	37,515,346

8. UNDISTRIBUTED SURPLUS

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

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

	2011	2010
	\$	\$
Surplus for the year	421,675	611,991
- Changes in net market value of investments – unrealised	86,836	(254,885)
- Movements in receivables	(1,936)	(1,164)
- Movements in payables	39,836	(34,621)
- Realised gain on sale of investments (note 12)	3,254	7,279
Net Cash used in operating activities	549,665	328,600

Common Fund 2

Surplus for the year	173,032	208,041
- Changes in net market value of investments – unrealised	(15,536)	(454,234)
- Movements in payables	224	(664)
- Realised gain on sale of investments (note 12)	2,138	312,280
- Non cash dividends received from investments	(220,935)	(130,553)
Net Cash used in operating activities	(61,078)	(65,130)

Common Fund 3

Surplus for the year	244,684	271,104
- Changes in net market value of investments – unrealised	(115,181)	(306,002)
- Movements in payables	734	27
- Realised gain on sale of investments (note 12)	44,748	97,498
- Non cash dividends received from investments	(252,816)	(137,916)
Net Cash used in operating activities	(77,831)	(75,289)

Common Fund 4

Surplus for the year	543,036	513,376
- Changes in net market value of investments – unrealised	(202,327)	(558,100)
- Movements in payables	780	1,497
- Realised gain on sale of investments (note 12)	(48,196)	126,400
- Non cash dividends received from investments	(440,846)	(218,397)
Net Cash used in operating activities	(147,553)	(135,224)

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

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

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

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

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

Interest Rate Risk

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

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

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

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

Common Fund 1	Change in Interest Rate	Effect On		Effect On	
		Profit or (loss)	Equity	Profit or (loss)	Equity
		2011 \$	2011 \$	2011 \$	2011 \$
Interest Rate Risk	+ 100 basis points	42,248	42,248	18,096	18,096
	- 100 basis points	(42,248)	(42,248)	(18,096)	(18,096)
		-	-	-	-

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:

10. FINANCIAL RISK MANAGEMENT – Continued**Common Fund 1**

Weighted Average Effective Interest Rate	Variable Interest Rate Within 1 Year		Non Interest Bearing		Total	
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
Financial Assets						
Cash 4.4/4.5%	4,224,816	1,809,654	-	-	4,224,816	1,809,653
Receivables	-	-	27,904	25,968	27,904	25,968
Investment	-	-	23,177,989	21,756,893	23,177,989	21,756,893
	4,224,816	1,809,654	23,205,893	21,782,861	27,430,709	23,592,514

Common Fund 2

Weighted Average Effective Interest Rate	Variable Interest Rate		Non Interest Bearing		Total	
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
Financial Assets						
Cash 4.4/4.5%	21,659	15,914	-	-	21,659	15,914
Investments	-	-	3,251,646	3,146,812	3,251,646	3,146,812
	21,659	15,914	3,251,646	3,146,812	3,273,305	3,162,726
Financial Liabilities						
Payables	-	-	5,448	5,224	5,448	5,224
	-	-	5,448	5,224	5,448	5,224

Common Fund 3

Weighted Average Effective Interest Rate	Variable Interest Rate		Non Interest Bearing		Total	
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
Financial Assets						
Cash 4.4/4.5%	22,654	17,539	-	-	22,654	17,539
Investments	-	-	4,246,852	3,732,603	4,246,852	3,732,603
	22,654	17,539	4,246,852	3,732,603	4,269,506	3,750,142
Financial Liabilities						
Payables	-	-	6,981	6,247	6,981	6,247
	-	-	6,981	6,247	6,981	6,247

10. FINANCIAL RISK MANAGEMENT – Continued**Common Fund 4**

Weighted Average Effective Interest Rate	Variable Interest Rate		Non Interest Bearing		Total	
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
Financial Assets						
Cash 4.4/4.5%	28,550	24,460	-	-	28,550	24,460
Investments	-	-	7,714,007	6,948,637	7,714,007	6,948,637
	28,550	24,460	7,714,007	6,948,637	7,742,557	6,973,097
Financial Liabilities						
Payables	-	-	12,484	11,704	12,484	11,704
	-	-	12,484	11,704	12,484	11,704

Sensitivity Analysis

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

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Common Funds' maximum credit risk exposure at balance date in relation to each class of recognised financial assets is the carrying amount as disclosed in the Balance Sheet and notes to the financial statements.

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".

10. FINANCIAL RISK MANAGEMENT – Continued**Credit Risk**

	Note	Carrying Amount	
		2011	2010
Common Fund 1			
Cash and Cash Equivalents		4,224,816	1,810,005
Financial Assets at Fair Value through profit and loss	5	23,177,989	21,756,893
Loans and Receivables	2(h)	27,904	25,968
Common Fund 2			
Cash and cash equivalents		21,659	15,914
Financial Assets at Fair Value through profit and loss	5	3,251,646	3,146,812
Common Fund 3			
Cash and cash equivalents		22,654	17,539
Financial Assets at Fair Value through profit and loss	5	4,426,852	3,732,603
Common Fund 4			
Cash and cash equivalents		28,550	24,460
Financial Assets at Fair Value through profit and loss	5	7,714,007	6,948,637

Liquidity Risk

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

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

All financial liabilities have maturities of less than 3 months.

(b) Net Fair Values

The carrying amounts of financial assets and liabilities approximate their fair value. The fair value of assets and liabilities equate to the net market values.

11. SEGMENTAL INFORMATION

The principal activity of the Common Funds is the investment in one market segment, being unlisted wholesale funds all domiciled in one geographic segment, being Australia.

12. CHANGES IN NET MARKET VALUE OF INVESTMENTS

	2011 \$	2010 \$
Common Fund 1		
Realised capital gains during the period	(3,254)	(7,279)
Revaluation of investments to market value – Unrealised	(86,836)	254,885
	(90,090)	247,606
Common Fund 2		
Realised capital gains during the period	(2,138)	(312,280)
Revaluation of investments to market value – Unrealised	15,536	454,234
	13,398	141,954
Common Fund 3		
Realised capital gains during the period	(44,748)	(97,498)
Revaluation of investments to market value – Unrealised	115,181	306,002
	70,433	208,504
Common Fund 4		
Realised capital gains during the period	48,196	(126,400)
Revaluation of investments to market value – Unrealised	202,327	558,100
	250,523	431,700

13. CONTINGENT LIABILITIES

No contingent liabilities existed at 30 June 2011 or have arisen since balance date.

14. SUBSEQUENT EVENTS

No significant events have occurred since balance date which would impact on the financial position of the Common Funds as disclosed in the Statement of Financial Position as at the 30 June 2011, and the results of the operation and Statement of Cash Flows of the Common Funds for the period ended on that date.

UNCLAIMED MONEYS
AND
MONEYS DEEMED
BONA VACANTIA

**UNCLAIMED MONEYS AND MONEYS DEEMED BONA VACANTIA
(IN EXCESS OF \$1,000)
HELD BY THE PUBLIC TRUSTEE
AS AT JUNE 2011**

DECEASED ESTATE NAME	BENEFICIARY NAME	AMOUNT \$
ESTATE:- MATTHEW HALL	BERYL HALL	107,696.08
ESTATE:- JOHNNY BUFFALO	PATRICIA LEHMAN	71,049.91
ESTATE:- CHIUSIU CHAN		38,717.47
ESTATE:- PETER BEGIC	FRANK BEGIC	19,932.81
ESTATE:- RADKO MILOVAC	INIKICA MILOVAC	18,910.72
ESTATE:- RADKO MILOVAC	IVICA MILOVAC	18,910.72
TRUST:- KELLIE BAKER		15,956.20
ESTATE:- GEORGE JAMDIJINGA		12,007.29
ESTATE:- ALLAN MURPHY	ADAM MURPHY	11,576.86
ESTATE:- RUBY MEIWALA	DON GUNDINGA	11,499.45
ESTATE:- BILLY MUKA		10,938.99
TRUST: MARCUS NELSON		10,418.59
TRUST: JASON NELSON		10,297.87
TRUST:- ALBERT WALPOLE		9,704.16
ESTATE: JAMES FARRELL		8,464.03
ESTATE: TREVOR WANTAMA	GERALD WANTAMA	7,976.15
TRUST: LAMET NAMUNDJA		7,766.66
ESTATE: JENNY TIGER BAKER		7,195.20
ESTATE:- FRED BUTLER		6,985.81
TRUST: JOANNE KELLY MCDONALD		6,951.02
ESTATE: MINNIE NIMARA		6,846.74
ESTATE:- GERALD MARTIN		6,406.79
ESTATE: DAWNA BRAEDON	WARREN BRAEDON	5,972.05
ESTATE: DAWNA BRAEDON	RICKY BRAEDON	5,972.05
ESTATE: DAWNA BRAEDON	JACQUELINE BRAEDON	5,972.05
ESTATE:- LEO JOHN	SANDY AUGUST BOOKEDEA BADIN	5,320.65
ESTATE:- LEO JOHN	TIBBY WARATBUGGUAN BULAINJAN	5,320.65
ESTATE: NORMAN ANDERSON		4,767.87
ESTATE:- HANSAKE HELLBERG		4,678.78
ESTATE:- JOSEPH N DOOLAN	SIMON WANDI DOOLAN	3,461.69
ESTATE:- ELIZABETH NED	JEREMY DODD	3,084.65
ESTATE:- WILLIAM TAME		3,023.01
ESTATE: CHRISTIAN PRAUD		2,765.27
ESTATE:- JAMES LIDDY		2,753.57
ESTATE:- LEO JOHN	JOHNNY GODIJIA JALYERI BEETALOO	2,660.33
ESTATE:- LEO JOHN	TOMMY BEETALOO	2,660.32
ESTATE:- KRESTEN MADSEN		2,579.57
ESTATE:- GERARD SMITH		2,479.72
ESTATE: DAVID HARRIS	ROBERT HARRIS	2,452.41

**UNCLAIMED MONEYS AND MONEYS DEEMED BONA VACANTIA
(CONTINUED)
(IN EXCESS OF \$1,000)
HELD BY THE PUBLIC TRUSTEE
AS AT JUNE 2011**

DECEASED ESTATE NAME	BENEFICIARY NAME	AMOUNT \$
ESTATE:- WILLIAM TREMBLAY	WILLIAM TREMBLAY THE THIRD	2,327.41
ESTATE:- DARNEY DIXON	SUZANNE DIXON	2,316.35
ESTATE:- MINNIE NANGALA	RAINYERRI JABALJARI	1,948.71
ESTATE:- NIKOLA MATOJEVIC		1,901.94
ESTATE:- DINO VALLORANI	ANTONETTE VALLORANI	1,872.24
ESTATE:- LEO JOHN	MARY MAGDELENE KINGSLEY	1,773.55
ESTATE:- LEO JOHN	PEARL WILFRED NGAMAIYANG	1,773.55
ESTATE:- LEO JOHN	DALLAS KINGSLEY	1,773.54
ESTATE: KITTY MINYINGMA	WILLIAM PRESLEY	1,617.64
TRUST:- JONAS BRAZIER		1,312.47
ESTATE: ALMA GIBBS	CHARLIE WAGAMAN	1,250.97
ESTATE:- PAUL BARRY STEWART		1,152.24
ESTATE:- LINDY RANKINE	CHARLES RANKINE	1,148.76
ESTATE:- ROBERT WANAT	OLGA STROSIKOVA	1,063.54
TOTAL		\$515,367.07