The Public Trustee of Queensland

Financial Statements
For the year ended 30 June 2023

Contents

General Information

The Public Trustee of Queensland operates as a corporation sole governed by the *Public Trustee Act 1978* and reports to Queensland Parliament through the Attorney-General. The Public Trustee of Queensland is a department for the purposes of the *Financial Accountability Act 2009;* the Public Trustee being the accountable officer of the Public Trust Office under section 65(3) of *Financial Accountability Act 2009* and Part 2 of the *Financial Accountability Regulation 2019.*

For the purpose of this report, 'the Public Trustee' refers to the corporation and 'the Public Trustee of Queensland' refers to the independent statutory individual.

The head office and principal place of business of the Public Trustee is 410 Ann Street, Brisbane QLD 4000.

For information in relation to the Public Trustee's financial statements, please email clientenq@pt.qld.gov.au or visit our website at www.pt.qld.gov.au.

The Public Trustee of Queensland

Statement of Comprehensive Income/(Loss)
For the year ended 30 June 2023

	Notes	2023 $'000	2022 $'000
Revenue			
Fees	1	54,187	55,937
Investment revenue	2	25,035	23,547
Fair value gain on investments	2	14,436	829
Other income	3	2,719	4,281
Total Revenue		**96,377**	**84,594**
Expenses			
Employee expenses	4	62,571	58,983
Supplies and services	5	14,765	19,512
Contributions	6	1,402	1,322
Depreciation and amortisation		3,606	2,843
Fair value loss on investments	2	-	42,625
Interest expense	15	8,151	2,322
Other expenses	7	3,859	3,839
Total Expenses		**94,354**	**131,446**
Operating Result		**2,023**	**(46,852)**
Other Comprehensive Income/(Loss)			
<u>Items that will not be reclassified to Operating Result</u>			
Increase in asset revaluation surplus	18	1,473	3,410
<u>Items that may be reclassified to Operating Result</u>			
Net loss on financial assets at fair value through other comprehensive income (FVOCI)		(272)	(26,870)
Total Other Comprehensive Income/(Loss)		**1,201**	**(23,460)**
Total Comprehensive Income/(Loss)		**3,224**	**(70,312)**

The above statement should be read in conjunction with the accompanying notes.

The Public Trustee of Queensland

Statement of Financial Position
As at 30 June 2023

	Notes	2023 $'000	2022 $'000
Current Assets			
Cash and cash equivalents	8	194,897	112,333
Receivables	9	13,561	17,771
Other assets	10	6,684	7,106
Financial assets	11	613,461	778,440
Total Current Assets		**828,603**	**915,650**
Non-Current Assets			
Other assets	10	240	-
Financial assets	11	101,037	53,483
Property, plant and equipment	12	31,807	31,580
Right-of-use assets	13	19,359	21,533
Total Non-Current Assets		**152,443**	**106,596**
Total Assets		**981,046**	**1,022,246**
Current Liabilities			
Payables	14	2,137	3,465
Deposits held in trust	15	791,958	836,008
Accrued employee benefits	16	16,738	16,014
Lease liabilities	13	2,460	503
Other liabilities	17	1,050	1,014
Total Current Liabilities		**814,343**	**857,004**
Non-Current Liabilities			
Accrued employee benefits	16	1,322	1,356
Lease liabilities	13	23,897	25,637
Other liabilities	17	621	610
Total Non-Current Liabilities		**25,840**	**27,603**
Total Liabilities		**840,183**	**884,607**
Net Assets		**140,863**	**137,639**
Equity			
Asset revaluation surplus	18	27,350	25,877
Accumulated surplus	19	113,513	111,762
Total Equity		**140,863**	**137,639**

The above statement should be read in conjunction with the accompanying notes.

The Public Trustee of Queensland

Statement of Changes in Equity
For the year ended 30 June 2023

	Accumulated Surplus $'000	Asset Revaluation Surplus $'000	Total Equity $'000
Balance as at 1 July 2021	**170,908**	**37,043**	**207,951**
Operating result for the year	(46,852)	-	(46,852)
Other comprehensive loss			
Net loss on financial assets at FVOCI	(26,870)	-	(26,870)
Increase in asset revaluation surplus	-	3,410	3,410
Transfer from asset revaluation surplus to accumulated surplus	14,576	(14,576)	-
Balance as at 30 June 2022	**111,762**	**25,877**	**137,639**
Balance as at 1 July 2022	111,762	25,877	137,639
Operating result for the year	2,023	-	2,023
Other comprehensive income			
Net loss on financial assets held at FVOCI	(272)	-	(272)
Increase in asset revaluation surplus	-	1,473	1,473
Balance as at 30 June 2023	**113,513**	**27,350**	**140,863**

The above statement should be read in conjunction with the accompanying notes.

The Public Trustee of Queensland

Statement of Cash Flows

For the year ended 30 June 2023

	Notes	2023 $'000	2022 $'000
Cash Flows From Operating Activities			
Inflows:			
Fees received		54,701	58,801
Interest and distribution income received		28,830	42,884
Other income received		487	642
GST collected from customers		14,498	8,775
Net amount received as deposits held in trust		-	88,587
Outflows:			
Net amount paid as deposits held in trust		(43,452)	-
Payments to suppliers and employees		(81,495)	(80,099)
GST paid to suppliers		(10,834)	(3,202)
GST remitted to ATO		(3,637)	(5,766)
Interest expense paid		(7,334)	(1,913)
Net Cash (Used In)/Provided By Operating Activities		**(48,236)**	**108,709**
Cash Flows From Investing Activities			
Inflows:			
Sales of financial assets		304,632	91,311
Sales of property, plant and equipment		-	18,834
Outflows:			
Payments for financial assets		(173,044)	(193,139)
Payments for property, plant and equipment		(175)	(154)
Net Cash Provided By/(Used In) Investing Activities		**131,413**	**(83,148)**
Cash Flows From Financing Activities			
Outflows:			
Lease payments		(613)	(870)
Net Cash Used In Financing Activities		**(613)**	**(870)**
Net Increase In Cash and Cash Equivalents		**82,564**	**24,691**
Cash and Cash Equivalents at Beginning of the Financial Year		112,333	87,642
Cash and Cash Equivalents at End of the Financial Year	8	**194,897**	**112,333**

The above statement should be read in conjunction with the accompanying notes.

Statement of Cash Flows (Continued)

For the year ended 30 June 2023

	2023 $'000	2022 $'000
Reconciliation of Operating Result to Net Cash (Used In)/Provided By Operating Activities		
Operating Result	**2,023**	**(46,852)**
Non-cash items included in operating result:		
Depreciation and amortisation expense	3,606	2,843
Interest on leases	817	409
Net loss on sale of plant and equipment	2	780
Net (gain)/loss on revaluation of financial assets	(14,436)	41,796
Change in Assets and Liabilities:		
Decrease in receivables	4,210	19,071
Decrease in other assets	183	1,066
(Decrease)/Increase in payables	(1,328)	825
Increase/(Decrease) in accrued employee benefits	690	(101)
(Decease)/Increase in deposits held in trust	(44,050)	88,744
Increase in other liabilities	47	128
Net Cash (Used In)/Provided By Operating Activities	**(48,236)**	**108,709**

The above statement should be read in conjunction with the accompanying notes.

Contents

BASIS OF FINANCIAL STATEMENTS PREPARATION

(a) Objectives of the Public Trustee

The Public Trustee (PT) is a not-for-profit corporation owned by the Queensland Government which provides trustee, estate and administration services to the people of Queensland.

The *Public Trustee Act 1978* grants the Public Trustee broad and general powers in relation to the financial operations of the Public Trustee and its funds, particularly the Common Fund. Under section 19 of the Act, all moneys vested in or coming into the hands of the Public Trustee are required to be held in one or more Common Funds. All dealings that are transacted through the Common Fund are controlled by the Public Trustee and are not administered on behalf of the Government.

The Public Trustee is a self-funded organisation which provides its full range of services to the community at no cost to the Government.

(b) Compliance with Prescribed Requirements

The Public Trustee has prepared these financial statements in compliance with the requirements of the *Public Trustee Act 1978* and section 39 of the *Financial and Performance Management Standard 2019*. The financial statements comply with Queensland Treasury's *Minimum Reporting Requirements* for reporting periods beginning on or after 1 July 2022 and other authoritative pronouncements.

The Public Trustee is a not-for-profit entity and these general purpose financial statements have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities.

New accounting standards adopted early and/or applied for the first time in these financial statements are outlined in Note 31.

(c) Presentation Matters

(i) Currency and Rounding

Amounts included in the financial statements are in Australian dollars and rounded to the nearest $1,000 or, where that amount is less than $500, to zero, unless disclosure of the full amount is specifically required.

(ii) Comparatives

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with the current year.

(iii) Current/Non-Current Classification

Assets and liabilities are classified as either 'current' or 'non-current' in the statement of financial position and associated notes.

Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the organisation does not have an unconditional right to defer settlement to beyond 12 months after the reporting date.

All other assets and liabilities are classified as non-current.

BASIS OF FINANCIAL STATEMENTS PREPARATION (Continued)

(d) Authorisation of Financial Statements for Issue

The financial statements for the year ended 30 June 2023 were authorised for issue by the Public Trustee of Queensland and CEO and the Executive Director, Investment & Finance Services & CFO at the date of signing the certification of the Public Trustee.

(e) Basis of Measurement

Historical cost is used as the measurement basis in this financial report except for the following:

- Financial Assets measured at fair value and amortised cost;
- Land and buildings which are measured at fair value; and
- Accrued employee benefits expected to be settled 12 or more months after reporting date which are measured at their present value.

(i) Historical Cost

Under historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

(ii) Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique. Fair value is determined using one of the following three approaches:

- The market approach uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities;
- The cost approach reflects the amount that would be required currently to replace the service capacity of an asset. This method includes the current replacement cost methodology; and
- The income approach converts multiple future cash flows amounts to a single current (i.e., discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts.

Where fair value is used, the fair value approach is disclosed.

(iii) Present Value

Present value represents the present discounted value of the future net cash inflows that the item is expected to generate (in respect of assets) or the present discounted value of the future net cash outflows expected to settle (in respect of liabilities) in the normal course of business.

(f) The Reporting Entity

The financial statements include the value of all revenue, expenses, assets, liabilities and equity controlled by the Public Trustee through the Common Fund.

BASIS OF FINANCIAL STATEMENTS PREPARATION (Continued)

(g) Interest in Associates

Associates are those entities in which the Public Trustee has significant influence, but no control or joint control, over the financial and operating policies.

The Public Trustee is one of the contributors and sponsors of the QCF Management Co. Ltd which was established on 3 December 2010 to provide administration, marketing and management support for the Queensland Community Foundation for which the Public Trustee is a Trustee.

As the transactions and balances of QCF Management Co. Ltd are judged to be immaterial, they have not been included in these accounts.

NOTES ABOUT OUR FINANCIAL PERFORMANCE

1. Fees

	2023 $'000	2022 $'000
Revenue from contracts with customers		
Administration of estates and trusts	71,962	73,135
Professional and other services	19,200	19,732
Community service obligations	(36,975)	(36,930)
	54,187	**55,937**

Refer to Notes 10 and 17 for disclosures on contract assets, contract liabilities and refund liabilities.

Accounting Policy

Revenue from contracts with customers is recognised when the Public Trustee transfers control over the service to the customer. See below for further details about the nature and timing of the satisfaction of performance obligations and revenue recognition for services.

Revenue Recognition Policy

Revenue arising from contracts that are 'enforceable' and contain 'sufficiently specific performance obligations' are recognised as revenue on satisfaction of the performance obligations.

Type of Service	Nature and Timing of Satisfaction of Performance Obligations	Revenue Recognition Policy
Administration of estates and trusts	Administration services provided are based on gazetted annual fees or hourly rates and charged monthly, or in accordance with other agreed billing milestones. The performance obligation is to render administration as required which is satisfied over time.	Revenue is recognised over time from the inception of the contract, as services are provided on a recurring and periodic basis and on the basis that the PT has the right to payment for work performed to date.
Professional and other services	Professional and other services provided are based on hourly rates or fixed rates and charged to the customer either monthly or on completion of the service. PT has enforceable right to payment for work performed to date.	Revenue is recognised over time based on hours incurred. For services containing a fixed fee component, revenue is recognised based on estimated progress of the completion of the performance obligation.
Unclaimed moneys (UCM) administration services	PT's performance obligation is to maintain an unclaimed funds register for a period of 25 years or until the funds are claimed. Lodgement of unclaimed moneys from non-government entities are subject to a maximum gazetted fee which is deducted from the unclaimed funds on receipt. If the funds are claimed, the full amount lodged is returned to the rightful owner with the fee being reversed and recognised as a reduction in revenue.	A portion of the fee is recognised on the lodgement of the funds for the setup of the UCM register with the balance deferred over time based on the estimated length of time to complete the service. A refund liability is recognised to constrain the revenue for this service to the amount for which it is highly probable a significant reversal in revenue will not occur.

Disclosure - Administration of estates and trusts

The key services provided by PT include personal financial administration and the administration of deceased estates and trusts. The services are provided in accordance with legislative directives and the fees for these services are gazetted annually.

Disclosure - Professional and other services and unclaimed moneys administration services

The individual customer whilst under the management of the PT may also choose to utilise other services offered within the corporation, including legal, investment, taxation and property services. These services are considered separate and distinct arrangements with the individual customer. PT also provides unclaimed moneys administration services to individuals and entities on behalf of the Queensland Government.

1. Fees (Continued)

Disclosure - Community Service Obligations (CSOs)

For customers that do not have capacity to pay for the services provided, PT may rebate all or part of a fee to the customer as part of its CSOs. PT has determined that the most appropriate method of accounting for CSOs under AASB 15 *Revenue from Contracts with Customers* is to make portfolio level provision for CSOs utilising the expected value method based on historical evidence.

2. Investment Revenue

	2023 $'000	2022 $'000
Interest and Distribution Income		
Cash – at call deposits	5,883	877
Fixed rate deposits	4,151	2,692
Floating rate deposits	425	249
Semi-government securities	3,556	3,610
Corporate securities	2,025	2,266
Corporate notes	1,477	7
Other interest	16	15
Interest from investments	17,533	9,716
QIC distribution income (i)	7,502	13,831
	25,035	**23,547**
Fair Value Gain on Investments		
Fair value gain on sale of financial assets held at FVOCI (ii)	85	829
Fair value gain on sale of financial assets held at FVPL (ii)	471	-
Fair value gain on revaluation of financial assets held at FVPL (iii)	13,880	-
	14,436	**829**
Fair Value Loss on Investments		
Fair value loss on revaluation of financial assets held at FVPL (iii)	-	42,625
	-	**42,625**

(i) This relates to PT's investment in QIC Limited's managed funds. PT is entitled to QIC distribution income based on its unit holdings at the end of each quarter.

(ii) This amount relates to gains on the sale of financial assets held at FVOCI or FVPL.

(iii) This relates to changes in the fair value of QIC managed funds (Refer to Notes 11 and 23).

Accounting Policy - Interest Revenue

Interest Income is recognised using the effective interest method.

Interest income from financial assets is recognised when it is probable that economic benefits will flow to the PT and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is recognised using the effective interest method.

Accounting Policy - Distribution Income

Distribution income is recognised when the right to receive payment is established.

Accounting Policy - Fair Value Gains/Losses on Investments

Gains/losses on the sale of financial assets held at FVOCI and changes in the fair value of investments held at FVPL are recognised in the period in which they arise. The fair value of units held in QIC managed funds is based on the closing redemption price.

3. Other Income

	2023 $'000	2022 $'000
Property rental income	398	346
Services received below fair value	1,749	1,681
Bad debts recovered [(i)]	-	1,460
Sundry income	572	794
	2,719	**4,281**

(i) This amount represents bad debts recovered during the financial year relating to customer balances which were written off in prior years.

Accounting Policy - Property rental income

Rental revenue from properties is recognised as income on a periodic straight-line basis over the lease term.

Accounting Policy - Services received below fair value

PT receives free archival service from Queensland State Archives as part of the Queensland Government Recordkeeping Framework. This service is essential to the PT's operations and would have been procured if they were not received for free. This service has been recognised as revenue at fair value and an equal amount is also recognised as an expense.

4. Employee Expenses

	2023 $'000	2022 $'000
Employee Benefits		
Salaries and wages	48,864	46,624
Employer superannuation contributions	6,597	6,191
Annual leave	5,122	4,811
Long service leave	1,105	812
Employee Related Expenses		
Workers' compensation premiums	140	151
Other employee related expenses	743	394
	62,571	**58,983**
Full-time Equivalent Employees [(i)]	591	560

(i) The number of full-time equivalent employees (FTEs) is based on the Minimum Obligatory Human Resource Information (MOHRI) definition provided by the Queensland Public Service Commission.

FTEs at 30 June 2023 are based upon the fortnight ended 30 June 2023.

Key management personnel and remuneration disclosures are detailed in Note 28.

Accounting Policy - Salaries and Wages and Sick Leave

Salaries and wages are expensed during the reporting period in which the employees rendered the related service. As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

4. Employee Expenses (Continued)

Accounting Policy - Employer Superannuation Contributions

Superannuation benefits are provided through defined contribution plans or the Queensland Government's defined benefit plan (the former QSuper defined benefit categories now administered by the Government Division of the Australian Retirement Trust) as determined by the employee's conditions of employment.

Defined contribution plans - contributions are made to eligible complying superannuation funds based on the rates specified in the relevant enterprise agreement or other conditions of employment. Contributions are expensed in the period to which they relate.

The liability for the defined benefit plan is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Accounting Policy - Annual Leave and Long Service Leave

Employee leave entitlements including on-costs are expensed and recognised as a liability in the period to which they relate. Refer Note 16 for further details.

Accounting Policy - Workers' Compensation Premiums

PT pays premiums to WorkCover Queensland in respect of its obligations for employee compensation. Workers' compensation insurance is a consequence of employing employees, but is not included in an employee's total remuneration package. It is not an employee benefit and is recognised separately as an employee related expense.

5. Supplies and Services

	2023 $'000	2022 $'000
Advertising and promotion	68	230
Auction expenses	41	42
Computer expenses	5,066	4,654
Consultants, contractors and agency temporary staff	2,623	4,955
Repairs and maintenance expense	727	581
Investment and registry fees	2,308	2,485
Motor vehicles and travel	274	314
Office expenses	1,075	1,028
Lease expenses	183	1,132
Professional and management fees	615	2,397
Rates, utilities and cleaning	1,785	1,694
	14,765	**19,512**

Accounting Policy - Supplies and Services

PT adopts the accrual basis of accounting and recognises expenses when incurred, usually when goods/services are received/rendered.

Disclosure - Lease Expenses

Lease expenses include outgoings in relation to PT's leased office accommodations and lease rentals under government-wide frameworks with the Department of Housing and Public Works. Refer Note 13 for further details.

6. Contributions

	2023 $'000	2022 $'000
Office of the Public Guardian	1,308	1,234
Civil Law Legal Aid Scheme outlays	94	88
	1,402	**1,322**

6. Contributions (Continued)

Accounting Policy

Contributions are non-reciprocal in nature with no exchange of goods and services in return for contributions provided by PT.

Disclosure

PT provides Community Service Obligations to the Queensland community in the form of contributions to the Office of the Public Guardian and the Civil Law Legal Aid Scheme in accordance with section 63A of the *Public Trustee Act 1978* and Regulation 13 of the *Public Trustee Regulation 2012,* respectively.

7. Other Expenses

	2023 $'000	2022 $'000
Bank fees	19	35
Entertainment and hosting	-	7
External audit fees (i)	305	297
Loss on sale on property, plant and equipment	2	780
Impairments and bad debts (recovered)/write downs	(125)	180
Insurance premiums (ii)	738	703
Losses - Public Trustee write-offs (iii)	823	(21)
Services received below fair value	1,749	1,681
Special payments (iv)	223	52
Sponsorships (v)	125	125
	3,859	**3,839**

(i) Total fees paid/payable to the Queensland Audit Office relate to the audit of PT's 2022-23 financial statements $294,500 (2022: $287,400); and audit of the Public Trustee of Queensland Growth Trust $10,250 (2022: $9,975).

(ii) Insurance premiums – PT's non-current physical assets and other risks are primarily insured through the Queensland Government Insurance Fund with premiums being paid on a risk assessment basis.

(iii) This amount includes PT's write-offs relating to customer balances of $808,520 (2022: -$21,118) and corporate matters of $14,007 (2022: $Nil).

(iv) This amount relates to two ex-gratia payments paid to customers during the financial year (2022: 2).

(v) This relates to the annual sponsorship of the QCF Management Co. Ltd.

Accounting Policy - Impairment

Impairment losses may arise on assets from time to time. Accounting for impairment losses is dependent upon the individual asset (or group of assets) subject to impairment. Accounting policies and events giving rise to impairment losses are disclosed in Receivables (Note 9) and Property, Plant and Equipment (Note 12).

Accounting Policy - Services Received Below Fair Value

Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. An equal amount is recognised as revenue and expense.

Accounting Policy - Special Payments

Special payments represent ex-gratia and other expenditure that PT is not contractually or legally obligated to make to other parties. PT maintains a register of all special payments greater than $5,000 in accordance with the *Financial and Performance Management Standard 2019*.

NOTES ABOUT OUR FINANCIAL POSITION

8. Cash and Cash Equivalents

	2023 $'000	2022 $'000
Cash at bank and on hand	4,886	3,290
At call deposits held with Queensland Treasury Corporation (QTC)	190,011	109,043
	194,897	**112,333**

Accounting Policy – Cash and Cash Equivalents

For the purposes of the statement of financial position and the statement of cash flows, cash assets include all cash and cheques receipted but not banked at 30 June as well as deposits at call with financial institutions.

9. Receivables

	2023 $'000	2022 $'000
Distribution income receivable (i)	4,389	8,223
Trade and other debtors	89	175
Customer balances (ii)	7,074	7,672
Civil Legal Aid Scheme advances (iii)	2,703	2,569
Accrued revenue (iv)	234	259
	14,489	**18,898**
Less: Allowance for impairment	(928)	(1,127)
	13,561	**17,771**
Impairment		
Allowance for impairment as at 1 July	(1,127)	(940)
Decrease/(Increase) in allowance recognised in operating result	199	(187)
Allowance for impairment as at 30 June	**(928)**	**(1,127)**

(i) This represents distribution income receivable from the QIC managed funds at 30 June 2023.

(ii) This relates to overdrawn balances of PT's customers which arise from time to time and are expected to clear as funds become available. An allowance for expected credit losses of $815,323 has been provided at 30 June 2023 (2022: $1,018,865) following a recoverability review.

(iii) This relates to amounts advanced to the Civil Law Legal Aid Scheme to fund legal files on an ongoing basis as part of PT's Community Service Obligations. Funds recovered by the scheme are returned to the PT with any unrecoverable funds written off as they arise. No due date applies to this receivable, but credit losses are expected based on historic trends. An allowance for expected credit losses of $112,719 has been provided at 30 June 2023 (2022: $107,911).

(iv) Accrued revenue represents receivables that do not arise from contracts with customers.

All known bad debts have been written-off as at 30 June 2023.

Accounting Policy - Receivables

Receivables are measured at amortised cost which approximates their fair value at reporting date.

Receivables are recognised at the amounts due at the time of sale or service delivery. Settlement of these amounts is usually required within 30 days from invoice date.

Accounting Policy - Impairment of Receivables

The loss allowance for receivables reflects lifetime expected credit losses and incorporates reasonable and supportable forward-looking information.

Where PT has no reasonable expectation of recovering an amount owed by a debtor, the debt is written-off by directly reducing the receivable against the loss allowance. If the amount of debt written off exceeds the loss allowance, the excess is recognised as an impairment loss.

9. Receivables (Continued)

The amount of impairment losses recognised for receivables is disclosed below:

Aging	June 2023 Gross Receivables $'000	June 2023 Loss Rate %	June 2023 Expected Credit Losses $'000	June 2022 Gross Receivables $'000	June 2022 Loss Rate %	June 2022 Expected Credit losses $'000
Distribution income receivable	4,389	0.0%	-	8,223	0.0%	-
Customers' debit balances	7,074	11.5%	(815)	7,672	13.3%	(1,019)
Civil Legal Aid Scheme	2,703	4.2%	(113)	2,569	4.2%	(108)
Accrued revenue	234	0.0%	-	259	0.0%	-
Trade & Other Debtors						
Current	62	0.0%	-	132	0.0%	-
31-60 days	-	0.0%	-	12	0.0%	-
61-90 days	3	0.0%	-	8	0.0%	-
> 90 days	24	0.0%	-	23	0.0%	-
> 365 days	-	0.0%	-	-	0.0%	-
Total	**14,489**		**(928)**	**18,898**		**(1,127)**

The impairment losses recognised for receivables is disclosed in Note 7.

Disclosure - Credit Risk Exposure

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets after provision for impairment. PT uses a provision matrix to measure the expected credit losses on receivables. Loss rates are calculated separately for groupings of customers with similar loss patterns. PT has determined there are three different customer profiles for measuring expected credit losses based on the provision of services and customer profiles for these revenue streams. The calculations reflect historical observed default rate calculated using credit losses experienced on past transactions.

PT may adjust the historical default rate by reasonable and forward-looking information, including material economic changes expected to impact the future recovery of those receivables

10. Other Assets

	2023 $'000	2022 $'000
Current		
Contract assets	6,087	6,374
Prepayments	597	732
	6,684	**7,106**
Non-Current		
Prepayments	240	-
	240	**-**
Total Other Assets	**6,924**	**7,106**

Accounting Policy – Contract Assets

Contract assets arise from AASB 15 *Revenue from Contracts with Customers* where the contract is enforceable and contains sufficiently specific performance obligations.

A contract asset represents PT's enforceable right to consideration for services delivered but not yet billed and is recognised when the performance obligation is satisfied.

Contract assets are transferred to receivables when PT's right to payment becomes unconditional, this usually occurs when the fee is charged to the customer or when an invoice is issued.

Disclosure - Contract Assets

Contract assets predominantly consist of fees and charges for services delivered for which the PT has enforceable right to consideration but not yet billed to the customer. The net reduction in contract asset balances of $0.3m was the result of a decrease in accrued revenue relating to legal services of $1.0m and an increase in accrued revenue arising from other administration and professional services of $0.7m.

11. Financial Assets

	2023 $'000	2022 $'000
Current		
Financial Assets at Fair Value through Profit or Loss (FVPL)		
QIC Long Term Diversified Fund	124,208	161,568
QIC Short Term Income Fund	176,436	175,197
QIC Global Credit Income Fund (i)	-	125,216
	300,644	**461,981**
Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)		
Semi-government bonds	147,252	147,606
Corporate bonds	46,799	86,985
Corporate notes	59,988	4,213
	254,039	**238,804**
Financial Assets at Amortised Cost		
Fixed rate deposits	50,711	59,639
Floating rate deposits	8,067	18,016
	58,778	**77,655**
Total Current	**613,461**	**778,440**
Non-Current		
Financial Assets at Amortised Cost		
Fixed rate deposits	101,037	45,472
Floating rate deposits	-	8,011
Total Non-Current	**101,037**	**53,483**

(i) QIC discontinued this fund during the year. Refer to Note 23(b) for further details.

Accounting Policy - Recognition

In accordance with AASB 9 *Financial Instruments*, financial assets are categorised into one of three measurement bases - Amortised Cost, Fair Value through Other Comprehensive Income or Fair Value through Profit or Loss. The classification is based on whether the financial asset's contractual cash flows represent solely payments of principal and interest and PT's business model for managing the assets.

Financial assets are derecognised when the right to receive cash flows from the investments have expired or the PT has transferred substantially all risks and rewards of ownership.

Accounting Policy - Classification and Measurement

(a) Financial Assets at Fair Value through Profit or Loss (FVPL)

A financial asset is classified in this category if it is held within a business model that acquires financial assets principally for the purpose of selling or if it is an equity investment. PT's investments in financial assets held at FVPL is limited to products managed by QIC Limited. Any change in the fair value of a financial asset classified and measured at FVPL is recognised in the profit or loss.

(b) Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)

PT's investments in bonds are categorised and measured at FVOCI pursuant to AASB 9 *Financial Instruments* as they are held for the purpose of both selling and collecting contractual cash flows and the collection of the contractual cash flows are solely payments of principal and interest. Any change in the fair value of a financial asset classified and measured at FVOCI is recognised in equity. Realised gains/losses recognised in equity are transferred to the profit or loss on de-recognition of the asset.

(c) Financial Assets at Amortised Cost

PT's investments in term deposits are held for the collection of contractual cash flows which are solely payments of principal and interest. They are classified as at amortised cost in accordance with AASB 9 *Financial Instruments and* measured at the initial recognition amount less any allowance for impairment. Any change in the fair value is recognised in the profit or loss when the asset is derecognised or reclassified. Interest income is recognised in profit or loss using the effective interest method.

12. Property, Plant and Equipment

Balances and reconciliations of carrying amounts

30 June 2023	Land $'000	Buildings $'000	Leasehold Improvements $'000	Plant and Equipment $'000	Work In Progress $'000	Total $'000
Gross	10,080	15,678	6,863	3,146	133	35,900
Less Accumulated depreciation	-	(120)	(1,582)	(2,391)	-	(4,093)
Carrying amount at 30 June 2023	**10,080**	**15,558**	**5,281**	**755**	**133**	**31,807**
Carrying amount at 1 July 2022	**9,570**	**15,319**	**5,862**	**818**	**11**	**31,580**
Acquisitions	-	-	-	39	136	175
Depreciation	-	(724)	(581)	(114)	-	(1,419)
Disposals	-	-	-	(2)	-	(2)
Transfers between asset classes	-	-	-	14	(14)	-
Net revaluation increment	510	963	-	-	-	1,473
Carrying amount at 30 June 2023	**10,080**	**15,558**	**5,281**	**755**	**133**	**31,807**

30 June 2022	Land $'000	Buildings $'000	Leasehold Improvements $'000	Plant and Equipment $'000	Work In Progress $'000	Total $'000
Gross	9,570	15,498	6,863	3,730	11	35,672
Less Accumulated depreciation	-	(179)	(1,001)	(2,666)	-	(3,846)
Less Accumulated impairment	-	-	-	(246)	-	(246)
Carrying amount at 30 June 2022	**9,570**	**15,319**	**5,862**	**818**	**11**	**31,580**
Carrying amount at 1 July 2021	**10,320**	**11,836**	**2,448**	**1,716**	**4**	**26,324**
Acquisitions	-	-	3,847	-	154	4,001
Depreciation	-	(732)	(302)	(1,090)	-	(2,124)
Disposals	-	-	-	(31)	-	(31)
Transfers between asset classes	-	55	(131)	223	(147)	-
Net revaluation (decrement)/increment	(750)	4,160	-	-	-	3,410
Carrying amount at 30 June 2022	**9,570**	**15,319**	**5,862**	**818**	**11**	**31,580**

Accounting Policy - Recognition

Items of property, plant and equipment with a historical cost or other value equal to or exceeding the following thresholds in the year of acquisition are reported as property, plant and equipment as follows:

Class	Land	Buildings	Leasehold Improvements	Plant and Equipment
Recognition threshold	$1	$10,000	$5,000	$5,000
Useful life	Unlimited	5 – 60 years	10 – 18 years	2 – 39 years

Items below the recognition threshold are expensed in the year of acquisition.

Expenditure on property, plant and equipment is capitalised where it is probable that the expenditure will produce future service potential for the corporation. Subsequent expenditure is only added to an asset's carrying amount if it increases the service potential or useful life of that asset. Maintenance expenditure that merely restores original service potential (loss through ordinary wear and tear) is expensed.

12. Property, Plant and Equipment (Continued)

Accounting Policy - Cost of Acquisition

Historical cost is used for the initial recording of all property, plant and equipment acquisitions. Historical cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use, including architects' fees and engineering design fees.

Accounting Policy - Depreciation

Land is not depreciated as it has an unlimited useful life. Buildings, leasehold improvements and plant and equipment are depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset, less its estimated residual value, progressively over its estimated useful life to the PT.

The straight-line depreciation methodology is applied as it reflects the even pattern of consumption of service potential of these assets over their useful life and expected utility to the corporation. Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset.

Assets under construction (work-in-progress) are not depreciated until construction is complete and the asset is put to use or is ready for its intended use, whichever is the earlier. These assets are then reclassified to the relevant class within property, plant and equipment.

The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful lives of the improvements or the unexpired period of the lease, whichever is the shorter. The unexpired period of a lease includes any option period where exercise of the option is reasonably certain.

Accounting Policy - Measurement Using Fair Value

Land and buildings are measured at fair value in accordance with AASB 116 *Property, Plant and Equipment*, AASB 13 *Fair Value Measurement* and Queensland Treasury's Non-Current Asset Policies (NCAP). These assets are reported at their revalued amounts, being their fair value at date of valuation, less any subsequent accumulated depreciation and impairment losses where applicable.

<u>Use of Specific Appraisals</u>

Land and buildings are comprehensively revalued at least once every three years by an independent valuer. However, if a particular asset class experiences significant and volatile changes in fair value, that class is subject to specific appraisal in the reporting period, where practicable, regardless of the timing of the last specific appraisal.

The fair values reported by the corporation are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs (refer to Note 20).

Materiality is considered in determining the frequency of revaluations, so as to ensure that carrying amounts of items of property, plant and equipment do not differ materially from their fair values at the end of the reporting period.

<u>Use of indices</u>

Where assets have not been specifically appraised in the reporting period, their previous valuations are materially kept up-to date via the application of relevant indices.

PT ensures that the application of such indices results in a valid estimation of the assets' fair values at reporting date. The State Valuation Service (SVS) supplies the indices used for the various types of assets. Such indices are either publicly available, or are derived from market information available to SVS.

12. Property, Plant and Equipment (Continued)

Accounting Policy - Measurement Using Fair Value (Continued)

Use of indices (Continued)

SVS provides assurance of their robustness, validity and appropriateness for application to the relevant assets. Indices used are also tested for reasonableness by applying the indices to a sample of assets, comparing the results to similar assets that have been valued by an independent professional valuer or internal expert, and analysing the trend of changes in values over time. Through this process, which is undertaken annually, management assesses and confirms the relevance and reliability of indices provided by SVS based on the corporation' own particular circumstances.

Accounting for Changes in Fair Value

The Queensland Public Sector NCAP requires that all land and buildings to be recorded at fair value. Accordingly, it is the policy of the Public Trustee that a revaluation of land and buildings be performed every three years.

Any revaluation increment arising on the revaluation of an asset class is credited to the asset revaluation surplus of the appropriate class, except to the extent that it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class.

For assets revalued using a cost valuation approach (e.g., current replacement cost) - accumulated depreciation is adjusted to equal the difference between the gross amount and carrying amount, after considering accumulated impairment losses. This is generally referred to as the 'gross method.'

For assets revalued using a market or income-based valuation approach - accumulated depreciation and accumulated impairment losses are eliminated against the gross amount of the asset prior to restating for the revaluation. This is generally referred to as the 'net method'.

Accounting Policy - Impairment Assessment

All non-current physical and intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, PT determines the asset's recoverable amount under AASB 136 *Impairment of Assets*. Recoverable amount is equal to the higher of the fair value less costs of disposal and the asset's value in use.

Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss and recognised immediately in the statement of comprehensive income/(loss) unless the asset is carried at a revalued amount. When the asset is measured at fair value, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

Disclosure - Land and Buildings

A comprehensive revaluation of land and buildings was undertaken during the previous financial year of 2021-22 by external independent valuers using the income based valuation approach. PT's valuations of land and buildings are categorised as level 2 of the fair value hierarchy and there were no transfers of assets between fair value hierarchy levels during the current financial year.

In accordance with Queensland Treasury's NCAPs, indexation was applied during the current financial year in respect of land and buildings as movements in both land indices (as provided by SVS) and the 'Asset revaluation index: Non-residential construction, Queensland' was above the materiality threshold of 5%.

PT has reviewed these indices and judge their application will result in a reasonable estimate of the assets' fair value at reporting date, taking into consideration the most recent comprehensive revaluation.

13. Right-of-Use Assets and Lease Liabilities

PT has entered into leases for office accommodation with lease terms ranging from 1 to 10 years. Some leases have renewal options exercisable at market prices which are not included in the right-of-use asset or lease liability unless PT is reasonably certain it will renew the lease.

Right-of-use Assets	**2023 $'000**	**2022 $'000**
Opening balance at 1 July	21,533	6,328
Additions	-	17,449
Remeasurements/modifications	13	(1,548)
Amortisation expense	(2,187)	(696)
Carrying amount at 30 June	**19,359**	**21,533**
Lease Liabilities		
Opening balance at 1 July	26,140	6,853
Additions	-	21,296
Remeasurements/modifications	13	(1,548)
Interest expense (i)	817	409
Repayments	(613)	(870)
Carrying amount at 30 June	**26,357**	**26,140**
Current lease liabilities	2,460	503
Non-current liabilities	23,897	25,637
Total	**26,357**	**26,140**

(i) Interest expense on lease liabilities for the year is expensed in the statement of comprehensive income/(loss).

The Department of Energy and Public Works (DEPW) provides PT with access to motor vehicles under government-wide frameworks. These arrangements are not categorised as leases as DEPW has substantive substitution rights over the assets. The related expenses are recognised as lease expenses in Note 5.

Accounting policies - Right-of-use Assets

Right-of-use assets are initially recognised at cost comprising the following:

- the amount of the initial measurement of the lease liability;
- lease payments made at or before the commencement date, less any lease incentives received;
- initial direct costs incurred; and
- the initial estimate of restoration costs.

Right-of-use assets are subsequently depreciated over the lease term and subject to annual impairment testing.

The carrying amount of right-of-use assets are adjusted for any remeasurement of the lease liability in the financial year following a change in discount rate, a reduction in lease payments payable, changes in variable lease payments that depend upon variable indexes/rates of a change in lease term.

PT measures right-of-use assets from leases at cost on initial recognition and subsequent to initial recognition.

PT has elected not to recognise right-of-use assets and lease liabilities arising from short-term leases and leases of low value assets. The lease payments are recognised as expenses on a straight-line basis over the lease term. An asset is considered low value where it is expected to cost less than $10,000 when new.

Accounting policies - Lease Liabilities

Lease liabilities are initially recognised at the present value of lease payments over the lease term that are not yet paid. The lease term includes any extension or renewal options that the corporation is reasonably certain to exercise. The future lease payments included in the calculation of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable; and
- variable lease payments that depend on a rate, initially measured using the rate on commencement date.

13. Right-of-Use Assets and Lease Liabilities (Continued)

Accounting policies - Lease Liabilities (Continued)

When measuring the lease liability, PT uses its incremental borrowing rate as the discount rate as the interest rate implicit in the lease cannot be readily determined for the corporation's leases. To determine the incremental borrowing rate, PT uses QTC home loan rates that correspond to the commencement date and term of the lease.

Subsequent to initial recognition, lease liabilities are increased by the interest charge and reduced by the amount of lease payments. Lease liabilities are also remeasured in certain situations such as a change in variable lease payments that depend on an index or rate (e.g., a market rent review), or a change in the lease term.

14. Payables

	2023 $'000	2022 $'000
Trade creditors	1,059	1,563
Goods and services taxes payable	173	167
Other accrued expenses	905	1,735
	2,137	**3,465**

Accounting Policy

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the nominal amount i.e. agreed purchase/contract price. Amounts owing are unsecured.

15. Deposits Held In Trust

	2023 $'000	2022 $'000
Deceased estates	221,582	228,251
Financial management	332,706	359,694
Minors, general and testamentary trusts	205,406	214,038
Other customers	32,264	34,025
	791,958	**836,008**

Accounting Policy - Deposits Held In Trust

PT holds funds on behalf of customers in cash and cash equivalents and other financial assets within the Common Fund. These amounts are presented on gross basis in the statement of financial position. As such, PT also recognises a corresponding financial liability representing these transactions and balances held in trust for its customers. Deposits held in trust are classified as current liabilities as they are available at call.

Disclosure - Interest Payable to Customers

PT pays interest on customers' deposits held in trust within the Common Fund. Interest is calculated daily on the closing balance of deposits held and is paid either monthly or annually on 30 June each year depending on the account. The rates of interest payable are determined from time to time under Section 4 of the *Public Trustee Regulation 2012*.

16. Accrued Employee Benefits

	2023 $'000	2022 $'000
Current		
Annual leave	6,439	6,233
Paid parental leave	15	3
Long service leave	10,284	9,778
	16,738	**16,014**
Non-Current		
Long service leave	1,322	1,356
	1,322	**1,356**
Total Accrued Employee Benefits	**18,060**	**17,370**

Accounting Policy - Annual Leave

Liabilities for annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised and measured at the amounts expected to be paid when the liabilities are settled.

Accounting Policy - Long Service Leave

Unconditional long service leave entitlement accorded to employees with more than 7 years of continuous service that is expected to be paid within the next 12 months is classified as current at its undiscounted value.

Other conditional long service leave entitlement is classified as non-current and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. When assessing expected future payments, consideration is given to potential future wage and salary increases and experience of employee departures and periods of service.

Expected future payments are discounted using rates attaching to, as at the reporting date, Commonwealth Government guaranteed securities with terms and currencies that match as closely as possible, the estimated future cash flows.

17. Other Liabilities

	2023 $'000	2022 $'000
Current		
Contract liabilities	301	275
Refund liabilities	737	677
Prepaid rent	12	62
	1,050	**1,014**
Non-current		
Contract liabilities	621	610
	621	**610**
Total	**1,671**	**1,624**

Accounting Policy - Contract Liabilities

Contract liabilities arise from contracts with customers under AASB 15 *Revenue from Contracts with Customers* in respect of unclaimed moneys services provided by PT. Revenue is recognised in PT's statement of comprehensive income/(loss) on the lodgement of the unclaimed funds and set up of the unclaimed moneys register (Refer to Note 1). A portion of the fees charged is deferred over time based on the estimated length of time to complete the service. PT will periodically allocate/release amounts to/from contract liabilities to revenue based on the estimated remaining period of time to complete the service obligation.

Accounting Policy - Refund Liabilities

A refund liability arises from contracts with customers under AASB 15 *Revenue from Contracts with Customers*. A provision is made to constrain the revenue for unclaimed moneys administration services to the amount for which it is highly probable a significant reversal in revenue will not occur at the end of the reporting period. This constraint is recognised as a current refund liability as fee remissions may arise anytime in the future as funds are claimed.

Disclosure - Contract Liabilities

Contract liabilities include unclaimed moneys fees charged for which certain performance obligations have not yet been completed. This amount will be recognised as revenue over the next five years.

Of the contract liability balance at 1 July 2022, $274,899 was recognised as revenue in 2022-23 (2022: $243,049). There were no significant changes in the underlying assumptions relating to the recognition of contract liabilities.

Disclosure - Refund Liabilities

Refund liabilities comprise a provision for future unclaimed moneys fee remissions. This amount will be recognised as revenue as reassessment of the estimated revenue that will not reverse is performed on a periodic basis.

There were no significant changes in the underlying assumptions relating to the recognition of refund liabilities.

18. Asset Revaluation Surplus

Asset Revaluation Surplus by Asset Class

	2023			2022		
	Land $'000	Buildings $'000	Total $'000	Land $'000	Buildings $'000	Total $'000
Opening Balance at 1 July	10,376	15,501	25,877	16,722	20,321	37,043
Transfer to Accumulated Surplus	-	-	-	(5,596)	(8,980)	(14,576)
Revaluation increment/(decrement)	510	963	1,473	(750)	4,160	3,410
Balance at 30 June	**10,886**	**16,464**	**27,350**	**10,376**	**15,501**	**25,877**

Accounting Policy

The asset revaluation surplus represents the net effect of upwards and downwards revaluations of assets to fair value.

19. Accumulated Surplus

PT does not formally account for additional reserves, but internal allocations are provided for capital support and income stabilisation. These allocations are held within Accumulated Surplus and the funds invested in line with PT's approved investment strategy across cash, financial assets and property. The basis for these allocations is as follows:

i. Capital support allocation

As the capital within PT's Common Fund carries a Government Guarantee, a capital support allocation has been established to support the capital guarantee on the liabilities of the PT. The allocation is calculated based on a 2% movement in interest rates across the yield curve for all maturities, assuming a maximum modified duration of 2.32% (2022: 2.925%). Current capital support allocation is $51.2m (2022: $54.6m).

ii. Income stabilisation allocation

In order to minimise the mismatch between yield on the investment portfolio of the Common Fund and the return paid to customers during periods of interest rate volatility, an income stabilisation allocation has been established. The allocation is based on an increase of 2% movement in interest rates based on current liabilities over a two-year period. Current income stabilisation allocation is $47.5m (2022: $49.7m).

The balance of the Accumulated Surplus of $14.8m (2022: $7.5m) relates to general reserves and is maintained to support the sustainability of the PT's ongoing operations.

NOTES ABOUT RISKS AND OTHER ACCOUNTING UNCERTAINTIES

20. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in a transaction between market participants at the measurement date under current market conditions regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/ liabilities being valued.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Significant unobservable inputs used by the PT include (but not limited to) subjective adjustments made to observable data to take into account the characteristics of the assets/liabilities, internal records of recent construction costs (and/or estimates of such costs) for the assets, and assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use.

All assets and liabilities of the PT for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

- Level 1 – represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;
- Level 2 – represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly; and
- Level 3 – represents fair value measurements that are substantially derived from unobservable inputs.

The table below sets out the PT's other financial assets (by class) measured at fair value according to the fair value hierarchy at 30 June 2023 and 30 June 2022.

	Level 1		Level 2		Total	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Cash - at call deposits	190,011	109,043		-	190,011	109,043
QIC Long Term Diversified Fund	-	-	124,208	161,568	124,208	161,568
QIC Short Term Income Fund	-	-	176,436	175,197	176,436	175,197
QIC Global Credit Income Fund	-	-	-	125,216	-	125,216
Semi-government bonds	147,252	147,606	-	-	147,252	147,606
Corporate bonds	46,799	86,985	-	-	46,799	86,985
Corporate notes	59,988	4,213	-	-	59,988	4,213
Fixed rate deposits	-	-	151,748	105,111	151,748	105,111
Floating rate deposits	-	-	8,067	26,027	8,067	26,027
	444,050	**347,847**	**460,459**	**593,119**	**904,509**	**940,966**

Note 12 outlines the methods of determination of fair values for the PT's land and buildings.

There was no transfer of financial assets between fair value hierarchy levels during the period.

21. Commitments

(a) Capital expenditure commitments

Commitments for capital expenditure at reporting date are payable as follows:

	2023 $'000	2022 $'000
Buildings		
Not later than one year	88	212
Later than one year and not later than five years	-	-
	88	**212**

(b) Contribution commitments

Contribution commitments payable to the Office of the Public Guardian at reporting date are as follows:

	2023 $'000	2022 $'000
Not later than one year	1,423	1,256
	1,423	**1,256**

The above contribution commitment is ongoing with no end date. As such, the PT is unable to disclose the total amount payable beyond one year.

22. Contingent Liabilities

Litigation in progress

As at 30 June 2023, the PT was a party to the following litigations and hearings in progress.

	2023 Number of cases	2022 Number of cases
Supreme Court (Court of Appeal) of Queensland	1	1
Supreme Court of Queensland	1	-
Queensland Civil and Administrative Tribunal	1	3
Total	**3**	**4**

As at 30 June 2023, PT has received notification of 4 other matters (2022: 11) that are not yet subject to court action. These cases may or may not result in subsequent litigation. PT is insured in relation to claims of negligence and is required to contribute a maximum of $100,000 per claim paid.

Given the uncertain nature of these matters, it is not possible to make a reliable estimate of the final amount payable, if any, in respect of the litigation before the courts at this time or notifications of other matters that are not yet subject to court action.

23. Financial Risks Disclosures

(a) Financial Asset and Liability Categories

Financial assets and financial liabilities are recognised in the statement of financial position when the PT becomes party to the contractual provisions of the financial instrument.

PT has the following categories of financial assets and financial liabilities:

	Note	2023 $'000	2022 $'000
Financial Assets			
Cash and cash equivalents	8	194,897	112,333
Receivables	9	13,561	17,771
Other financial assets - FVPL	11	300,644	461,981
Other financial assets - FVOCI	11	254,039	238,804
Other financial assets - amortised cost	11	159,815	131,138
Total Financial Assets		**922,956**	**962,027**
Financial Liabilities			
Payables	14	2,137	3,465
Deposits held in trust	15	791,958	836,008
Total Financial Liabilities		**794,095**	**839,473**

No financial assets and financial liabilities have been offset and presented net in the statement of financial position.

(b) Financial Risks Management

(i) Risk Exposure

PT's activities expose it to a variety of financial risks as set out in the following table:

Risk Exposure	Definition	Exposure
Credit Risk	Credit risk exposure refers to the risk that the PT may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.	PT is exposed to credit risk in respect of its receivables and other financial assets.
Liquidity Risk	Liquidity risk refers to the risk that the PT may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.	PT is exposed to liquidity risk in respect of its payables, other financial assets and deposits held in trust.
Market Risk	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, share market risk and other price risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.	PT does not trade in foreign currency or share markets (other than indirectly through its investments in QIC managed funds) and is not materially exposed to commodity price changes or other market prices. The organisation is exposed to interest rate risk through its cash deposited in interest bearing accounts, holding of financial assets and interest payable on deposits held in trust.

23. Financial Risks Disclosures (Continued)

(b) Financial Risks Management (Continued)

(ii) Risk Management Strategies

Financial risk is managed by the Investment Advisory Program under policies approved by Public Trust Office Investment Board (Investment Board). The Investment Board approves written policies in respect of credit risk, liquidity risk and market risk. PT's risk management program focuses on ensuring compliance with the overall risk management framework set by the Investment Board and seeks to maximise the returns derived for prudent levels of risk.

The performance of investments is monitored by the Investment Board on a monthly basis. The Investment Board monitors financial risks using a variety of methods as follows:

Risk Exposure	Measurement Method	Risk Management Strategies
Credit Risk	• Credit rating • Ageing analysis	• Monitoring of counterparty credit ratings • Diversification and careful selection of securities and counterparties
Liquidity Risk	• Sensitivity analysis	• A minimum of 5% of the investments of the Common Fund must be held in investment vehicles that may be liquidated and funds received by the end of the next business day • Maturity analysis • Assessments of performance versus benchmark
Market Risk	• Sensitivity analysis	• Market risk is managed within the risk limits as approved by the Investment Board Management Framework. PT does not undertake any hedging activities, foreign exchange exposures or enter into derivative financial instruments for speculative purposes • Continual monitoring of current and expected changes in economic conditions • Monitoring the duration of the portfolio • The investment in the QIC Funds are managed within approved operating limits

PT's Investment Advisory Program has been given the discretionary authority to manage the assets of the Common Fund in line with the PT's investment objectives. As part of the Investment Board's annual review of its investment objectives and strategies, the investment objectives of the Common Fund continue to be appropriate during 2022-23 as follows:

- Risk Objective – that the nominal value of customers liabilities be maintained over rolling five years with a 95% probability
- Return Objective - CPI + 0.5% over rolling five years

The core of PT's investment strategy includes investments with QIC Limited to meet PT's primary risk objective.

Following notification from QIC Limited that the QIC Global Credit Income Fund would be closed in December 2022, the Investment Board approved that the funds in the QIC Global Credit Income Fund of $125.7m be redeemed and that the proceeds be reinvested in the QTC Capital Guaranteed Cash Fund.

The Investment Board subsequently reviewed the Investment Strategy of the Common Fund taking into consideration the financial and economic forecasts and approved a revised asset allocation of 90% defensive assets and 10% growth assets to achieve the investment objectives with a lower level of risk.

23. Financial Risks Disclosures (Continued)

(b) Financial Risks Management (Continued)

The growth assets of the Common Fund continue to be managed through the QIC Long Term Diversified Fund which provides for returns from a diverse range of assets.

The allocation to defensive assets is managed through the QTC Capital Guaranteed Cash Fund, the QIC Short Term Income Fund, the QIC Long Term Diversified Fund and by direct investments in cash and domestic fixed interest securities with investment grade credit ratings assigned by the major rating agencies.

As at 30 June 2023, PT's investment management arrangements are as follows:

Investments	Benchmark Allocation %	Actual $'000	Investment Managed By
Cash*	40%	507,714	PT - Investment Advisory Program
QIC Long Term Diversified Fund	13%	124,208	QIC
QIC Short Term Income Fund	20%	176,436	QIC
Fixed and Floating Interest Securities (Maturing in more than 12 months)	27%	101,037	PT - Investment Advisory Program
Total	**100%**	**909,395**	

* includes QTC Capital Guaranteed Cash Fund, Net Trades Awaiting Settlement, Floating Rate securities and assets maturing in less than 12 months

(c) Credit Risk

The PT is exposed to credit risk. Credit risk relates to the likelihood of default and the scale of losses arising from any default. The Common Fund Credit Policy seeks to minimise the likelihood of default and likely losses from any default.

Specifically, the Credit Policy seeks to minimise the following three main types of credit risk:

- default risk – the risk that an issuer of a security fails to make timely payments of principal and interest;
- credit spread risk – the risk that the yield on a bond rises by more than general market yields thus causing a relative decline in the market value of the affected bond; and
- credit ratings transition risk – the risk that the credit rating of an individual bond is downgraded, thereby potentially causing the yield on the affected bond to rise and the market value to fall.

The PT regularly monitors its credit positions and these are reviewed by the Investment Board on a monthly basis. The maximum exposure to credit risk at the end of each reporting period is the carrying amount of the financial assets.

(i) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of 'BBB+' (as determined by Standard and Poor's) or higher.

(ii) QIC managed funds (Funds)

QIC undertakes extensive analysis of individual securities held in the Funds to assess credit risk and limits are applied to the Funds' exposure to a single name issuer.

QIC also manages credit risk for the Funds by setting limits for the credit spread duration of the Funds, which is managed daily with the assistance of QIC's risk management systems.

At 30 June 2023, the PT held investments totalling $300.6m in QIC managed funds (2022: $462.0m).

23. Financial Risks Disclosures (Continued)

(c) Credit Risk (Continued)

(iii) Debt securities and Deposits (fixed and floating rates)

PT's exposure to credit risk by asset category and credit rating as determined by Standard and Poor's is set out below:

30 June 2023	Debt securities $'000	Deposits $'000	Total $'000
'AAA' credit rating	19,536	-	19,536
'AA+' credit rating	126,243	-	126,243
'Aa3' (Moody's credit rating)	1,473	-	1,473
'A+' credit rating	15,904	-	15,904
'AA-' credit rating	90,883	149,611	240,494
'BBB+' credit rating	-	10,204	10,204
Total	**254,039**	**159,815**	**413,854**

30 June 2022	Debt securities $'000	Deposits $'000	Total $'000
'AAA' credit rating	19,850	-	19,850
'AA+' credit rating	126,272	-	126,272
'Aa3' (Moody's credit rating)	1,484	-	1,484
'A+' credit rating	11,610	-	11,610
'AA-' credit rating	79,588	126,122	205,710
'BBB+' credit rating	-	5,016	5,016
Total	**238,804**	**131,138**	**369,942**

(d) Liquidity Risk

PT is exposed to liquidity risk in respect of its payables and through its administration and management of amounts held in trust on behalf of customers.

PT has a policy on having a minimum of 5% of assets in a form able to be liquidated within 24 hours and manages liquidity risk through the use of a liquidity management strategy which aims to reduce the exposure to liquidity risk by ensuring the organisation has sufficient funds available to meet its obligations as they fall due.

This is achieved by ensuring that minimum levels of cash are held within the Common Fund to match the contractual maturities of liabilities and that investment portfolio positionings are taken based on the expected payout profile and circumstances of the customer.

It is important to note that whilst Deposits held in trust (Note 15) are disclosed as current liabilities consistent with the classification in the statement of financial position (as they are available at call), the expected payout profile of these amounts are much longer dated based on historic trends.

23. Financial Risks Disclosures (Continued)

(d) Liquidity Risk (Continued)

	Expected Durations				
30 June 2023	**< 1 year $'000**	**1 – 2 years $'000**	**2 – 3 years $'000**	**3 – 5 years $'000**	**Total $'000**
Financial Assets					
Cash and cash equivalents	194,897	-	-	-	194,897
Receivables	13,561	-	-	-	13,561
Other financial assets	384,990	43,704	31,414	254,390	714,498
Total	**593,448**	**43,704**	**31,414**	**254,390**	**922,956**
Financial Liabilities					
Payables	2,137	-	-	-	2,137
Deposits held in trust	791,958	-	-	-	791,958
Total	**794,095**	**-**	**-**	**-**	**794,095**

	Expected Durations				
30 June 2022	**< 1 year $'000**	**1 – 2 years $'000**	**2 – 3 years $'000**	**3 – 5 years $'000**	**Total $'000**
Financial Assets					
Cash and cash equivalents	112,333	-	-	-	112,333
Receivables	17,771	-	-	-	17,771
Other financial assets	580,108	48,722	54,319	148,774	831,923
Total	**710,212**	**48,722**	**54,319**	**148,774**	**962,027**
Financial Liabilities					
Payables	3,465	-	-	-	3,465
Deposits held in trust	836,008	-	-	-	836,008
Total	**839,473**	**-**	**-**	**-**	**839,473**

(e) Market Risk

(i) Price risk

Investments in QIC managed funds are exposed to price risk associated with changes in the fixed interest, property and equity markets. As the Common Fund's portfolio is constructed with the inclusion of a range of unlisted unit trusts that provide exposure to different assets classes, the price risk is also represented by changes in interest rates and foreign exchange rates that the funds are exposed to.

In relation to the QIC managed funds, QIC mitigates price risk through diversification and a careful selection of investments within the Opportunistic Asset Allocation (OAA) ranges.

(ii) Market risk – sensitivity analysis

PT's interest-bearing financial assets and liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

The Investment Board reviews the investment strategy of the Common Fund against the objectives on an annual basis. The objectives include the management of interest rate risk attributable to interest payable and interest receivable. Further, the PT, in consultation with the Investment Board reviews "interest rates payable on moneys held in the Common Fund" on a monthly basis. The interest rates are prescribed by Regulation, upon recommendation of the PT, based on a number of market factors. The interest rates are based on market factors and indirectly subject to external interest rate risk and have been included in the net change of comprehensive income and other components of equity.

23. Financial Risks Disclosures (Continued)

(e) Market Risk (Continued)

The following table summarises the impact on the PT's comprehensive income for the year and on equity through changes in fair value or changes in future cash flows. The changes in fair values are based on the assumption that interest rates change by +/- 200 basis points (2022: +/- 200 basis points), based on the modified duration of the relevant financial assets at the end of the reporting period with all other variables held constant. The impact mainly arises from changes in the fair value of fixed interest debt securities.

	2023		2022	
	+2.00%	-2.00%	+2.00%	-2.00%
Interest rate change	**$'000**	**$'000**	**$'000**	**$'000**
Impact on Operating Result/Equity	(14,634)	12,800	(13,579)	18,408

The 200 basis points (2022: 200 basis points) change in interest rates has been determined on management's best estimate, having regard to historical movements of changes in interest rates, current economic indicators and is not necessarily indicative of the effect on comprehensive income or equity of future movements in interest rates.

In relation to the QIC managed funds, the market risk of PT's holding in the QIC investment funds comprises the risk that the unit price of the funds will change during the next reporting period (effectively price risk). The following table summarises the impact on the fair value of the PT's QIC investment funds at 30 June 2023 and 30 June 2022 when the QIC's low % and high % of price risk are applied to each of the investment funds:

	2023				2022			
Price risk	**Low %**	**High %**	**Decrease $'000**	**Increase $'000**	**Low %**	**High %**	**Decrease $'000**	**Increase $'000**
QIC Global Credit Income Fund (i)	-	-	-	-	-3%	3%	(3,756)	3,756
QIC Long Term Diversified Fund	-9%	8%	(11,179)	9,937	-12%	12%	(19,388)	19,388
QIC Short Term Income Fund	0%	0%	-	-	-2%	2%	(3,504)	3,504
Impact on Operating Result/Equity			**(11,179)**	**9,937**			**(26,648)**	**26,648**

(i) This fund was discontinued during the financial year.

24. Events Occurring After the Reporting Period

There are no matters or circumstances which have arisen since the end of the reporting period that have significantly affected or may significantly affect PT's operations, the results of those operations, or the state of affairs of the PT in future years.

NOTES ABOUT OUR PERFORMANCE COMPARED TO BUDGET

25. Budget to Actual Comparison

This section discloses PT's published budget for 2022-23 compared to actual results, with explanations of major variances relating to PT's statement of comprehensive income/(loss), statement of financial position and statement of cash flows.

Statement of Comprehensive Income/(Loss)	Variance Notes	Budget 2023 $'000	Actual 2023 $'000	Variance 2023 $'000
Revenue				
Fees	V1	60,706	54,187	(6,519)
Investment revenue	V2	16,960	25,035	8,075
Fair value gains on investments	V2	10,239	14,436	4,197
Grants and other contributions		1,712	1,749	37
Other income		545	970	425
Total Revenue		**90,162**	**96,377**	**6,215**
Expenses				
Employee expenses	V3	66,305	62,571	3,734
Supplies and services		14,801	14,765	36
Contributions		1,331	1,402	(71)
Depreciation and amortisation	V4	4,310	3,606	704
Interest expense	V5	5,981	8,151	(2,170)
Other expenses	V6	2,980	3,859	(879)
Total Expenses		**95,708**	**94,354**	**1,354**
Operating Result		**(5,546)**	**2,023**	**7,569**
Other Comprehensive Income/(Loss)				
Items that will not be reclassified to Operating Result				
Increase in asset revaluation surplus	V7	-	1,473	1,473
Items that may be reclassified to Operating Result				
Net loss on the revaluation financial assets at FVOCI		-	(272)	(272)
Total Other Comprehensive Income		**-**	**1,201**	**1,201**
Total Comprehensive (Loss)/Income		**(5,546)**	**3,224**	**8,770**

Explanations of Major Variances – Statement of Comprehensive Income/(Loss)

V1. Fees are unfavourable as a result of lower customer activity levels; no escalation to fees and charges; and ceasing property realty fees and incidentals fees for financial management customers from November 2022.

V2. Investment revenue is favourable due to a higher interest rate environment and a strong performance in equities which has had a positive impact on the fair value of QIC managed funds.

V3. Employee expenses are lower as a result of fewer FTEs due to unfilled vacancies.

V4. Depreciation and amortisation variance due to lower than budgeted right-of-use assets.

V5. Higher interest rate environment has resulted in an increase in interest expense.

V6. Other expenses are higher largely due to losses - write offs and special payments which were not budgeted.

V7. Increase as a result of the revaluation in land and building asset classes by indexation.

25. Budget to Actual Comparison (Continued)

Statement of Financial Position	Variance Note	Budget 2023 $'000	Actual 2023 $'000	Variance 2023 $'000
Current Assets				
Cash and cash equivalents	V8	85,315	194,897	109,582
Receivables	V9	16,576	13,561	(3,015)
Other assets	V9	599	6,684	6,085
Financial assets	V8	835,940	613,461	(222,479)
Total Current Assets		**938,430**	**828,603**	**(109,827)**
Non-Current Assets				
Other assets		-	240	240
Financial assets	V8	51,121	101,037	49,916
Property, plant and equipment	V10	61,024	31,807	(29,217)
Right-of-use of asset	V10	-	19,359	19,359
Total Non-Current Assets		**112,145**	**152,443**	**40,298**
Total Assets		**1,050,575**	**981,046**	**(69,529)**
Current Liabilities				
Payables		-	2,137	(2,137)
Deposits held in trust	V11	805,603	791,958	13,645
Accrued employee benefits	V12	15,219	16,738	(1,519)
Lease liabilities	V10	92	2,460	(2,368)
Other liabilities		917	1,050	(133)
Total Current Liabilities		**821,831**	**814,343**	**7,488**
Non-Current Liabilities				
Accrued employee benefits	V12	1,489	1,322	167
Lease liabilities	V10	33,962	23,897	10,065
Other liabilities		576	621	(45)
Total Non-Current Liabilities		**36,027**	**25,840**	**10,187**
Total Liabilities		**857,858**	**840,183**	**17,675**
Net Assets		**192,717**	**140,863**	**(51,854)**
Equity		**192,717**	**140,863**	**(51,854)**

Explanations of Major Variances - Statement of Financial Position

V8. Total cash is higher predominantly redemption of funds from QIC during the year.

V9. This variance is predominantly due to the inclusion of 'contract balances arising from contracts with customers' in receivables in the budget, and distribution income from QIC not included in the budget.

V10. This variance is predominantly due to the inclusion of the right-of-use assets being included in property, plant and equipment in the budget and lower right-of-use assets and liability opening balances compared to budget.

V11. This variance is as a result of lower customer balances.

V12. The variance in accrued employee benefits is due to higher than anticipated pay increases.

25. Budget to Actual Comparison (Continued)

Statement of Cash Flows	**Variance Notes**	**Budget 2023 $'000**	**Actual 2023 $'000**	**Variance 2023 $'000**
Cash Flows From Operating Activities				
Inflows:				
Fees received	V13	60,706	54,701	(6,005)
Interest income received	V14	16,960	28,830	11,870
Other income received		545	487	(58)
GST collected from customers		-	14,498	14,498
Outflows:				
Net amount advanced as deposits held in trust	V15	-	(43,452)	(43,452)
Payments to suppliers and employees		(83,705)	(81,495)	2,210
GST paid to suppliers		-	(10,834)	(10,834)
GST remitted to ATO		-	(3,637)	(3,637)
Interest expense paid	V14	(5,301)	(7,334)	(2,033)
Net Cash Used In Operating Activities		**(10,795)**	**(48,236)**	**(37,441)**
Cash Flows From Investing Activities				
Inflows:				
Sales of other financial assets	V16	-	304,632	304,632
Outflows:				
Payments for other financial assets	V16	-	(173,044)	(173,044)
Payments for property, plant and equipment	V17	(2,000)	(175)	1,825
Net Cash (Used In)/Provided By Investing Activities		**(2,000)**	**131,413**	**133,413**
Cash Flows From Financing Activities				
Outflows:				
Lease payments		-	(613)	(613)
Net Cash Used In Financing Activities		**-**	**(613)**	**(613)**
Net (Decrease)/Increase in Cash and Cash Equivalents		**(12,795)**	**82,564**	**95,359**
Cash and Cash Equivalents At Beginning of the Financial Year		98,110	112,333	14,223
Cash and Cash Equivalents At End of the Financial Year		**85,315**	**194,897**	**109,582**

Explanations of Major Variances - Statement of Cash Flows

V13. Fees received are below budget as a result of reduced customer activities and fees.

V14. Interest income received and interest paid to customers are both higher this year due to higher interest rates.

V15. This variance is as a result of lower customer balances.

V16. Net inflows from other financial assets are due to reduced investment holdings in QIC managed funds following the redemption of fund during the year.

V17. The variance is due to less capital expenditure compared to budget.

25. Budget to Actual Comparison (Continued)

Administered Unclaimed Moneys	Variance Notes	Budget 2023 $'000	Actual 2023 $'000	Variance 2023 $'000
Administered Income				
Interest from investing activities	V18	790	2,139	1,349
Unclaimed moneys recognised as Consolidated Revenue	V19	3,463	4,589	1,126
Total		**4,253**	**6,728**	**2,475**
Administered Expenses				
Other expenses		790	1,179	(389)
Amount transferable to Consolidated Fund		3,463	5,549	(2,086)
Total		**4,253**	**6,728**	**(2,475)**
Net Surplus/(Deficit)		**-**	**-**	**-**
Administered Assets				
Current				
Receivables	V20	4,253	6,728	2,475
Total		**4,253**	**6,728**	**2,475**
Administered Liabilities				
Current				
Payables	V21	4,253	6,728	(2,475)
Total		**4,253**	**6,728**	**(2,475)**
Net Administered Assets		**-**	**-**	**-**

The above statement of administered Unclaimed Moneys does not include Unclaimed Moneys held by the PT for less than six years as these amounts are not yet transferrable to Consolidated Revenue and therefore not reported for budgetary purposes.

The total amount of Unclaimed Moneys held by the PT for less than six years at 30 June 2023 was $79.0m (2022: $68.7m). Please refer financial statement Note 26 for details.

Explanations of Major Variances - Administered Unclaimed Moneys

V18. Interest income on unclaimed moneys is ahead of budget due to higher interest rates.

V19. Unclaimed moneys recognised as consolidated revenue is favourable to budget due to a higher than expected level of unclaimed moneys that have been held by the PT for more than six years.

V20. Receivables are higher due to higher interest income and consolidated revenue receivable from the Public Trustee (refer V18 & V19).

V21. Payables are higher mainly due to an increase in the amount of interest and consolidated revenue payable to the Queensland Government (Consolidated Fund).

WHAT WE LOOK AFTER ON BEHALF OF THE GOVERNMENT AND OUR CUSTOMERS

26. Administered Transactions and Balances

Unclaimed Moneys Fund

PT administers, but does not control, the Unclaimed Moneys Fund on behalf of the Government. In doing so, the PT has responsibility and is accountable for administering related transactions and items but does not have the discretion to deploy these resources for the achievement of the PT's objectives. Consequently, these transactions and balances are not included in the financial statements and are disclosed in these notes for the information of users.

The investments of the Unclaimed Moneys Fund are being managed through the PT's Common Fund which has a capital guarantee and a regulated rate of interest.

	2023 $'000	2022 $'000
Administered Income		
Interest from investing activities	2,139	96
Unclaimed Moneys recognised as Consolidated Revenue	4,589	5,309
Total	**6,728**	**5,405**
Administered Expenses		
Management fees	262	153
Capital rebates	917	248
Amount transferable to Consolidated Fund *	5,549	5,004
Total	**6,728**	**5,405**
Net Surplus/(Deficit)	**-**	**-**
Administered Assets		
Current		
Receivables	1,179	401
Other financial assets	84,507	73,730
Total	**85,686**	**74,131**
Administered Liabilities		
Current		
Payables	6,728	5,405
Total	**6,728**	**5,405**
Non-Current		
Unclaimed moneys fund balance	78,958	68,726
Total	**78,958**	**68,726**
Net Assets	**-**	**-**

* During 2022-23, funds totalling $5.004m (2022: $2.614m) were transferred to the Consolidated Fund in accordance with the provision of the *Public Trustee Act 1978*.

The amount of $5.549m will be transferred to the Consolidated Fund during the first quarter of 2023-24.

27. Other Funds Managed by The Public Trustee

PT has responsibility for the management of a range of customer assets, such as property and investments, which are held on behalf of customers and do not form part of the Common Fund.

These transactions and balances held outside the Common Fund are not controlled nor administered items. Consequently, they are not included in the financial statements and are disclosed in these notes for the information of users only. Accordingly, measurement requirements of Australian Accounting Standards do not apply to these amounts held outside the Common Fund.

Customers' Assets Held outside the Common Fund at 30 June 2023

Customers	Deposits at Call $'000	Retirement Products $'000	Other Investments $'000	Realty and Homes $'000	Other Assets $'000	Investment Trusts $'000	Total $'000
Financial management	64,487	294,043	102,416	429,217	75,816	145,327	1,111,306
Deceased estates	52,948	22,834	28,997	293,757	23,691	-	422,227
Minors, general and testamentary trusts	39,902	1,917	6,485	134,205	55,237	405,764	643,510
Other customers	8,719	8,365	21,766	23,951	18,583	5,977	87,361
Total	**166,056**	**327,159**	**159,664**	**881,130**	**173,327**	**557,068**	**2,264,404**

Customers' Assets Held outside the Common Fund at 30 June 2022

Customers	Deposits at Call $'000	Retirement Products $'000	Other Investments $'000	Realty and Homes $'000	Other Assets $'000	Investment Trusts $'000	Total $'000
Financial management	48,334	303,935	68,923	382,217	116,008	139,804	1,059,221
Deceased estates	45,159	19,703	23,127	261,888	20,623	-	370,500
Minors, general and testamentary trusts	36,295	1,839	45,935	124,992	(297)	211,747	420,511
Other customers	7,575	10,071	15,934	25,203	21,940	5,615	86,338
Total	**137,363**	**335,548**	**153,919**	**794,300**	**158,274**	**357,166**	**1,936,570**

Deposits at call

Deposits at call represent balances held in bank accounts and other short-term deposits. Short term deposits are updated as at 30 June each year. Balances held in bank accounts are generally updated at commencement of the file and subsequently at the most recent review.

Other investments

Other investments represent listed equities, listed and unlisted unit trusts, fixed interest rate investments, unlisted shares and unlisted unit trust investments. Listed equities are valued at fair value (market value). Other investments are valued by reference to written advice from the relevant financial institution, company or share registry and are recorded based on the latest available information.

27. Other Funds Managed by The Public Trustee (Continued)

Pre and Post Retirement Products

Pre and post-retirement products represent funds held in superannuation, account based pensions, life insurance policies, annuities and pension accounts. The PT has appointed Australian Super as its preferred supplier of superannuation services for its customers. The values of customer's holdings with Australian Super are provided to the PT on a monthly basis for updating. For all other service providers, holdings are valued annually based on the latest product statement.

Realty and Homes

Realty comprises land and buildings. Generally, property values are provided by the PT valuers or external valuers upon commencement of the file. Different valuation rules and review dates apply depending on the type of customer (e.g., deceased estate, financial management, trust) and the services provided by the PT. Realty assets are valued every three years with no indexation. Detailed valuation rules are contained in relevant operating manuals of the PT.

Homes include retirement dwellings, relocatable and mobile homes and are valued at original cost or estimated market value.

Other Assets

Other assets include all assets not separately disclosed above. The main items included in this category as at 30 June 2023 and their valuation methods are shown below:

Asset Category	Description	Valuation Basis
Business	A full or part share of a business owned by customers	Financial statements of the customer's business.
Contributions paid by customers	Contributions paid to aged care facilities by customers	Periodic aged care facilities statements.
Chattels	General household items	Estimated market value lodged with Centrelink, minimum insurance value or at original cost if purchased by the PT.
Other	Includes interest in deceased estates and workers' compensation claims	Original source document.
Vehicles	Including motor vehicles and bicycles	At original cost or estimated market value.
Liabilities	Secured and general liabilities	Periodic statements and invoices.

Public Trustee of Queensland Investment Trusts (the Investment Trusts)

The Public Trustee of Queensland Growth Trust (Growth Trust)

The Growth Trust was established by the Public Trustee on 10 July 1996 to provide PT's customers with an investment option that provides capital growth and income from a diversified investment portfolio.

Australian Foundation for Charitable Trusts (AFCT)

The AFCT was established by the Public Trustee on 17 May 2021 to provide charitable trust customers of the Public Trustee with an investment option that provides income from a diversified investment portfolio and maintains the real value of the capital over the longer term.

Collectively these two trusts are referred to as the 'Public Trustee of Queensland Investment Trusts.'

As at 30 June 2023, the total market value of customers' funds held in the Investments Trusts was $557.1m (2022: $357.2m).

The financial results of the Investment Trusts do not form part of these financial statements. For further information, please refer to the Investment Trusts' annual General Purpose Financial Report. The financial report of the Investment Trusts is independently audited by the Queensland Audit Office.

OTHER INFORMATION

28. Key Management Personnel Disclosures

(a) Details of Key Management Personnel (KMP)

The *Public Trustee (Advisory and Monitoring Board) Amendment Act 2022* was passed by the Queensland Parliament in May 2022. The Act amends the *Public Trustee Act 1978* to establish the 'Public Trustee Advisory and Monitoring Board' (the Board) that will provide additional advice and oversight to the Public Trustee to enhance transparency and public accountability. Members of the Board are not considered to be PT's KMP for the purposes of PT financial statements consistent with AASB 124 *Related Party Disclosures*.

Management is of the view that all members of the Board of Management (BOM) which was established on 11 May 2020, jointly have the authority and responsibility for planning, directing and controlling the activities of PT and therefore meet the definition of Key Management Personnel.

The composition of the BOM has changed during 2022-23 and those changes in membership have been reflected below.

Position	Responsibilities
Public Trustee of Queensland	The Public Trustee of Queensland is the Chief Executive Officer of PT and provides visionary, values based leadership and management to the corporation. The role of the Public Trustee of Queensland is to guide PT to deliver high quality, sustainable and reliable financial, trustee and administration services to the Queensland public in a supportive, compassionate and ethical manner.
Executive Director, Fees and Charges	The Executive Director, Fees and Charges is responsible for providing expert financial and business analysis to lead the delivery of a strategic review of the fees and charges structure of the Public Trustee.
Executive Director, Corporate Services	The Executive Director, Corporate Services is responsible for providing leadership, strategy and direction to all strategic and operational corporate service units to support and deliver contemporary customer experiences for internal and external customers.
Executive Director, Customer Experience & Delivery	The Executive Director, Customer Experience and Delivery is responsible for the delivery of a range of high quality professional services to the Public Trustee's customers, will making and the provision of financial products and services, through the organisation's regional service delivery network.
Executive Director, Investment & Finance Services & CFO	The Executive Director, Investment & Finance Services & CFO works closely with the Public Trustee of Queensland, providing authoritative high quality policy, budget, financial management and investment advice on matters of strategic importance to the operation of the organisation.
Executive Director, Strategy and Governance	The Executive Director, Strategy and Governance leads the Office of the Chief Executive to provide cross program leadership, strategy and co-ordination, supporting the work carried out by the Public Trustee of Queensland.
Executive Director, People & Culture	The Executive Director, People and Culture, leads and directs the successful design, delivery and embedment of strategic initiatives that strengthen and enhance the quality of people, engagement, safety and employee relations services across the Public Trustee.

Please refer to the annual report for further information on the BOM.

28. Key Management Personnel Disclosures (Continued)

(b) Remuneration Policy

Remuneration policy for the PT's KMP is set by the Queensland Public Service Commission under the *Public Sector Act 2022*. Individual remuneration and other terms of employment for the KMP are specified in employment contracts. Remuneration expenses for KMP comprise the following components:

- Short-term employee expenses, including
  - Salaries, allowances and leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee occupied a KMP position; and
  - Non-monetary benefits – include the provision of motor vehicle benefits and any applicable fringe benefits tax.
- Long term employee expenses include amounts expensed in respect of long service leave entitlements.
- Post-employment expenses include amounts expensed in respect of employer superannuation obligations.
- Termination benefits include payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual and long service leave entitlements) payable on termination of employment or acceptance of an offer of termination of employment.
- The Public Trustee of Queensland is employed under the *Public Trustee Act 1978* and is not eligible for consideration for a performance bonus. Other KMP are also not eligible for performance bonuses.

The following disclosure relate to expenses incurred by the PT attributable to KMP during the respective reporting periods. The amounts disclosed are determined on the same basis as expenses recognised in the statement of comprehensive income/(loss).

2022-23

Position	Short Term Employee Monetary Expenses $'000	Long Term Employee Expenses $'000	Post-Employment Expenses $'000	Total $'000
Public Trustee of Queensland and CEO	325	15	43	383
Executive Director, Fees and Charges [(i)] (01/07/22 - 26/08/22 and 10/10/22 - 30/06/23)	184	(14)	19	189
Executive Director, Corporate Services (01/07/22 - 26/03/23 and 06/05/23 - 30/06/23)	171	1	19	191
Acting Executive Director, Corporate Services (02/02/23 - 05/05/23)	48	1	5	54
Executive Director, Customer Experience & Delivery	237	26	23	286
Executive Director, Investment & Finance Services & CFO	208	2	22	232
Executive Director, Strategy and Governance (01/07/22 - 26/03/23 and 06/05/23 - 30/06/23)	169	4	19	192
Acting Executive Director, Strategy and Governance (27/03/23 - 05/05/23)	24	-	3	27
Executive Director, People & Culture	201	6	21	228
Total Remuneration	**1,567**	**41**	**174**	**1,782**

[(i)] Two employees occupied this position substantively during the year.
There were no Short Term Employee Non-Monetary Benefits or Termination Benefits during the year.

28. Key Management Personnel Disclosures (Continued)

(c) Key Management Personnel Remuneration Expense

2021-22

Position	Short Term Employee Monetary Expenses $'000	Long Term Employee Expenses $'000	Post-Employment Expenses $'000	Total $'000
Public Trustee of Queensland and CEO	322	10	41	373
Executive Director, Fees and Charges (from 05/07/21)	196	5	21	222
Executive Director, Corporate Services (from 01/07/21)	193	6	21	220
Acting Executive Director, Customer Experience & Delivery (from 02/07/21)	178	10	18	206
Acting Executive Director, Investment & Finance Services & CFO (01/07/21 - 04/10/21)	52	-	6	58
Executive Director, Investment & Finance Services & CFO (from 18/10/21)	142	1	15	158
Acting Executive Director, Strategy and Governance (to 28/02/22)	117	(7)	12	122
Executive Director, Strategy and Governance (from 01/3/22)	92	4	7	103
Acting Executive Director, People & Culture (from 28/03/22)	80	1	5	86
Total Remuneration	**1,372**	**30**	**146**	**1,548**

There were no Short Term Employee Non-Monetary Benefits or Termination Benefits during the year.

29. Related Party Transactions

i. Transactions with people/entities related to KMP

No transaction has occurred with any of PT's KMP or people/entities related to the KMP during 2022-23.

ii. Transactions with other Queensland Government-controlled entities

PT has a contractual arrangement with the Office of Liquor and Gaming Regulation (the Regulator) for managing and assigning the tenders for the gaming machine licences. PT receives a fee for acting in the capacity as agent but does not control the charges and fee revenue collected from these activities or the revenue, associated receivables and expenditure payments to the Regulator. Total commission earned by the PT in respect of 2022-23 was $218,848 (2022: $48,636).

PT receives archival services from the Queensland State Archives, free of charge. The total fair value of archival services received in respect of 2022-23 was $1.75m (2022: $1.68m).

PT receives insurance cover from the Queensland Government Insurance Fund (QGIF) in respect of property, general liability, professional indemnity, personal accident and illness and marine hull and liability at commercial rates. The total premium paid to QGIF during 2022-23 was $0.68m excluding GST (2022: $0.67m).

PT pays premiums to WorkCover Queensland in respect of workers' compensation insurance at commercial rates. Refer to Note 4 for details.

PT provides Community Service Obligations to the Queensland community in the form of contributions to Civil Law Legal Aid which is administered by Legal Aid Queensland and the Office of The Public Guardian. Refer to Note 6 for details.

PT holds investments with Queensland Treasury Corporation (QTC) and QIC Limited. Refer to Notes 2, 8 and 11 for details.

30. Taxation

PT is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax and Goods and Services Tax (GST). GST credits receivable from/payable to the Australian Taxation Office are recognised in the financial statements.

31. First Year Application of New Accounting Standards or Changes in Accounting Policy

(i) Changes in Accounting Policy

PT did not voluntarily change any of its accounting policies for 2022-23.

(ii) Accounting Standards Early Adopted

No Australian Accounting Standards have been early adopted for 2022-23.

(iii) Accounting Standards Applied for the First Time

No new accounting standards or interpretations that apply to the PT for the first time in 2022-23 had any material impact on the financial statements.

32. Future Impact of Accounting Standards Not Yet Effective

At the date of authorisation of the financial report, there are no material impacts arising from any Australian Accounting Standards and interpretations issued and not yet effective.

33. Climate Risk Disclosure

Whole-of-Government climate-related reporting

The State of Queensland has published a wide range of information and resources on climate change risks, strategies and actions (www.qld.gov.au/environment/climate/climate-change) including the following key whole-of-Government publications:

- Climate Action Plan 2020-30 (www.des.qld.gov.au/climateaction)
- Queensland Energy and Jobs Plan (www.epw.qld.gov.au/energyandjobsplan)
- Climate Adaptation Strategy (https://www.qld.gov.au/__data/assets/pdf_file/0017/67301/qld-climate-adaptation-strategy.pdf)
- Queensland Sustainability Report (www.treasury.qld.gov.au/programs-and-policies/esg/)

PT's accounting estimates and judgements - climate-related risks

PT considers climate-related risks when assessing material accounting judgements and estimates used in preparing its financial report. Key estimates and judgements identified include the potential for changes in asset useful lives, changes in the fair value of assets, impairment of assets, the recognition of provisions or the possibility of contingent liabilities.

No adjustments to the carrying value of assets were recognised during the financial year as a result of climate-related risks impacting current accounting estimates and judgements. No other transactions have been recognised during the financial year specifically due to climate-related risks impacting the corporation.

PT continues to monitor the emergence of material climate-related risks that may impact the financial statements of the corporation, including those arising under the Queensland Government Climate Action Plan 2020-2030 and other Government publications or directives.

Certification of the Public Trustee of Queensland

For the year ended 30 June 2023

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009*, section 39 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with section 62(1) (b) of the Act, we certify that in our opinion:

(a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects;

(b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the PT for the financial year ended 30 June 2023 and of the financial position of the PT at the end of that year; and

We acknowledge responsibility under section 7 and section 11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.

Albert Oberholzer
FCCA, CAANZ, GAICD, BCom Hons
Executive Director, Investment & Finance Services & CFO

Brisbane
28 August 2023

Samay Zhouand
BA LLB, GAICD
Public Trustee of Queensland and CEO

Brisbane
28 August 2023

Queensland Audit Office
Better public services

INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of Public Trustee of Queensland

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of the Public Trustee of Queensland.

In my opinion, the financial report:

a) gives a true and fair view of the department's financial position as at 30 June 2023, and its financial performance and cash flows for the year then ended

b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income/(loss), statement of changes in equity, statement of cash flows for the year then ended, notes to the financial statements including material accounting policy information, and the certificate given by the Public Trustee of Queensland and the Executive Director Investment and Finance Services and Chief Finance Officer.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the department in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

Other information

Other information comprises the information included in the Public Trustee of Queensland's annual report for the year ended 30 June 2023, but does not include the financial report and my auditor's report thereon.

The Accountable Officer is responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Responsibilities of the department for the financial report

The Accountable Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Accountable Officer is also responsible for assessing the Public Trustee of Queensland's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the Public Trustee of Queensland or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. This is not done for the purpose of forming an opinion on the effectiveness of the Public Trustee of Queensland's internal controls, but allows me to form an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of material accounting policy information used and the reasonableness of accounting estimates and related disclosures made by the Public Trustee of Queensland.
- Conclude on the appropriateness of the Public Trustee of Queensland's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Public Trustee of Queensland's ability to continue as a going concern. If I

conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Public Trustee of Queensland to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on other legal and regulatory requirements

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2023:

a) I received all the information and explanations I required.

b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the department's transactions and account balances to enable the preparation of a true and fair financial report.

30 August 2023

D J Toma
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

The Public Trustee of Queensland Investment Trusts

Financial Statements

For the year ended 30 June 2023

Contents

General Information

These financial statements cover:

- Public Trustee of Queensland Growth Trust ("Growth Trust") (ABN: 95 792 610 481)
- Australian Foundation for Charitable Trusts ("AFCT") (ABN: 25 970 014 066)

The trustee of the Public Trustee of Queensland Trusts (the Trusts) is the Public Trustee of Queensland (ABN 12 676 939 467).

The registered office and principal place of business of the Trusts is 410 Ann Street, Brisbane QLD 4000.

The Public Trustee of Queensland Investment Trusts

Statement of Income and Retained Earnings

For the year ended 30 June 2023

	Notes	GROWTH TRUST 2023 $'000	GROWTH TRUST 2022 $'000	AFCT 2023 $'000	AFCT 2022 $'000
Investment Income					
Interest income		31	13	48	8
Net gains on financial assets held at fair value through profit or loss	2	15,808	-	8,568	-
Distribution income	3	3,363	6,303	6,133	7,716
Total Net Investment Income		**19,202**	**6,316**	**14,749**	**7,724**
Expenses					
Net losses on financial assets held at fair value through profit or loss	2	-	15,683	-	13,399
Fund administration fees		-	-	150	150
Investment management fees		-	-	426	409
Other expenses		-	-	24	-
Trustee fees		3,181	3,523	1,301	1,258
Total Operating Expenses		**3,181**	**19,206**	**1,901**	**15,216**
Profit/(Loss) for the Year Before Finance Costs Attributable to Unitholders		**16,021**	**(12,890)**	**12,848**	**(7,492)**
Finance Costs Attributable to Unitholders					
Distribution to unitholders	4	(1,638)	(5,085)	(4,280)	(5,906)
(Increase)/Decrease in net assets attributable to unitholders	6	(14,383)	17,975	(8,568)	13,398
Profit/(Loss) for the Year		**-**	**-**	**-**	**-**
Retained Earnings at the Beginning of the Financial Year		**-**	-	**-**	-
Profit/(Loss) for the Year		-	-	-	-
Retained Earnings at the End of the Financial Year		**-**	**-**	**-**	**-**

The above statement should be read in conjunction with the accompanying notes.

PTIT 1

Statement of Financial Position

As at 30 June 2023

	Notes	GROWTH TRUST 2023 $'000	GROWTH TRUST 2022 $'000	AFCT 2023 $'000	AFCT 2022 $'000
Assets					
Cash and cash equivalents	7	470	781	2,663	2,507
Distribution receivable		3,363	3,440	3,048	4,118
Other receivables		28	29	8	8
Financial assets held at fair value through profit or loss	8	210,046	211,637	174,291	152,322
Total Assets		**213,907**	**215,887**	**180,010**	**158,955**
Liabilities					
Distribution payable		1,638	3,700	4,280	5,906
Redemption payable		93	401	-	-
Other payables		-	-	73	48
Trustee fees payable		275	282	119	109
Total Liabilities		**2,006**	**4,383**	**4,472**	**6,063**
Net Assets Attributable to Unitholders - Liability		**211,901**	**211,504**	**175,538**	**152,892**

The above statement should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the year ended 30 June 2023

	GROWTH TRUST		AFCT	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Cash Flows From Operating Activities				
Interest received	31	13	47	8
Reduced input tax credit received	169	202	98	93
Distributions received	3,440	26,411	7,203	12,315
Other expenses paid	-	-	(607)	(590)
Trustee fees paid	(3,357)	(3,812)	(1,359)	(1,284)
Proceeds from sale of financial assets held at fair value through profit or loss	19,800	19,200	-	-
Purchase of financial assets held at fair value through profit or loss	(2,400)	(16,700)	(13,400)	(12,850)
Net Cash (Used In)/Provided By Operating Activities	**17,683**	**25,314**	**(8,018)**	**(2,308)**
Cash Flows From Financing Activities				
Proceeds from applications of units by unitholders	17,057	37,658	14,100	11,889
Payments for redemptions of units by unitholders	(31,351)	(30,648)	(20)	-
Distributions paid	(3,700)	(32,661)	(5,906)	(8,602)
Net Cash (Used In)/Provided By Financing Activities	**(17,994)**	**(25,651)**	**8,174**	**3,287**
Net Increase/(Decrease) in Cash and Cash Equivalents	**(311)**	**(337)**	**156**	**979**
Cash and Cash Equivalents at the Beginning of the Financial Year	781	1,118	2,507	1,528
Cash and Cash Equivalents at the End of the Financial Year	**470**	**781**	**2,663**	**2,507**

The above statement should be read with the accompanying notes.

Statement of Cash Flows
For the year ended 30 June 2023

	GROWTH TRUST		AFCT	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Reconciliation of Net Cash Provided By /(Used In) Operating Activities				
Increase/(Decrease) in net assets attributable to unitholders	14,383	(17,975)	8,568	(13,398)
Distributions paid to unitholders	1,638	5,085	4,280	5,906
Net change in financial assets held at fair value through profit or loss	1,591	18,183	(21,969)	549
Net change in receivables and other assets	78	20,125	1,068	4,597
Net change in payables	(7)	(104)	35	38
Net Cash Provided By/(Used in) Operating Activities	**17,683**	**25,314**	**(8,018)**	**(2,308)**

There were no non-cash financing activities during this year or the prior year.

Notes to the Financial Statements

For the year ended 30 June 2023

1. BASIS OF FINANCIAL STATEMENTS PREPARATION

a) General Information

These financial statements cover:

- The Public Trustee of Queensland Growth Trust ("Growth Trust") (ABN: 95 792 610 481)
- Australian Foundation for Charitable Trusts ("AFCT") (ABN: 25 970 014 066)

as individual entities. Collectively these trusts are referred to as the Public Trustee of Queensland Investment Trusts.

The Trusts were constituted by a Trust Deed Poll or supplemental Trust Deed Poll as follows:

- The Public Trustee of Queensland Growth Trust (Growth Trust) – 10 July 1996
- Australian Foundation for Charitable Trusts (AFCT) – 17 May 2021

The Trusts will terminate on 10 July 2076 unless terminated earlier in accordance with the provisions of the Trust Deed.

The Trusts' Administrator and Registry provider is BDO Services Pty Ltd ACN 134 242 434. The Investment Manager is QIC Limited ('QIC') ACN 130 539 123.

The financial statements for the year ended 30 June 2023 were authorised for issue by the Public Trustee of Queensland and the Executive Director Investment & Finance Services & CFO at the date of signing the Public Trustee of Queensland's Declaration.

Growth Trust

The Growth Trust was established by the Public Trustee to provide customers of the Public Trustee with an investment option that provides capital growth and income from a diversified investment portfolio.

Australian Foundation for Charitable Trusts (AFCT)

The AFCT was established by the Public Trustee to provide charitable trust customers of the Public Trustee with an investment option that provides income from a diversified investment portfolio and maintains the real value of the capital over the longer term.

b) Compliance with Prescribed Requirements

The Trusts are not-for-profit entities and these financial statements have been prepared in accordance with the requirements of the Trust Deed Poll and any supplemental Trust Deed Polls, the *Public Trustee Act 1978* and the *Financial and Performance Management Standard 2019*.

These financial statements comply with the recognition and measurement requirements of Australian Accounting Standards; and the presentation and disclosure requirements in those Standards as modified by AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-profit Tier 2 Entities.* Accordingly, the financial statements comply with Accounting Standards – Simplified Disclosures.

1. BASIS OF FINANCIAL STATEMENTS PREPARATION (Continued)

c) Presentation Matters

All amounts are presented in Australian dollars and have been rounded to the nearest $1,000 or, where the amount is $500 or less, to zero, unless disclosure of the full amount is specifically required.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets held at fair value through profit or loss and net assets attributable to unitholders.

d) Basis of Measurement

Historical cost is used as the measurement basis in this financial report except for financial assets measured at fair value through profit or loss.

e) The Reporting Entity

The Trusts carry on business for the benefit of unitholders. The financial statements include the value of all income, expenses, asset, liabilities and net assets attributable to unitholders of the Trusts.

NOTES ABOUT OUR FINANCIAL PERFORMANCE

2. Net Gains/(Losses) on Financial Assets Held at Fair Value Through Profit or Loss (FVPL)

	GROWTH TRUST		AFCT	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Financial assets held at FVPL	15,808	(15,683)	8,568	(13,399)
Net Gains/(Losses) on financial assets held at FVPL	**15,808**	**(15,683)**	**8,568**	**(13,399)**

Please refer to Note 12 for further details.

3. Distribution Income

Distributions from financial assets held at fair value through profit or loss are as follows:

	GROWTH TRUST		AFCT	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Distribution Income	3,363	6,303	**6,133**	**7,716**
Total distribution income received	**3,363**	**6,303**	**6,133**	**7,716**

Accounting Policy – Distribution Income

Distribution income is recognised when the right to receive payment is established.

4. Distribution to Unitholders

Distributions for the year were as follows:

GROWTH TRUST		2023 $'000	2023 CPU*	2022 $'000	2022 CPU*
Distribution	Quarter 1	-	-	815	0.31
Distribution	Quarter 2	-	-	570	0.22
Distribution	Quarter 3	-	-	-	-
Distribution	Quarter 4	1,638	0.6857	3,700	1.45
Total		**1,638**	**0.6857**	**5,085**	**1.98**

AFCT		2023 $'000	2023 CPU*	2022 $'000	2022 CPU*
Distribution	Quarter 1	-	-	-	-
Distribution	Quarter 2	-	-	-	-
Distribution	Quarter 3	-	-	-	-
Distribution	Quarter 4	4,280	2.2448	5,906	3.37
Total		**4,280**	**2.2448**	**5,906**	**3.37**

* CPU is cents per unit

NOTES ABOUT OUR FINANCIAL POSITION

4. Distribution to Unitholders (continued)

Accounting Policy – Distribution to Unitholders

The Trusts distribute income to unitholders by cash in accordance with the Trust Deed. The unitholders may choose to reinvest these distributions into the Trusts at the applicable application price. The distributions are recognised in profit or loss as finance costs attributable to unitholders.

Distribution payable to unitholders at the end of the reporting period is recognised in the statement of financial position when unitholders are presently entitled to the distributable income.

5. Remuneration of Auditors

During the year, audit fees were paid or payable by the Public Trustee to the auditor of the Trusts, Queensland Audit Office, for the audit of the Trust's financial statements:

	GROWTH TRUST		AFCT	
	2023 $	2022 $	2023 $	2022 $
Audit Fees	**10,250**	**9,975**	**20,225**	**-**

Audit fees for the Growth Trust is included as part of the Trustee fees in the statement of income and retained earnings.

The AFCT is responsible for the payment of its audit fees which is not included in the Trustee fees.
Fees shown in the 2023 year represent the AFCT's 2022 and 2023 audit costs.

6. Net Assets Attributable to Unitholders

Net assets attributable to unitholders and the movements in the number of units during the year were as follows:

	GROWTH TRUST		AFCT	
Amount	**2023 $'000**	**2022 $'000**	**2023 $'000**	**2022 $'000**
Opening balance	211,504	222,236	152,892	154,401
Applications	17,057	37,658	14,098	11,889
Redemptions	(31,043)	(30,415)	(20)	-
Change in net assets attributable to unitholders	14,383	(17,975)	8,568	(13,398)
Closing balance	**211,901**	**211,504**	**175,538**	**152,892**

Unit Numbers	**Unit No's '000**	**Unit No's '000**	**Unit No's '000**	**Unit No's '000**
Opening balance	255,127	247,848	175,166	162,492
Application	20,163	41,450	15,538	12,674
Redemptions	(36,431)	(34,171)	(22)	-
Closing balance	**238,859**	**255,127**	**190,682**	**175,166**

6. Net Assets Attributable to Unitholders (Continued)

There is one class of units and every unit confers on its holder an equal interest in the Trusts and are of equal value. The unitholder is not entitled to a Certificate in respect of a holding.

Accounting Policy - Net Assets Attributable to Unitholders

Units are redeemable at the unitholders' option and are classified as financial liabilities as the Trusts are required to distribute its taxable income. The units can be put back to the Trusts at any time for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the end of the reporting period if unitholders exercised their right to redeem units in the Trusts.

Income not distributed is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in the statement of income and retained earnings.

Accounting Policy - Applications and Redemptions

The Trusts utilise a buy-sell spread methodology to ensure that unitholders joining or leaving the Trusts contribute to the transaction costs incurred by the Trusts in buying/selling assets. The buy-sell spread is retained by the Trusts to cover transactional costs and to ensure equity among unitholders is maintained.

Application requests are processed utilising the application price to determine the number of units in the Trusts to be issued. Redemption requests are processed utilising the redemption price to determine the number of units in the Trusts to be cancelled.

Disclosure

Capital Risk Management

The capital structure of the Trusts consists of net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change on a daily basis as the Trusts are subject to daily applications and redemptions at the discretion of unitholders.

The Public Trustee reviews the applications and redemptions relative to the liquidity of the Growth Trust's underlying assets twice weekly and the AFCT's underlying assets twice monthly. Under the terms of the Trust Deed, the Public Trustee has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unitholders.

The Trusts do not have any externally imposed capital requirements.

The Investment Manager manages the capital of the Trusts in accordance with the Trusts' investment objectives, policies and restrictions, as outlined in the Trusts' Product Information Statements, while maintaining sufficient liquidity to meet participating unitholders' redemptions.

6. Net Assets Attributable to Unitholders (Continued)

Disclosure (Continued)

Capital Risk Management (Continued)

The Investment Manager reviews the asset allocation on a continual basis. As part of the review, the Investment Manager considers the risks associated with each asset class; using equities and fixed income as proxies for these asset classes and overlays to adjust these exposures regularly.

7. Cash and Cash Equivalents

For the purpose of presentation in the statement of financial position and the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions.

Receipts and payments relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as gains and losses arising from trades in these securities represent the Trust's main income generating activities.

Receipts and payments pertaining to the applications and redemptions of units by unit holders are classified as financing activities.

8. Financial Assets held at Fair Value through Profit or Loss (FVPL)

	GROWTH TRUST		AFCT	
	2023 $'000	**2022 $'000**	**2023 $'000**	**2022 $'000**
Unlisted unit trusts	210,046	211,637	174,291	152,322
Total financial assets held at FVPL	**210,046**	**211,637**	**174,291**	**152,322**
Comprising:				
QIC Long Term Diversified Fund	210,046	211,637	70,510	62,170
QIC Diversified Australian Equities Fund	-	-	86,185	74,181
QIC Short Term Income Fund	-	-	17,596	15,971
Total	**210,046**	**211,637**	**174,291**	**152,322**

An overview of the risk exposures of fair value measurements relating to financial assets at fair value through profit or loss is included in Note 11.

Accounting Policy - Financial Instruments

Classification

The Trust's investments are classified as financial assets measured at fair value through profit or loss as their contractual terms do not give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

8. Financial Assets held at Fair Value through Profit or Loss (Continued)

These investments are managed and their performance evaluated on a fair value basis in accordance with the Trust's documented investment strategies. The Trust's policy is for the Public Trustee to evaluate the information about these financial instruments on a fair value basis together with other related financial information.

Recognition / De-recognition

The Trusts recognise financial assets and financial liabilities on the date they become party to the contractual agreement (trade date).

Investments are derecognised when the right to receive cash flows from the investments have expired or the Trusts have transferred substantially all risks and rewards of ownership.

Measurement

Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in their fair value recognised in profit or loss.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Investments in unlisted unit trusts are recorded at fair value per unit as reported by QIC using an unadjusted net asset value of the unit trust.

Financial liabilities arising from the redeemable units issued by the Trust are carried at the redemption amount representing the unitholders' right to a residual interest in the Trust's assets, effectively at fair value at the reporting date.

NOTES ABOUT RISKS AND OTHER ACCOUNTING UNCERTAINTIES

9. Fair Value Measurement

The Trusts measure and recognise financial assets at fair value through profit or loss (FVPL) (see Note 8) on a recurring basis. The Trusts have no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements within the following fair value hierarchy:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - Input other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - Inputs for the asset or liability that are substantially derived from unobservable inputs.

Investments in the QIC unlisted unit trusts are fair valued through profit or loss and classified as level 2. The fair value has been determined as the redemption value per unit as reported by QIC using an unadjusted net asset value of the unit trust. The Trusts do not have any asset classified as level 1 or 3.

10. Accounting Estimates and Judgements

The Trusts make estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The majority of the Trusts' financial investments are held in QIC unlisted trusts and QIC (the Investment Manager) may use estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year.

11. Financial Risk Management

The Trusts are exposed to a range of financial risks – market risk, credit risk and liquidity risk through its investment activities. This note presents information about the Trusts' exposure to each of the risks, as well as the Trusts' objectives, policies and processes for measuring and managing the risks.

The disclosures are prepared on the basis of the Trusts' direct investments with the exception of price risk disclosures which are on a look-through basis to the underlying investments of the QIC unlisted unit trusts.

(a) Risk Management Framework

The Trusts' risk management framework focuses on compliance with the Trust Deeds and Product Information Statement (where applicable) and seeks to maximise the returns derived for prudent levels of risk. The primary method of mitigating or controlling risks to the Trusts' investment portfolios is diversification.

11. Financial Risk Management (Continued)

(a) Risk Management Framework (Continued)

The Investment Manager manages the investments of the Trusts in terms of the Investment Management Agreements entered into with the Public Trustee of Queensland. To ensure prudential management of funds for the Trusts, the Trusts undertake periodic and independent reviews of the investment objectives and strategies with the current review being underway as at the date of this report.

The Investment Manager employs a disciplined approach to risk management. The Trusts' portfolios are constructed utilising investments that provide exposure to different asset classes, the returns from which have low correlation. The aim of this strategy is to provide an appropriate risk adjusted return on the whole, so as to strengthen diversification and consequently reduce the overall effect on asset specific risk.

For the QIC Long Term Diversified Fund, Opportunistic Asset Allocation (OAA) manages the portfolio's shorter-term exposures to liquid markets and currencies when there is a material opportunity to move away from the Strategic Asset Allocation (SAA) to generate additional returns over and above the SAA returns. There is also the ability to invest outside the traditional asset classes (equities, fixed income and cash), if an asset class or thematic is deemed significantly attractive. Please refer to tables over page for further details.

The Public Trustee uses different methods to measure different types of risk to which the Trusts are exposed. These methods include sensitivity analysis (for interest rate and price risks) and ratings analysis for credit risk.

(b) Market Risk

Market risk is the risk that the fair value of the investments will fluctuate due to changes in market prices. Market risk comprises three types of risks: currency risk, interest rate risk and price risk.

(i) Price Risk

Investments in QIC unit trusts held at fair value through profit or loss are particularly exposed to price risk associated with changes in the property and equity markets.

As the Trusts' portfolios are constructed using a range of unlisted unit trusts that provide exposure to different assets classes, the price risk is also represented by changes in interest rates and foreign exchange rates that the unlisted unit trusts is exposed to.

The Investment Manager of the Fund mitigates price risk through diversification and a careful selection of investments within the OAA ranges.

Growth Trust

The PTQ Growth Trust gains exposure to the various asset classes and investment sectors by investing in the QIC Long Term Diversified Fund.

The following table is a summary of the OAA ranges pertaining to the QIC Long Term Diversified Fund and the exposure of the Growth Trust to these asset classes on reporting date.

11. Financial Risk Management (Continued)

(b) Market Risk (Continued)

(i) Price Risk (Continued)

Growth Trust (Continued)

QIC Long Term Diversified Fund Asset Class	OAA Allocation Ranges	Actual Exposure 30 June 2023	Actual Exposure 30 June 2022
Global equities	25% - 75%	50%	50%
Global fixed interest *	0% - 60%	20%	20%
Other alternatives	0% - 40%	15%	15%
Cash	0% - 50%	0%	0%
Global real estate	0% - 15%	4%	4%
Global infrastructure	0% - 15%	4%	4%
Global private equity	0% - 10%	4%	4%
Global private debt	0% - 10%	3%	3%
Overlays			
Foreign Currency	45%	17%	17%

* The reported global fixed interest exposure is defined as the interest rate exposure of the Fund. In addition, the QIC Long Term Diversified Fund may also contain inflation and credit exposures, which may be implemented via either physical and/or synthetic instruments. The interest rate exposures are stated at ten year durations.

The following table summarises the impact on the Growth Trust's net assets attributable to unitholders of an increase/decrease in the value of the Growth Trust's investment in unlisted unit trusts. The analysis is based on the assumptions that the trusts' net asset values increased by 8% (2022: 12%) and decreased by 9% (2022: 12%) with all other variables held constant.

Impact on Operating Profit/Net Assets Attributable to Unitholders	2023 $'000	2022 $'000
Fair value of investments increased by 8% (2022:12%)	16,804	25,396
Fair value of investments decreased by 9% (2022:12%)	(18,904)	(25,396)

The sensitivity analysis presented is based on the portfolio composition as at 30 June. The composition of the Growth Trust's investment portfolio is expected to change over time. The sensitivity analysis prepared as at 30 June is not necessarily indicative of the effect on the Growth Trust's net assets attributable to unitholders of future movements in the value of the investments in unlisted unit trusts.

The 8% increase and 9% decrease in the fair value of investments in unlisted unit trusts has been determined based on management's best estimate, taking into account a number of factors, including historical levels of changes in the fair value of investments in the unlisted unit trusts.

However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of and/or correlation between the performances of economies, markets and securities in which the Growth Trust has exposure. As a result, historic variations in risk variables should not be used to predict future variations in risk variables.

11. Financial Risk Management (Continued)

(b) Market Risk (Continued)

(i) Price Risk (Continued)

AFCT

The following table is a summary of the allocations pertaining to the various QIC managed funds and the exposure of the AFCT to their asset classes on reporting date.

Fund	Strategic Asset Allocation	Actual Exposure 30 June 2023	Actual Exposure 30 June 2022
QIC Diversified Australian Equities Fund	50%	49%	49%
QIC Long Term Diversified Fund	40%	41%	41%
QIC Short Term Income Fund	10%	10%	10%
Total	**100%**	**100%**	**100%**

The following table summarises the impact on the AFCT's net assets attributable to unitholders of an increase/decrease in the value of the AFCT's investment in unlisted unit trusts. The analysis is based on the assumptions that the unlisted unit trusts' net asset values increased by 9% (2022: 12%) and decreased by 9% (2022: 12%) with all other variables held constant.

Impact on Operating Profit/Net Assets Attributable to Unitholders	2023	2022
	$'000	$'000
Fair value of investments increased by 9% (2022: 12%)	15,686	18,279
Fair value of investments decreased by 9% (2022: 12%)	(15,686)	(18,279)

The sensitivity analysis presented is based upon the portfolio composition as at 30 June. The composition of the AFCT's investment portfolio is expected to change over time. The sensitivity analysis prepared as at 30 June is not necessarily indicative of the effect on the AFCT's net assets attributable to unitholders of future movements in the value of the investments in unlisted unit trusts.

The 9% increase and 9% decrease in the fair value of investments in unlisted unit trusts has been determined based on management's best estimate, taking into account a number of factors, including historical levels of changes in the fair value of investments in the unlisted unit trusts.

However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of and/or correlation between the performances of economies, markets and securities in which the AFCT has exposure. As a result, historic variations in risk variables should not be used to predict future variations in risk variables.

11. Financial Risk Management (Continued)

(c) Credit Risk

The Trusts are exposed to credit risk, which is the risk that a counter party will be unable to pay the amounts in full when they fall due. The main concentration of credit risk, to which the Trusts are exposed, arises from the Trusts' investments in unlisted unit trusts. The Trusts are also exposed to a counterparty credit risk on cash and cash equivalents and other receivables.

(i) Unlisted Unit Trusts

The credit risk arising on investments in unlisted unit trusts is mitigated by investing with QIC who is well recognised and has a proven track record of delivering on its stated investment objectives. Continual monitoring of QIC by the Public Trustee is also carried out on an ongoing basis.

QIC separately carries out extensive due diligence on any proposed underlying investment managers prior to making an investment allocation to ensure these managers are well recognised and have a proven track record of delivering on their stated investment objectives.

(ii) Cash and Cash Equivalents

The exposure to credit risk for cash and cash equivalents is traditionally low across counterparties with an average rating of BBB (as determined by Standard and Poor's) or higher. When considering the broader fixed income portfolio however, Funds may invest in high yield or sub-investment grade assets where risk and return metrics are attractive. Any investments in high yield securities are subject to concentration and overall exposure limits as described in each Fund's Information Memorandum.

(d) Liquidity Risk

Liquidity risk is the risk that the Trusts may not be able to generate sufficient cash resources to settle its obligations in full as they fall due, or can only do so on terms that are materially disadvantageous.

The Growth Trust invests primarily in the QIC Long Term Diversified Fund and manages liquidity by maintaining an investment range of between 0.0% and 1.0% of its assets in cash, either in the QIC Cash Enhanced Fund or cash at bank. At reporting date all cash is held within the Trust's bank account.

The AFCT invests in the QIC Long Term Diversified Fund, the QIC Diversified Australian Equities Fund and the QIC Short Term Income Fund, and manages liquidity by maintaining an investment range of between 0.0% and 1.0% of its assets in cash.

The Growth Trust and the AFCT are exposed to cash redemptions of redeemable units twice weekly and twice monthly respectively during the financial year. Investments in unlisted unit trusts expose the Trusts to the risk that the manager of those unlisted unit trusts may be unwilling or unable to fulfil the redemption requests within the timeframe requested by the Trusts.

In order to manage the Trusts' overall liquidity, the Public Trustee has the discretion to defer or adjust redemption of units in the best interests of unitholders. Units are redeemed on demand at the unitholder's option (except as noted above). Accordingly, the Trusts' non-derivative financial liabilities contractual maturity is classified within one month. However, the Public Trustee does not envisage that the contractual maturity will be representative of the actual cash outflows, as holders of these financial assets typically retain them for the medium to long term.

12. Financial Performance for 2022-23

The performance of the Public Trustee Investment Trusts for the financial year ended 30 June 2023 was impacted by central banks globally rapidly raising interest rates to fight inflation. This had a positive impact to the performance of investments linked to the cash rate, however higher interest rates on longer term fixed interest securities had a negative impact on performance. The strong performance of equities, both domestically and internationally provided for strong returns from the Trusts' diversified investment strategies in the underlying QIC Funds .

The Trusts are required to distribute all taxable income received but the distribution amount will vary between distribution periods and is not guaranteed. There may be times when a distribution is not made by the QIC Funds and/or the Trusts.

The Growth Trust

The investment objective of the Growth Trust is CPI plus a margin of 2.4% per annum after fees on a rolling five year basis. The investment strategy to meet the investment objective is to invest in the QIC Long Term Diversified Fund (LTDF).

For the financial year ended 30 June 2023 the investment performance of the Growth Trust was 7.85% (2022: -6.93%).

The AFCT

The investment objective of the AFCT is CPI plus a margin of 1.4% per annum after fees on a rolling ten year basis. The investment strategy of the AFCT is to invest in a range of QIC Funds with the objective to maintain the real value of the capital invested and to provide for distributions of 2.5% per annum over rolling ten year period.

For the financial year ended 30 June 2023 the investment performance of the AFCT was 9.15% (2022: -7.19%) after fees.

The investment performance of the underlying QIC Funds was as follows:

QIC Fund	Benchmark Asset Allocation	12 Month Return to 30 June 2023
Diversified Australian Equities Fund	50%	12.75%
Long Term Diversified Fund	40%	9.48%
Short Term Income Fund	10%	3.87%

13. Events Occurring after the Reporting Period

There were no significant events that have occurred since the end of the reporting period which would impact on the financial position of the Trusts disclosed in the statement of financial position as at 30 June 2023 or on the results and cash flows of the Trusts for the period ended on that date.

14. Contingent Assets and Liabilities and Commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2023.

OTHER INFORMATION

15. Key Management Personnel

(a) Trustee

The trustee of the Trusts is the Public Trustee of Queensland.

(b) Details of Key Management Personnel (KMP)

KMP that held positions of authority and responsibility for planning, directing and controlling the activities of the Trust during the financial year (and the previous financial year where relevant), unless otherwise stated, were key management personnel of the Public Trustee comprising:

Position	Responsibilities
The Public Trustee of Queensland	The Public Trustee of Queensland is responsible for administering the fiduciary obligations of the Trusts.
Executive Director, Investment & Finance Services & CFO	The Executive Director, Investment and Finance Services & CFO is responsible for the strategic direction of the Trusts.
Director, Investment Advisory and Taxation Services	The Director, Investment Advisory and Taxation Services is responsible for the operational management of the Trusts.

16. Related Party Transactions

(i) Transactions with people/entities related to Key Management Personnel

No key management personnel had any personal unit holdings or transactions with the Trusts and no compensation was directly attributable to key management personnel.

(ii) Trustee Fees and Other Transactions

Under the terms of the Trust Deed and product information statements, the Public Trustee is entitled to receive Trustee fees, calculated daily on the Trusts' net asset value and paid monthly in arrears.

The annual Trustee fees for the Trusts are as follows:

- Growth Trust (including GST and reduced by Reduced Input Tax Credits [RITC's]) - 1.52% (2022: 1.52%)
- AFCT (including GST and reduced by RITCs) - 0.79% (2022: 0.79%)

16. Related Party Transactions (continued)

(ii) Trustee Fees and Other Transactions (continued)

Growth Trust

The Trustee fee is charged by the Public Trustee for acting as Trustee and managing the Growth Trust. This fee includes QIC's investment management fee for each of the QIC Funds and all expenses incurred by the Public Trustee on behalf of the Growth Trust including accounting, auditing, fund administration and registry expenses.

The Trustee fee accrues daily based on the net asset value of the Growth Trust and is reflected in the unit price. It is paid monthly in arrears from the assets of the Growth Trust.

The Trustee fee does not cover any direct QIC Fund expenses, such as external investment managers' fees which are paid directly by QIC and are deducted from the assets of the applicable underlying QIC Fund.

Trustee fee rebates are provided to investors of the Growth Trust holding more than $100,000. This rebate is calculated based on the value of each investor's holding at the close of each month. The tiered Trustee fee rebate structure is as below:

	30 June 2023	30 June 2022
Net asset value	**Rebate%**	**Rebate%**
First $100,000	-	-
Next $150,000	0.15%	0.15%
Next $250,000	0.40%	0.40%
Next $500,000	0.45%	0.45%
Next $9M	0.85%	0.85%
Next $15M	1.00%	1.00%
Over $25M	1.05%	1.05%

AFCT

The Trustee fee paid to the Public Trustee covers Public Trustee expenses only. All other expenses pertaining to the AFCT are paid directly by the AFCT and are not included in the Trustee fee.

Trustee fee rebates do not apply to the AFCT.

17. Taxation

(i) Income Tax

The Trusts are not subject to income tax as unitholders are presently entitled to the income of the Trust. The benefit of imputation credits and foreign tax paid are passed on to unitholders.

(ii) Goods and Services Tax (GST)

GST incurred on the costs of various services provided to the Trusts such as trustee fees have been passed onto the Trusts. The Trusts qualify for RITCs at a rate of 55% (2022: 55%).

Expenses have been recognised in profit or loss net of GST. The amount of GST recoverable from the Australian Taxation Office (ATO) is included in receivables in the statement of financial position.

18. First Year Application of New Accounting Standards or Change in Accounting Policy

Voluntary Changes in Accounting Policy

The Trusts did not voluntarily change any of its accounting policies for 2022-23.

Accounting Standards Early Adopted

No Australian Accounting Standards have been early adopted for 2022-23.

Accounting Standards Applied for the First Time

No new accounting standards or interpretations that apply to the Trusts for the first time in 2022-23 had any material impact on the financial statements.

19. Future Impact of Accounting Standards Not Yet Effective

At the date of authorisation of the financial report, there are no material impacts arising from any Australian accounting standards and interpretations issued and not yet effective.

20. Environment, Social and Governance (ESG) Disclosure

QIC as Investment Manager for the Trusts seeks to integrate ESG factors into their investment decision making and ownership practices to achieve long-term investment outcomes for their clients.

Where possible, in addition to meeting the required investment criteria and financial returns (within the appropriate risk parameters), QIC considers ESG issues in the context of the QIC Funds. QIC does this in accordance with its Responsible Investment Policy and Proxy Voting Standards and the relevant ESG guidelines applicable to the QIC Funds, all of which are available at *https://www.qic.com.au/about-qic/corporate-information/responsible-investment*. As trustee of the Trusts, the Public Trustee is not responsible for the day to day investment decisions relating to the Investment Trusts nor consideration of ESG factors in these decisions.

The Public Trustee of Queensland Investment Trusts

The Public Trustee of Queensland's Declaration

Year ended 30 June 2023

In the opinion of the Public Trustee of Queensland:

a) These general purpose financial statements have been prepared pursuant to the Trust Deed Poll and any Supplemental Trust Deed Polls, the *Public Trustee Act 1978* (the Act) and other prescribed requirements;

b) The prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and

c) The financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Trusts for the financial year ended 30 June 2023 and of the financial position of the Trusts as at the end of that year.

We acknowledge responsibility under section 7 and section 11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.

Albert Oberholzer
FCCA, CAANZ, GAICD, BCom Hons
Executive Director
Investment & Finance Services & CFO

Brisbane
28 August 2023

Samay Zhouand
BA LLB, GAICD
Public Trustee of Queensland
and CEO

Brisbane
28 August 2023

Queensland Audit Office
Better public services

INDEPENDENT AUDITOR'S REPORT

To the Trustee and Unit Holders of The Public Trustee of Queensland Investment Trusts (the trusts)

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of The Public Trustee of Queensland Investment Trusts

In my opinion, the financial report:

a) gives a true and fair view of the trusts' financial positions as at 30 June 2023, and their financial performance and cash flows for the year then ended

b) complies with the Trust Deed Poll of The Public Trustee of Queensland Growth Trust dated 10 July 1996, Trust Deed Poll of Australian Foundation for Charitable Trust dated 17 May 2021 and any Supplemental Trust Deed Polls and Australian Accounting Standards.

The financial report comprises the statements of financial position as at 30 June 2023, the statements of income and retained earnings, statements of cash flows for the year then ended, notes to the financial statements including material accounting policy information, and the trustee's declaration.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the trusts in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

Other information

Other information comprises the information included in the Public Trustee of Queensland's annual report for the year ended 30 June 2023 but does not include the financial report and my auditor's report thereon.

The Trustee is responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Responsibilities of the Trustee for the financial report

The trustee is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Trust Deed Poll of The Public Trustee of Queensland Growth Trust dated 10 July 1996, Trust Deed Poll of Australian Foundation for Charitable Trust dated 17 May 2021 and any Supplemental Trust Deed Polls and Australian Accounting Standards, and for such internal control as the trustee determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The trustee is also responsible for assessing the rusts' ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the trusts or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for forming an opinion on the effectiveness of the trusts' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trusts.

- Conclude on the appropriateness of the trusts' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the trusts' ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the trusts to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the trustee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

30 August 2023

D J Toma
as delegate of the Auditor-General

Queensland Audit Office
Brisbane