

# Agents Indemnity Fund

Financial report  
for the year ended  
30 June 2021



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## To the Commissioner for Consumer Affairs Consumer and Business Services, Attorney-General's Department

### Opinion

I have audited the financial report of the Agents Indemnity Fund for the financial year ended 30 June 2021.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Agents Indemnity Fund as at 30 June 2021, its financial performance and its cash flows for the year then ended in accordance with the relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2021
- a Statement of Financial Position as at 30 June 2021
- a Statement of Changes in Equity for the year ended 30 June 2021
- a Statement of Cash Flows for the year ended 30 June 2021
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Commissioner for Consumer Affairs, the Executive Director Finance, People and Performance and the General Manager, Corporate Services.

### Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and 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 Agents Indemnity Fund. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

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

### **Responsibilities of the Commissioner for Consumer Affairs for the financial report**

The Commissioner for Consumer Affairs is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Commissioner for Consumer Affairs is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Commissioner for Consumer Affairs is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

### **Auditor's responsibilities for the audit of the financial report**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 41(2) of the *Land Agents Act 1994* and section 43(2) of the *Conveyancers Act 1994*, I have audited the financial report of the Agents Indemnity Fund for the financial year ended 30 June 2021.

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 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 the 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 Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

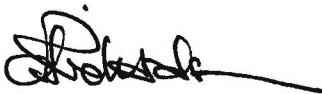
- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material 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 the purpose of

expressing an opinion on the effectiveness of the Agents Indemnity Fund's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commissioner for Consumer Affairs
- conclude on the appropriateness of the Commissioner of Consumer Affairs'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 entity'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 the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity 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.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Commissioner for Consumer Affairs about, 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 the audit.



Andrew Richardson  
**Auditor-General**  
29 October 2021

# **Agents Indemnity Fund**

## **Financial Statements**

For the year ended 30 June 2021

**Agents Indemnity Fund**  
**Certification of the Financial Statements**  
*for the year ended 30 June 2021*

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We certify that the:

- financial statements of the Agents Indemnity Fund:
  - are in accordance with the accounts and records of the department;
  - comply with relevant Treasurer's Instructions;
  - comply with relevant accounting standards; and
  - present a true and fair view of the financial position of the department at the end of the financial year and the result of its operation and cash flows for the financial year.
- internal controls employed by the Agents Indemnity Fund for the financial year over its financial reporting and its preparation of financial statements have been effective.



Dini Soulio  
Commissioner  
Consumer and Business Services  
**28** October 2021



Andrew Swanson FCPA  
Executive Director  
Finance, People & Performance  
Attorney-General's Department

**28** October 2021



Eleni Labadas  
General Manager, Corporate Services  
Consumer and Business Services  
**28** October 2021

**Agents Indemnity Fund**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2021*

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	Note	2021 \$'000	2020 \$'000
<b>Income</b>			
Interest and investment revenues	2.1	4 789	4 699
Net gain on revaluation of investments	2.2	4 003	-
Other income	2.3	386	399
<b>Total income</b>		<b>9 178</b>	<b>5 098</b>
<b>Expenses</b>			
Grants and subsidies	4.4	478	415
Compliance and administration	4.1	450	439
Claim expenses	4.3	206	114
Professional expenses	4.2	112	106
Net loss on revaluation of investments	2.2	-	2 558
Other expenses	4.5	24	27
<b>Total expenses</b>		<b>1 270</b>	<b>3 659</b>
<b>Net result</b>		<b>7 908</b>	<b>1 439</b>
<b>Total comprehensive result</b>		<b>7 908</b>	<b>1 439</b>

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

**Agents Indemnity Fund**  
**Statement of Financial Position**  
*for the year ended 30 June 2021*

	Note	2021 \$'000	2020 \$'000
<b>Current assets</b>			
Cash and cash equivalents	5.1	9 484	10 332
Receivables	5.2	3 057	1 209
Investments	5.3	52 076	51 814
<b>Total current assets</b>		<b>64 617</b>	<b>63 355</b>
<b>Non-current assets</b>			
Investments	5.3	97 344	90 563
<b>Total non-current assets</b>		<b>97 344</b>	<b>90 563</b>
<b>Total assets</b>		<b>161 961</b>	<b>153 918</b>
<b>Current liabilities</b>			
Payables	6.1	222	87
<b>Total current liabilities</b>		<b>222</b>	<b>87</b>
<b>Total liabilities</b>		<b>222</b>	<b>87</b>
<b>Net assets</b>		<b>161 739</b>	<b>153 831</b>
<b>Equity</b>			
Retained earnings		161 739	153 831
<b>Total equity</b>		<b>161 739</b>	<b>153 831</b>

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.



**Agents Indemnity Fund**  
**Statement of Changes in Equity**  
*for the year ended 30 June 2021*

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	Retained earnings \$'000	Total equity \$'000
<b>Balance at 1 July 2019</b>	<b>152 392</b>	<b>152 392</b>
Net result for 2019-20	1 439	1 439
<b>Total comprehensive result for 2019-20</b>	<b>1 439</b>	<b>1 439</b>
<b>Balance at 30 June 2020</b>	<b>153 831</b>	<b>153 831</b>
Net result for 2020-21	7 908	7 908
<b>Total comprehensive result for 2020-21</b>	<b>7 908</b>	<b>7 908</b>
<b>Balance at 30 June 2021</b>	<b>161 739</b>	<b>161 739</b>

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

**Agents Indemnity Fund**  
**Statement of Cash Flows**  
*for the year ended 30 June 2021*

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	2021	2020
	Inflows (Outflows)	Inflows (Outflows)
Note	\$'000	\$'000
<b>Cash flows from operating activities</b>		
<b>Cash inflows</b>		
Interest receipts	282	3 045
Other receipts	5	2
<b>Cash generated from operating activities</b>	<b>287</b>	<b>3 047</b>
<b>Cash outflows</b>		
Compliance and administration	(436)	(371)
Grants and subsidies	(372)	(568)
Claims	(206)	(114)
Professional costs	(111)	(106)
Other payments	(10)	(29)
<b>Cash used in operating activities</b>	<b>(1 135)</b>	<b>(1 188)</b>
<b>Net cash provided by / (used in) operating activities</b>	<b>(848)</b>	<b>1 859</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(848)</b>	<b>1 859</b>
Cash and cash equivalents at the beginning of the reporting period	10 332	8 473
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>9 484</b>	<b>10 332</b>

5.1

**Agents Indemnity Fund**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

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# **Agents Indemnity Fund**

## **Notes to and forming part of the financial statements**

### ***for the year ended 30 June 2021***

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#### **1. About the Agents Indemnity Fund**

The Agents Indemnity Fund (the AIF) is established under section 29(1) of the *Land Agents Act 1994* and section 31(1) of the *Conveyancers Act 1994*, and is a not-for-profit entity. The financial statements are required by section 41(2) of the *Land Agents Act 1994* and section 43(2) of the *Conveyancers Act 1994*, and include income, expenses, assets and liabilities which the Commissioner for Consumer Affairs (the Commissioner) administers on behalf of the SA Government.

The AIF does not control any other entity and has no interest in unconsolidated structured entities.

#### **1.1. Basis of preparation**

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards.

The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

The Commissioner is liable for goods and services tax (GST). GST collections and payments are carried out by the Attorney-General's Department (AGD) on behalf of the AIF. GST in relation to the AIF is reported in the AGD Controlled Financial Statements.

Income, expenses, assets, receivables and liabilities are recognised net of the amount of GST.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Where asset and liability line items combine amounts expected to be realised within 12 months and more than 12 months, the AIF has separately disclosed the amounts expected to be recovered or settled after more than 12 months.

#### **1.2. Objectives and programs**

The AIF is regulated by the *Land Agents Act 1994* (the Act) and the *Conveyancers Act 1994* and is administered by the Commissioner for Consumer Affairs. It exists to provide compensation for persons who have suffered financial loss as a result of fiduciary default of a land agent or conveyancer and who have no reasonable prospect of recovering the full amount of that loss other than from the AIF.

The AIF's main sources of income are from interest paid to the AIF from Land Agents and Conveyancers trust accounts and interest and distributions derived from the investment of AIF assets in accordance with section 29(2) of the *Land Agents Act 1994*.

**Agents Indemnity Fund**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

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**1.3. Significant transactions with government related entities**

There were no significant transactions with government related entities in 2020-21.

**1.4. Impact of COVID-19 pandemic on the AIF**

There has been no material impact on the operations of the AIF due to the COVID-19 pandemic.

**2. Income**

**2.1. Interest and Investment revenue**

	2021	2020
	\$'000	\$'000
Distributions from investments held with Public Trustee	4 523	1 664
Interest from Agents & Conveyancers Trust Accounts	189	2 468
Interest on investments held with Public Trustee	74	520
Interest from the Department of Treasury and Finance	3	47
<b>Total interest and investment revenues</b>	<b>4 789</b>	<b>4 699</b>

**2.2. Gain/(loss) on revaluation of investments**

	2021	2020
	\$'000	\$'000
Net gain/(loss) on revaluation of investments	4 003	(2 558)
<b>Total net gain on revaluation of investments</b>	<b>4 003</b>	<b>(2 558)</b>

**2.3. Other income**

	2021	2020
	\$'000	\$'000
Management fee recovery	382	397
Sundry recoveries	4	2
<b>Total other income</b>	<b>386</b>	<b>399</b>

**Agents Indemnity Fund**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

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**3. Board, committees and employees**

**3.1. Key management personnel**

Key management personnel of the AIF include the Minister and the Commissioner for Consumer Affairs. The compensation received by the Commissioner is included in the controlled financial statements of AGD.

The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively, and are payable from the Consolidated Account (via Department of Treasury and Finance) under section 6 of the *Parliamentary Remuneration Act 1990*.

**Transactions with key management personnel and other related parties**

The AIF did not enter into any transactions with key management personnel and or their close family during the reporting period.

**Agents Indemnity Fund**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

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**4. Expenses**

**4.1. Compliance and administration**

	2021	2020
	\$'000	\$'000
Compliance and administration expenses	450	439
<b>Total compliance and administration</b>	<b>450</b>	<b>439</b>

Compliance and administration expenses of the AIF include payments made to the AGD under section 31(2)(e) of the *Conveyancers Act 1994* and section 29(4)(e) of the *Land Agents Act 1994* as reimbursement for administering the AIF. All payments made from the AIF must meet the requirements in section 31 of the *Conveyancers Act 1994* and section 29 of the *Land Agents Act 1994*. Administration expenses include salaries and wages paid/payable to Consumer and Business Services for administering the AIF.

**4.2. Professional expenses**

	2021	2020
	\$'000	\$'000
Legal and other professional costs	112	106
<b>Total professional expenses</b>	<b>112</b>	<b>106</b>

Professional costs of the AIF represent expenses associated with audits of land agent and conveyancers trust accounts.

**4.3. Claims**

	2021	2020
	\$'000	\$'000
Claim expenses	206	114
<b>Total claim expenses</b>	<b>206</b>	<b>114</b>

Claim expenses of the AIF represent compensation payments authorised to be made to persons who have suffered financial loss as a result of fiduciary default of a land agent or conveyancer and who have no reasonable prospect of recovering the full amount of that loss other than from the AIF per section 32 of the *Conveyancers Act 1994* and section 30 of the *Land Agents Act 1994*.

**4.4. Grants and subsidies**

	2021	2020
	\$'000	\$'000
Grants	478	415
<b>Total grants and subsidies</b>	<b>478</b>	<b>415</b>

For grants payable, the grant will be recognised as a liability and expense when the entity has a present obligation to pay the grant and expense recognition criteria are met.

Grants can be either for general assistance or a particular purpose and will usually be subject to terms and conditions set out in a contract, correspondence, or by legislation governing the contribution.

Under section 31(2)(f)(i) of the *Conveyancers Act 1994* and section 29(4)(f)(i) of the *Land Agents Act 1994* the Commissioner for Consumer Affairs may make payments from the AIF for prescribed education programs.

**Agents Indemnity Fund**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

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**4.5. Other expenses**

	2021	2020
	\$'000	\$'000
<b>4.5: Other expenses</b>		
Audit fee *	12	11
Other	12	16
<b>Total other expenses</b>	<u>24</u>	<u>27</u>

\* Audit fees paid/payable to the Auditor-General relates to work performed under the *Public Finance and Audit Act 1987*.  
No other services were provided by the Auditor-General's Department.



**Agents Indemnity Fund**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

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**5. Financial assets**

**5.1. Cash and cash equivalents**

	2021	2020
	\$'000	\$'000
Deposits with the Treasurer	9 484	10 332
<b>Total cash and cash equivalents</b>	<b>9 484</b>	<b>10 332</b>

Cash is measured at nominal value.

**5.2. Receivables**

	2021	2020
	\$'000	\$'000
<b>Current</b>		
Accrued interest and distributions	3 035	1 097
Accrued interest from Trust Accounts	22	112
<b>Total current receivables</b>	<b>3 057</b>	<b>1 209</b>
<b>Total receivables</b>	<b>3 057</b>	<b>1 209</b>

Receivables related to accrued interest on investments and distributions held with the Department of Treasury and Finance, Public Trustee and trust accounts. They are held with the objective of collecting the contractual cash flows and measured at amortised cost.

It is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk. Refer to note 9.2 for further information on risk management.

**Agents Indemnity Fund**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

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**5.3. Investments**

	2021	2020
	\$'000	\$'000
<b>Current</b>		
Funds invested with the Public Trustee	52 076	51 814
<b>Total current investments</b>	<u>52 076</u>	<u>51 814</u>
<b>Non-current</b>		
Funds invested with the Public Trustee	97 344	90 563
<b>Total non-current investments</b>	<u>97 344</u>	<u>90 563</u>
<b>Total investments</b>	<u><u>149 420</u></u>	<u><u>142 377</u></u>

Investments represent funds deposited with the Public Trustee. These investments have been classified as investments held at fair value through profit and loss as they are held with the intention to dispose of the asset if required to ensure sufficient cash flow to meet claims on the AIF.

Investments are made by way of notional unit holdings in a selection of common funds managed by the Public Trustee. The proportion of unit holdings is dependent upon the investment strategy adopted.

As at 30 June 2021 the AIF held investments in common funds in the following proportions:

Cash	34.16%
Net Liabilities/Receivables	1.99%
Balanced	34.59%
Capital Stable	29.26%

Investments are measured at fair value in accordance with unit prices at balance date as advised by the Public Trustee.

Investments are classified as either current or non-current. The current investments are the Cash Investments Strategy and the non-current investments are the Balanced and Capital Stable Investments Strategy.

Revaluation increments and decrements are recognised at fair value through profit and loss. The fair value of assets traded in active markets are based on quoted market prices for identical assets at balance date.

For further information on risk management refer to note 9.2.

**Agents Indemnity Fund**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

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**6. Liabilities**

**6.1. Payables**

	2021	2020
	\$'000	\$'000
<b><u>Current</u></b>		
Accrued expenses	222	87
<b>Total current payables</b>	<u>222</u>	<u>87</u>
<b>Total payables</b>	<u>222</u>	<u>87</u>

**Interest rate and credit risk**

Payables and accruals are raised for all amounts owing but unpaid. Sundry payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

**Agents Indemnity Fund**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

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**7. Other disclosures**

**7.1. Cash flow reconciliation**

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

	2021	2020
	\$'000	\$'000
<b>Reconciliation of cash and cash equivalents at the end of the reporting period</b>		
Cash and cash equivalents disclosed in the Statement of Financial Position	9 484	10 332
<b>Balance as per the Statement of Cash Flows</b>	<b>9 484</b>	<b>10 332</b>
<b>Reconciliation of net cash provided by/(used in) operating activities to net result from providing services</b>		
Net cash provided by/(used in) operating activities	(848)	1 859
<b>Add / (less) non-cash items</b>		
Interest from Public Trustee investments	74	520
Distributions from Public Trustee investments	4 523	1 664
Management fee recovery	382	397
Gain/(loss) on revaluation of investments	4 003	(2 558)
<b>Movement in assets and liabilities</b>		
Increase/(Decrease) in receivables	(91)	(530)
(Increase)/Decrease in payables	(135)	87
<b>Net result</b>	<b>7 908</b>	<b>1 439</b>

**Agents Indemnity Fund**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

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**8. Outlook**

**8.1. Unrecognised contractual commitments**

Commitments include operating, capital and outsourcing arrangements arising from contractual or statutory sources and are disclosed at their nominal value.

The AIF has no commitments contracted for at the reporting date not recognised as liabilities.

**8.2. Contingent assets and liabilities**

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

The AIF has an estimated contingent obligation to pay \$1 055 000 (2020: \$1 698 000) relating to anticipated future claims against the Fund.

The AIF is not aware of any contingent assets at the reporting date.

**8.3. Impact of standards and statements not yet effective**

The AIF has assessed the impact of new and changed Australian Accounting Standards Board Standards and Interpretations not yet effective and has determined there will be no financial impact arising from them.

**8.4. COVID-19 pandemic outlook for the AIF**

The COVID-19 pandemic is not expected to have a material impact on the operations of the AIF in 2021-22.

**8.5. Events after reporting period**

There are no known events after balance date that affects these financial statements.

# Agents Indemnity Fund

## Notes to and forming part of the financial statements

### For the year ended 30 June 2021

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## 9. Measurement and risk

### 9.1. Fair value

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset or be paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

#### Fair value hierarchy

The AIF classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation.

- Level 1: traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2: not traded in an active market and are derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly.
- Level 3: not traded in an active market and are derived from unobservable inputs.

Investments are held at level 2. There were no reclassifications during the year, and there were no changes in valuation technique.

#### Measurement

Refer to Note 5.3.

### 9.2. Financial instruments

#### Financial risk management

AIF risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

The AIF's exposure to financial risk (liquidity risk, credit risk and market risk) is low due to the nature of the financial instruments held.

#### Market and credit risk

All cash balances and cash common funds held with the Public Trustee are available at call. Investments held with the Public Trustee are classified as 'fair value through profit and loss' financial assets. Net gains or losses resulting from movements in the fair value of investments are recognised through the profit and loss.

Investments represent funds held by the Public Trustee. The Public Trustee has invested in collective investment vehicles for the purpose of gaining exposure to Australian and international equities. The managers of such vehicles have invested in a variety of financial instruments which expose the AIF to investment risks, including market, credit, interest and currency risk. At reporting date funds totalling \$149.4 million were invested with the Public Trustee. Pooled investment funds are not rated for credit risk. The Public Trustee considers the credit risk of individual fund managers prior to investing funds and reviews these assessments quarterly.

Other than pooled investments, the AIF has no significant concentration of credit risk.

The AIF is exposed to price risk. Price risk represents the risk that the fair value of investments held with the Public Trustee will fluctuate due to changes in the market price for the underlying asset.

Cash is also subject to interest rate risk.

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

**Agents Indemnity Fund**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

**9.2. Financial instruments (continued)**

**Impairment of financial assets**

The AIF considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties and therefore the expected credit loss is nil.

The expected credit loss of government debtors is considered to be nil based on the external credit ratings and nature of the counterparties.

**Categorisation of financial instruments**

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset and financial liability are disclosed in the respective financial asset/ financial liability note.

**Classification of financial instruments**

	Note	Carrying amount / fair value \$'000	2021 Contractual	
			Less than 1 year \$'000	1-5 years \$'000
<b>Financial assets</b>				
<b>Cash and cash equivalents</b>				
Cash and cash equivalents	5.1	9 484	9 484	-
<b>Fair value through profit and loss</b>				
Investments	5.3	149 420	52 076	97 344
<b>Financial assets at amortised cost</b>				
Receivables	5.2	3 057	3 057	-
<b>Total financial assets</b>		<b>161 961</b>	<b>64 617</b>	<b>97 344</b>
<b>Financial liabilities</b>				
<b>Financial liabilities at amortised cost</b>				
Payables	6.1	210	210	-
<b>Total financial liabilities</b>		<b>210</b>	<b>210</b>	<b>-</b>

	Note	Carrying amount / fair value \$'000	2020 Contractual	
			Less than 1 year \$'000	1-5 years \$'000
<b>Financial assets</b>				
<b>Cash and cash equivalents</b>				
Cash and cash equivalents	5.1	10 332	10 332	-
<b>Fair value through profit and loss</b>				
Investments	5.3	142 377	51 814	90 563
<b>Financial assets at amortised cost</b>				
Receivables	5.2	1 209	1 209	-
<b>Total financial assets</b>		<b>153 918</b>	<b>63 355</b>	<b>90 563</b>
<b>Financial liabilities</b>				
<b>Financial liabilities at amortised cost</b>				
Payables	6.1	76	76	-
<b>Total financial liabilities</b>		<b>76</b>	<b>76</b>	<b>-</b>

**Agents Indemnity Fund**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

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**9.2. Financial Instruments (continued)**

**Receivables and payables**

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth, State and Local Government taxes, fees and charges and Auditor-General's Department audit fees). In government, certain rights to receive or pay cash may not be contractual and therefore, in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents, they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost.