



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Clinical Education and Training Institute

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Clinical Education and Training Institute (the Institute), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the Institute and the consolidated entity. The consolidated entity comprises the Institute and the entities it controlled at the year's end or from time to time during the financial year.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Institute and the consolidated entity, as at 30 June 2011, and of the financial performance for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 45E of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010

My opinion does not extend to the budget information. I have not audited the budget figures disclosed in the statement of comprehensive income, the statement of changes in equity, the statement of financial position and the statement of cash flows.

My opinion should be read in conjunction with the rest of this report.

Chief Executive's Responsibility for the Financial Statements

The Chief Executive is responsible for the preparation and fair presentation of financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Chief Executive determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Chief Executive, as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

- about the future viability of the Institute or the consolidated entity
- that they have carried out their activities effectively, efficiently and economically
- about the effectiveness of their internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.



Peter Achterstraat
Auditor-General

30 September 2011
SYDNEY

DOC11/9681

28 September 2011

Certification of Financial Statements as at 30 June 2011

Pursuant to Section 45F of the Public Finance and Audit Act 1983, we state that to the best of our knowledge:

(i) The financial statements of the Clinical Education and Training Institute for the year ended 30 June 2011 have been prepared in accordance with:

- the requirements of applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the Public Finance and Audit Act 1983 and its regulations
- Health Services Act 1997 and its regulations
- Accounts and Audit Determinations

(ii) The financial statements present fairly the financial position and transactions of the Clinical Education and Training Institute.

(iii) There are no circumstances which would render any particulars in the accounts to be misleading or inaccurate.



Steven Boyages
MB BS PhD DDU FRACP FAFPHM
Chief Executive

CLINICAL EDUCATION AND TRAINING INSTITUTE

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2011

PARENT			CONSOLIDATION	
Actual	Budget unaudited	Notes	Actual	Budget unaudited
2011 \$000	2011 \$000		2011 \$000	2011 \$000
Expenses excluding losses				
Operating Expenses				
520	0	Employee Related 3	4,718	0
4,198	4,974	Personnel Services 4	0	4,974
3,163	3,375	Other Operating Expenses 5	3,163	3,375
58	42	Depreciation and Amortisation 2(h), 6	58	42
2,674	2,910	Grants and Subsidies 7	2,674	2,910
<u>10,614</u>	<u>11,301</u>	Total Expenses excluding losses	<u>10,614</u>	<u>11,301</u>
Revenue				
310	0	Sale of Goods and Services 8	310	0
207	0	Interest Income 9	207	0
146	230	Conferences, Course Income and Other Revenue 10	146	230
<u>663</u>	<u>230</u>	Total Revenue	<u>663</u>	<u>230</u>
(6)	0	Gain/(Loss) on Disposal 11 a)	(6)	0
(53)	0	Other Gains/(Losses) 11 b)	(53)	0
<u>10,010</u>	<u>11,071</u>	Net Cost of Services 20	<u>10,010</u>	<u>11,071</u>
Government Contributions				
12,881	12,881	NSW Department of Health Recurrent Allocations 21	12,881	12,881
153	10	Acceptance by the Crown Entity of Employee Benefits 2 a)ii)	153	10
<u>13,034</u>	<u>12,891</u>	Total Government Contributions	<u>13,034</u>	<u>12,891</u>
<u>3,024</u>	<u>1,820</u>	RESULT FOR THE YEAR	<u>3,024</u>	<u>1,820</u>
0	0	Other Comprehensive Income for the year	0	0
<u>3,024</u>	<u>1,820</u>	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>3,024</u>	<u>1,820</u>

The accompanying notes form part of these financial statements.

CLINICAL EDUCATION AND TRAINING INSTITUTE

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

PARENT			CONSOLIDATION		
Actual	Budget unaudited	Notes	Actual	Budget unaudited	
2011	2011		2011	2011	
\$000	\$000		\$000	\$000	
ASSETS					
Current Assets					
5,090	3,527	Cash and Cash Equivalents	13	5,090	3,527
770	71	Receivables	14	770	71
<u>5,860</u>	<u>3,598</u>	Total Current Assets	<u>5,860</u>	<u>3,598</u>	
Non-Current Assets					
Property, Plant and Equipment					
82	102	- Leasehold	15 a)	82	102
363	132	- Plant and Equipment	15 a)	363	132
<u>445</u>	<u>234</u>	Total Property, Plant and Equipment	<u>445</u>	<u>234</u>	
<u>445</u>	<u>234</u>	Total Non-Current Assets	<u>445</u>	<u>234</u>	
<u>6,305</u>	<u>3,832</u>	Total Assets	<u>6,305</u>	<u>3,832</u>	
LIABILITIES					
Current Liabilities					
998	2,296	Payables	16	998	2,296
502	298	Provisions	17	502	298
461	0	Other	18	461	0
<u>1,961</u>	<u>2,594</u>	Total Current Liabilities	<u>1,961</u>	<u>2,594</u>	
Non-Current Liabilities					
0	32	Provisions		0	32
<u>0</u>	<u>32</u>	Total Non-Current Liabilities	<u>0</u>	<u>32</u>	
<u>1,961</u>	<u>2,626</u>	Total Liabilities	<u>1,961</u>	<u>2,626</u>	
<u>4,344</u>	<u>1,206</u>	Net Assets	<u>4,344</u>	<u>1,206</u>	
EQUITY					
0	0	Reserves		0	0
4,344	1,206	Accumulated Funds		4,344	1,206
<u>4,344</u>	<u>1,206</u>	Total Equity	<u>4,344</u>	<u>1,206</u>	

The accompanying notes form part of these financial statements.

CLINICAL EDUCATION AND TRAINING INSTITUTE

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2011

PARENT			CONSOLIDATION	
Actual	Budget	Notes	Actual	Budget
2011	unaudited		2011	unaudited
\$000	2011		\$000	2011
	\$000			\$000
0	0	Balance at 1 July 2010	0	0
3,024	0	Result For The Year	3,024	0
		Other Comprehensive Income:		
0	0	Net Increase/(Decrease) in Property, Plant & Equipment	0	0
		Available for Sale Financial Assets:		
0	0	-Valuation Gains/(Losses)	0	0
0	0	-Transfers on Disposal	0	0
0	0	Changes in Restoration Liability	0	0
0	0	Other	0	0
<u>0</u>	<u>0</u>	Total Other Comprehensive Income	<u>0</u>	<u>0</u>
<u>3,024</u>	<u>0</u>	Total Comprehensive Income For The Year	<u>3,024</u>	<u>0</u>
		Transactions With Owners In Their Capacity As Owners		
1,206	1,206	Increase/(Decrease) in Net Assets From Equity Transfers 19 a)	1,206	1,206
114	0	Acceptance by the Crown at 31 December 2010 19 b)	114	0
<u>4,344</u>	<u>1,206</u>	Balance at 30 June 2011	<u>4,344</u>	<u>1,206</u>

The accompanying notes form part of these financial statements.

CLINICAL EDUCATION AND TRAINING INSTITUTE

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2011

PARENT			CONSOLIDATION	
Actual	Budget unaudited		Actual	Budget unaudited
2011	2011	Notes	2011	2011
\$000	\$000		\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
(4,259)	(2,910)	Employee Related	(4,259)	(4,974)
(2,674)	0	Grants and Subsidies	(2,674)	(2,910)
(3,090)	(8,349)	Other	(3,090)	(3,375)
<u>(10,023)</u>	<u>(11,259)</u>	Total Payments	<u>(10,023)</u>	<u>(11,259)</u>
Receipts				
310	170	Sale of Goods and Services	310	170
207	60	Interest Received	207	60
146	0	Conferences, courses and other income	146	0
<u>663</u>	<u>230</u>	Total Receipts	<u>663</u>	<u>230</u>
Cash Flows From Government				
12,881	12,881	NSW Department of Health Recurrent Allocations	12,881	12,881
0	(10)	Cash Reimbursements from the Crown Entity	0	(10)
<u>12,881</u>	<u>12,871</u>	Net Cash Flows From Government	<u>12,881</u>	<u>12,871</u>
<u>3,521</u>	<u>1,842</u>	NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>3,521</u>	<u>1,842</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
32	0	Proceeds from sale of plant & equipment	32	0
(317)	0	Purchases of Plant and Equipment	(317)	0
<u>(285)</u>	<u>0</u>	NET CASH FLOWS FROM INVESTING	<u>(285)</u>	<u>0</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
<u>0</u>	<u>0</u>	NET CASH FLOWS FROM FINANCING	<u>0</u>	<u>0</u>
3,236	1,842	NET INCREASE / (DECREASE) IN CASH	3,236	1,842
0	0	Opening Cash and Cash Equivalents	0	0
1,855	1,685	Cash Transferred In/(Out) as a Result of Equity Transfers	1,855	1,685
<u>5,091</u>	<u>3,527</u>	CLOSING CASH & CASH EQUIVALENTS	<u>5,091</u>	<u>3,527</u>

The accompanying notes form part of these financial statements.

CLINICAL EDUCATION AND TRAINING INSTITUTE

Note 1 Clinical Education and Training Institute Reporting Entity

The Clinical Education and Training Institute was established as a Statutory Corporation in accordance with the Health Services Act 1997 with effect from 1 July 2010. As a reporting entity these financial statements comprise all the operating activities under its control. Clinical Education and Training Institute is a not-for-profit entity (as profit is not its principal objective).

The Clinical Education and Training Institute also controls the Clinical Education and Training Institute Special Purpose Service Entity which was established as a Division of the Government Service on 1 July 2010 in accordance with the Public Sector Employment and Management Act 2002 and the Health Services Act 1997. This Division provides personnel services to enable Clinical Education and Training Institute to exercise its functions.

The annual financial statements presented herein consist of the Clinical Education and Training Institute (as the parent entity), the financial statements of the special purpose entity division and the consolidated financial statements of the economic entity. Notes capture both the parent and consolidated values with notes 3, 4, 16, 17 and 20 being especially relevant.

In the process of preparing the consolidated financial statements for the economic entity consisting of the controlling and controlled entities, all inter-entity transactions and balances have been eliminated.

The reporting entity is consolidated as part of the NSW Department of Health and the NSW Total State Sector Accounts.

These consolidated financial statements for the year ended 30 June 2011 have been authorised for issue by the Chief Executive on 28 September 2011.

Note 2 Summary of Significant Accounting Policies

Basis of Preparation

Clinical Education and Training Institute's financial statements are general purpose financial statements which have been prepared in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the Public Finance and Audit Act 1983 and its regulations, the requirements of the Health Services Act 1997 and its regulations including observation of the Accounts and Audit Determination for Public Hospital Organisations.

Statement of Compliance

The consolidated and parent entity's financial statements comply with Australian Accounting Standards which include Australian Accounting Interpretations.

Property, plant and equipment, investment property, assets (or disposal groups) held for sale and financial assets at "fair value through profit and loss" and available for sale are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention.

The consolidated entity has a net cost of services of \$10,010,000. Notwithstanding that a deficiency exists the financial statements have been prepared on a going concern basis because the activities of the entity are controlled and underwritten by the New South Wales Department of Health.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

Judgments, key assumptions and estimations made by management are disclosed in the relevant notes to the financial statements.

No new or revised accounting standards or interpretations are adopted earlier than their prescribed date of application. Set out below are changes to be effected, their date of application and the possible impact on the financial statements of the Clinical Education and Training Institute.

Accounting Standards & Interpretations issued but not yet effective

AASB 2010-07, *Financial Instruments*, arising from the issuance of AASB 9, *Financial Instruments*, in AASB 2009-5 in December 2010, has mandatory application from 1 July 2013 and will not be early adopted by the Clinical Education and Training Institute.

AASB 124 and AASB2009-12, *Related Party Transactions*, have application from 1 July 2011 but are assessed as having no material impact on the Clinical Education and Training Institute.

AASB 2009-14, *Amendments to Australian Interpretation -Prepayment of a Minimum Funding Requirement*, has application from 1 July 2011 and principally addresses contributions relating to future service. It has no impact on the Clinical Education and Training Institute.

AASB 1053 and AASB 2010-2, *Application of Tiers of Australian Accounting Standards*, have application from 1 July 2013 and may result in a lessening of reporting requirements, dependent on the mandate of Treasury.

AASB 2010-04, *Annual Improvements*, has application from 1 July 2011 and is assessed as having no material impact on the Clinical Education and Training Institute.

AASB 2010-5, *Editorial Corrections*, applies from 1 July 2011 and principally addresses editorial amendments to a range of Australian Accounting Standards and Interpretations. It is assessed as having no impact on the Clinical Education and Training Institute.

AASB 2010-6, *Disclosures on Transfers of Financial Assets*, has mandatory application from 1 July 2011 and is assessed as having no impact on the Clinical Education and Training Institute.

AASB 2010-8, *Deferred Tax:Recovery of Underlying Assets*, has mandatory application from 1 July 2012 but will have no impact on the Clinical Education and Training Institute.

AASB 2010-9, *Severe Hyperinflation and Removal of Fixed Dates for First Time Adopters*, has application from 1 July 2011 and is assessed as having no impact on the Clinical Education and Training Institute.

AASB 2010-10, *Removal of Fixed Dates for First Time Adopters*, has application from 1 July 2013 and is assessed as having no impact on the Clinical Education and Training Institute.

Note 2 a) Employee Benefits and Other Provisions

Note 2 a) i) Salaries & Wages, Annual Leave, Sick Leave and On-Costs

At the consolidated level of reporting, liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that are due to be settled within 12 months after the end of the period in which the employees render the service are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

All Annual Leave employee benefits are reported as "Current" as there is an unconditional right to payment. Current liabilities are then further classified as "Short Term" or "Long Term" based on past trends and known resignations and retirements. Anticipated payments to be made in the next twelve months are reported as "Short Term".

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

CLINICAL EDUCATION AND TRAINING INSTITUTE

Note 2 a) ii) Long Service Leave and Superannuation

Responsibility for Long Service Leave liability transferred to the Crown Entity with effect from 31 December 2010. As is the case with other Budget Sector agencies both the Defined Benefit Superannuation (State Authorities Superannuation Scheme and State Superannuation Scheme) and Long Service Leave liabilities are now assumed by the Crown Entity.

Long Service Leave is measured at present value in accordance with AASB119, *Employee Benefits*. This is based on the application of certain factors (specified in NSW Treasury Circular 11/06) to employees with five or more years of service, using current rates of pay. These approximate present value.

The Clinical Education and Training Institute's liability for the closed superannuation pool schemes (State Authorities Superannuation Scheme and State Superannuation Scheme) is assumed by the Crown Entity. The Clinical Education and Training Institute accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of Employee Benefits". Any liability attached to Superannuation Guarantee Charge cover is reported in Note 16, "Payables".

The superannuation expense for the financial year is determined by using the formulae specified by the NSW Department of Health. The expense for certain superannuation schemes (ie Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (ie State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

Note 2 a) iii) Other Provisions

Other provisions exist when Clinical Education and Training Institute has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Note 2 b) Insurance

The Clinical Education and Training Institute's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government Agencies. The expense (premium) is determined by the Fund Manager based on past claim experience.

Note 2 c) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of revenue are discussed below.

Sale of Goods

Revenue from the sale of goods is recognised as revenue when the agency transfers the significant risks and rewards of ownership of the assets.

Rendering of Services

Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

CLINICAL EDUCATION AND TRAINING INSTITUTE

Investment Revenue

Interest revenue is recognised using the effective interest method as set out in AASB139, Financial Instruments: Recognition and Measurement.

Debt Forgiveness

Debts are accounted for as extinguished when and only when settlement occurs through repayment or replacement by another liability.

NSW Department of Health Allocations

Payments are made by the NSW Department of Health on the basis of the allocation for the Clinical Education and Training Institute as adjusted for approved supplementations mostly for salary agreements and approved enhancement projects. This allocation is included in the Statement of Comprehensive Income before arriving at the "Result for the Year" on the basis that the allocation is earned in return for the Clinical Education and Training Institutes provided on behalf of the Department. Allocations are normally recognised upon the receipt of Cash.

Note 2 d) Accounting for the Goods & Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that:

- * the amount of GST incurred by the Clinical Education and Training Institute as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense and
- * receivables and payables are stated with the amount of GST included.

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

Note 2 e) Acquisition of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Clinical Education and Training Institute. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition. See also assets transferred as a result of an equity transfer Note 2 q).

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, ie the deferred payment amount is effectively discounted at an asset-specific rate.

Land and Buildings which are owned by the Health Administration Corporation or the State and administered by the Clinical Education and Training Institute are deemed to be controlled by the Clinical Education and Training Institute and are reflected as such in the financial statements.

Note 2 f) Capitalisation Thresholds

Individual items of property, plant & equipment are capitalised where their cost is \$10,000 or above.

CLINICAL EDUCATION AND TRAINING INSTITUTE

Note 2 g) Depreciation of Property, Plant and Equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Clinical Education and Training Institute. Land is not a depreciable asset. All material separately identifiable components of assets are depreciated over their shorter useful lives.

Details of depreciation rates applied for major asset categories are as follows:

Leased building improvements	20.0%
Computer Equipment	20%-30%
Motor Vehicle Sedans	12.5%-25%
Office Equipment	10%-20%
Plant and Machinery	10%-25%
Furniture, Fittings and Furnishings	5%-20%

Depreciation rates are subsequently varied where changes occur in the assessment of the remaining useful life of the assets reported.

Note 2 h) Revaluation of Non-Current Assets

Physical non-current assets are valued in accordance with the NSW Department of Health's "Valuation of Physical Non-Current Assets at Fair Value" policy. This policy adopts fair value in accordance with AASB116, *Property, Plant and Equipment*.

Property, plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

The Clinical Education and Training Institute will revalue its Leasehold at minimum every three years by independent valuation. Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation are separately restated.

For other assets, any balances of accumulated depreciation existing at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the Result for the Year, the increment is recognised immediately as revenue in the Result for the Year.

Revaluation decrements are recognised immediately as expenses in the Result for the Year, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to accumulated funds.

Note 2 i) Impairment of Property, Plant and Equipment

As a not-for-profit entity with no cash generating units, the Clinical Education and Training Institute is effectively exempt from AASB 136 Impairment of Assets and impairment testing. This is because AASB136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are regarded as material. Selling costs are regarded as immaterial.

CLINICAL EDUCATION AND TRAINING INSTITUTE.

Note 2 j) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

Note 2 k) Leased Assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is recognised at its fair value at the commencement of the lease term. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are charged to the Statement of Comprehensive Income in the periods in which they are incurred.

Note 2 l) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the Result for the Year when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Note 2 m) Investments

Investments are initially recognised at fair value plus, in the case of investments not at fair value through profit or loss, transaction costs. The Clinical Education and Training Institute determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

- * Fair value through profit or loss - The Clinical Education and Training Institute subsequently measures investments classified as "held for trading" or designated upon initial recognition "at fair value through profit or loss" at fair value. Financial assets are classified as "held for trading" if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading. Gains or losses on these assets are recognised in the Result for the Year.

- * The Hour-Glass Investment facilities are designated at fair value through profit or loss using the second leg of the fair value option i.e. these financial assets are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management strategy, and information about these assets is provided internally on that basis to the agency's key management personnel.

The risk management strategy of the Health Service has been developed consistent with the investment powers granted under the provision of the *Public Authorities (Financial Arrangements) Act*. T Corp investments are made in an effort to improve interest returns on cash balances otherwise available whilst also providing secure investments guaranteed by the State market exposures.

The movement in the fair value of the Hour-Glass Investment facilities incorporates distributions received as well as unrealised movements in fair value and is reported in the line item 'investment revenue'.

CLINICAL EDUCATION AND TRAINING INSTITUTE

- Held-to-maturity investments – Non-derivative financial assets with fixed or determinable payments and fixed maturity that the Clinical Education and Training Institute has the positive intention and ability to hold to maturity are classified as "held-to-maturity". These investments are measured at amortised cost using the effective interest method. Changes are recognised in the Result for the Year when impaired, derecognised or through the amortisation process.
- Available-for-sale investments - Any residual investments that do not fall into any other category are accounted for as available-for-sale investments and measured at fair value in other comprehensive income until disposed or impaired, at which time the cumulative gain or loss previously recognised in other comprehensive income is recognised in the Result for the Year. However, interest calculated using the effective interest method and dividends are recognised in the Result for the Year.

Purchases or sales of investments under contract that require delivery of the asset within the timeframe established by convention or regulation are recognised on the trade date; i.e. the date the Clinical Education and Training Institute commits to purchase or sell the asset.

The fair value of investments that are traded at fair value in an active market is determined by reference to quoted current bid prices at the close of business on the Statement of Financial Position date.

Note 2 n) Impairment of financial assets

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the Result for the Year.

When an available for sale financial asset is impaired, the amount of the cumulative loss is removed from equity and recognised in the Result for the Year, based on the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss previously recognised in the Result for the Year.

Any reversals of impairment losses are reversed through the Result for the Year, where there is objective evidence, except reversals of impairment losses on an investment in an equity instrument classified as "available for sale" must be made through the reserve. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

Note 2 o) Payables

These amounts represent liabilities for goods and services provided to the Clinical Education and Training Institute and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Clinical Education and Training Institute.

Note 2 p) Borrowings

Loans are not held for trading or designated at fair value through profit or loss and are recognised at amortised cost using the effective interest rate method. Gains or losses are recognised in the Result for the Year on derecognition.

The finance lease liability is determined in accordance with AASB 117, *Leases*.

CLINICAL EDUCATION AND TRAINING INSTITUTE

Note 2 q) Equity Transfers

The transfer of net assets between agencies as a result of an administrative restructure, transfers of programs/functions and parts thereof between NSW public sector agencies is designated or required by Accounting Standards to be treated as contributions by owners and is recognised as an adjustment to "Accumulated Funds". This treatment is consistent with AASB1004, *Contributions* and Australian Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

Transfers arising from an administrative restructure involving not-for-profit entities and for-profit government departments are recognised at the amount at which the asset was recognised by the transferor immediately prior to the restructure. Subject to the below, in most instances this will approximate fair value.

All other equity transfers are recognised at fair value, except for intangibles. Where an intangible has been recognised at (amortised) cost by the transferor because there is no active market, the agency recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, the agency does not recognise that asset.

Note 2 r) Equity and Reserves

Note 2 r) (i) Asset Revaluation Reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets. This accords with the Clinical Education and Training Institute's policy on the revaluation of property, plant and equipment as discussed in Note 2(i).

Note 2 r) (ii) Accumulated Funds

The category "accumulated funds" includes all current and prior period retained funds.

Note 2 r) (iii) Separate Reserves

Separate reserve accounts are recognised in the financial statements only if such accounts are required by specific legislation or Australian Accounting Standards.

Note 2 s) Budgeted Amounts

The budgeted amounts are drawn from the budgets agreed with the NSW Health Department at the beginning of the financial reporting period and with any adjustments for the effects of additional supplementation provided.

Note 2 t) Service Group Statements Allocation Methodology

Expenses and revenues are assigned to service groups in accordance with statistical data for the twelve months ended 31 December 2010 which is then applied to the current period's financial information. The same methodology is applied to attribute assets and liabilities to each service group.

In respect of assets and liabilities the Department requires that all Clinical Education and Training Institutes take action to identify those components that can be specifically identified and reported by service groups. Remaining values are attributed to service groups in accordance with values advised by the NSW Department of Health, e.g. depreciation/amortisation charges form the basis of apportioning the values for Intangibles and Property, Plant & Equipment.

CLINICAL EDUCATION AND TRAINING INSTITUTE

PARENT 2011 \$000	CONSOLIDATION 2011 \$000
-------------------------	--------------------------------

Note 3. Employee Related

Employee related expenses comprise the following:

	0	Salaries and Wages	3,492
	520	Agency related salary & wages	520
	0	Superannuation - Defined Benefit Plans	23
	0	Superannuation - Defined Contribution Plans	196
	0	Long Service Leave	144
	0	Annual Leave	279
	0	Sick Leave and Other Leave	64
			64
	<u>520</u>		<u>4,718</u>

Further notes and details are included in the financial statements for the year ended 30 June 2011 of the Special Purpose employment entity.

Note 4. Personnel Services

Personnel Services comprise the purchase of the following:

	3,492	Salaries and Wages	0
	23	Superannuation - Defined Benefit Plans	0
	196	Superannuation - Defined Contribution Plans	0
	144	Long Service Leave	0
	279	Annual Leave	0
	64	Sick Leave and Other Leave	0
			0
	<u>4,198</u>		<u>0</u>

Note 5. Other Operating Expenses

	1,182	Conferences & training expenses	1,182
	326	Domestic Supplies and Services	326
	8	Fuel, Light and Power	8
	388	General Expenses (See note 5(a))	388
	216	Information Management Expenses	216
	3	Insurance	3
	42	Maintenance	42
	227	New/Replacement Equipment under \$10,000	227
	20	Repairs	20
	81	Postal and Telephone Costs	81
	106	Printing and Stationery	106
	4	Rates and Charges	4
	177	Rental	177
	32	Staff Related Costs	32
	352	Travel Related Costs	352
			352
	<u>3,163</u>		<u>3,163</u>

CLINICAL EDUCATION AND TRAINING INSTITUTE

PARENT		CONSOLIDATION
	2011	2011
	\$000	\$000
Note 5. a) General Expenses include:-		
13	Advertising	13
1	Books, Magazines and Journals	1
88	Operational Consultancies	88
40	Auditor's Remuneration - Audit of Financial Statements	40
51	Internal audit and review expenses	51
125	Health Support Services Corporate Charges	125
2	Data Recording and Storage	2
14	Membership/Professional Fees	14
50	Motor Vehicle Expenses	50
4	Security Services	4
	<u>388</u>	<u>388</u>
Note 6. Depreciation and Amortisation		
18	Amortisation - Leasehold	18
40	Depreciation - Plant and Equipment	40
	<u>58</u>	<u>58</u>
Note 7. Grants and Subsidies		
59	Research Organisations	59
18	Sponsorships	18
259	Rural Research Building Capacity Program	259
629	Medical Scholarships	629
1,709	GP Procedural program	1,709
	<u>2,674</u>	<u>2,674</u>
Note 8. Rendering of Services comprise the following:-		
299	Income from agreements for education and training programs	299
11	Publications and other services	11
	<u>310</u>	<u>310</u>
Note 9. Investment income		
207	Interest on cash on deposit	207
	<u>207</u>	<u>207</u>

CLINICAL EDUCATION AND TRAINING INSTITUTE

PARENT		CONSOLIDATION
	2011	2011
	\$000	\$000
Note 10.	Other Revenue	
	Other Revenue comprises the following:-	
	141 Conference and Training Fees	141
	4 Sale of Merchandise and Publications	4
	1 Sponsorship Income	1
	146	146
	146	146
Note 11. a)	Gain/(Loss) on Disposal	
	41 Property, Plant and Equipment	41
	(3) Less Accumulated Depreciation	(3)
	38	38
	(32) Proceeds from Disposal	(32)
	(6)	(6)
	(6)	(6)
Note 11. b)	Other or Gain / (Loss)	
	(20) Diminution in value of leasehold	(20)
	(33) Diminution in value of plant & equipment	(33)
	(53)	(53)
	(53)	(53)

Note 12. Service Groups of the Health Service

Statement overview of applicability to CETI

Service Group Teaching and Research

Service This service group covers the provision of professional training for the needs of the New South Wales health system. It also includes strategic investment in research and development to improve the health and wellbeing of the people of New South Wales.

Objective: This service group contributes to ensuring a fair and sustainable health system by working towards a range of intermediate results that include the following:

- developing the skills and knowledge of the health workforce to support patient care and population health and
- extending knowledge through scientific enquiry and applied research aimed at improving the health and wellbeing of the people of New South Wales.

CLINICAL EDUCATION AND TRAINING INSTITUTE

PARENT		CONSOLIDATION
2011		2011
\$000		\$000
Note 13.	Cash and Cash Equivalents	
4,629	Cash at Bank and On Hand	4,629
461	Internship allocation bonds 2005-2012 (see also note 21)	461
<u>5,090</u>		<u>5,090</u>
	Cash & cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows as follows:	
<u>5,090</u>	Cash and Cash Equivalents (per Statement of Financial Position)	<u>5,090</u>
<u>5,090</u>	Closing Cash and Cash Equivalents (per Statement of Cash Flows)	<u>5,090</u>
	Refer to Note 23 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.	
Note 14.	Current Receivables	
57	Debtors	57
228	Net Intra Health Receivable	228
485	Goods and Services Tax	485
<u>770</u>		<u>770</u>

CLINICAL EDUCATION AND TRAINING INSTITUTE

PARENT		CONSOLIDATION
		2011
		\$000
Note 15. a) Property, Plant and Equipment		
	Leasehold - Fair Value	
100	Gross Carrying Amount	100
(18)	Less Accumulated Depreciation and Impairment	(18)
<u>82</u>	Net Carrying Amount	<u>82</u>
	Plant and Equipment - Fair Value	
399	Gross Carrying Amount	399
(36)	Less Accumulated Depreciation and Impairment	(36)
<u>363</u>	Net Carrying Amount	<u>363</u>
<u>445</u>	Total Property, Plant and Equipment At Net Carrying Amount	<u>445</u>

Note 15. b) Reconciliation of changes in fixed assets

	Leasehold	Plant and Equipment	Total
	\$000	\$000	\$000
2011			
Net Carrying Amount at Start of Year	----	----	----
Additions	0	317	317
Reclassifications to Intangibles	0	0	0
Recognition of Assets Held for Sale	0	0	0
Disposals	0	(37)	(37)
Administrative Restructures - Transfers In / (Out)	120	156	276
Net Revaluation Increment Less			
Revaluation Decrements Recognised in Reserves	0	0	0
Impairment Losses (Recognised in "Other Gains/Losses)	(20)	(33)	(53)
Depreciation Expense	(18)	(40)	(58)
Reclassifications			0
Net Carrying Amount at End of Year	82	363	445

CLINICAL EDUCATION AND TRAINING INSTITUTE

PARENT		CONSOLIDATION
2011		2011
\$000		\$000
Note 16. Payables		
	Current	
0	Accrued Salaries, Wages and On-Costs	25
539	Creditors	539
25	Personnel service accrual	0
430	Net Intra Health Liability Accrued	430
4	Goods and Services Tax	4
<hr/>		
<u>998</u>		<u>998</u>
Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 22.		
Note 17. Provisions		
	Current Employee Benefits and Related On-Costs	
0	Annual Leave - Short Term Benefit	496
0	Long Service Leave On-Costs	6
502	Provision for Personnel Services Liability	0
<hr/>		
<u>502</u>	Total Current Provisions	<u>502</u>
Note 18. Other Liabilities		
	Current	
461	Refundable Internship application fees	461
<hr/>		
<u>461</u>		<u>461</u>

CLINICAL EDUCATION AND TRAINING INSTITUTE

PARENT	CONSOLIDATION
2011	2011
\$000	\$000

Note 19. a) Increase in Net Assets from Equity Transfers

At the commencement of 2011/11 the equity transferred from Health Administration Corporation comprised:

Assets and Liabilities transferred are as follows:

Assets		
1,855	Cash and Cash Equivalents	1,855
71	Receivables	71
120	Land and Buildings	120
156	Plant and Equipment	156
Liabilities		
(479)	Payables	(479)
(182)	Refundable bonds	(182)
----	Annual Leave - Short term benefit	(166)
----	Annual Leave - Long term benefit	(43)
----	Long Service Leave - Short term benefit	(14)
----	Long Service Leave - Long term benefit	(80)
----	Non Current Long Service Leave - Conditional	(32)
(303)	Current Provision for Personnel Services Liability	-----
(32)	Non Current Provision for Personnel Services Liability	-----
(335)	Total Provisions	(335)
<hr/>		
<u>1,206</u>	Increase in Net Assets From Equity Transfers	<u>1,206</u>

Note 19. b) Increase in Net Assets from Transfer of Long Service Leave Liability

114	Consistent with Treasury approval, the Long Service Leave liability of \$114,400 was transferred from the Clinical Education and Training Institute with effect from 31 December 2010 and from this time the Crown Entity assumed responsibility for Long Service Leave.	114
<hr/>		

<u>114</u>		<u>114</u>
------------	--	------------

CLINICAL EDUCATION AND TRAINING INSTITUTE

PARENT		CONSOLIDATION
		2011
		\$000
Note 20.	Reconciliation of Net Cash Flows from Operating Activities to Net Cost of Services	
3,521	Net Cash Flows from Operating Activities	3,521
(58)	Depreciation	(58)
(53)	Allowance for Impairment	(53)
(267)	Acceptance by the Crown Entity of Employee Superannuation and LSL Benefits	(267)
(167)	Decrease/(Increase) in Provisions	(167)
699	Increase / (Decrease) in Prepayments and Other Assets	699
(797)	(Increase)/ Decrease in Creditors	(797)
(6)	Net Gain/ (Loss) on Sale of Property, Plant and Equipment	(6)
(12,881)	NSW Health Department Recurrent Allocations	(12,881)
<u>(10,009)</u>	Net Cost of Services	<u>(10,009)</u>

Note 21. Budget Review - Parent and Consolidated

Net Cost of Services

The reported favourable variance in Net Cost of Service (NCoS) was a result reduced employee costs from delays in appointments and unbudgeted revenue generated from partnered programs and conferences.

Result for the Year

In respect of the variances to the adjusted budget, it is noted that Clinical Education and Training Institute (CETI) has:

- Under spent on "Employee Related" expenses which is attributable to considerable delays in appointments during the startup and transfer of programs.
- Under-spent on "Other Operating" expenses as a result of the delays in commencement of programs.
- Under-spent on "Grants & Subsidies" as a result of timing differences in allocation of the grants to recipients. The budget amounts were applied to Psychiatry Education Funding, Rural Medical Scholarships, Scholarships for Rural & Remote Clinicians, GP Procedural Skills Training & Allied Health grants to attend the biannual conference.
- Over budget income from partnered programs, course fees and conferences.
- Over budget depreciation as a result of the the purchase of furniture and equipment for additional employees and additional motor vehicles for the Rural Directorate and the Aboriginal Mothers & Babies Training & Support Unit.

Assets and Liabilities

- The variances in cash arises from underspend in 2010/11 as a result of delays in transfers of programs and recruitment of staff to the activities. Payables and accruals in the amount of \$998,000 for services provided in respect of training programs are to be settled in 2011/12.
- The variance in cash is attributable to restricted assets in the amount of \$461,000 attributable and unapplied proportions of programs attributed to CETI in June 2011 as listed below.
- Plant and Equipment increased compared to budget as a result of the purchase of new motor vehicles for the Rural Division and the Aboriginal Mothers and Babies Training and Support Unit.
- Provisions for short term accrued leave were higher than budget as a result of transferred from other NSW Health services with the transfer and engagement of new employees to CETI.

Cash Flows

- Movements in the level of the NSW Department of Health Recurrent Allocation that have occurred since the time of the initial allocation on 1 November 2011 are as follows:

14,635	Initial Allocation	14,635
1,647	April 2011: Rural and remote budget for 2010/11 (IRCST)	1,647
650	June 2011: Aboriginal Mothers and Babies Training and Support Unit	650
200	June 2011: Aboriginal Mothers and Babies Training Tool Kit	200
(5)	June 2011: LSL Adjustments	(5)
(6,100)	June 2011: Refund to DOH for Team Health Program	(6,100)
1,854	June 2011: Year End Adjustment to Allocation	1,854
<u>12,881</u>	Balance as per Statement of Comprehensive Income	<u>12,881</u>

CLINICAL EDUCATION AND TRAINING INSTITUTE

Note 22. Financial Instruments

The Company's principal financial instruments are outlined below. These financial instruments arise directly from the Company's operations or are required to finance its operations. The Clinical Education and Training Institute does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Company's main risks arising from financial instruments are outlined below, together with the Company's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Chief Executive has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risk faced by the Company, to set risk limits and controls and monitor risks. Compliance with policies is reviewed by the Audit Committee/internal auditors on a continuous basis.

(a) Financial Instrument Categories

PARENT and CONSOLIDATED

Class	Category	Carrying Amount
		2011
		\$000
Financial Assets		
Cash and Cash Equivalents (note 13)	N/A	5,090
Receivables (note 14) ¹	Loans and receivables	285
Total Financial Assets		<u>5,375</u>
Financial Liabilities		
Payables (note 16) ²	Financial liabilities	994
Total Financial Liabilities	measured at amortised cost	<u>994</u>

Notes

¹ Excludes statutory receivables and prepayments (ie not within scope of AASB 7)

² Excludes statutory payables and unearned revenue (ie not within scope of AASB 7)

(b) Credit Risk

Credit risk arises when there is the possibility of the Company's debtors defaulting on their contractual obligations, resulting in a financial loss to the Company. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from financial assets of the Company, including cash, receivables and authority deposits. No collateral is held by the Company. The Company has not granted any financial guarantees.

Credit risk associated with the Company's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Authority deposits held with NSW TCorp are guaranteed by the State.

Cash

Cash comprises cash on hand and bank balances deposited in accordance with Public Authorities (Financial Arrangements) Act approvals. Interest is earned on daily bank balances at rates of approximately 5% in 2010/11. The TCorp Hour-Glass cash facility is discussed in para (d) below.

Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the NSW Department of Health Accounting Manual and Fee Procedures Manual are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectable are written off. An allowance for impairment is raised when there is objective evidence that the Company will not be able to collect all amounts due. The evidence includes past experience and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors.

The Company is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Of the total trade debtors balance at year end, \$0.285M related to debtors that were not past due and not considered impaired and debtors of \$0.00M were past due but not considered impaired. Together these represent 100% of total trade debtors.

\$000			
2011	Total ^{1,2}	Past due but not impaired	
		^{1,2}	Considered impaired ^{1,2}
<3 months overdue		0	0
3 months - 6 months overdue		0	0
> 6 months overdue		0	0

Notes

¹ Each column in the table reports "gross receivables".

² The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 and excludes receivables that are not past due and not impaired. Therefore, the "total" will not reconcile to the receivables total recognised in the statement of financial position.

(c) Liquidity Risk

Liquidity risk is the risk that the Company will be unable to meet its payment obligations when they fall due. The Company continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through effective management of cash, investments and liquid assets and liabilities.

The Company has negotiated no loan outside of arrangements with the NSW Department of Health or Treasury.

During the current year, there were no defaults or breaches on any loans payable. No assets have been pledged as collateral. The Company's exposure to liquidity risk is considered significant. However, the risk is minimised as the NSW Department of Health has indicated its ongoing financial support for the Clinical Education and Training Institute (refer Note 2).

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set by the NSW Department of Health. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

In those instances where settlement cannot be effected in accordance with the above, eg due to short term liquidity constraints, contact is made with creditors and terms of payment are negotiated which are advantageous to both parties.

The table below summarises the maturity profile of the Company's financial liabilities together with the interest rate exposure.

CLINICAL EDUCATION AND TRAINING INSTITUTE

Maturity Analysis and interest rate exposure of financial liabilities

Weighted Average Effective Int. Rate	Nominal Amount ¹	Interest Rate Exposure			Maturity Dates	
		Fixed Interest Rate	Variable Interest Rate	Non - Interest Bearing	< 1 Yr	1-5 Yr
%	\$000	\$000	\$000	\$000	\$000	\$000
2011						
Payables:						
Payroll	25			25	25	
Creditors	539			539	539	
Intra-Health	430			430	430	
	994	-	-	994	994	-

Notes:

¹ The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the Statement Of Financial Position.

CLINICAL EDUCATION AND TRAINING INSTITUTE

PARENT AND CONSOLIDATED

23. Post balance date events
There are no significant issues that have arisen subsequent to balance date that would require these financial statements to be amended.

However, consistent with the revised Governance Framework theme of "investment in our people" CETI will be renamed as the Health Education and Training Institute with expanded responsibilities for undergraduate clinical placements, vocational education and training and management and leadership capacity development.

24. Commitments for Expenditure

(a) Capital Commitments

The company has no capital commitments.

(b) Other Expenditure Commitments

The company has no contracted commitments for other expenditures.

(c) Operating Lease Commitments

The company has no non-cancellable operating leases.

25. Contingent Liabilities and Assets

Workers Compensation Hindsight Adjustment

Treasury Managed Fund normally calculates hindsight premiums each year. As this was the first year of operations, it is not possible for the Clinical Education and Training Institute to reliably quantify the workers compensation obligation.

END OF AUDITED FINANCIAL STATEMENTS