



Independent Auditor's Report

Graythwaite Charitable Trust

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Graythwaite Charitable Trust (the Trust), which comprise the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Trust as at 30 June 2011, and its 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 should be read in conjunction with the rest of this report.

Director- General's Responsibility for the Financial Statements

The Director-General of the Ministry of Health is responsible for the preparation and fair presentation of the 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 Director-General determines is necessary to enable the preparation of the 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 the 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 Trust'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 Trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Director-General, 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.

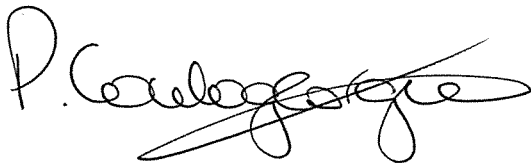
My opinion does *not* provide assurance:

- about the future viability of the Trust
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its 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.

A handwritten signature in black ink, appearing to read 'P. Coulogeorgiou', with a large, sweeping flourish underneath.

Peter Coulogeorgiou
Director, Financial Audit Services

23 November 2011
SYDNEY

CERTIFICATION OF GRAYTHWAITE CHARITABLE TRUST

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

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

(i) The financial statements and notes thereto of the Graythwaite Charitable Trust for the year ended 30 June 2011 have been prepared in accordance with:

- * the requirements of Australian Accounting Standards (which include Australian Accounting Interpretations)
- * the requirements of the *Public Finance and Audit Act 1983, the Public Finance and Audit Regulations 2010*, and the Treasurer's Directions.

(ii) The financial statements exhibit a true and fair view of the financial position and financial performance of the Graythwaite Charitable Trust.

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



John Roach
Chief Financial Officer



Dr Mary Foley
Director-General
18 November 2011

**GRAYTHWAITE CHARITABLE TRUST
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011**

	Notes	Actual 2011 \$000	Actual 2010 \$000
Expenses excluding losses			
Operating Expenses			
Fees for Services Received	4	9	669
Total Expenses excluding losses		9	669
 Revenue			
Investment Revenue		1,610	321
Total Revenue		1,610	321
Gain on Disposal of Land	3	-----	21,241
RESULT FOR THE YEAR		1,601	20,893
 Other Comprehensive Income			
Net Increase in Land Revaluation		-----	1,573
Total Other Comprehensive Income		-----	1,573
 TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,601	22,466

GRAYTHWAITE CHARITABLE TRUST

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

	Notes	Accumulated Funds \$000	Asset Revaluation Surplus \$000	Total \$000
Balance at 1 July 2010		36,075	1,573	37,648
Result For The Year		1,601	----	1,601
Total Comprehensive Income For The Year		<u>1,601</u>	<u>----</u>	<u>1,601</u>
Balance at 30 June 2011		<u>37,676</u>	<u>1,573</u>	<u>39,249</u>
Balance at 1 July 2009		----	----	----
Result For The Year		20,893	----	20,893
Other Comprehensive Income				
Net Increase in Land		----	1,573	1,573
Total Other Comprehensive Income		<u>----</u>	<u>1,573</u>	<u>1,573</u>
Total Comprehensive Income For The Year		<u>20,893</u>	<u>1,573</u>	<u>22,466</u>
Transactions With Owners In Their Capacity As Owners				
Increase/(Decrease) in Net Assets From Equity Transfers	15	15,182	----	15,182
Balance at 30 June 2010		<u>36,075</u>	<u>1,573</u>	<u>37,648</u>

The accompanying notes form part of these financial statements.

GRAYTHWAITE CHARITABLE TRUST
STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2011

	Notes	Actual 2011 \$000	Actual 2010 \$000
CURRENT ASSETS			
Cash and Cash Equivalents	5	35,355	34,803
Receivables	6	28	53
TOTAL CURRENT ASSETS		35,383	34,856
NON -CURRENT ASSETS			
Land and Buildings	8	4,000	2,800
TOTAL ASSETS		39,383	37,656
CURRENT LIABILITIES			
Payables	7	134	8
NET ASSETS		39,249	37,648
EQUITY			
Reserves		1,573	1,573
Accumulated Funds		37,676	36,075
TOTAL EQUITY		39,249	37,648

The accompanying notes form part of these financial statements.

GRAYTHWAITE CHARITABLE TRUST
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Notes	Actual 2011 \$000	Actual 2010 \$000
Cash Flows from Operating Activities			
Receipts			
Interest		1,610	321
GST Received		133	-----
Total Receipts		<u>1,743</u>	<u>321</u>
Payments			
GST Paid		(108)	(52)
Fees for Services Rendered		-----	(662)
Total Payments		<u>(108)</u>	<u>(714)</u>
Net Cash Flows from Operating Activities	13	<u><u>1,635</u></u>	<u><u>(393)</u></u>
Cash Flows from Investing Activities			
Proceeds from Sale of Asset		-----	35,196
Purchases of Land and Buildings, Plant and Equipment and Infrastructure Systems		(1,083)	-----
Net Cash Flows from Investing Activities		<u>(1,083)</u>	<u>35,196</u>
Net Increase / (Decrease) in Cash		<u>552</u>	<u>34,803</u>
Opening Cash and Cash Equivalents		34,803	-----
CLOSING CASH AND CASH EQUIVALENTS	5	<u><u>35,355</u></u>	<u><u>34,803</u></u>

The accompanying notes form part of these financial statements.

GRAYTHWAITE CHARITABLE TRUST (THE TRUST)

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2011

1 The Reporting Entity

The Trust encompasses the proceeds from the sale of the former Graythwaite Nursing Home, together with a parcel of land at the Ryde Eastwood Hospital transferred from the former Northern Sydney/Central Coast Area Health Service.

Trust Funds will be used to construct a residential aged care facility at the Ryde Eastwood Hospital site, such use being consistent with the decision of the NSW Supreme Court.

The reporting entity is consolidated as part of the NSW Ministry of Health and NSW Total State Sector Accounts. The financial statements for the year ended 30 June 2011 have been authorised for issue by the Chief Financial Officer and Director General on 18 November 2011.

2 Summary of Significant Accounting Policies

a) General Purpose Financial Statements

Basis of Preparation

The 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*, *Public Finance and Audit Regulations 2010*, and the Financial Reporting Code for Budget Dependent General Government Sector Agencies or issued by the Treasurer under Section 9(2) (n) of the Act.

Property, plant and equipment is measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention. Judgements, key assumptions and estimations made are disclosed in the relevant notes to the financial statements. All amounts are expressed in Australian currency.

Physical non-current assets are valued in accordance with the Financial Reporting Code for Budget Dependent General Government Sector Agencies and the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP07-1).

Where available, fair value is determined having regard to the highest and best use of the asset on the basis of current market selling prices for the same or similar assets. Where market selling price is not available, the asset's fair value is measured as its market buying price ie the replacement cost of the asset's remaining service potential.

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

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

Except where an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all events reported in the financial statements. Comparative figures are, where appropriate, reclassified to give meaningful comparison with the current year.

GRAYTHWAITE CHARITABLE TRUST (THE TRUST)

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2011

Statement of Compliance

The financial statements comply with Australian Accounting Standards which include Australian Accounting Interpretations.

b) Accounting Standards/Interpretation

No new or revised accounting standards or interpretations are adopted earlier than their prescribed date of application.

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

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 Trust.

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 Trust.

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 Trust.

AASB 2010-8, Deferred Tax: Recovery of Underlying Assets, has mandatory application from 1 July 2012 but will have no impact on the Trust.

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 Trust.

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 Trust.

c) Employee Leave Entitlements

As the Trust employs no staff, a liability for employee leave entitlements does not exist.

d) Impairment of Receivables

As the only debtors of the Trust relate to accrued interest and Goods & Services Tax, an allowance for impairment is not required.

e) Cash

Cash is carried at nominal values.

f) Insurance

The Trust has no insurance policies.

GRAYTHWAITE CHARITABLE TRUST (THE TRUST)

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2011

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. Land is not a depreciable asset and, until current Work In Progress is commissioned, there are no depreciable assets. Depreciation rates, when applied will be as follows:

	%
Buildings	2.5

h) Goods & Services Tax

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

- the amount of GST incurred by the Trust 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;
- Receivables and Payables are stated with the amount of GST included.

i) Investment Revenue Recognition

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

j) Accounting for Finance Costs

Finance costs are recognised as expenses in the period in which they are incurred in accordance with Treasury's mandate for general government sector agencies.

k) Accounting for 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 accounted for in the Statement of Comprehensive Income 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.

GRAYTHWAITE CHARITABLE TRUST (THE TRUST)

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2011

l) Accounting for Borrowings

Loans are recognised at amortised cost using the effective interest rate method. Gains or losses are recognised in the Statement of Comprehensive Income on derecognition.

m) Acquisition of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Trust. 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 1(n)).

Construction works are classified as "Work in Progress" until the asset is available for use and commissioned. Depreciation charges are then applied no later than one month after the month in which the asset is commissioned.

n) Assets transferred as a result of an equity transfer

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 as a contribution by owners by NSWTPP 09-3 and recognised as an adjustment to "Accumulated Funds". This treatment is consistent with Australian Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities.

Transfers arising from an administrative restructure between government departments are recognised at the amount at which the asset was recognised by the transferor government department immediately prior to the restructure. In most instances this will approximate fair value. All other equity transfers are recognised at fair value.

o) Revaluation of Non-Current Assets

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP07-1). This policy adopts fair value in accordance with AASB116, "Property, Plant and Equipment" and AASB140, "Investment Property".

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.

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

GRAYTHWAITE CHARITABLE TRUST (THE TRUST)

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2011

The Trust's policy is to revalue Land and Buildings and Infrastructure every three years by independent valuation and with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its fair value at reporting date.

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.

p) Payables

These amounts represent liabilities for goods and services provided to the Trust 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.

q) Equity and Reserves

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 Trust's policy on the revaluation of property, plant and equipment as discussed in Note 2(o).

Accumulated Funds

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

GRAYTHWAITE CHARITABLE TRUST

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2011

	2011	2010
	\$000	\$000
3. Gain on Disposal of Land		
Proceeds from Land Disposal	-----	35,196
Less Written Down Value of Assets Disposed	-----	13,955
Gain on Disposal of Land	-----	21,241
4. Fees for Services Rendered		
Legal Fees	-----	464
Audit Fees	9	7
Other	-----	198
	9	669

GRAYTHWAITE CHARITABLE TRUST

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2011

5 Cash and Cash Equivalents

	2011	2010
	\$000	\$000
Cash at Bank	35,355	34,803

Cash and 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:

Cash and Cash Equivalents (per Statement of Financial Position)	35,355	34,803
Closing Cash and Cash Equivalents (per Statement of Cash Flows)	35,355	34,803

6 Receivables

ATO - Input Tax Credit	28	53
	28	53

7 Payables

Accrued Audit Fees	16	7
Accrued GST	2	1
Accrued Work In Progress	116	-----
	134	8

GRAYTHWAITE CHARITABLE TRUST

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2011

8. Land and Buildings - Fair Value

	2011	2010
	\$000	\$000
Gross Carrying Amount	4000	2,800
Less Accumulated Depreciation & Impairment	-----	-----
Net Carrying Amount	4,000	2,800

Reconciliation

Reconciliation of the carrying amounts for Land and Buildings is set out below.

	Land	Work in Progress	Total
	\$000	\$000	\$000
2011			
Carrying amount at start of year	2,800	-----	2,800
Additions	-----	1,200	1,200
Carrying amount at end of year	2,800	1,200	4,000
2010			
Carrying amount at start of year	-----	-----	-----
Administrative Transfer	15,182	-----	15,182
Disposals	(13,955)	-----	(13,955)
Revaluation Increment	1,573	-----	1,573
Carrying amount at end of year	2,800	-----	2,800

Land was valued by the Department of Finance and Services on 26 May 2011 (Note 2(a) refers) and confirmed the fair value measurement of the Graythwaite Trust land holding.

The work in progress reflects construction costs to date for the Graythwaite Rehabilitation Centre at Ryde which is targeted for completion in 2013.

GRAYTHWAITE CHARITABLE TRUST

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2011

9. Audit Fees

Audit of the Trust's financial statements for the period under review was conducted by the Audit Office of NSW. The fee for auditing the financial statements is \$8,580 (2010 \$8,070).

10 Commitments for Capital Expenditure

	2010/11	2009/10
	'\$000	'\$000
Aggregate capital expenditure for the acquisition of land and buildings, plant and equipment, infrastructure and intangible assets contracted for at balance date and not provided for:		
* Not later than one year	2,274	-
* Later than one year and not later than five years	974	-
* Later than five years	-	-
Total Capital Expenditure Commitments (incl. GST)	3,248	-----

The total "Commitments for Capital Expenditure" above includes input tax credits of \$0.295M that are expected to be recoverable from the Australian Taxation Office. There were nil comparatives for 2009/10.

11 Contingent Liabilities

The Trust is not aware of any significant or material contingent liability in existence at balance date or which has emerged subsequent to balance date which would materially impact on the financial position of the Trust as shown in the financial statements.

12 Services Received Free of Charges

The Trust receives administrative support services from the NSW Ministry of Health. These costs are insignificant and have not been quantified or recognised in these financial statements.

GRAYTHWAITE CHARITABLE TRUST

Notes to and forming part of the Financial Statements for the Year Ended 30
June 2011

13. Reconciliation of Net Cash Flows from Operating Activities to Net Cost of Services

	2011	2010
	\$000	\$000
Net Cash Flows from Operating Activities	1,635	(393)
Increase /(Decrease) in Receivables	(24)	53
(Increase)/Decrease in Payables	(10)	(8)
Gain on Disposal of Land	-----	21,241
Result for Year	1,601	20,893

GRAYTHWAITE CHARITABLE TRUST

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2011

14. Financial Instruments

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

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

The Minister for Health has overall responsibility for the establishment and oversight of risk management and review and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risk faced by the Trust, to set risk limits and controls and monitor risks.

a) Financial Instrument

			Total carrying amounts as per the Statement of Financial Position	
			2011	2010
			S000	S000
Financial Assets	Note	Category		
Cash and Cash Equivalents	5	N/a	35,355	34,803
Total Financial Assets			35,355	34,803
Financial Liabilities				
Payables	7 (1)	Financial liabilities measured at amortised cost	134	7
Total Financial Liabilities			134	7

Notes

1. Payables are due within a year and excludes unearned revenue (ie not within scope of AASB 7).

b) Credit Risk

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

GRAYTHWAITE CHARITABLE TRUST

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2010

Credit risk arises from financial assets of the Trust i.e. receivables. No collateral is held by the Trust nor has it granted any financial guarantees.

Credit risk associated with the Trust's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

Cash

Cash comprises cash on hand and bank balance deposited in accordance with Public Authorities (Financial Arrangements) Act approvals. Interest is earned on daily bank balances at rates of approximately 4.85% and 4.22% in 2010/11 (2009/10 3.57% to 4.4%) for the Trust.

Receivables - trade

The Trust had no trade debtors recognised as financial instruments at balance date.

c) Liquidity Risk

Liquidity risk is the risk that the Trust will be unable to meet its payment obligations when they fall due. The Trust 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.

During the current year, there were no defaults or breaches on any loans payable. No assets have been pledged as collateral. Exposure to liquidity risk is deemed insignificant based on current assessment of risk.

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 statement is received.

d) Market Risk

Market Risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Based on a movement of +/-1% the likely exposure of interest rate risk would be \$0.354M (2010 \$0.343M) based on Cash of \$35.355M (2010 \$34.3M).

The Trust has no exposure to foreign currency risk and do not enter into commodity contracts.

GRAYTHWAITE CHARITABLE TRUST

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2011

15. Increase in Net Assets from Equity Transfer

No equity transfers occurred in 2010/11. Land with a total value of \$15.182M transferred to the Trust on 1 July 2009, being the parcel of land at North Sydney previously operated as a State Government Residential Aged Care Facility \$13.955M (as transferred from the NSW Department of Health) together with the Eastwood land transferred from the former Northern Sydney and Central Coast Area Health Service \$1.227M upon which a new facility is currently being constructed.

16. Events After Reporting Date

The Trust is not aware of any after reporting date events which require amendments or disclosures in the financial statements.

END OF AUDITED FINANCIAL STATEMENTS