CONSOLIDATED FINANCIAL REPORT 2020

CareFlight Limited (a company limited by guarantee)
ACN 003 093 445
4-6 Barden Street
Northmead NSW 2152

Contents

The Directors present their report together with the consolidated financial report of CareFlight Limited ("CareFlight"), for the year ended 30 April 2020 and the Auditor's report thereon.

Our Mission and Ethos

CareFlight's mission is to save lives, speed recovery and serve the community. We operate in very complex environments, whether it be built-up urban locations or the extremes of regional, remote and inaccessible parts of Australia. Across this wide spectrum CareFlight delivers the best hope for life-saving support to the people we assist.

Every decision and action we take is focussed on achieving our mission. Whether it is getting the medical team to the patient as quickly as possible to save lives and commence treatment; by transporting patients to the most appropriate hospital for their continued care; or by upskilling first responders in communities to better equip them to manage medical emergencies. The very broad range of activities that CareFlight deliver are all focused on this mission.

Through all the diversity and complexity of the services we provide, we are very much a patient-centric organisation. Not only are our doctors, nurses, air crew and engineers highly qualified and trained, they bring the CareFlight ethos of quality and care to every patient and community we touch.

Strength in Adversity

We have certainly been stretched and tested by drought, bushfires and floods and by the ongoing impact of COVID-19 this year. CareFlight has been able to demonstrate time and again that our people are our true strength, showing determination and resilience to continue to deliver our mission to save lives, speed recovery and serve the community, no matter what the challenge faced.

As an organisation we have been able to demonstrate we have strong contingency plans in place; we have been able to secure our operational bases and to protect our staff and patients. We were able to quickly pivot to working remotely and we have been able to leverage technology to help us in many areas across the organisation. We have proven to be both agile and resilient, but most pleasingly we have been innovative in how we have responded to each new challenge. It continues to be our innovation that sets CareFlight apart, as it has been from our very earliest days.

Sadly we have also been impacted this year by the untimely death of one of our most senior leaders in Fraser Allen. Our thoughts remain with his family and he is greatly missed by all CareFlighters. He was a friend to all, a great mentor and a true gentleman.

Strategic Focus

The Strategic Plan is reviewed annually and it guides our effort to ensure we can continue to deliver our social purpose. This plan reflects our charitable charter and our status as a for-purpose enterprise and it provides us a benchmark against which to measure our progress year on year.

Growth and Sustainability

CareFlight's growth in recent years has been critical to ensuring we are a resilient organisation. It has ensured we have been well positioned to respond to the crisis events that have impacted Australia during the last 12 months, with sufficient capacity to meet emerging requirements while still ensuring we can deliver our essential services. Our growth ensures we can continue to invest in upgrading our aircraft fleet and our clinical equipment. It ensures that we have the depth in our organisation across Australia to respond when the community needs us most and this has been demonstrated in our ability to surge our capabilities to support during the bushfire emergency and during the current health pandemic of COVID-19.

We do not seek to grow in an aggressive way. We have a very deliberate approach to assessing what aligns with our social purpose and with our core strengths, so that any growth provides a benefit across the organisation in terms of our sustainability and our depth.

Diversification

CareFlight continues to focus on increasing diversification across our revenue streams and in our fundraising channels. This diversification program over many years has ensured CareFlight is resilient to impacts in any one area of our contractual revenue or our fundraising channels. We have seen how unforeseen events such as the extent of the bushfires, and the sudden emergence of COVID-19 can significantly disrupt forecast performance. Our deliberate approach to diversification has ensured any impacts have been minimised this year despite the many challenges and we will continue to look for opportunities in what will prove to be a challenging year ahead.

Depth

A focus this year has been in addressing our capacity and capability. CareFlight combines people, processes and assets to deliver each capability (such as our Rescue Helicopters, or Aeromedical Jets). To ensure we can respond to increased demand and changing requirements, we have been focussed on building up those areas of capacity that have been identified as potential risks. Building depth in our pilot numbers and depth in our training systems are two examples of how we have increased our capacity during this year. We have also progressed some key projects aimed at renewal of our aircraft fleet.

Safety and Quality

CareFlight is a safety and quality led organisation in the way we approach every aspect of our service delivery. This is driven not only by our duty of care to our employees and patients, but it is also a critical element to ensuring we meet and exceed the requirements of our regulatory licence to conduct air ambulance work.

During the year, we have grown the number of patients we have supported by more than 20% to almost 8,000 patients. We have maintained the number of aircraft in operation, and we have flown almost 10,000 hours in our turbo prop and helicopter fleet, and more than 1,200 hours in our jets.

During this financial year, our safety team undertook 120 internal audits to ensure our operations were performing to our own high standards of safety and quality and we also audited 29 of our critical suppliers to ensure the best quality and standards of service are expected and delivered across our operations.

Additionally, third party audits were conducted across a range of our operations, including the Commercial Air Review Board (CARB) Audit benchmarking our operations against US Military best practice and Darwin's environmental agency against best international environmental practices. These external audits continue to ensure we are assessed against industry and global standards as well as client expectations and demonstrate across this broad range of external parties that we continue to meet and exceed compliance requirements for safety and quality.

During the year we have also been committed to ISO9001 (Quality) by attaining recertification and supporting surveillance audits for our NSQHSS accreditation, AS4801 (safety) and ISO14001 (environment) certifications.

Brand and Reputation

We are very proud to see the results of the annual Australian Charity Reputation Index survey, which ranks Australia's 40 largest charities by reputation. This year CareFlight was awarded the top position as most reputable charity, an achievement the whole organisation is extremely proud of. The number one position was an improvement across the year from our second place standing last year. The poll shows the value and trust the community places in CareFlight's vital patient care and emergency services.

We are very grateful to all our supporters Australia-wide, who work so hard to help us raise awareness of and funding for CareFlight. It's thanks to your continued support over more than 30 years that CareFlight has been able to grow to play such a vital role saving lives, speeding recovery and supporting the community right across Australia.

Board

During the year the Board was strengthened by the appointment of Dr Robert Turner and Professor Leonard Notaras as independent non-executive directors. Rob is a former CareFlight Registrar and Specialist who completed more than 300 missions on our aircraft. He currently holds a number of specialist and administrative positions at Prince of Wales Hospital and also dedicates time to training and mentoring the next generation of doctors at the University of New South Wales and Prince of Wales Hospital. He balances these roles along with his position as Lieutenant Commander in the Royal Australian Navy Reserves.

Len is founder and Executive Director of the National Critical Care and Trauma Response Centre (NCCTRC) in Darwin. He is a former Chief Executive of the NT Department of Health and former General Manager of Royal Darwin Hospital. For his role in coordinating the medical response at Royal Darwin Hospital to the Bali bombing, he was appointed a Member of the Order of Australia in 2003. As Executive Director of the NCCTRC he continues to play a key strategic role in Australia's responses to medical, health and humanitarian crises in the Asia-Pacific region. Len joins Patricia Angus as our second NT resident director.

Financial Strength

During this year we have invested in our depth, implemented new processes and worked on improving our contract management and on our sustainability. We have also invested in our people by implementing a number of new training courses and through providing additional resources in a new Learning Management System. We recognise that our staff are CareFlight's greatest asset, and as such, investing in them to strengthen CareFlight is a key part of how we will deliver financial strength over time.

We remain committed to ensuring CareFlight's long term financial strength. We continue to explore ways that we can grow our revenue and we have grown our cash reserves. Central to long term financial strength is our ongoing commitment to cost containment across our organisation, ensuring that we are good stewards of every dollar and that we are maximising our capacity to deliver the mission.

Given the significant investment we have made this year in building staffing depth and capacity and the ongoing challenges presented by the bushfires and COVID-19, it is very pleasing to report that we have been able to achieve a surplus of $2,453,163 following on from the 2019 surplus of $2,542,093. This exceptional performance is a validation of all the hard work from across the CareFlight team and of their commitment to the long-term strength of CareFlight.

This surplus will be reinvested into enabling the business to deliver our social purpose including supporting the upgrading of our helicopter fleet, growing our cash reserves and in ensuring that we continue to innovate and lead the industry in aeromedical response.

To all our stakeholders, we offer the assurance of good governance, dedication to service, excellence and a commitment to providing value-for-money in the delivery of our services. To our donors, we add a return on investment that goes not to their pockets, but to their hearts.

We thank all the members of the extraordinarily diverse and talented people – the CareFlight staff – who go out there every day and make it happen. We also recognise the inter-connectedness and inter-dependence of our team members and the importance of the contribution that each and every one makes to the whole.

Finally, we acknowledge with gratitude all the members of the community – our donors, supporters and volunteers – who are there for us and trust that we will be there for them.

Thank you

Andrew Refshauge Chairman	*Mick Frewen* Chief Executive Officer

Dated at Sydney on 30 June 2020

1. Directors' Details

The Directors of the Company at any time during or since the end of the financial year are:

Name, qualifications and independence status	Experience and special responsibilities
Andrew REFSHAUGE MBBS, FAICD *Chairman* *Independent Non-Executive Director*	• Extensive experience at the highest levels of government. • Former Deputy Premier of NSW, former Treasurer and Minister for Health, Planning, Housing, Education, Training, State Development and Aboriginal Affairs. • Former medical practitioner. • Chair of the NSW Far West Local Health District. • Member of the Investment Committee. • Member of the Nominations & Remuneration Committee. • Director and Chairman since 18 December 2007.
Mick FREWEN BA, MMgt, GAICD Chief Executive Officer Executive Director	• Extensive management career with a major medical and travel security assistance company. • Former member of the Australian Army. Retired from the Army in 2007, having attained the rank of Lieutenant Colonel. • Member of the Investment Committee. • Director since 20 August 2018.
Patricia ANGUS PSM, MTH *Independent Non-Executive Director*	• Extensive experience as a senior executive in the Northern Territory Public Service in health and housing policy, and programs and services to indigenous people. • Northern Territory resident director. • Former registered nurse, midwife and public health practitioner. • Director of various statutory and commercial bodies. • Member of the Audit & Risk Committee. • Director since 24 June 2013.
Nicholas COATSWORTH MBBS (Hons), MIntPH, FRACP *Independent Non-Executive Director*	• Consultant physician in infectious diseases and respiratory medicine. • Director of Infectious Diseases at Canberra Hospital. • Former Executive Director of the National Critical Care and Trauma Response Centre in Darwin. • Former Chair of Medecins sans Frontieres Australia. • Member of the Investment Committee. • Director since 23 June 2015.
Garry DINNIE BCom, FCA, FAICD, FAIM *Independent Non-Executive Director*	• Extensive experience in financial and accounting matters, risk management and regulatory regimes with broad-based business experience across a number of industries. • Former senior partner of a leading accounting firm. • Director of various public and private companies and statutory bodies. • Chairman of the Audit & Risk Committee. • Member of the Investment Committee. • Member of the Nominations & Remuneration Committee. • Director since 23 February 2010.
Anna GUILLAN AM, MBA, GAICD *Independent Non-Executive Director*	• Extensive experience in sales and marketing in the tourism and hospitality industry. • Director of various statutory government and not-for-profit organisations. • Australia representative, Kerzner International. • Member of the Audit & Risk Committee. • Director since 14 December 2010.

Name, qualifications and independence status	Experience and special responsibilities
Leonard Notaras AM, BMed, LLB, BA (Hons), Dip Com, MHA *Independent Non-Executive Director*	• Founder and Executive Director of the National Critical Care and Trauma Response Centre in Darwin. • Northern Territory resident director. • Recognised leader in building health security and emergency capability across the Asia-Pacific region. • Former Chief Executive of the NT Department of Health. • Former General Manager of Royal Darwin Hospital. • President of the Australian Council on Healthcare Standards • Director since 10 December 2019.
Robert TURNER MBBS (Hons), FANZCA (ANZCA), Dip DHM (SPUMS), Cert DHM (ANZCA), Dip Advanced DHM (ANZCA) *Independent Non-Executive Director*	• Senior Staff Specialist in Anaesthesia, Diving and Hyperbaric Medicine at Prince of Wales Hospital. • Co-Chair of the Prince of Wales Hospital Clinical Council. • Former CareFlight Registrar and Specialist who completed more than 300 missions with the organisation. • Lieutenant Commander in the Royal Australian Navy Reserves. • Director since 20 October 2019.
Ian VANDERBEEK BBus, GAICD *Independent Non-Executive Director*	• A seasoned aviation management executive and former airline pilot, with over 20 years' experience in Australia and Europe as Managing Director and CEO of fixed wing and rotary aviation companies. • Director of Aviator Group, a specialist helicopter marine pilot transfer operator. • Volunteer Ambulance Officer – Tasmanian Ambulance Service. • Director since 13 December 2016.

2. Directors' Meetings

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the Company during the financial year are:

	Board		Audit & Risk Committee		Investment Committee	
Director	**Eligible to Attend**	**Attended**	**Eligible to Attend**	**Attended**	**Eligible to Attend**	**Attended**
Andrew Refshauge	12	12			2	2
Mick Frewen	12	12			2	2
Patricia Angus	12	10	3	3		
Nicholas Coatsworth	8	6			1	1
Garry Dinnie	12	12	3	3	2	2
Anna Guillan	12	12	3	3		
Leonard Notaras	5	2				
Robert Turner	7	6				
Ian Vanderbeek	12	12				

3. Corporate Governance Statement

Board of Directors

The Company's Constitution provides for at least three directors and such greater number as the directors may determine. The Board currently comprises nine directors, eight of whom are non-executive directors.

Role of the Board

The Board:

- provides strategic leadership and direction for CareFlight
- sets Management's goals and approves the annual budget
- progressively monitors and reviews the Company's risk management strategies including the integrity of internal control and management information systems.

The Board may, subject to relevant legislative and regulatory requirements and CareFlight's constitution, delegate a range of functions, powers and duties to committees and Management.

The Board monitors and reviews the Company's compliance with its statutory obligations, not only to meet the Company's legal obligations, but also to provide assurance to the thousands of generous CareFlight supporters that their decision to support CareFlight is making a difference in the community.

Chief Executive Officer

The Board appoints and monitors the performance of the Chief Executive Officer (CEO). The Board approves the terms of employment of the CEO.

The CEO is accountable to the Board for the management of CareFlight within the policy and delegated authority levels approved by the Board. The CEO's responsibilities include:

- advising the Board on strategic direction
- ensuring business activities are in accordance with CareFlight's annual operating plan
- keeping the Board informed of all major business proposals and developments through regular reports
- ensuring the Company conducts its affairs within the law.

Board processes

The Board meets at least six times a year and meets more often as required to address specific significant matters. To assist in the execution of its responsibilities, the Board may establish committees. The Board has established the Audit & Risk Committee, the Investment Committee and the Nominations & Remuneration Committee. Meetings attended by directors during the financial year are recorded in section 2 above.

Director education

The Company has a formal process to educate new directors about the nature of the business, current issues, corporate strategy and expectations concerning the performance of directors. Directors also have the opportunity to visit the Company's operational bases and meet Management to gain a better understanding of the business.

Independent professional advice and access to company information

Each director has the right of access to all relevant Company information and to the Company's executives. Subject to prior approval by the Board Chairman or Committee Chairman (as appropriate), the Board, an individual director or a committee may engage an independent external adviser, at the Company's expense, in relation to any Board or committee matter.

Composition of the Board

The names of the directors in office at any time during or since the end of the financial year are set out in section 1 above. The Board is constituted in accordance with the Company's Constitution. The Board will comprise:

- a mix of people with a broad range of skills, qualifications and experience - reflecting the need for talent, commercial acumen and diversity
- at least one person with financial experience - reflecting the need for financial expertise
- at least one person with a medical background - reflecting the medical focus of CareFlight.

No director may retain office for more than three years without submitting for re-election.

Remuneration policies

Subject to the qualification in the next paragraph, the non-executive directors serve in an honorary capacity and no remuneration is payable to them for their services as directors. They are however entitled to reimbursement of any out-of-pocket expenses incurred in the performance of their duties and responsibilities as directors.

The Chairman of the Board receives an allowance (Note 20 a)) in recognition of the time he commits to the affairs of the Company above and beyond the normal role of a board chairman. The Chairman of the Audit & Risk Committee receives an allowance (Note 20 a)) in recognition of the time he commits to the affairs of the Company above and beyond the normal role of a director. In addition, the Chief Executive Officer in his capacity as an executive director received remuneration in his role as a salaried officer. In accordance with the requirements of the NSW Charitable Fundraising Act 1991, these arrangements have been approved by:

- the responsible NSW Government Minister in accordance with Section 48 of the Act
- the CareFlight Board which approved the remuneration package as being on reasonable commercial terms
- a meeting of Members which confirmed the appointment, conditions of service and remuneration of the executive director
- a meeting of Members which confirmed the allowances paid to the Chairman of the Board and the Chairman of the Audit & Risk Committee.

The Board considers the remuneration of the CEO and senior management and agrees the broad bands of salary levels for staff in general. The Board may obtain independent advice on the appropriate level of remuneration packages.

Investment Committee

The Board has determined to set aside part of CareFlight's available funds to establish an Investment Fund, the purpose of which is to support the objectives of CareFlight. The Board has approved a policy for the prudent and careful management of the Investment Fund which is set out in CareFlight's Investment Policy Statement. The Board has delegated authority to the Investment Committee to set broad guidelines and strategies for the management of these funds within the approved policy. One of the criteria for selecting investments for the Fund is that the investment must be capable of being liquidated within 12 months, if required to supplement cashflow.

The Committee comprises four directors, three of whom are non-executive directors. The Chief Financial Officer is also a member of the Committee. Committee meetings attended by directors during the financial year are recorded in section 2 above.

Nominations & Remuneration Committee

The Nominations & Remuneration Committee assists the Board in fulfilling its responsibilities for the review of the Board's performance, the selection of new directors, ensuring the Company has appropriate executive remuneration policies in place and formulating a process to ensure there are appropriate procedures in place to recruit and maintain a committed and involved membership base. The Committee also assists the Board in reviewing the performance of the CEO.

The Committee comprises two directors, both of whom are non-executive directors.

Audit & Risk Committee

The primary function of the Audit & Risk Committee is to assist the Board in fulfilling its corporate governance and oversight responsibilities for:

- assessing the risk and control environment
- overseeing financial reporting
- evaluating the audit processes.

The Committee comprises three directors, all of whom are non-executive directors. Committee meetings attended by directors during the financial year are recorded in section 2 above.

The Company's external Auditor, the CEO, the CFO and other executives are invited to Committee meetings at the discretion of the Committee.

Risk management

The Board considers that risk management and compliance underpin sound management and that oversight of these matters is an important responsibility of the Board. The Company has developed a risk management plan which has been approved by the Board. The plan identifies the Company's key strategic, operational, legal, reputational and financial risks and provides a framework for the periodic review and assessment of these risks.

The Board requires the CEO and the CFO to provide certification that the Company's financial reports are based on a sound system of risk management and internal control. From a risk management perspective this certification is supported by:

- the financial, operational and strategic reporting that occurs in the context of the Board papers and Board meetings
- the annual audit conducted by the Company's external Auditor
- the review function of the Audit & Risk Committee
- the periodic assessment by the Board of the risks identified in the risk management plan.

Communication with Members

The principal avenues of communication with Members are through a quarterly newsletter to supporters and the Company website (www.careflight.org). Prior to and for purposes of the annual general meeting, the Company distributes to Members:

- the Annual Report for the Company which includes summarised financial statements
- the audited financial statements.

The external Auditor attends the annual general meeting of Members to answer questions concerning the conduct of the audit, the preparation and content of the Auditor's report, accounting policies adopted by the Company and the independence of the Auditor in relation to the conduct of the audit.

Ethical standards

Directors and employees are expected to act with the highest ethical standards, having regard to CareFlight's mission and values, its charitable status and its community service ethos.

Conflict of interests

Directors are required to keep the Board advised on an ongoing basis of any interest that could potentially conflict with those of the Company. Subject to the Corporations Act and the Constitution, directors are required to absent themselves from directors' meetings where matters in which directors have a material personal interest are to be considered.

Code of conduct

The Board has approved a code of conduct that requires employees to conduct themselves ethically, with integrity and in a professional manner so as to achieve the highest standards of behaviour.

The Board supports and observes the Code of Conduct for Directors issued by the Australian Institute of Company Directors.

4. Dividends

Under the Constitution of the Company no portion of the income of the Company has been paid or can be paid by way of dividend to the Members.

5. Indemnification and Insurance of Officers

The Company has provided for and paid premiums during the year for Directors and Officers Liability Insurance. The insurance is in respect of legal liability for damages and legal costs arising from claims made by reason of any acts or omissions (other than dishonesty) by directors and officers, while acting in their individual or collective capacity as directors or officers of the Company.

6. Auditor's Independence Declaration

The auditor's independence declaration is set out on page 34.

Consolidated statement of surplus or deficit and other comprehensive income
for the year ended 30 April 2020

	Note	2020 $	2019 $
Revenue	6	**95,837,234**	**94,224,134**
Expenditure			
Operations and administration - costs of personnel		(54,815,776)	(51,818,589)
Direct costs of aeromedical operations		(16,502,884)	(16,886,779)
Costs of fundraising - donations and sponsorship	7a)	(3,117,818)	(3,320,297)
Costs of fundraising - merchandising and events	7b)	(2,198,793)	(2,635,659)
Depreciation - property, plant and equipment (including other right-of-use assets)	14a)	(6,357,042)	(6,864,259)
Depreciation - right-of-use assets – land and buildings	14b)	(2,614,399)	-
Insurance		(963,111)	(763,135)
Support costs	2e)	(4,478,680)	(7,370,527)
Total expenditure before net finance expense		**(91,048,503)**	**(89,659,245)**
Surplus before net finance expense		**4,788,731**	**4,564,889**
Finance income	8	111,355	132,876
Finance expense	8	(2,446,923)	(2,155,672)
Net finance expense		**(2,335,568)**	**(2,022,796)**
Net surplus for the year		**2,453,163**	**2,542,093**
Other comprehensive income/(expense) items that may be reclassified to surplus			
Revaluation of investments	13a) & 19	(208,133)	73,058
Revaluation of non-current assets	14a) & 19	(808,590)	863,749
Total comprehensive income for the year		**1,436,440**	**3,478,900**

The notes on pages 14 to 31 are an integral part of these financial statements.

Consolidated statement of changes in equity
for the year ended 30 April 2020

	Note	Reserves $	Retained surplus $	Total $
Balance at 1 May 2018		**6,394,657**	**13,414,554**	**19,809,211**
Net surplus for the year ended 30 April 2019		-	2,542,093	**2,542,093**
Other comprehensive income				
Revaluation of investments		73,058	-	**73,058**
Revaluation of non-current assets		863,749	-	**863,749**
Balance at 30 April 2019		**7,331,464**	**15,956,647**	**23,288,111**
Balance at 1 May 2019		**7,331,464**	**15,956,647**	**23,288,111**
Net surplus for the year ended 30 April 2020		-	2,453,163	**2,453,163**
Other comprehensive income/(expense)				
Revaluation of investments	13a) & 19	(208,133)	-	**(208,133)**
Revaluation of non-current assets	14a) & 19	(808,590)	-	**(808,590)**
Balance at 30 April 2020		**6,314,741**	**18,409,810**	**24,724,551**

The notes on pages 14 to 31 are an integral part of these financial statements.

Consolidated statement of financial position
as at 30 April 2020

	Note	2020 $	2019 $
Current assets			
Cash and cash equivalents	10	13,383,182	10,686,705
Trade and other receivables	11	9,340,886	9,718,260
Inventories	12	599,753	626,651
Investments	13a)	2,060,632	2,203,860
Total current assets		**25,384,453**	**23,235,476**
Non-current assets			
Property, plant and equipment (including other right-of-use-assets)	14a)	48,590,048	52,777,638
Right-of-use assets – land and buidings	14b)	11,045,621	-
Total non-current assets		**59,635,669**	**52,777,638**
Total assets		**85,020,122**	**76,013,114**
Current liabilities			
Trade payables	15	5,946,188	6,773,672
Income received in advance	16	6,110,661	6,709,574
Lease liabilities	17	17,200,095	3,490,275
Employee benefits	18	4,546,324	3,841,974
Total current liabilities		**33,803,268**	**20,815,495**
Non-current liabilities			
Lease liabilities	17	25,312,104	30,974,849
Employee benefits	18	1,180,199	934,659
Total non-current liabilities		**26,492,303**	**31,909,508**
Total liabilities		**60,295,571**	**52,725,003**
Net assets		**24,724,551**	**23,288,111**
Equity			
Reserves	19	6,314,741	7,331,464
Retained surplus		18,409,810	15,956,647
Total equity		**24,724,551**	**23,288,111**

The notes on pages 14 to 31 are an integral part of these financial statements.

Consolidated statement of cash flows
for the year ended 30 April 2020

	Note	2020 $	2019 $
Cash flows from operating activities			
Cash receipts in the course of operations		104,426,322	100,045,789
Cash payments in the course of operations		(90,765,491)	(89,159,591)
Interest income received	8	19,870	21,327
Interest on lease liabilities - Westpac		(1,871,516)	(2,140,256)
Interest on lease liabilities – non-Westpac	8	(558,325)	-
Net cash from operating activities		**11,250,860**	**8,767,269**
Cash flows from investing activities			
Acquisition of property, plant and equipment	14a)	(3,113,726)	(2,264,244)
Investment in other companies		-	3
Net proceeds from sale of non-current assets		172,288	114,901
Net cash from investing activities		**(2,941,438)**	**(2,149,340)**
Cash flows from financing activities			
Lease liability repayments – Westpac		(3,438,861)	(2,696,574)
Lease liability repayments – non-Westpac		(2,174,084)	-
Net cash from financing activities		**(5,612,945)**	**(2,696,574)**
Net increase in cash held		**2,696,477**	**3,921,255**
Cash and cash equivalents at 1 May		**10,686,705**	**6,765,350**
Cash and cash equivalents at 30 April	10	**13,383,182**	**10,686,705**

The notes on pages 14 to 31 are an integral part of these financial statements.

Notes to consolidated financial statements
for the year ended 30 April 2020

1. Reporting entity

The consolidated financial statements of the Group as at and for the year ended 30 April 2020 comprise CareFlight Limited (the 'Company') and its subsidiary CareFlight (NT) Limited, together referred to as the 'Group' and individually as 'Group entities'. The Company is a not-for-profit entity and is a registered charity and a Public Benevolent Institution. The Company is limited by guarantee.

In the event of the Company being wound up, a member's liability for the Company's debts and liabilities, costs, charges and expenses of winding up and adjustment of the rights of the contributories among themselves, is limited to an amount as may be required, not exceeding ten dollars ($10.00). Members are liable on the above basis up to one year after they cease to be Members.

At 30 April 2020, the Company had 31 Members (2019: 28), 9 (2019: 7) of whom were directors of the Company.

2. Basis of accounting

a) Statement of compliance

The consolidated financial statements are Tier 2 general purpose consolidated financial statements which have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements adopted by the Australian Accounting Standards Board (AASB), the Australian Charities and Not-for-profits Commission Act 2012 and the Australian Charities and Not-for-profits Commission Regulation 2013. These consolidated financial statements comply with the Australian Accounting Standards – Reduced Disclosure Requirements.

The financial statements were authorised for issue by the Board of Directors on 30 June 2020.

b) Basis of measurement

The financial statements are prepared on an historical cost basis except for rotary wing aircraft, land and buildings and investments which are measured at their fair values.

c) Basis of consolidation

i) Subsidiaries

A subsidiary is an entity controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiary are included in the consolidated financial statements from the date of incorporation. The accounting policies of the subsidiary have been changed when necessary to align them with the policies adopted by the Group. In the Group's financial statements, investment in the subsidiary is carried at cost.

ii) Transactions eliminated on consolidation

Intra-group balances and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

d) Standards and interpretations issued and not yet effective

At the date of authorisation of the financial statements, the Directors have not finalised their assessment of the impact of new standards and interpretations in issue but not yet effective on the financial report.

e) Changes to Australian Accounting Standards

AASB 16
The Group applied AASB 16 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Notes to consolidated financial statements
for the year ended 30 April 2020

2. Basis of accounting (continued)

e) Changes to Australian Accounting Standards (continued)

AASB 16 supersedes AASB 117 Leases. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet. The Group adopted AASB 16 using the modified retrospective method of adoption, with the date of initial application of 1 May 2019. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 1 May 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying AASB 117 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets). The Group has one concessionary lease for a property which is necessary for its day to day operations. The Group has applied the temporary relief provisions available under the standard to postpone the requirement for not-for-profit (NFP) entities to recognise concessionary leases at fair value. Accordingly, this lease is accounted for at cost, being zero.

Upon adoption of AASB 16, the Group applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low-value assets. Lease payments associated with these short-term and low-value leases are recognised as an expense on a straight-line basis over the lease term. The Group recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. In accordance with the modified retrospective method of adoption, the Group applied AASB 16 at the date of transition and has not restated comparative information.

As at 1 May 2019:

- 'Right-of-use assets' were recognised and presented separately in the statement of financial position. Lease assets recognised previously under finance leases, which were included under 'Property, plant and equipment', were derecognised.
- Additional lease liabilities were recognised and included under 'Lease liabilities'.

For the year ended 30 April 2020:

- Depreciation expense increased because of the 'Depreciation expense' of additional assets recognised (ie, increase in right-of-use assets). This resulted in increases in depreciation expense by $2,614,398.
- Rent expense included in 'Support costs', relating to previous operating leases, decreased by $2,732,409.
- 'Finance costs' increased by $558,325 relating to the interest expense on lease liabilities recognised.
- Cash outflows from operating activities decreased by $2,174,084 and cash outflows from financing activities increased by the same amount, relating to decreases in operating lease payments and increases in principal and interest payments of lease liabilities.

Notes to consolidated financial statements
for the year ended 30 April 2020

2. Basis of accounting (continued)

e) Changes to Australian Accounting Standards (continued)

The lease liabilities as at 1 May 2019 can be reconciled to the operating lease commitments as of 30 April 2019, as follows:

Operating lease commitments as at 30 April 2019	**$15,893,770**
Recognition Exemption	
Commitments relating to short-term leases and low value assets	$384,206
Operating Lease liability before discounting	$15,509,564
Weighted average incremental borrowing rate as at 1 May 2019	3.5% - 4.45%
Discounted operating lease commitments as at 1 May 2019	$13,660,020
Finance Lease Obligation (Note 17)	$34,465,124
Lease liabilities as at 1 May 2019	**$48,125,144**

AASB 15
The Group has adopted AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of not-for-profit (NFP) entities from 1 May 2019, The new accounting standards AASB 15: Revenue from Contracts with Customers and AASB 1058 Income of NFP entities become effective for accounting periods commencing on or after 1 January 2019. The combined operation of AASB 15 and AASB 1058 provides a more comprehensive model for accounting for income for NFP entities. The Group adopted AASB 15 using the modified retrospective method of adoption, with the date of initial application of 1 May 2019.

AASB 15 has introduced far more prescriptive requirements such as the identification of a contract with a customer and the identification of distinct performance obligations.

The concept of control replaces the existing requirements to consider when the ‘risks and rewards’ pass to the customer as the trigger point to recognise revenue. Depending on whether certain criteria are met, revenue is recognised either over time (in a manner that best reflects the Group’s performance) or at a point (when control of the goods or services is transferred to the customer).

3. Functional and presentation currency

The financial statements are presented in Australian dollars, which is the Group’s functional currency.

4. Use of estimates and judgements

In preparing these financial statements, Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is included in the following notes:

- Note 14a) – Property, plant and equipment
- Note 18 – Employee benefits

5. Change in accounting policies

The Group has consistently applied the accounting policies set out in the notes to the financial statements during the reporting period.

Notes to consolidated financial statements
for the year ended 30 April 2020

6. Revenue

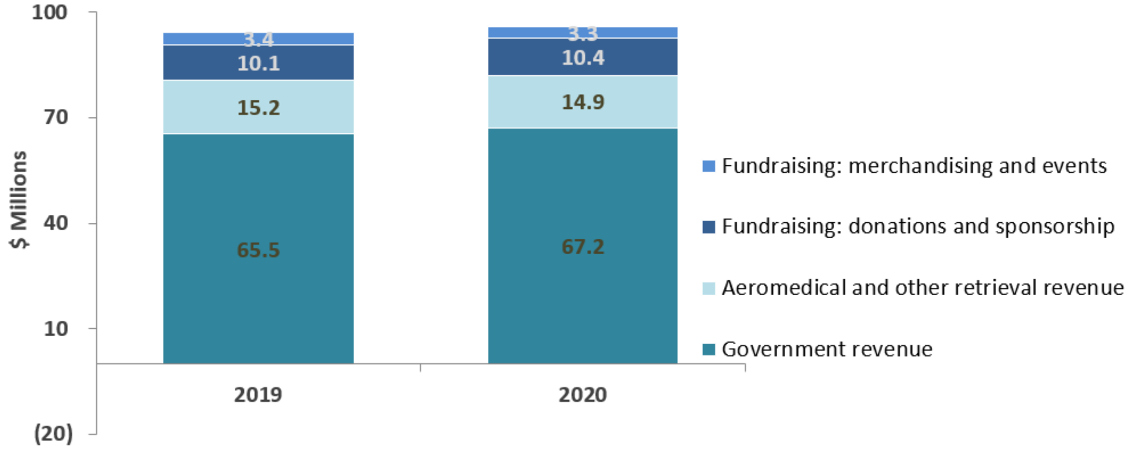
The various categories of Group revenue are recognised on the following basis:

Revenue	Nature	Recognition Criteria
Government revenue	• Government revenue received on the condition that specified services are delivered or conditions are fulfilled, are considered reciprocal. Such revenue is initially recognised as a liability (Note 16) and revenue is recognised as services are performed or conditions fulfilled • Non-reciprocal revenue is recognised when received. • Grants that compensate the Group for expenses incurred are recognised as revenue as expenses are incurred.	Revenue is recognised when specific performance obligations are met. If control of a good or service is transferred over time, (i.e. satisfies a performance obligation over time) revenue is also recognised over time in line with transfer of control. Income is deferred until performance obligations are satisfied. The Group receives short-term advances from its customers. Using the practical expedient in AASB 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.
Aeromedical and other retrieval income	• Revenue is recognised following agreement of both parties regarding terms and conditions when services are provided.	
Fundraising: donations and sponsorship	• General donation revenue is measured by the amount of cash received and is brought to account in the period in which it is received. • Conditional donation revenue is initially recognised as a liability (Note 16) and is recognised as revenue when the Group has complied with the conditions attached to the donation. • Donations in kind are recorded as revenue from fundraising at the fair value of the goods received, with an equal amount being recognised as an expense or capitalised as a fixed asset to which the donation relates. • Sponsorship revenue is recognised as services are performed or conditions fulfilled.	On receipt. Conditions of the revenue are complied with. On receipt of asset or service. Systematic basis in the periods in which conditions are fulfilled.
Fundraising: merchandising and events	• Sale of merchandise is recorded as revenue when goods are delivered. Measured at the amount of cash received. • Event revenue is recognised upon completion of event.	On delivery of goods. Completion of event.

	Note	2020 $	2019 $
Government revenue		67,228,581	65,462,507
Aeromedical and other retrieval revenue		14,865,554	15,168,562
Fundraising: donations and sponsorship	7a)	10,416,897	10,137,036
Fundraising: merchandising and events	7b)	3,289,598	3,433,324
Operational Revenue		95,800,630	94,201,429
Net gain on sale of non-current assets		36,604	22,705
Other Revenue		36,604	22,705
Total Revenue		**95,837,234**	**94,224,134**

Notes to consolidated financial statements
for the year ended 30 April 2020

6. Revenue (continued)



At 30 April 2020 the Group has income received in advance of $6,110,661 (2019: $6,709,574), relating to contract revenue received in advance for services not yet provided and donations with specific terms or conditions which must be met before the Group is entitled to the resources (Note 16).

7. Fundraising revenue and expenses

The Company is an authorised fundraiser under the Charitable Fundraising Act 1991 (NSW), the Charitable Collections Act 1946 (WA), the Fundraising Act 1998 (Vic), the Charitable Collections Act 2003 (ACT), the Collections for Charities Act 2001 (TAS), the Collections for Charitable Purposes Act 1939 (SA) and the Australian Charities and Not-for-profits Commission Act 2012.

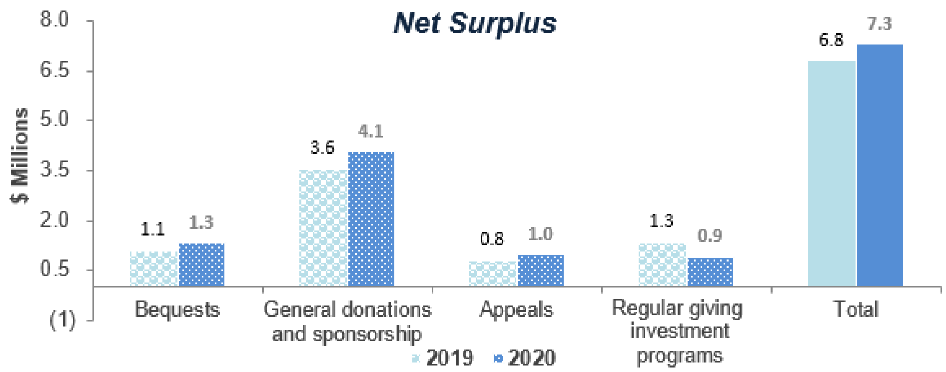
a) Fundraising: donations and sponsorship

	2020 $	2019 $
Revenue		
Bequests	1,332,342	1,114,895
General donations and sponsorship	6,243,943	5,999,474
Appeals	1,573,209	1,451,973
Regular giving investment programs	1,267,403	1,570,694
	10,416,897	**10,137,036**
Expenses		
Bequests	-	11,428
General donations and sponsorship	2,174,326	2,438,442
Appeals	577,295	647,495
Regular giving investment programs	366,197	222,932
	3,117,818	**3,320,297**
Net surplus: donations and sponsorship	**7,299,079**	**6,816,739**

Notes to consolidated financial statements
for the year ended 30 April 2020

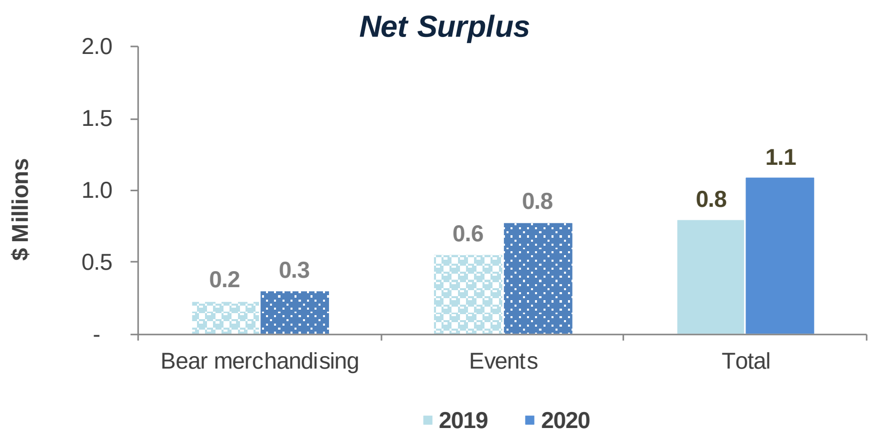
7. Fundraising revenue and expenses (continued)

a) Fundraising: donations and sponsorship (continued)



b) Fundraising: merchandising and events

	2020 $	2019 $
Revenue		
Bear merchandising	2,079,660	2,359,720
Events	1,209,938	1,073,604
	3,289,598	**3,433,324**
Expenses		
Bear merchandising	1,773,595	2,120,053
Events	425,198	515,606
	2,198,793	**2,635,659**
Net surplus: merchandising and events	**1,090,805**	**797,665**



Notes to consolidated financial statements
for the year ended 30 April 2020

7. Fundraising revenue and expenses (continued)

c) Information to be furnished under the Charitable Fundraising Act 1991 (NSW)

i) Statement showing how funds received from fundraising were applied to charitable purposes

	2020 $	2019 $
Net Surplus from Fundraising	**8,389,884**	**7,614,404**
This was applied to charitable purposes in the following manner:		
Total expenditure for operations and financing*	(88,178,815)	(85,858,961)
Shortfall in funds	**(79,788,931)**	**(78,244,557)**

*Total expenditure for operations and financing includes depreciation and indirect overheads.

ii) Shortfall of funds available from fundraising was financed from the following sources

	2020 $	2019 $
Government revenue	67,228,581	65,462,507
Aeromedical and other retrieval income	14,865,554	15,168,562
Net gain on sale of non-current assets	36,604	22,705
Finance income	111,355	132,876
Net surplus for the year	(2,453,163)	(2,542,093)
	79,788,931	**78,244,557**

iii) Details of fundraising appeals and programs conducted jointly with traders

	2020 $	2019 $
Gross income	559,927	688,612
Total expenditure incurred	425,197	515,606

iv) Fundraising ratios

	2020			2019		
	Revenue $	**Expenses $**	**Expense ratio**	**Revenue $**	**Expenses $**	**Expense ratio**
Fundraising: donations and sponsorships	10,416,897	3,117,818	30%	10,137,036	3,320,297	33%
Fundraising: merchandising and events[1]	3,289,598	2,198,793	67%	3,433,324	2,635,659	77%

[1]The merchandising and events expense ratio primarily reflects the costs of retail product acquisition, sales and distribution.

Notes to consolidated financial statements
for the year ended 30 April 2020

7. Fundraising revenue and expenses (continued)

c) Information to be furnished under the Charitable Fundraising Act 1991 (NSW) (continued)

iv) Fundraising ratios (continued)

	2020		2019	
	$	%	$	%
Total costs of fundraising / Gross revenue from fundraising	5,316,611/ 13,706,495	39%	5,955,956/ 13,570,360	44%
Net surplus from fundraising / Gross revenue from fundraising	8,389,884/ 13,706,495	61%	7,614,404/ 13,570,360	56%
Total costs of services / Total expenditure*	88,178,815/ 93,495,426	94%	85,858,961/ 91,814,917	94%
Total costs of services / Total revenue^	88,178,815/ 95,948,589	92%	85,858,961/ 94,357,010	91%

*Total expenditure includes finance expense
^Total revenue includes finance income

The Company conducted four appeals during the year (2019: four appeals).

8. Finance income and expense

Finance income and expense comprise interest payable on finance leases, interest receivable on funds invested, dividends received from equity securities and foreign exchange gains and losses.

Interest income and expense are recognised using the effective interest method.

Interest income is recognised in the statement of surplus or deficit on the date that the Group's right to receive payment is established.

Transactions in foreign currencies are translated to the functional currency of the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign currency gains and losses are reported on a net basis.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the statement of surplus or deficit.

	2020 $	2019 $
Interest income	19,870	21,327
Dividend income	88,056	110,212
Net foreign exchange gain	3,429	1,337
Finance income	**111,355**	**132,876**
Fees and charges: investments	(17,082)	(15,416)
Lease liability – non-Westpac	(558,325)	-
Lease liability - Westpac	(1,871,516)	(2,140,256)
Finance expense	**(2,446,923)**	**(2,155,672)**
Net finance expense	**(2,335,568)**	**(2,022,796)**

Notes to consolidated financial statements
for the year ended 30 April 2020

9. Taxes

Income tax

The Group entities are Public Benevolent Institutions and are exempt from income tax under Subdivision 50-B of the Income Tax Assessment Act 1997.

Goods and services tax

Revenue, expenditure, assets and liabilities are recognised net of the amount of goods and services tax (GST). Receivables and trade payables are stated with GST included. Cash flows are included in the statement of cash flows on a gross basis.

10. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and term deposits with maturities of three months or less. Restricted cash comprises conditional donations received. Bank overdrafts are repayable on demand and form an integral part of the Group's cash management. They are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

	2020 $	2019 $
Cash – unrestricted	12,611,665	10,149,003
Cash – restricted	771,517	537,702
	13,383,182	**10,686,705**

11. Trade and other receivables

Trade and other receivables are recognised initially at the value of services provided to customers. Trade receivables are non-interest bearing and credit terms range from 7 to 45 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Value of receivables is assessed at each reporting date to determine whether there is objective evidence that it is impaired. The Group considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics. In 2020 there was no impairment of trade receivables (2019: nil).

Costs that are directly attributable to securing a contract are initially recorded as amounts due from contract customers and are included in other receivables. These amounts are expensed over the period of the contract.

	2020 $	2019 $
Trade receivables	7,968,818	8,436,432
Other receivables	1,372,068	1,281,828
	9,340,886	**9,718,260**

Notes to consolidated financial statements
for the year ended 30 April 2020

12. Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is based on the first-in-first-out principle and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

	2020 $	2019 $
Bear merchandising stock	135,508	180,240
Fuel stock	8,276	9,259
Engineering parts	455,969	437,152
	599,753	**626,651**

In 2020, bear merchandising stock of $220,252 (2019: $242,101) was recognised as a cost of goods sold during the period and was included in 'Costs of fundraising: merchandising and events'. In 2020 no inventory was written down to net realisable value (2019: nil).

13. Investments

a) Current: financial assets

Investments are managed by a third party on behalf of the Group under the direction of the Investment Committee. Dividends and interest income will be recognised when the entity's right to receive payment is established, it is probable the economic benefits will flow to the entity and the amount can be measured reliably. Dividends and interest income are recognised in statement of surplus or deficit unless they clearly represent recovery of a part of the cost of the investment, in which case they are included in other comprehensive income (OCI). Changes in fair value are recognised in OCI and are never recycled through to statement of surplus or deficit, even if the asset is sold or impaired.

	2020 $	2019 $
Balance at 1 May	2,203,860	2,036,006
Net income	64,905	94,796
Market movement of Investments	(208,133)	73,058
Balance at 30 April	**2,060,632**	**2,203,860**

All financial assets held are able to be categorised as level one on the fair value hierarchy based on the inputs used in the valuation techniques, being quoted prices in active markets.

b) Non-current: Investments in subsidiaries

CareFlight (NT) Limited was registered as a public company limited by guarantee on 17 June 2011 and is a wholly-owned subsidiary of CareFlight Limited. CareFlight (NT) Limited is a not-for-profit entity and is a registered charity and Public Benevolent Institution. CareFlight Limited is the sole member of CareFlight (NT) Limited. No investment cost is recorded in relation to this subsidiary. CareFlight Limited has resolved to provide ongoing financial support to CareFlight (NT) Limited as required to ensure that it continues as a going concern for at least 12 months from the date of signing the 2020 Annual Financial Report.

Notes to consolidated financial statements
for the year ended 30 April 2020

14. Non-current assets

a) Property, plant and equipment (including other right-of-use assets)

Recognition and measurement

Fixed wing aircraft

Fixed wing aircraft are stated at cost less accumulated depreciation to reflect the long-term nature of these assets to service contracts. Cost includes expenditure that is directly attributable to the acquisition of the asset. Fixed wing aircraft are disaggregated into airframe and engine components due to differing useful lives between the two components and are depreciated separately.

Rotary wing aircraft

The fair value basis of valuation is applied to rotary wing aircraft on an annual basis as a class of assets. These assets are held at fair value at the date of revaluation less any subsequent accumulated depreciation or impairment losses.

Land and buildings

The fair value basis of valuation is applied to land and buildings every three years as a class of assets. These assets are held at fair value at the date of revaluation less any subsequent accumulated depreciation or impairment losses.

Furniture, equipment and motor vehicles

Items of furniture, equipment and motor vehicles are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Gains and losses on disposal

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within the statement of surplus or deficit within net gain or loss on disposal of non-current assets.

Depreciation

Depreciation is based on the gross carrying amount of the asset i.e. cost or revalued amount less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised on a straight-line basis over the estimated useful life of each component of an item of property, plant and equipment. Land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed upon each reporting date and adjusted if appropriate. The estimated useful lives for the current and comparative year are as follows:

	2020	2019
Fixed wing - airframe	10 to 18 years	10 to 18 years
Fixed wing - engines*	3,600 to 5,000 hours	3,600 to 5,000 hours
Rotary wing aircraft	20 years	20 years
Buildings	40 years	40 years
Furniture, equipment and motor vehicles	2.5 to 10 years	2.5 to 10 years

*For engines not covered under a power by the hour agreement.

Impairment

The carrying amounts of property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment is recognised if the carrying value of an asset exceeds its recoverable amount.

Notes to consolidated financial statements
for the year ended 30 April 2020

14. Non-current assets (continued)

a) Property, plant and equipment (including other right-of-use assets) (continued)

Revaluation

Revaluation increments on a class of asset basis are recognised in the asset revaluation reserve except to the extent that this reverses an impairment loss which had previously been recognised in the statement of surplus or deficit and other comprehensive income, in which case the reversal of that impairment loss is also recognised in the statement of surplus or deficit and other comprehensive income. Revaluation decrements are only offset against revaluation increments relating to the same class of asset and any excess is recognised firstly against the balance of the corresponding asset revaluation reserve. If this reserve is exhausted then the balance is charged directly to the statement of surplus or deficit and other comprehensive income. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained surplus. Fair value of the Group's assets is based on appraisals performed by independent, professionally-qualified aircraft and property valuers.

Subsequent costs

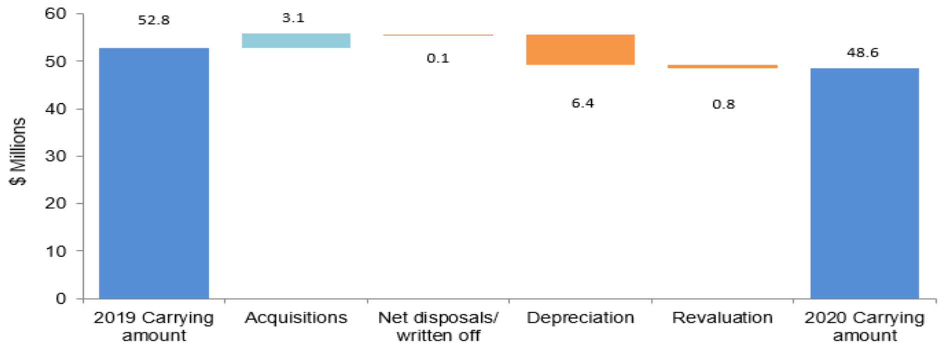
The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group and its costs can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised as an expense when incurred.

	Notes	Fixed wing aircraft	Rotary wing aircraft	Land and buildings	Work in Progress	Furniture, equipment and motor vehicles	Total
		At cost	*Fair value*	*Fair value*	*At cost*	*At cost*	
		$	**$**	**$**	**$**	**$**	**$**
Capitalised value							
Balance at 1 May 2019		**44,836,682**	**11,488,848**	**6,130,000**	**47,134**	**19,338,938**	**81,841,602**
Acquisitions		1,147,022	260,016	181,355	62,863	1,462,470	3,113,726
Disposals/written off		(874,831)	-	-	-	(333,185)	(1,208,016)
Work in progress capitalised		-	-	-	(47,134)	47,134	-
Depreciation before revaluation		-	(894,748)	(109,000)	-	-	(1,003,748)
Revaluation/(Devaluation)	14a)i)	-	263,765	(1,072,355)	-	-	(808,590)
Balance at 30 April 2020		**45,108,873**	**11,117,881**	**5,130,000**	**62,863**	**20,515,357**	**81,934,974**
Accumulated depreciation							
Balance at 1 May 2019		**14,722,438**	**-**	**-**	**-**	**14,341,526**	**29,063,964**
Depreciation for the year		3,770,195	894,748	109,000	-	1,583,099	6,357,042
Disposals/written off		(874,831)	(894,748)	(109,000)	-	(197,501)	(2,076,080)
Balance at 30 April 2020		**17,617,802**	**-**	**-**	**-**	**15,727,124**	**33,344,926**
Carrying amounts							
At 1 May 2019		**30,114,244**	**11,488,848**	**6,130,000**	**47,134**	**4,997,412**	**52,777,638**
At 30 April 2020	14a)ii)	**27,491,071**	**11,117,881**	**5,130,000**	**62,863**	**4,788,233**	**48,590,048**

Notes to consolidated financial statements
for the year ended 30 April 2020

14. Non-current assets (continued)

a) Property, plant and equipment (including other right-of-use assets) (continued)



i) Revaluation details

Asset details	Effective date of revaluation	Independent valuer	Revaluation surplus		
			1 May 2019	Movement	30 April 2020
			$	$	$
Agusta AW139 VH-YHF helicopter	30 April 2020	Slattery Valuations Pty Limited	3,325,715	310,204	3,635,919
Kawasaki BK117 VH-IME helicopter	30 April 2020	Slattery Valuations Pty Limited	(298,319)	(46,439)	(344,758)
Land and buildings	30 April 2020	John Virtue Valuers	3,993,614	(1,072,355)	2,921,259
			7,021,010	**(808,590)**	**6,212,420**

The fair value of rotary wing aircraft and land and buildings is able to be categorised as level 2 on the fair value hierarchy based on the inputs used in the valuation techniques, being quoted prices for similar assets in active markets.

Valuation uncertainty

Independent registered valuers Slattery Valuations Pty Limited and John Virtue Valuers have both highlighted that the World Health Organisation declared a Global Pandemic on 11 March 2020 due to the outbreak of the novel coronavirus ("COVID-19"). The valuers have both noted it is difficult, at the current time, to determine the effect COVID-19 will have on the valuation of the helicopters and the properties. The impact will largely depend on both the scale and longevity of the outbreak and the consequential ongoing impact on the economy. Consequently, at the valuation date, the valuers note that the valuations performed are the current opinions of value however, could change dependent on the aforementioned circumstances and have been reported on the basis of 'significant market uncertainty'. As such, less certainty and a higher degree of caution is attached to the valuation than would normally be the case. No material changes in the property valuations have been identified post year end for the impacts of COVID-19.

ii) Property, plant and equipment under financing arrangement and pledged as security for liabilities

As at 30 April 2020 fixed wing/rotary wing aircraft with a carrying amount of $34,412,767 and depreciation expense for the year of $3,895,911, plant and equipment with a carrying amount of $290,762 and depreciation expense for the year of $80,741 and land and buildings with a carrying amount of $980,000 and depreciation expense for the year of $8,575 are under financing arrangements with Westpac Banking Corporation that are right-of-use assets not included in Note 14b and are related to the lease liabilities detailed in Note 17.

iii) Restrictions on title

Four King Air fixed wing aircraft are part of the Top End Medical Retrieval Services contract with the Northern Territory Government and have a written down value $12,215,126 (2019: $13,460,831). Under the terms of the contract, should the Company fail to meet the terms and conditions set out therein, the Northern Territory Government has the right to takeover these aircraft and to assume the full liability for the unpaid financial charges.

Notes to consolidated financial statements
for the year ended 30 April 2020

14. Non-current assets (continued)

b) Right-of-use assets – land and buildings

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The carrying amounts of right-of-use assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment is recognised if the carrying value of an asset exceeds its recoverable amount.

The Group has elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

The following right-of-use assets exclude those noted in Note 14a)ii)

	2020	2019
Land and buildings	**$**	**$**
As at 1 May 2019	13,660,020	-
Depreciation expense	(2,614,399)	-
As at 30 April 2020	**11,045,621**	**-**

15. Trade payables

Trade payables are recognised at the fair value of goods and services received. An accrual is recorded when an expense has been incurred by the Group, prior to the related invoice being received. The Group derecognises a financial liability when its contractual obligation is discharged or cancelled or expires.

	2020	2019
	$	**$**
Trade creditors	2,507,832	2,323,795
Accrued expenses	3,438,356	4,449,877
	5,946,188	**6,773,672**

16. Income received in advance

Conditional donations and income received in advance are initially recognised in the statement of financial position as income received in advance until the Group has complied with the conditions attached to the income (Note 6).

	2020	2019
	$	**$**
Conditional donations	387,818	156,481
Payments received in advance for contracts	5,722,843	6,553,093
	6,110,661	**6,709,574**

17. Lease liabilities

a) Determining whether an arrangement contains a lease

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

The Group applied the short-term lease recognition exemption to its short-term leases of property and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Notes to consolidated financial statements
for the year ended 30 April 2020

17. Lease liabilities (continued)

b) Fair value

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows discounted at the market rate of interest at the reporting date. Market rate of interest is determined by reference to similar lease agreements.

	2020 $	2019 $
Current		
Lease liabilities - Westpac	14,753,547	3,490,275
Lease liabilities - non-Westpac	2,446,548	-
	17,200,095	**3,490,275**
Non-current		
Lease liabilities - Westpac	16,272,716	30,974,849
Lease liabilities - non-Westpac	9,039,388	-
	25,312,104	**30,974,849**

c) Terms and debt repayment schedule

Terms and conditions of outstanding loans are as follows:

	2020				2019	
	Nominal interest rate	Year of maturity	Face Value $	Carrying amount $	Face Value $	Carrying amount $
Lease liabilities - Westpac	3.98%-7.20%	2020-2041	**44,518,041**	**31,026,263**	**44,704,912**	**34,465,124**
Lease liabilities - non-Westpac	3.35%-4.45%	2020-2028	**13,660,020**	**11,485,936**	**-**	**-**

Payments for short term leases are recognised as an expense on a straight-line basis over the lease term. $428,137 has been recognised in the consolidated statement of surplus or deficit relating to short term leases.

The Group maintains a line of credit of $1,000,000 that is unsecured and undrawn at year end (2019: undrawn).

d) Lease liability commitments

	2020			2019		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
	$	$	$	$	$	$
Lease liabilities - Westpac commitments for the Group are:						
Within one year	16,188,870	1,435,323	14,753,547	5,263,873	1,773,598	3,490,275
One year or later and no later than five years	17,540,681	1,398,202	16,142,479	33,644,447	2,818,529	30,825,918
Later than five years	162,895	32,658	130,237	206,250	57,319	148,931
	33,892,446	**2,866,183**	**31,026,263**	**39,114,570**	**4,649,446**	**34,465,124**
Lease liabilities – non-Westpac for the Group are:						
Within one year	2,906,511	459,963	2,446,548	-	-	-
One year or later and no later than five years	9,276,953	927,852	7,549,523	-	-	-
Later than five years	758,208	67,922	1,489,864	-	-	-
	12,941,672	**1,455,737**	**11,485,935**	-	-	-

Notes to consolidated financial statements
for the year ended 30 April 2020

18. Employee benefits

a) Short-term employee benefits
Short-term employee benefits comprise wages and salaries, annual and long service leave and contributions to superannuation plans. The net marginal cost to the Group of non-accumulating non-monetary benefits such as housing, cars and free or subsidised goods and services, are expensed as the benefits are taken by the employees.

b) Long-term employee benefits
Long-term employee benefits comprise annual and long service leave benefits. The obligation represents the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using high quality corporate bond rates at the reporting date which have maturity dates approximating the terms of the Group's obligation.

c) Superannuation
The Group contributes to defined contribution superannuation plans. Obligations for superannuation contributions are recognised as a personnel expense as the related service is provided.

19. Reserves

Reserves comprise revaluation reserves which relate to movements arising from the revaluation of assets as set out in Note 13a) and Note 14a).

	2020 $	**2019 $**
Balance at 1 May	7,331,464	6,394,657
Revaluation of investments	(208,133)	73,058
Revaluation of non-current assets	(808,590)	863,749
Balance at 30 April	**6,314,741**	**7,331,464**

Notes to consolidated financial statements
for the year ended 30 April 2020

20. Related party disclosure

a) Loans and other transactions with key management personnel

Dr Andrew Refshauge, non-executive Director and Chairman of the Board, received an allowance in recognition of the time he commits to the affairs of the Company above and beyond the normal role of a board chairman. He was paid $60,000 (2019: $60,000) for these services under normal market rates.

Garry Dinnie, non-executive director and Chairman of the Audit & Risk Committee, received an allowance in recognition of the time he commits to the affairs of the Company above and beyond the normal role of a director. He was paid $30,000 (2019: $30,000) for these services under normal market rates.

b) Other related party transactions

Peter Quayle, a member of the Company, provided company secretarial and consultancy services to the Company. He was paid $73,688 (2019: $65,813) for these services under normal market rates.

c) Employment benefits to key management personnel

	2020 $	2019 $
Short and long term employee benefits	**3,638,693**	**3,368,189**

21. Economic dependency

The Group relies upon financial support from the NT Government, NSW Government, sponsors and the community.

22. Events subsequent to reporting date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material or unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Notes to consolidated financial statements
for the year ended 30 April 2020

23. Parent entity disclosure

As at, and throughout, the financial year ending 30 April 2020 the parent entity of the Group was CareFlight Limited.

a) Result of parent entity

	2020 $	2019 $
Surplus/(deficit) for the year	2,318,019	3,153,835
Other comprehensive income	(1,016,723)	936,807
	1,301,296	**4,090,642**

b) Financial position of parent entity at year end

	2020 $	2019 $
Current assets	25,235,428	23,069,670
Total assets	**72,655,971**	**62,386,477**
Current liabilities	31,912,376	19,028,559
Total liabilities	**47,432,491**	**38,464,293**

c) Total equity of parent entity comprising:

	2020 $	2019 $
Reserves	6,314,741	7,331,464
Retained surplus	18,908,739	16,590,720
	25,223,480	**23,922,184**

As the sole member of CareFlight (NT) Limited, the parent entity has resolved to provide ongoing financial support to CareFlight (NT) Limited, as required, to ensure that it continues as a going concern for at least 12 months from the date of signing of the 2020 Annual Financial Report. Net liabilities of CareFlight (NT) Limited are $498,929 (Net liabilities in 2019:$634,073).

Declaration by Chief Executive Officer in respect of fundraising appeals

I, Mick Frewen, CEO of CareFlight Limited, declare in my opinion:

(a) the consolidated statement of surplus or deficit and other comprehensive income gives a true and fair view of all income and expenditure of CareFlight Limited with respect to fundraising appeal activities for the financial year ended 30 April 2020;

(b) the consolidated statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 30 April 2020;

(c) the provisions of the Australian Charities and Not-for-profits Commission Act 2012, the Charitable Fundraising Act 1991 (NSW), the Fundraising Act 1998 (Vic), the Charitable Collections Act 2003 (ACT), the Collections for Charities Act 2001 (TAS), the Collections for Charitable Purposes Act 1939 (SA) and the Charitable Collections Act 1946 (WA), the Regulations under the Act(s) and the conditions attached to the authorities have been complied with for the financial year ended 30 April 2020; and

(d) the internal controls exercised by CareFlight Limited are appropriate and effective in accounting for all income received and applied from any fundraising appeals.

Mick Frewen
Chief Executive Officer

Dated at Sydney on 30 June 2020

Directors' declaration

In the opinion of the directors of CareFlight Limited (the Company):

(a) the consolidated financial statements and notes, set out on pages 10 to 31, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:

   (i) giving a true and fair view of the Group's financial position as at 30 April 2020 and of its performance, for the financial year ended on that date; and

   (ii) complying with Australian Accounting Standards – Reduced Disclosure Regime and the Australian Charities and Not-for-profits Commission Regulation 2013; and

(b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

____
Andrew Refshauge
Chairman

Dated at Sydney on 30 June 2020

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Auditor's Independence Declaration to the Directors of CareFlight Limited and its Controlled Entities

In relation to our audit of the financial report of CareFlight Limited and its controlled entities for the financial year ended 30 April 2020, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for profits Commission Act 2012*, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of any applicable code of professional conduct.

Ernst & Young

Ernst & Young

RRobinson

Renay Robinson
Partner
30 June 2020

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Independent Auditor's Report to the Members of CareFlight Limited and its Controlled Entity

Report on the Financial Report

Opinion

We have audited the financial report of CareFlight Limited and its controlled entity (collectively the Group), which comprises the consolidated statement of financial position as at 30 April 2020, the consolidated statement of surplus or deficit and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 30 April 2020 and of its consolidated financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter: Valuation Judgements

We draw attention to Note 14 of the financial report which notes that valuations for the property and helicopter assets have been reported on by valuers on the basis of significant market uncertainty arising as a result of COVID-19. Due to the significant market uncertainty these asset values may change over a relatively short period of time. As set out in Note 14, no material changes in the valuations have been identified post year end for the impacts of COVID-19. Our opinion is not modified in respect of this matter.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the Directors' Report and Corporate Governance Report accompanying the financial report.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Act 2012* and for such internal control as the directors determine 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 directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We 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 our 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.

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- 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group 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.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on the requirements of the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulations 2015* and the requirements of the *WA Charitable Collections Act (1946)* and the *WA Charitable Collections Regulations (1947)*

We have audited the financial report as required by Section 24(2) of the *NSW Charitable Fundraising Act 1991* and the *WA Charitable Collections Act (1946)*. Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulations 2015* and the *WA Charitable Collections Act (1946)* and the *WA Charitable Collections Regulations (1947)*.

Because of the inherent limitations of any assurance engagement, it is possible that fraud, error or non-compliance may occur and not be detected. An audit is not designed to detect all instances of non-compliance with the requirements described in the above-mentioned Acts and Regulations as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. The audit opinion expressed in this report has been formed on the above basis.

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Opinion

In our opinion:

a) the financial report of CareFlight Limited and its controlled entity has been properly drawn up and associated records have been properly kept during the financial year ended 30 April 2020, in all material respects, in accordance with:

   i. sections 20(1), 22(1-2), 24(1-3) of the NSW Charitable Fundraising Act 1991;
   ii. sections 10(6) and 11 of the NSW Charitable Fundraising Regulations 2015;
   iii. the WA Charitable Collections Act (1946); and
   iv. the WA Charitable Collections Regulations (1947).

b) the money received as a result of fundraising appeals conducted by the Group during the financial year ended 30 April 2020 has been properly accounted for and applied, in all material respects, in accordance with the above mentioned Acts and Regulations.

Ernst & Young

Ernst & Young

RRobinson

Renay Robinson
Partner
30 June 2020