



**CareFlight Limited**  
**(a company limited by guarantee)**

**ACN 003 093 445**

## **ANNUAL FINANCIAL REPORT**

### **30 APRIL 2014**



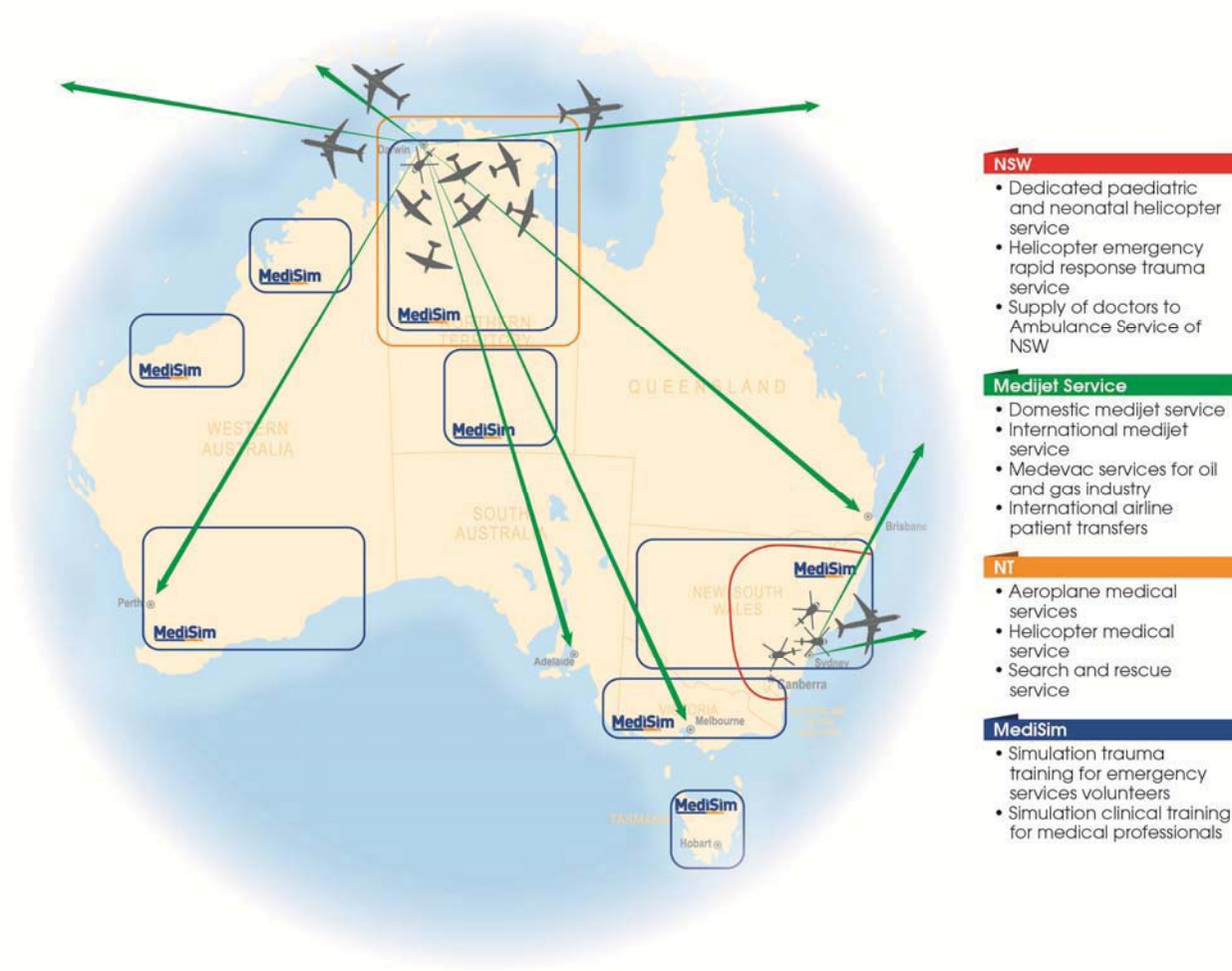
CareFlight Limited  
4-6 Barden Street  
Northmead NSW 2152

# CAREFLIGHT LIMITED DIRECTORS' REPORT

The directors present their report together with the financial report of CareFlight Limited ("CareFlight") and of the Group, being CareFlight and its subsidiary, for the financial year ended 30 April 2014 and the Auditor's report thereon.

## 1. Overview of Operations

CareFlight is today a multi-faceted charitable organisation. We provide a range of aero-medical and related services to communities right across Australia and beyond our shores. The nature and diversity of those services are illustrated in the diagram below.



All of these services are delivered as part of, or in support of, CareFlight's mission to "save lives, speed recovery and serve the community by providing the highest standard of rapid response critical care".

## 2. Highlights of the Year

The highlights of the year were:

- We treated and transported 5,206 patients (see table on page 2)
- We re-located our Darwin based operations to a brand new purpose built hangar designed by CareFlight, constructed by Darwin International Airport and funded by the NT Government.
- We purchased an AW 139 helicopter for deployment in our Top End helicopter service.
- The Territory Insurance Office (TIO) committed to a minimum \$750,000 sponsorship of CareFlight's Top End helicopter service, spread over three years.
- We accelerated the roll-out of our MediSim program which is taking vital trauma care training to regional, rural and remote communities across Australia.

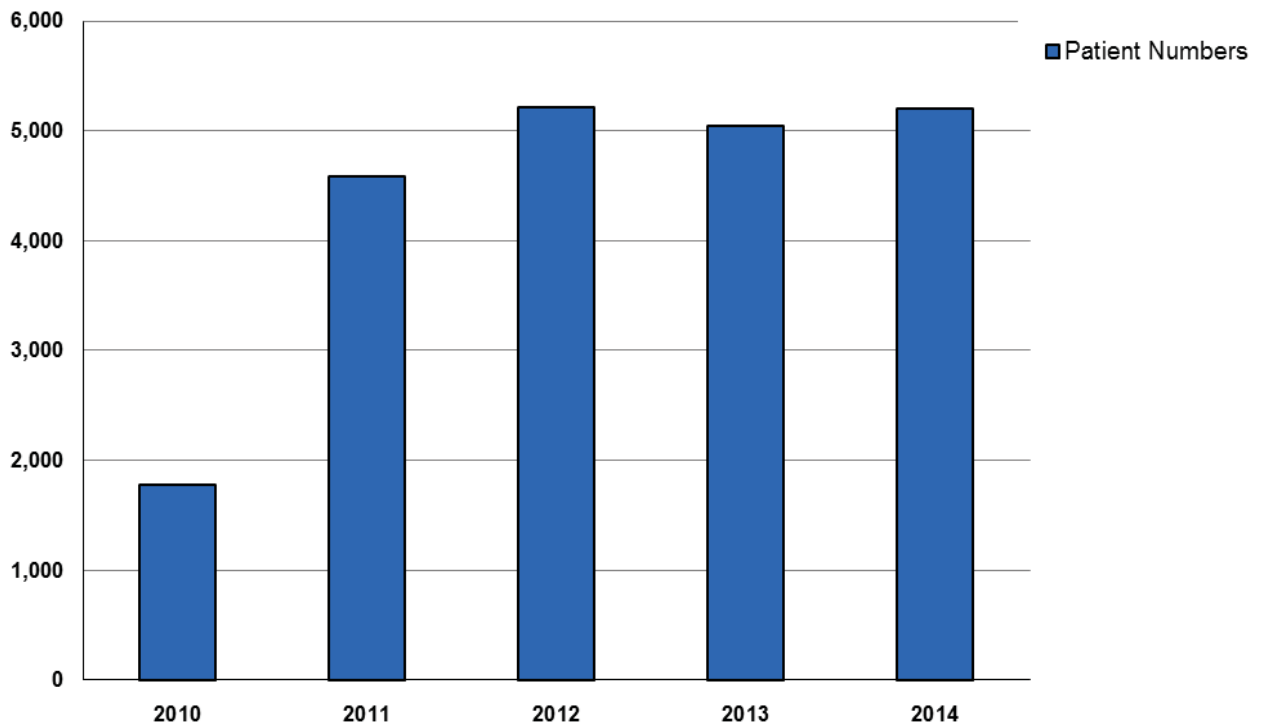
## CAREFLIGHT LIMITED DIRECTORS' REPORT

### 3. Social Impact

As they have throughout the history of CareFlight, our operational teams remain focused on service delivery and patient care. Testing our service against the following three indicators of social impact, we are pleased to report as follows:

#### *Patients treated and/or transported*

Patient numbers over the last five years are shown in the chart below.



The increase in patient numbers reflects the number of babies and children transported across New South Wales over the full financial year under our contract to provide helicopter services to support the Westmead based Neonatal and paediatric Emergency Transport Service (NETS). This contract commenced on 1 January 2013, so last year's figures picked up only the first four months of operations (January to April 2013).

#### *Time taken to reach patients*

Under our Top End Aero Medical Services Contract with the NT Government, we are required to meet the following "Dispatch to Takeoff" key performance indicators (KPIs) in not less than 95% of mission activations:

| Patient Priority | KPI                  |
|------------------|----------------------|
| 1                | Less than 30 minutes |
| 2                | Less than 2 hours    |
| 3                | Less than 6 hours    |

While we were operating out of temporary facilities in Darwin, without on-site staff accommodation and sleeping quarters for managing crew fatigue, it was a day-to-day challenge to meet these KPIs. Our move in September 2013 to a new, purpose built aero medical hangar has seen a material improvement in our KPIs, and we are now consistently achieving 97% plus compliance.

## CAREFLIGHT LIMITED DIRECTORS' REPORT

In September 2013 we purchased a larger, faster AW139 helicopter for deployment in our Northern Operations. After an extensive modification program, this aircraft came on-line in June 2014. Use of this aircraft is expected to substantially improve our time to patient performance in helicopter missions.

All other parts of our operations reported fully contract compliant time activation KPIs. But we do not rest on our laurels. Consistent with our ethos, our objective is not merely to comply, but to exceed the contract benchmarks set for us. Within the bounds of safe operations, we continually strive to do so.

### *Quality of care given to patients*

Quality of care is a function of many factors, the most important of which are: attraction and recruitment of well qualified, appropriately experienced, high calibre staff; delivery of well-designed, relevant induction and in-service training programs; the right level and style of staff supervision; reporting and feedback mechanisms; management processes and systems; organisational culture; quality control systems.

None of these factors is easy to measure or evaluate. Nonetheless, we do make a continuous effort to improve by looking at, sharing information with and benchmarking ourselves against other comparable operators. In the nature of things, much of this is done informally, often in the setting of industry gatherings and conferences.

We are getting direct, albeit anecdotal, evidence of the impact that our MediSim program is making to the stabilisation and recovery prospects of accident victims in remote areas. It is pleasing to see the value of this program spreading by word of mouth amongst emergency services personnel and first responders living in the remoter parts of Australia.

## 4. Creating New Opportunities

In recent years CareFlight has enjoyed considerable success in bolstering the long term sustainability of the organisation. This has been achieved by winning new work in the aero-medical sector, bringing CareFlight income diversity – the cornerstone of strategic independence.

The following table illustrates our success in this area:

| Year      | Customer               | Nature of contract   | Duration of contract(s)  |
|-----------|------------------------|--|--|
| 2010      | NT Government          | Interim contract for the provision of an integrated aero-medical service across the Top End of the Northern Territory  | Initially 12 months – later extended to line up with start of long term contract |
| 2011      | NT Government          | Long term contract for the provision of an integrated aero-medical service across the Top End of the Northern Territory  | 10 years (expiring 31 December 2022)   |
| 2012      | NSW Government         | Contract to provide helicopter services for the purpose of intra-state transfer of sick babies and children  | 4.5 years  |
| 2013      | NT Government          | Panel contract to provide inter-state jet air ambulance service, for the purpose of transferring high acuity patients from Darwin to other capital cities in Australia (mainly Adelaide) | 3 years  |
| 2013/2014 | Non-government clients | Contracts to support the aero-medical evacuation needs of major off-shore oil and gas companies operating in the seas to the north and north-west of Australia                           | Duration varies between customers  |

## CAREFLIGHT LIMITED DIRECTORS' REPORT

The tempo of our business development activity picked up markedly in FY2013/2014 – the year covered by this report. Within a matter of months the Victorian, New South Wales and South Australian Governments released or announced tenders for major long term helicopter emergency medical services (HEMS) contracts. Each of the resulting contracts has or will have a minimum duration of ten years. In short, FY2013/2014 presented a once in a decade opportunity to bid for the three largest government HEMS contracts available in the southern half of Australia.

CareFlight has lodged or is in the process of lodging bids for each of these contracts. At the time of writing, the status of our bids was as follows:

| State           | Bid status   |
|-----------------|--|
| Victoria        | CareFlight unsuccessful                            |
| New South Wales | Bid lodged and announcement expected December 2014 |
| South Australia | Tender lodgement extended until 31 July 2014       |

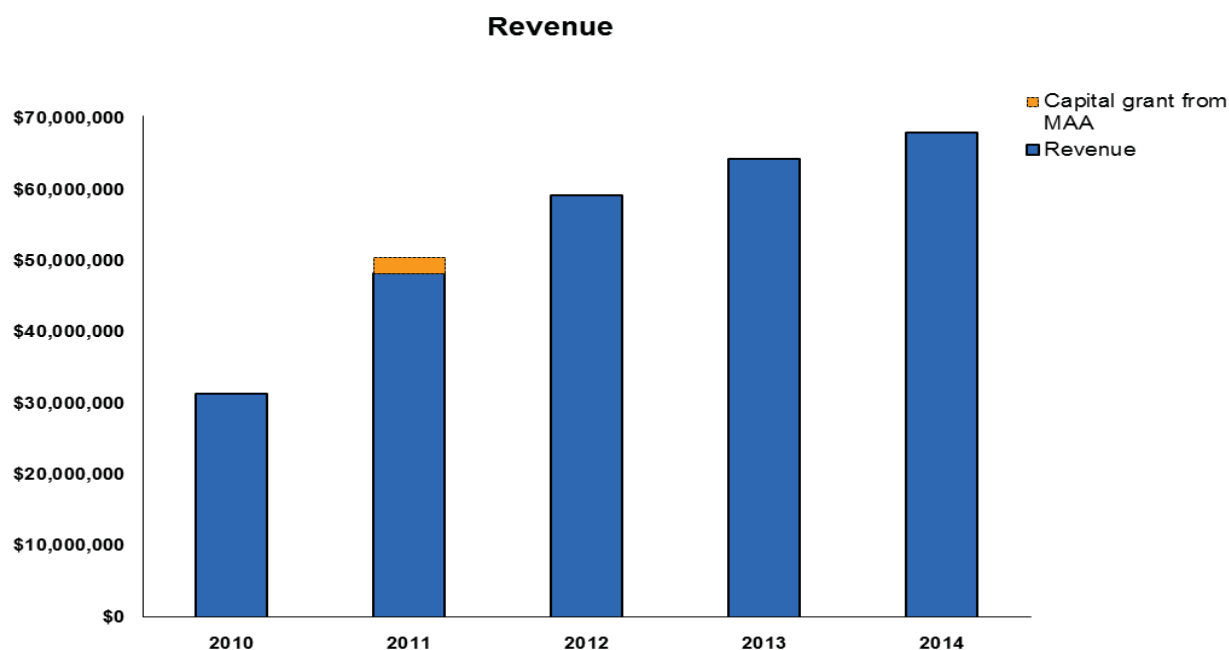
The aero-medical sector is highly competitive, and CareFlight competes directly with some of the world's largest helicopter companies. The scale and complexity of the larger government tenders means that we have to invest heavily in developing our bids and draw extensively on the skills and experience of professional advisers and consultants. The investment costs have substantially impacted our surplus.

Despite the high costs, the Board remains committed to pursuing new opportunities that fall within our charter. However, opportunities of the magnitude of the Victorian, New South Wales and South Australian government tenders are unlikely to arise again in the short and medium term.

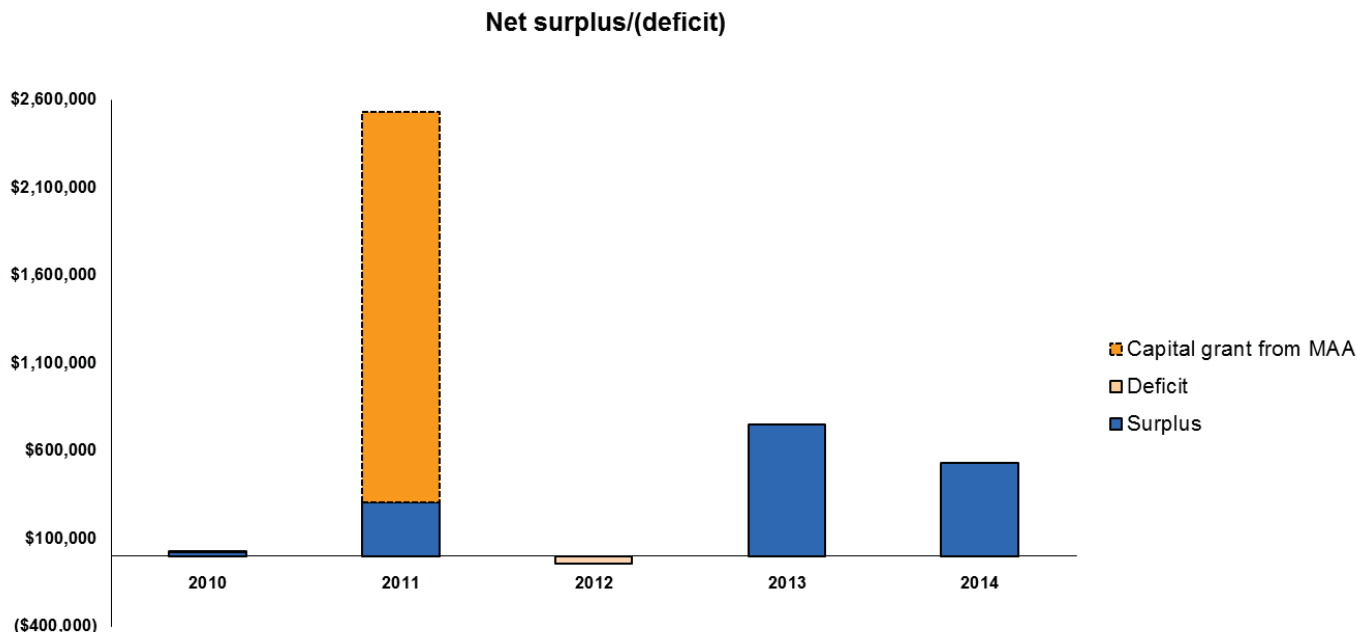
While CareFlight aspires to win all the work for which it tenders, we face the same reality that every business faces (whether in the commercial sector or the not-for-profit sector) – we cannot realistically expect to win them all. Importantly, though, with the diversification of our income sources and mix of medium and long term contracts, and in stark contrast to our position seven years ago, CareFlight's survival is no longer linked to any single contract. Unsuccessful tenders are disappointments, not disasters.

### 5. Financial Overview

The charts below provide a comparative snapshot of the revenue and surplus positions for each of the last five financial years of the organisation.



## CAREFLIGHT LIMITED DIRECTORS' REPORT



Group revenue in FY2013-14 increased by \$3,664,667 (5.7%), from \$64,351,162 to \$68,015,829. The increase in revenue was due principally to recognising the full year impact of the contract to provide the helicopter service for transporting sick children across NSW on behalf of NETS (Newborn and Paediatric Emergency Transport Service) (which commenced on 1 January 2013).

On the expenditure side, we incurred one-off costs of approximately \$1.3million in relation to our bids for the Victorian and New South Wales HEMS contracts. Were it not for these costs, our surplus of \$530,248 (2013: (\$752,410)) would have been closer to \$2million.

### 6. Board and Senior Management Changes

During the year, Patricia Angus joined the Board as an independent non-executive director. Trish has served with distinction in the Northern Territory Public Service predominantly as a senior executive in health and human services. She has qualifications in nursing, public administration and tropical health. Following her retirement, Trish was awarded the Public Service Medal in January 2013 for outstanding public service to health and housing policy, and programs and services to indigenous people in the Northern Territory. She is a member of the Top End Hospitals Network Governing Council. Trish was appointed a Director of CareFlight on 24 June 2013.

The presence of David Bowen, who took extended leave-of-absence to concentrate on his very demanding role of Chief Executive Officer of the National Disability Insurance Agency was missed. David will be resuming his CareFlight Board role in July 2014.

The management team was very stable, with only one change. The low turn-over in our senior ranks is a powerful factor in our success. It means that we retain the benefit of experience forged in challenging times, learn from our mistakes, foster better teamwork and maximise the benefit of the accumulated intellectual property within the organisation.

## CAREFLIGHT LIMITED DIRECTORS' REPORT

### 7. 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                                     | Age | Experience and special responsibilities   |
|--|-----|---|
| Andrew REFSHAUGE MB, BS, FAICD<br>Chairman<br>Independent Non-Executive Director | 65  | <ul style="list-style-type: none"> <li>• Extensive experience at the highest levels of government.</li> <li>• Former Deputy Premier of NSW, former Treasurer and Minister for Health, Planning, Housing, Education, Training, State Development and Aboriginal Affairs.</li> <li>• Former medical practitioner.</li> <li>• Director and Chairman since 18 December 2007.</li> </ul>   |
| Derek COLENBRANDER BA, LLB<br>Chief Executive Officer<br>Executive Director      | 60  | <ul style="list-style-type: none"> <li>• Long career in private legal practice as a corporate and commercial lawyer, followed by general management experience.</li> <li>• Solicitor and Notary Public.</li> <li>• Director since 19 December 2003.</li> </ul>  |
| Patricia ANGUS PSM, MTH<br>Independent Non-Executive Director                    | 67  | <ul style="list-style-type: none"> <li>• Extensive experience as a senior executive in the Northern Territory Public Service in health and housing policy, and programs and services to indigenous people</li> <li>• Northern Territory resident director.</li> <li>• Member of the Audit &amp; Risk Committee</li> <li>• Director since 24 June 2013.</li> </ul>   |
| Ian BADHAM OAM, BSc<br>Media Relations Manager<br>Executive Director             | 68  | <ul style="list-style-type: none"> <li>• Extensive experience in journalism and corporate administration and the development of civil helicopter rescue services in Australia since 1971.</li> <li>• Northern Territory resident director.</li> <li>• Director since 9 May 1986.</li> </ul>   |
| David BOWEN BA, Dip Law<br>Independent Non-Executive Director                    | 57  | <ul style="list-style-type: none"> <li>• Extensive experience in the insurance industry and in government legal administration.</li> <li>• Chief Executive Officer, National Disability Insurance Agency.</li> <li>• Former Chief Executive Officer, Lifetime Care and Support Authority.</li> <li>• Former General Manager, Motor Accidents Authority.</li> <li>• Director since 18 December 2007.</li> </ul> <p><i>Currently on leave of absence.</i></p> |
| Daniel CASS MBBS, FRCS, FRACS<br>Independent Non-Executive Director              | 64  | <ul style="list-style-type: none"> <li>• Experienced surgeon with extensive interests in injury prevention and post trauma management in a paediatric setting.</li> <li>• Director of Trauma at the Children's Hospital, Westmead.</li> <li>• Professor of Paediatric Surgery at the University of Sydney.</li> <li>• Director since 4 February 2013.</li> </ul>  |

## CAREFLIGHT LIMITED DIRECTORS' REPORT

| Name, qualifications and independence status   | Age | Experience and special responsibilities   |
|--|-----|---|
| Garry DINNIE BComm, FCA, FAICD, MIA (Aust), FAIM<br>Independent Non-Executive Director | 62  | <ul style="list-style-type: none"> <li>• Extensive experience in financial and accounting matters, risk management and regulatory regimes with broad-based business experience across a number of industries.</li> <li>• Former senior partner of a leading accounting firm.</li> <li>• Director of various public and private companies.</li> <li>• Chairman of the Audit &amp; Risk Committee.</li> <li>• Director since 23 February 2010.</li> </ul> |
| Anna GUILLAN MBA<br>Independent Non-Executive Director                                 | 56  | <ul style="list-style-type: none"> <li>• Extensive experience in sales and marketing in the tourism and hospitality industry.</li> <li>• Regional Director, Sales and Marketing, Australia and New Zealand, Kerzner International.</li> <li>• Member of the Audit &amp; Risk Committee.</li> <li>• Director since 14 December 2010.</li> </ul>  |

### 8. 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:

| Director       | Board              |          | Audit & Risk Committee |          |
|----------------|--------------------|----------|------------------------|----------|
|                | Eligible to Attend | Attended | Eligible to Attend     | Attended |
| A Refshauge    | 10                 | 10       | -                      | -        |
| D Colenbrander | 10                 | 10       | -                      | -        |
| P Angus        | 10                 | 9        | -                      | -        |
| I Badham       | 10                 | 9        | -                      | -        |
| D Bowen *      | -                  | -        | -                      | -        |
| D Cass         | 10                 | 6        | -                      | -        |
| G Dinnie       | 10                 | 10       | 3                      | 3        |
| A Guillan      | 10                 | 9        | 3                      | 3        |

\* David Bowen has been granted leave of absence from 17 February 2013 to 30 June 2014.

### 9. 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 eight directors, six 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 the Corporations Act and CareFlight's Constitution, delegate a range of functions, powers and



## CAREFLIGHT LIMITED DIRECTORS' REPORT

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 and
- ensuring the Company conducts its affairs within the law.

### ***Board processes***

The Board meets at least six times a year and meets on an ad hoc basis 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. Meetings attended by directors during the financial year are recorded in the Directors' Report.

### ***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 the date of this report are set out in the Directors' Report. 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 28 b)) 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 28 b)) in recognition of the time he commits to the affairs of the Company above and beyond the normal role of chairman of a board committee. In addition two executive directors receive remuneration in their roles as salaried officers. In accordance with the requirements of the NSW Charitable Fundraising Act 1991, these arrangements have been approved by:

- the NSW Minister for Gaming & Racing under Section 48 of the Act;
- the CareFlight Board which approved the remuneration packages as being on reasonable commercial terms;
- a meeting of Members which confirmed the appointments, conditions of service and remuneration of the two executive directors;

## CAREFLIGHT LIMITED DIRECTORS' REPORT

- 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.

### ***Audit & Risk Committee***

The primary function of the Audit & Risk Committee is to assist the Board in fulfilling its responsibilities by reviewing the financial information to be provided to Members and other stakeholders and assessing the adequacy of internal control systems, accounting policies and the audit process. The Committee comprises three directors, all of whom are non-executive directors.

The names of the directors who were members of the Audit & Risk Committee during the year are set out in the Directors' Report. Committee meetings attended by directors during the financial year are recorded in the Directors' Report.

The Group's external Auditor, the CEO and the Finance Manager 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 Finance Manager 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 which 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 and
- 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 the monthly CareFlighter newsletter, quarterly newsletter to supporters and the Company website ([www.careflight.org](http://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 and
- the audited financial statements of the Company.

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.

## CAREFLIGHT LIMITED DIRECTORS' REPORT

### 10. Dividends

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

### 11. Indemnification and Insurance of Officers

The Company has provided for and paid premiums totalling \$12,980 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.

### 12. Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 43 and forms part of the Directors' Report.

### 13. 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 Company, the results of those operations, or the state of affairs of the Company, in future financial years.

### 14. Thank you

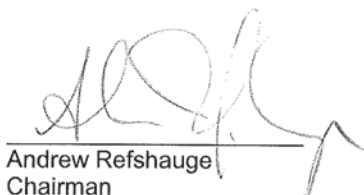
We express our deep thanks and appreciation to our donors and supporters. Your money is dedicated to a wonderful cause, and makes a life-saving difference to many people. It is often the case that, for a patient, the arrival of CareFlight is the best thing that happens in the worst day of their life.

We also express our appreciation and gratitude to the Motor Accidents Authority (MAA). The seven year grant from the MAA concluded on 30 April 2014. Under the grant the MAA provided annual funding of \$1million which, together with generous community support for CareFlight, funded the operation of our rapid response critical care helicopter service across Greater Sydney at no cost to the Ambulance Service. It has been a pleasure working with such a professional and supportive organisation, one whose vision of delivering and supporting injury prevention initiatives which minimise the social cost of motor vehicle accidents aligns so closely with CareFlight's ethos.

Last but not least, we also take this opportunity to thank our very dedicated staff for their commitment to CareFlight, and their willingness to always go the extra mile when circumstances require. That willingness extends right across the organisation: the front-line operational doctors, nurses, pilots and aircrewmen, ready to fly again even as a long and busy shift draws to a close; the engineers working into the early hours to get an aircraft back on-line or to complete modifications to an aircraft; the MediSim team taking our MediSim program to the remotest parts of Australia and working into the night to deliver training courses; the administration team working continuously through many nights and weekends to deliver a high-quality tender on time.

Your efforts and contribution bring great credit to CareFlight and are deeply appreciated.

Signed in accordance with a resolution of the directors:



Andrew Refshaug  
Chairman



Derek Colenbrander  
Chief Executive Officer

Dated at Sydney on 24 June 2014

# CAREFLIGHT LIMITED (Reduced Disclosure Requirements)

## Consolidated and Company statement of surplus or deficit and other comprehensive income for the year ended 30 April 2014

|   | Note            | Consolidated       |                           |                           | Company           |                           |                           |
|---|-----------------|--------------------|---------------------------|---------------------------|-------------------|---------------------------|---------------------------|
|   |                 | 2014<br>\$         | 2013<br>\$<br>(Restated)* | 2012<br>\$<br>(Restated)* | 2014<br>\$        | 2013<br>\$<br>(Restated)* | 2012<br>\$<br>(Restated)* |
| NSW Ambulance   |                 | 10,843,688         | 6,375,333                 | 3,200,558                 | 10,843,688        | 6,375,333                 | 3,200,558                 |
| Northern Territory Department of Health                                     |                 | 32,842,178         | 31,355,803                | 28,086,819                | 29,727,758        | 31,355,803                | 28,086,819                |
| Aero-medical and other retrieval revenue                                    |                 | 10,673,963         | 12,716,848                | 15,076,526                | 10,673,963        | 12,716,848                | 15,076,526                |
| Fundraising - donations and sponsorship                                     | 33              | 6,678,155          | 6,639,182                 | 5,299,290                 | 6,678,155         | 6,639,182                 | 5,299,290                 |
| Fundraising - merchandising and events                                      | 33              | 6,909,104          | 7,263,996                 | 7,631,054                 | 6,909,104         | 7,263,996                 | 7,631,054                 |
| Revenue from CareFlight Aeromedical Limited                                 |                 | 68,741             | -                         | -                         | 68,741            | -                         | -                         |
| <b>Total revenue</b>  |                 | <b>68,015,829</b>  | <b>64,351,162</b>         | <b>59,294,247</b>         | <b>64,901,409</b> | <b>64,351,162</b>         | <b>59,294,247</b>         |
| Operations and administration - costs of personnel                          |                 | 29,138,665         | 29,597,027                | 24,998,561                | 29,138,665        | 29,597,027                | 24,998,561                |
| Direct costs of aero-medical operations                                     |                 | 18,609,346         | 17,492,611                | 20,200,015                | 18,609,346        | 17,492,611                | 20,200,015                |
| Costs of fundraising - donations and sponsorship                            | 33              | 1,639,627          | 982,939                   | 697,626                   | 1,639,627         | 982,939                   | 697,626                   |
| Costs of fundraising - merchandising and events                             | 33              | 4,897,401          | 5,038,670                 | 5,467,445                 | 4,897,401         | 5,038,670                 | 5,467,445                 |
| Depreciation  | 15-18           | 3,989,545          | 3,195,042                 | 2,432,471                 | 2,229,044         | 2,530,460                 | 2,432,471                 |
| Insurance   |                 | 998,479            | 962,601                   | 649,690                   | 998,479           | 962,601                   | 649,690                   |
| Professional fees   |                 | 2,350,435          | 1,520,487                 | 1,730,954                 | 2,350,435         | 1,520,487                 | 1,730,954                 |
| General overheads   |                 | 3,472,042          | 2,705,269                 | 2,458,008                 | 3,657,326         | 2,705,269                 | 2,458,008                 |
| Net loss on sale of non-current assets                                      |                 | 85,897             | 429,601                   | 14,362                    | 85,897            | 429,601                   | 14,362                    |
| Impairment loss on non-current assets                                       |                 | -                  | 15,508                    | -                         | -                 | 15,508                    | -                         |
| Impairment loss on fixed wing aircraft held for sale                        |                 | -                  | 411,694                   | -                         | -                 | 411,694                   | -                         |
| <b>Total expenditure before (devaluation)/revaluation</b>                   |                 | <b>65,181,437</b>  | <b>62,351,449</b>         | <b>58,649,132</b>         | <b>63,606,220</b> | <b>61,686,867</b>         | <b>58,649,132</b>         |
| <b>Surplus before net finance and (devaluation)/revaluation of aircraft</b> |                 | <b>2,834,392</b>   | <b>1,999,713</b>          | <b>645,115</b>            | <b>1,295,189</b>  | <b>2,664,295</b>          | <b>645,115</b>            |
| Finance income  | 7               | 124,577            | 122,384                   | 158,318                   | 124,309           | 122,384                   | 158,318                   |
| Finance expense   | 7               | (2,428,721)        | (1,369,687)               | (846,951)                 | (990,711)         | (872,629)                 | (846,951)                 |
| <b>Net finance expense</b>  |                 | <b>(2,304,144)</b> | <b>(1,247,303)</b>        | <b>(688,633)</b>          | <b>(866,402)</b>  | <b>(750,245)</b>          | <b>(688,633)</b>          |
| <b>Net surplus for the year</b>   |                 | <b>530,248</b>     | <b>752,410</b>            | <b>(43,518)</b>           | <b>428,787</b>    | <b>1,914,050</b>          | <b>(43,518)</b>           |
| <b>Other comprehensive income</b>   |                 |                    |                           |                           |                   |                           |                           |
| <b>Items that may be reclassified to profit or loss</b>                     |                 |                    |                           |                           |                   |                           |                           |
| (Devaluation)/Revaluation of rotary wing aircraft                           | 3 d) (v),<br>16 | (8,248)            | 234,290                   | (697,892)                 | (8,248)           | 234,290                   | (697,892)                 |
| <b>Total comprehensive income for the year</b>                              |                 | <b>522,000</b>     | <b>986,700</b>            | <b>(741,410)</b>          | <b>420,539</b>    | <b>2,148,340</b>          | <b>(741,410)</b>          |

The notes on pages 16 to 40 are an integral part of these financial statements.

\*Please refer Prior period adjustment (Note 5).

# CAREFLIGHT LIMITED (Reduced Disclosure Requirements)

## Statement of changes in equity for the year ended 30 April 2014

|  | Note          | Revaluation Reserve<br>\$ | Consolidated<br>Retained Surplus<br>\$ | Total<br>\$      |
|--|---------------|---------------------------|--|------------------|
| Balance at 1 May 2012 (Restated)*              |               | -                         | 6,571,815                              | 6,571,815        |
| <b>Total comprehensive income for the year</b> |               |                           |  |                  |
| <b>Net surplus</b>                             |               | -                         | 752,410                                | 752,410          |
| <i>Other comprehensive income</i>              |               |                           |  |                  |
| <i>Revaluation</i>                             | 22            | 234,290                   |  | 234,290          |
| Transactions with members                      |               | -                         | -                                      | -                |
| <b>Balance at 30 April 2013 (Restated)*</b>    | <b>22, 23</b> | <b>234,290</b>            | <b>7,324,225</b>                       | <b>7,558,515</b> |
| Balance at 1 May 2013                          |               | 234,290                   | 7,324,225                              | 7,558,515        |
| <b>Total comprehensive income for the year</b> |               |                           |  |                  |
| <b>Net surplus</b>                             |               | -                         | 530,248                                | 530,248          |
| <i>Other comprehensive income</i>              |               |                           |  |                  |
| <i>Devaluation</i>                             | 22            | (8,248)                   | -                                      | (8,248)          |
| Transactions with members                      |               | -                         | -                                      | -                |
| <b>Balance at 30 April 2014</b>                | <b>22, 23</b> | <b>226,042</b>            | <b>7,854,473</b>                       | <b>8,080,515</b> |

The notes on pages 16 to 40 are an integral part of these financial statements.

\*Please refer *Prior period adjustment* (Note 5).

## CAREFLIGHT LIMITED (Reduced Disclosure Requirements)

### *Statement of changes in equity for the year ended 30 April 2014*

|  | Note          | Revaluation Reserve<br>\$ | Company<br>Retained Surplus<br>\$ | Total<br>\$      |
|--|---------------|---------------------------|-----------------------------------|------------------|
| Balance at 1 May 2012 (Restated)*              |               | -                         | 6,571,815                         | 6,571,815        |
| <b>Total comprehensive income for the year</b> |               |                           |                                   |                  |
| <b>Net surplus</b>                             |               | -                         | 1,914,050                         | 1,914,050        |
| <i>Other comprehensive income</i>              |               |                           |                                   |                  |
| <i>Revaluation</i>                             | 22            | 234,290                   |                                   | 234,290          |
| Transactions with members                      |               | -                         | -                                 | -                |
| <b>Balance at 30 April 2013 (Restated) *</b>   | <b>22, 23</b> | <b>234,290</b>            | <b>8,485,865</b>                  | <b>8,720,155</b> |
| Balance at 1 May 2013                          |               | 234,290                   | 8,485,865                         | 8,720,155        |
| <b>Total comprehensive income for the year</b> |               |                           |                                   |                  |
| <b>Net surplus</b>                             |               | -                         | 428,787                           | 428,787          |
| <i>Other comprehensive income</i>              |               |                           |                                   |                  |
| <i>Devaluation</i>                             | 22            | (8,248)                   | -                                 | (8,248)          |
| Transactions with members                      |               | -                         | -                                 | -                |
| <b>Balance at 30 April 2014</b>                | <b>22, 23</b> | <b>226,042</b>            | <b>8,914,652</b>                  | <b>9,140,694</b> |

The notes on pages 16 to 40 are an integral part of these financial statements.

\*Please refer *Prior period adjustment* (Note 5).



# CAREFLIGHT LIMITED (Reduced Disclosure Requirements)

## Consolidated and Company statement of financial position as at 30 April 2014

|                                      | Note | 2014<br>\$        | Consolidated<br>2013<br>\$<br>(Restated)* | 2012<br>\$<br>(Restated)* | 2014<br>\$        | Company<br>2013<br>\$<br>(Restated)* | 2012<br>\$<br>(Restated)* |
|--------------------------------------|------|-------------------|---|---------------------------|-------------------|--------------------------------------|---------------------------|
| <b>Current assets</b>                |      |                   |   |                           |                   |                                      |                           |
| Cash and cash equivalents            | 9    | 6,305,766         | 3,467,054                                 | 6,246,432                 | 6,086,889         | 3,425,694                            | 6,246,432                 |
| Trade and other receivables          | 10   | 5,450,359         | 7,447,385                                 | 2,505,260                 | 5,450,359         | 7,447,385                            | 2,505,260                 |
| Inventories                          | 11   | 172,236           | 231,211                                   | 195,042                   | 172,236           | 231,211                              | 195,042                   |
| Intercompany receivable              |      | -                 | -   | -                         | 218,876           | 1,394,632                            | -                         |
| Aircraft held for sale               | 12   | 1,922,440         | 766,782                                   | -                         | 1,922,440         | 766,782                              | -                         |
| Other current assets                 | 13   | 1,005,226         | 1,019,631                                 | 612,073                   | 771,482           | 775,119                              | 612,073                   |
| <b>Total current assets</b>          |      | <b>14,856,027</b> | <b>12,932,063</b>                         | <b>9,558,807</b>          | <b>14,622,282</b> | <b>14,040,823</b>                    | <b>9,558,807</b>          |
| <b>Non-current assets</b>            |      |                   |   |                           |                   |                                      |                           |
| Investments                          | 14   | 2                 | 1   | 1                         | 2                 | 1                                    | 1                         |
| Fixed wing aircraft                  | 15   | 21,183,031        | 22,479,369                                | 21,156,227                | 2,552,241         | 2,088,078                            | 21,156,227                |
| Rotary wing aircraft                 | 16   | 10,968,407        | 4,834,680                                 | 4,962,038                 | 10,968,407        | 4,834,680                            | 4,962,038                 |
| Land and buildings                   | 17   | 2,493,007         | 2,539,613                                 | 2,609,156                 | 2,493,007         | 2,539,613                            | 2,609,156                 |
| Property, plant and equipment        | 18   | 7,260,305         | 5,426,550                                 | 4,947,994                 | 7,260,305         | 5,426,550                            | 4,947,994                 |
| <b>Total non-current assets</b>      |      | <b>41,904,752</b> | <b>35,280,213</b>                         | <b>33,675,416</b>         | <b>23,273,962</b> | <b>14,888,922</b>                    | <b>33,675,416</b>         |
| <b>Total assets</b>                  |      | <b>56,760,779</b> | <b>48,212,276</b>                         | <b>43,234,223</b>         | <b>37,896,244</b> | <b>28,929,745</b>                    | <b>43,234,223</b>         |
| <b>Current liabilities</b>           |      |                   |   |                           |                   |                                      |                           |
| Trade and other payables             | 19   | 12,577,088        | 9,631,277                                 | 9,140,555                 | 12,187,786        | 9,631,277                            | 9,140,555                 |
| Interest bearing liabilities         | 20   | 3,937,290         | 4,901,106                                 | 2,466,004                 | 2,960,939         | 3,992,347                            | 2,466,004                 |
| Provisions                           | 21   | 1,904,036         | 2,009,621                                 | 1,698,863                 | 1,904,036         | 2,009,621                            | 1,698,863                 |
| <b>Total current liabilities</b>     |      | <b>18,418,414</b> | <b>16,542,004</b>                         | <b>13,305,422</b>         | <b>17,052,761</b> | <b>15,633,245</b>                    | <b>13,305,422</b>         |
| <b>Non-current liabilities</b>       |      |                   |   |                           |                   |                                      |                           |
| Interest bearing liabilities         | 20   | 29,874,104        | 23,758,566                                | 23,083,736                | 11,315,043        | 4,223,154                            | 23,083,736                |
| Provisions                           | 21   | 387,746           | 353,191                                   | 273,250                   | 387,746           | 353,191                              | 273,250                   |
| <b>Total non-current liabilities</b> |      | <b>30,261,850</b> | <b>24,111,757</b>                         | <b>23,356,986</b>         | <b>11,702,789</b> | <b>4,576,345</b>                     | <b>23,356,986</b>         |
| <b>Total liabilities</b>             |      | <b>48,680,264</b> | <b>40,653,761</b>                         | <b>36,662,408</b>         | <b>28,755,550</b> | <b>20,209,590</b>                    | <b>36,662,408</b>         |
| <b>Net assets</b>                    |      | <b>8,080,515</b>  | <b>7,558,515</b>                          | <b>6,571,815</b>          | <b>9,140,694</b>  | <b>8,720,155</b>                     | <b>6,571,815</b>          |
| <b>Capital funds</b>                 |      |                   |   |                           |                   |                                      |                           |
| Reserves                             | 22   | 226,042           | 234,290                                   | -                         | 226,042           | 234,290                              | -                         |
| Retained surplus                     | 23   | 7,854,473         | 7,324,225                                 | 6,571,815                 | 8,914,652         | 8,485,865                            | 6,571,815                 |
| <b>Total capital funds</b>           |      | <b>8,080,515</b>  | <b>7,558,515</b>                          | <b>6,571,815</b>          | <b>9,140,694</b>  | <b>8,720,155</b>                     | <b>6,571,815</b>          |

The notes on pages 16 to 40 are an integral part of these financial statements.

\*Please refer Prior period adjustment (Note 5).

## CAREFLIGHT LIMITED (Reduced Disclosure Requirements)

### Consolidated and Company statement of cash flows for the year ended 30 April 2014

|  | Note | Consolidated        |                           | Company             |                           |
|--|------|---------------------|---------------------------|---------------------|---------------------------|
|  |      | 2014<br>\$          | 2013<br>\$<br>(Restated)* | 2014<br>\$          | 2013<br>\$<br>(Restated)* |
| <b>Cash flows from operating activities</b>          |      |                     |                           |                     |                           |
| Cash receipts in the course of operations            |      | 73,934,568          | 64,995,992                | 70,342,217          | 64,995,992                |
| Cash payments in the course of operations            |      | (62,079,547)        | (63,448,865)              | (62,186,970)        | (63,204,353)              |
| Finance income                                       | 7    | 124,577             | 122,384                   | 124,309             | 122,384                   |
| Finance expense                                      | 7    | (2,428,721)         | (1,369,687)               | (990,711)           | (872,629)                 |
| <b>Net cash from/(used in) operating activities</b>  | 25   | <b>9,550,877</b>    | <b>299,824</b>            | <b>7,288,845</b>    | <b>1,041,394</b>          |
| <b>Cash flows from investing activities</b>          |      |                     |                           |                     |                           |
| Acquisition of non-current assets                    |      | (13,168,424)        | (7,673,372)               | (13,168,424)        | 13,382,501                |
| Investment in other companies                        |      | (1)                 | -                         | 1,175,755           | -                         |
| Proceeds from sale of non-current assets             |      | 1,334,853           | 1,525,186                 | 1,334,853           | 1,525,186                 |
| Expenses incurred in disposing of non-current assets |      | (30,315)            | (40,948)                  | (30,315)            | (40,948)                  |
| <b>Net cash from/(used in) investing activities</b>  |      | <b>(11,863,887)</b> | <b>(6,189,134)</b>        | <b>(10,688,131)</b> | <b>14,866,739</b>         |
| <b>Cash flows from financing activities</b>          |      |                     |                           |                     |                           |
| Net finance lease funding/(repayments)               |      | 5,151,722           | 3,109,932                 | 6,060,481           | (17,334,239)              |
| Proceeds from intercompany loans                     |      | -                   | -                         | -                   | (1,394,632)               |
| <b>Net cash from/(used in) financing activities</b>  |      | <b>5,151,722</b>    | <b>3,109,932</b>          | <b>6,060,481</b>    | <b>(18,728,871)</b>       |
| <b>Net increase/(decrease) in cash held</b>          |      | <b>2,838,712</b>    | <b>(2,779,378)</b>        | <b>2,661,195</b>    | <b>(2,820,738)</b>        |
| <b>Cash and cash equivalents at 1 May</b>            |      | <b>3,467,054</b>    | <b>6,246,432</b>          | <b>3,425,694</b>    | <b>6,246,432</b>          |
| <b>Cash and cash equivalents at 30 April</b>         | 9    | <b>6,305,766</b>    | <b>3,467,054</b>          | <b>6,086,889</b>    | <b>3,425,694</b>          |

The notes on pages 16 to 40 are an integral part of these financial statements.

\*Please refer Prior period adjustment (Note 5).



# CAREFLIGHT LIMITED (Reduced Disclosure Requirements)

## Notes to financial statements

### 1. Reporting entity

CareFlight Limited (Reduced Disclosure Requirements) (the 'Company') is a company domiciled in Australia. The address of the Company's registered office is 4-6 Barden Street, Northmead, NSW 2152. The consolidated financial statements of the Group as at and for the year ended 30 April 2014 comprise the Company and its subsidiary CareFlight (NT) Limited (Reduced Disclosure Requirements) (together referred to as the 'Group' and individually as 'Group entities'). The Company is a registered charity and a Public Benevolent Institution. The principal activity of the Group is the provision of rapid response critical care services. 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 2014, the Company had 28 Members (2013: 27), 8 (2013: 7) of whom were directors of the Company.

### 2. Basis of preparation

#### a) Statement of compliance

The Company early adopted AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Standards arising from Reduced Disclosure Requirements for the financial year beginning on 1 May 2013 to prepare Tier 2 general purpose financial statements.

The financial statements are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

The financial statements were authorised for issue by the Board of Directors on 24 June 2014.

#### b) Basis of measurement

The consolidated financial statements are prepared on the historical cost basis except for rotary wing aircraft, which are stated at their fair values.

#### c) Functional and presentation currency

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

#### d) Use of estimates and judgements

In preparing these financial statements in conformity with Australian Accounting Standards – Reduced Disclosure Requirements, 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 16 – valuation of rotary wing aircraft
- Note 20 – accounting for an arrangement containing a lease
- Note 21 – provisions

#### e) Changes in accounting policies

##### (i) Presentation of financial statements and reduced disclosure

The Group early adopted reduced disclosure requirements in AASB 1053 Application of Tiers of Australian Accounting Standards, AASB 2010-2 Amendments to Australian Standards arising from Reduced Disclosure Requirements, AASB 2011-02 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements and AASB 2012-7 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements paragraphs relating to amendments to AASB 101 Presentation of Financial Statements made by AASB 2011-9 Amendments to Australian Accounting Standards –

## CAREFLIGHT LIMITED (Reduced Disclosure Requirements)

### 2. Basis of preparation (continued)

#### e) Changes in accounting policies (continued)

*Presentation of Items of Other Comprehensive Income.* This has resulted in a reduction of disclosures for items such as financial instruments and reconciliation of cash flows.

Comparative information has been re-presented or removed so that it also conforms to the new disclosure requirements. Since the change in accounting policy only impacts presentation aspects there was no impact on comprehensive income.

##### (ii) Subsidiaries

As a result of AASB 10 (2011), the Company has changed its accounting policy for determining whether it has control over and consequently whether it consolidates its investees. AASB 10 (2011) introduces a new control model that is applicable to all investees, by focusing on whether the Company has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. In particular, AASB 10 (2011) requires the Company consolidate investees that it controls on the basis of de facto circumstances. The adoption of this accounting did not have any significant impact on the financial performance or position of the Company or consolidated entity.

##### (iii) Joint arrangements

As a result of AASB 11, the Company has changed its accounting policy for its interests in joint arrangements. Under AASB 11, the Company classifies its interests in joint arrangements as either joint operations or joint ventures depending on the Company's rights to the assets and obligations for the liabilities of the arrangements. When making this assessment, the Company considers the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and circumstances. Previously, the structure of the arrangement was the sole focus of classification. The adoption of this accounting did not have any significant impact on the financial performance or position of the Company or consolidated entity.

##### (iv) Fair value measurement

AASB 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other AASBs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. It also replaces and expands the disclosure requirements about fair value measurements in other AASBs, including AASB 7 Financial Instruments: Disclosures. The adoption of this accounting did not have any significant impact on the financial performance or position of the Company or consolidated entity.

##### (v) Employee benefits

AASB119 changed the definition of short term benefits. One of the impacts of this change is that annual leave has changed from a short-term employee benefit to an other long-term employee benefit. The leave is classified as current as the employee is still entitled to take the leave within the next 12 months, however the liability has been discounted as appropriate based on historic information and current leave programs in place if the Company does not expect the employee to take the leave within the next 12 months. The adoption of this accounting did not have any significant impact on the financial performance or position of the Company or consolidated entity.

#### f) Environmental regulation

The Group's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Board believes that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Group.

### 3. Statement of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities, except for the changes in accounting policies as explained in Note 2(e).

#### a) Basis of consolidation

##### (i) Subsidiaries

A subsidiary is an entity controlled by the Company. Control exists when the Company 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 Company. In the Company's financial statements, investment in the subsidiary is carried at cost.

## CAREFLIGHT LIMITED (Reduced Disclosure Requirements)

### 3. Statement of significant accounting policies (continued)

#### a) Basis of consolidation (continued)

##### (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.

#### b) Foreign currency transactions

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. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

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 and other comprehensive income.

#### c) Financial instruments

##### (i) Non-derivative financial assets

Non-derivative financial assets comprise investments in trade and other receivables, cash and cash equivalents.

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through the statement of surplus or deficit and other comprehensive income) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

##### (ii) Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through the statement of surplus or deficit and other comprehensive income) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial liabilities: loans and borrowings, trade and other payables.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

## CAREFLIGHT LIMITED (Reduced Disclosure Requirements)

### 3. Statement of significant accounting policies (continued)

#### d) Property, plant and equipment

##### (i) Recognition and measurement

Items of property, plant and equipment except rotary wing aircraft (refer Note 3 d) (v)) are stated at cost or deemed cost less accumulated depreciation and accumulated impairment losses (refer Note 3 g)).

Cost includes expenditure that is directly attributable to the acquisition of the asset. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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 and other comprehensive income. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained surplus.

##### (ii) 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 in the statement of surplus or deficit and other comprehensive income as incurred.

##### (iii) Depreciation

Depreciation is based on the cost of an asset 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 in the statement of surplus or deficit and other comprehensive income on a straight-line basis over the estimated useful life of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

Fixed wing aircraft are disaggregated into airframe and engine components due to differing useful lives between the two components and depreciating separately. The rate of depreciation of fixed wing engines is based on the expected reduction in the service capacity.

The estimated useful lives for the current and comparative years are as follows:

|  | 2014            | 2013            |
|--|-----------------|-----------------|
| Fixed wing aircraft                          |                 |                 |
| - Airframe                                   | 10 to 18 years  | 10 to 18 years  |
| - Engines                                    | 5,000 hours     | 5,000 hours     |
| Rotary wing aircraft                         | 20 years        | 20 years        |
| Buildings                                    | 40 years        | 40 years        |
| Other plant and equipment – owned and leased | 2.5 to 10 years | 2.5 to 10 years |
| Hangars                                      | 40 years        | 40 years        |

Depreciation methods, useful lives and residual values are reviewed upon each reporting date and adjusted if appropriate.

##### (iv) Hangar facilities, plant and equipment

The Group has adopted the cost basis for the hangar facilities at Westmead and for plant and equipment.

##### (v) Aircraft

###### Fixed Wing

Fixed wing aircraft are valued using the costs basis to reflect the long-term nature of these assets which are held to service the Group's commitments to the Northern Territory Government.

## CAREFLIGHT LIMITED (Reduced Disclosure Requirements)

### 3. Statement of significant accounting policies (continued)

#### d) Property, plant and equipment

##### Rotary Wing

The fair value basis of valuation is applied to rotary wing aircraft, recognising that these values are determined on the international market in US dollars and as such, may fluctuate from year to year.

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.

#### e) Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Group's statement of financial position.

#### f) 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.

#### g) Impairment

##### (i) Financial assets

A financial asset not carried at fair value is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and the loss event has had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The Group considers evidence of impairment for receivables and held-to-maturity investment securities at both a specific asset and collective level. All individually significant receivables and held-to-maturity investment securities are assessed for specific impairment. All individually significant receivables and held-to-maturity investment securities found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables and held-to-maturity investment securities that are not individually significant are collectively assessed for impairment by grouping together receivables and held-to-maturity investment securities with similar risk characteristics.

In assessing collective impairment the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for Management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised costs is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Losses are recognised in the statement of surplus or deficit and other comprehensive income and reflected in an allowance account against loans and receivables or held-to-maturity investment securities. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by the debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statement of surplus or deficit and other comprehensive income.

All impairment losses are recognised in the statement of surplus or deficit and other comprehensive income. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised costs and available-for-sale financial assets that are debt securities, the reversal is recognised in the statement of surplus or deficit and other comprehensive income.

## CAREFLIGHT LIMITED (Reduced Disclosure Requirements)

### 3. Statement of significant accounting policies (continued)

#### (ii) Non-financial assets

The carrying amounts of the Group's non-financial 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 loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

#### h) Employee benefits

##### (i) Wages, salaries, annual leave and sick leave

Liabilities for employee benefits for wages, salaries, annual leave and sick leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided up to the reporting date. The liabilities are calculated at undiscounted amounts based upon remuneration wage and salary rates that the Group expects to pay as at reporting date including related on-costs, such as workers compensation insurance.

Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Group as the benefits are taken by the employees.

##### (ii) Superannuation

The Group contributes to employee superannuation funds. Contributions are charged against income as they are incurred. Obligations for superannuation contributions are recognised as a personnel expense in the statement of surplus or deficit and other comprehensive income when they are incurred.

##### (iii) Long service leave

The Group's net obligation in respect of long-term service benefits, other than defined benefit plans, is 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 the rates attached to the Commonwealth Government bonds at the reporting date which have maturity dates approximating the terms of the Group's obligations.

#### i) Revenue

##### (i) Revenue from goods sold

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amounts can be measured reliably, then the discounts are recognised as a reduction of revenue as the sales are recognised.

##### (ii) Government grants

Recurrent Government grants and capital grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant and are then recognised in the statement of surplus or deficit and other comprehensive income. Grants that compensate the Group for expenses incurred are recognised as revenue in the statement of surplus or deficit and other comprehensive income on a systematic basis in the same periods in which the expenses are incurred.

##### (iii) Donation revenue

General donation revenue is brought to account in the period in which it is received. Conditional donations are recognised in the statement of financial position initially as deferred income until the Company has complied with the conditions attached to the donations.

##### (iv) Donations of fixed assets

All assets donated to the Group are initially recorded at fair value at the date of acquisition, being the estimated net realisable value of the assets at the date the assets are donated to the Group. This value is recognised as a donation in the statement of surplus or deficit and other comprehensive income.



## CAREFLIGHT LIMITED (Reduced Disclosure Requirements)

### 3. Statement of significant accounting policies (continued)

#### i) Revenue (continued)

##### (v) Donations in kind

Donations in kind occur from time to time as part of major capital projects. These are recorded as revenue from fundraising in the statement of surplus or deficit and other comprehensive income at fair value, with an equal amount being capitalised to the fixed asset to which they relate.

##### (vi) Insurance cost recoveries

Claims raised on insurance companies for cost recovery on missions are treated as income when funds are received, since the Group is unable to determine with any degree of certainty whether the claim submitted by the injured party will be successful.

##### (vii) Aero-medical and other retrieval revenue

Aero-medical and other retrieval revenue is recognised in the statement of surplus or deficit and other comprehensive income when services are provided.

#### j) Lease payments

##### (i) Operating lease payments

Payments made under operating leases are recognised in the statement of surplus or deficit and other comprehensive income on a straight-line basis over the term of the lease.

##### (ii) Finance lease payments

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

#### k) Finance income and expense

Finance income and expense comprise interest payable on capitalised leases calculated using the effective interest method, interest receivable on funds invested and foreign exchange gains and losses.

Interest income is recognised in the statement of surplus or deficit and other comprehensive income as it accrues, using the effective interest method. The interest expense component of finance lease payments is recognised in the statement of surplus or deficit and other comprehensive income using the effective interest method. Finance expense comprises interest expense on borrowings, foreign currency loss and impairment losses recognised on financial assets. All borrowing costs are recognised in the statement of surplus or deficit and other comprehensive income using the effective interest method. Foreign currency gains and losses are reported on a net basis.

#### l) Goods and services tax

Revenue, expenditure and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

#### m) Income tax

The Group is a Public Benevolent Institution and is exempt from income tax under Subdivision 50-B of the Income Tax Assessment Act 1997.

## CAREFLIGHT LIMITED (Reduced Disclosure Requirements)

### 4. Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

#### a) Rotary wing aircraft

The fair value of rotary wing aircraft is based on market values. The market value of each aircraft is the estimated amount for which an aircraft could be exchanged on the date of valuation between a willing buyer and a willing seller in such an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

#### b) 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.

#### c) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

#### d) Non-derivative financial liabilities

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. For finance leases the market rate of interest is determined by reference to similar lease agreements.

### 5. Prior period adjustment

During the previous financial year, the Group's accounting policy for valuing fixed wing aircraft was changed to the cost basis and fixed wing aircraft values were disaggregated into airframe and engine components due to their differing useful lives. The useful life and therefore depreciation charge for aircraft engines was revised to be based on flying hours rather than on the useful life of the aircraft as a whole. The impact of the change in accounting policy was applied retrospectively in the 30 April 2013 financial statements, impacting the fixed wing aircraft cost and written down values, as well as the retained surplus and revaluation reserve as at 30 April 2012.

Upon separation of the airframe and engine values, in accordance with the new policy, engines should have been stated at actual value (i.e. written down value based on hours previously undertaken). However, the cost of a newly overhauled engine was used to state the engine cost, resulting in a mismatch between cost and written down value. This resulted in depreciation calculations being based on a lower airframe cost and higher engine cost, causing a misstatement in the carrying values of fixed wing aircraft, and a misstatement in depreciation.

In addition, during April 2013, the Company sold fixed wing aircraft tail number VH-ZMQ. The original engines were time expired and were therefore replaced with newer engines at the time of sale. The loss on the sale of the aircraft was calculated as proceeds less written down value, with the written down value based on the original older engines rather than newer engines. This resulted in an understatement of the loss on sale of assets in the statement of surplus or deficit and other comprehensive income, and an overstatement of fixed wing aircraft in the statement of financial position.



# CAREFLIGHT LIMITED (Reduced Disclosure Requirements)

## 6. Impact of prior period adjustments

|   | 30 April<br>2013  | 2013<br>Adjustment<br>Increase/<br>(decrease) | 30 April<br>2013<br>(Restated) | 30 April<br>2012  | 2012<br>Adjustment<br>Increase/<br>(decrease) | 30 April<br>2012<br>(Restated) |
|---|-------------------|---|--------------------------------|-------------------|---|--------------------------------|
|   | \$                | \$  | \$                             | \$                | \$  | \$                             |
| <b>Consolidated</b>   |                   |   |                                |                   |   |                                |
| <b>Statement of financial performance (extract)</b>           |                   |   |                                |                   |   |                                |
| Loss on sale of non-current asset                             | 162,504           | 267,097                                       | 429,601                        | 14,632            | -   | 14,632                         |
| Depreciation  | 3,355,110         | (160,068)                                     | 3,195,042                      | 2,187,610         | 244,861                                       | 2,432,471                      |
| <b>Total expenditure</b>                                      | <b>62,244,420</b> | <b>107,029</b>                                | <b>62,351,449</b>              | <b>58,404,271</b> | <b>244,861</b>                                | <b>58,649,132</b>              |
| <b>Surplus before net finance and revaluation of aircraft</b> | <b>2,106,742</b>  | <b>(107,029)</b>                              | <b>1,999,713</b>               | <b>889,976</b>    | <b>(244,861)</b>                              | <b>645,115</b>                 |
| <b>Surplus for the year</b>                                   | <b>859,439</b>    | <b>(107,029)</b>                              | <b>752,410</b>                 | <b>201,343</b>    | <b>(244,861)</b>                              | <b>(43,518)</b>                |
| <b>Total comprehensive income for the year</b>                | <b>1,093,729</b>  | <b>(107,029)</b>                              | <b>986,700</b>                 | <b>(496,549)</b>  | <b>(244,861)</b>                              | <b>(741,410)</b>               |
| <b>Statement of financial position (extract)</b>              |                   |   |                                |                   |   |                                |
| Fixed wing aircraft cost                                      | 24,464,068        | (576,400)                                     | 23,887,668                     | 22,015,876        | -   | 22,015,876                     |
| Accumulated depreciation                                      | (1,632,809)       | 224,510                                       | (1,408,299)                    | (614,788)         | (244,861)                                     | (859,649)                      |
| <b>Fixed wing aircraft net book value</b>                     | <b>22,831,259</b> | <b>(351,890)</b>                              | <b>22,479,369</b>              | <b>21,401,088</b> | <b>(244,861)</b>                              | <b>21,156,227</b>              |
| <b>Total non-current assets</b>                               | <b>35,632,103</b> | <b>(351,890)</b>                              | <b>35,280,213</b>              | <b>33,920,276</b> | <b>(244,861)</b>                              | <b>33,675,415</b>              |
| <b>Total assets</b>   | <b>48,564,166</b> | <b>(351,890)</b>                              | <b>48,212,276</b>              | <b>43,479,084</b> | <b>(244,861)</b>                              | <b>43,234,223</b>              |
| <b>Net assets</b>   | <b>7,910,405</b>  | <b>(351,890)</b>                              | <b>7,558,515</b>               | <b>6,816,676</b>  | <b>(244,861)</b>                              | <b>6,571,815</b>               |
| Retained surplus  | 7,676,115         | (351,890)                                     | 7,324,225                      | 6,816,676         | (244,861)                                     | 6,571,815                      |
| <b>Total capital funds</b>                                    | <b>7,910,405</b>  | <b>(351,890)</b>                              | <b>7,558,515</b>               | <b>6,816,676</b>  | <b>(244,861)</b>                              | <b>6,571,815</b>               |
| <b>Company</b>  |                   |   |                                |                   |   |                                |
| <b>Statement of financial performance (extract)</b>           |                   |   |                                |                   |   |                                |
| Loss on sale of non-current asset                             | 162,504           | 267,097                                       | 429,601                        | 14,632            | -   | 14,632                         |
| Depreciation  | 2,573,294         | (42,834)                                      | 2,530,460                      | 2,187,610         | 244,861                                       | 2,432,471                      |
| <b>Total expenditure</b>                                      | <b>61,462,604</b> | <b>224,263</b>                                | <b>61,686,867</b>              | <b>58,404,271</b> | <b>244,861</b>                                | <b>58,649,132</b>              |
| <b>Surplus before net finance and revaluation of aircraft</b> | <b>2,888,558</b>  | <b>(224,263)</b>                              | <b>2,664,295</b>               | <b>889,976</b>    | <b>(244,861)</b>                              | <b>645,115</b>                 |
| <b>Surplus for the year</b>                                   | <b>2,138,313</b>  | <b>(224,263)</b>                              | <b>1,914,050</b>               | <b>201,343</b>    | <b>(244,861)</b>                              | <b>(43,518)</b>                |
| <b>Total comprehensive income for the year</b>                | <b>2,372,603</b>  | <b>(224,263)</b>                              | <b>2,148,340</b>               | <b>(496,549)</b>  | <b>(244,861)</b>                              | <b>(741,410)</b>               |
| <b>Statement of financial position (extract)</b>              |                   |   |                                |                   |   |                                |
| Fixed wing aircraft cost                                      | 3,408,197         | (576,400)                                     | 2,831,797                      | 22,015,876        | -   | 22,015,876                     |
| Accumulated depreciation                                      | (850,995)         | 107,276                                       | (743,719)                      | (614,788)         | (244,861)                                     | (859,649)                      |
| <b>Fixed wing aircraft net book value</b>                     | <b>2,557,202</b>  | <b>(469,124)</b>                              | <b>2,088,078</b>               | <b>21,401,088</b> | <b>(244,861)</b>                              | <b>21,156,227</b>              |
| <b>Total non-current assets</b>                               | <b>15,358,046</b> | <b>(469,124)</b>                              | <b>14,888,922</b>              | <b>33,920,276</b> | <b>(244,861)</b>                              | <b>33,675,415</b>              |
| <b>Net assets</b>   | <b>9,189,279</b>  | <b>(469,124)</b>                              | <b>8,720,155</b>               | <b>6,816,676</b>  | <b>(244,861)</b>                              | <b>6,571,815</b>               |
| Retained surplus  | 8,954,989         | (469,124)                                     | 8,485,865                      | 6,816,676         | (244,861)                                     | 6,571,815                      |
| <b>Total capital funds</b>                                    | <b>9,189,279</b>  | <b>(469,124)</b>                              | <b>8,720,155</b>               | <b>6,816,676</b>  | <b>(244,861)</b>                              | <b>6,571,815</b>               |

The impact of the correction of the prior period adjustments to the financial statements for the year-ended 30 April 2012 and 30 April 2013, is stated below:

## CAREFLIGHT LIMITED (Reduced Disclosure Requirements)

| Note  | Consolidated       |                          | Company          |                          |
|---|--------------------|--------------------------|------------------|--------------------------|
|   | 2014<br>\$         | 2013<br>\$<br>(Restated) | 2014<br>\$       | 2013<br>\$<br>(Restated) |
| <b>7. Net finance income and expense</b>            |                    |                          |                  |                          |
| Interest income                                     | 123,647            | 117,701                  | 123,379          | 117,701                  |
| Foreign currency gain                               | 930                | 4,683                    | 930              | 4,683                    |
| <b>Finance income</b>                               | <b>124,577</b>     | <b>122,384</b>           | <b>124,309</b>   | <b>122,384</b>           |
| Finance charges                                     | (2,423,614)        | (1,369,687)              | (985,604)        | (872,629)                |
| Foreign currency loss                               | (5,107)            | -                        | (5,107)          | -                        |
| <b>Finance expense</b>                              | <b>(2,428,721)</b> | <b>(1,369,687)</b>       | <b>(990,711)</b> | <b>(872,629)</b>         |
| <b>Net finance expense</b>                          | <b>(2,304,144)</b> | <b>(1,247,303)</b>       | <b>(866,402)</b> | <b>(750,245)</b>         |
| <b>8. Auditor's remuneration</b>                    |                    |                          |                  |                          |
| <b>Audit services</b>                               |                    |                          |                  |                          |
| Auditor of the Company – KPMG Australia             | 155,921            | 110,716                  | 155,921          | 110,716                  |
| <b>Services other than statutory audit</b>          |                    |                          |                  |                          |
| Advisory and professional services – KPMG Australia | 10,500             | -                        | 10,500           | -                        |
|   | <b>166,421</b>     | <b>110,716</b>           | <b>166,421</b>   | <b>110,716</b>           |
| <b>9. Cash and cash equivalents</b>                 |                    |                          |                  |                          |
| Cash on hand  | 14,410             | 14,757                   | 14,410           | 14,757                   |
| Cash at bank – unrestricted                         | 5,930,476          | 3,338,797                | 5,930,475        | 3,338,797                |
| Cash at bank – restricted                           | 360,880            | 113,500                  | 142,004          | 72,140                   |
|   | <b>6,305,766</b>   | <b>3,467,054</b>         | <b>6,086,889</b> | <b>3,425,694</b>         |
| <b>10. Trade and other receivables</b>              |                    |                          |                  |                          |
| Trade debtors                                       | 2,946,720          | 6,262,765                | 2,946,720        | 6,262,765                |
| Other trade receivables                             | 2,503,639          | 1,184,620                | 2,503,639        | 1,184,620                |
|   | <b>5,450,359</b>   | <b>7,447,385</b>         | <b>5,450,359</b> | <b>7,447,385</b>         |
| <b>11. Inventories</b>                              |                    |                          |                  |                          |
| Bear stock at cost                                  | 135,755            | 207,743                  | 135,755          | 207,743                  |
| Fuel stock at cost                                  | 36,481             | 23,468                   | 36,481           | 23,468                   |
|   | <b>172,236</b>     | <b>231,211</b>           | <b>172,236</b>   | <b>231,211</b>           |

## CAREFLIGHT LIMITED (Reduced Disclosure Requirements)

| Note                              | Consolidated     |                          | Company          |                          |
|-----------------------------------|------------------|--------------------------|------------------|--------------------------|
|                                   | 2014<br>\$       | 2013<br>\$<br>(Restated) | 2014<br>\$       | 2013<br>\$<br>(Restated) |
| <b>12. Aircraft held for sale</b> |                  |                          |                  |                          |
| King Air B200 - VH-ZXM            | -                | 766,782                  | -                | 766,782                  |
| Agusta A109 Power VH-ZCF          | 1,922,440        | -                        | 1,922,440        | -                        |
|                                   | <b>1,922,440</b> | <b>766,782</b>           | <b>1,922,440</b> | <b>766,782</b>           |

- a) Agusta A109 Power VH-ZCF was used to service the Helicopter Emergency Rapid Response Trauma Service. This aircraft is classified as a current asset as the Group has entered into a contract to sell the aircraft in July 2014. The aircraft is stated at the net book value. Any gain/loss on the sale will be recognised in the statement of surplus or deficit and other comprehensive income in the 2015 financial year.

|                                 |                  |                  |                |                |
|---------------------------------|------------------|------------------|----------------|----------------|
| <b>13. Other current assets</b> |                  |                  |                |                |
| Prepayments                     | 1,005,226        | 1,019,631        | 771,482        | 775,119        |
|                                 | <b>1,005,226</b> | <b>1,019,631</b> | <b>771,482</b> | <b>775,119</b> |

|                                       |          |          |          |          |
|---------------------------------------|----------|----------|----------|----------|
| <b>14. Investments</b>                |          |          |          |          |
| Non-current                           |          |          |          |          |
| Share in CareFlight Australia Limited | 1        | 1        | 1        | 1        |
| Share in CareStar Pty Limited         | 1        | -        | 1        | -        |
|                                       | <b>2</b> | <b>1</b> | <b>2</b> | <b>1</b> |

- a) CareFlight Australia Limited was registered as a public company on 7 September 2007. CareFlight Limited and CareFlight (QLD) Limited hold one share each. This is an equity accounted joint venture. This entity is dormant.
- b) CareFlight Aeromedical Limited was registered as a public company limited by guarantee on 6 November 2012. The members of CareFlight Aeromedical Limited are CareFlight Limited and CareFlight (QLD) Limited. This is an equity accounted joint venture. This entity commenced operations during the year ended 30 April 2014 for the purpose of a one-off activity. Distributions were made during the year for the full surplus amount of \$68,741.
- c) CareFlight (NT) Limited was registered as a public company limited by guarantee on 17 June 2011. CareFlight Limited is the sole member of CareFlight (NT) Limited. CareFlight (NT) Limited is accounted for as a wholly-owned subsidiary of CareFlight Limited.
- d) CareStar Pty Limited was registered as a proprietary limited company on 10 April 2014. CareFlight Limited and Weststar Aviation Services SDN BHD hold one share each. This is an equity accounted joint venture. This entity is dormant.

# CAREFLIGHT LIMITED (Reduced Disclosure Requirements)

## 15. Fixed Wing Aircraft *(restated)*

| King Air B200                                 | Note | Consolidated       |                  | Total             | Company            |                  | Total             |
|---|------|--------------------|------------------|-------------------|--------------------|------------------|-------------------|
|   |      | Airframes (leased) | Engines (leased) |                   | Airframes (leased) | Engines (leased) |                   |
|   |      | \$                 | \$               | \$                | \$                 | \$               | \$                |
| <b>Cost</b>                                   |      |                    |                  |                   |                    |                  |                   |
| Balance at 1 May 2011                         |      | 422,846            | 850,201          | 1,273,047         | 422,846            | 850,201          | 1,273,047         |
| Acquisition                                   |      | 16,225,898         | 4,516,931        | 20,742,829        | 16,225,898         | 4,516,931        | 20,742,829        |
| <b>Balance at 30 April 2012</b>               |      | <b>16,648,744</b>  | <b>5,367,132</b> | <b>22,015,876</b> | <b>16,648,744</b>  | <b>5,367,132</b> | <b>22,015,876</b> |
| Balance at 1 May 2012                         |      | 16,648,744         | 5,367,132        | 22,015,876        | 16,648,744         | 5,367,132        | 22,015,876        |
| Acquisition/transfer to CareFlight NT Limited |      | 5,180,482          | -                | 5,180,482         | (13,039,189)       | (2,836,200)      | (15,875,389)      |
| Disposal                                      |      | (858,593)          | (932,400)        | (1,790,993)       | (858,593)          | (932,400)        | (1,790,993)       |
| Transfer to aircraft held for sale            | 12   | (1,070,697)        | (447,000)        | (1,517,697)       | (1,070,697)        | (447,000)        | (1,517,697)       |
| <b>Balance at 30 April 2013</b>               |      | <b>19,899,936</b>  | <b>3,987,732</b> | <b>23,887,668</b> | <b>1,680,265</b>   | <b>1,151,532</b> | <b>2,831,797</b>  |
| Balance at 1 May 2013                         |      | 19,899,936         | 3,987,732        | 23,887,668        | 1,680,265          | 1,151,532        | 2,831,797         |
| Acquisition                                   |      | -                  | 865,590          | 865,590           | -                  | 865,590          | 865,590           |
| Disposals                                     |      | -                  | (356,000)        | (356,000)         | -                  | (356,000)        | (356,000)         |
| <b>Balance at 30 April 2014</b>               |      | <b>19,899,936</b>  | <b>4,497,322</b> | <b>24,397,258</b> | <b>1,680,265</b>   | <b>1,661,122</b> | <b>3,341,387</b>  |
| <b>Accumulated Depreciation</b>               |      |                    |                  |                   |                    |                  |                   |
| Balance at 1 May 2011                         |      | -                  | -                | -                 | -                  | -                | -                 |
| Depreciation for the year                     |      | 379,929            | 479,720          | 859,649           | 379,929            | 479,720          | 859,649           |
| <b>Balance at 30 April 2012</b>               |      | <b>379,929</b>     | <b>479,720</b>   | <b>859,649</b>    | <b>379,929</b>     | <b>479,720</b>   | <b>859,649</b>    |
| Balance at 1 May 2012                         |      | 379,929            | 479,720          | 859,649           | 379,929            | 479,720          | 859,649           |
| Depreciation for the year                     |      | 643,066            | 808,350          | 1,451,416         | 305,666            | 481,170          | 786,836           |
| Disposals                                     |      | (164,565)          | (398,980)        | (563,545)         | (164,565)          | (398,980)        | (563,545)         |
| Transfer to aircraft held for sale            | 12   | (198,961)          | (140,260)        | (339,221)         | (198,961)          | (140,260)        | (339,221)         |
| <b>Balance at 30 April 2013</b>               |      | <b>659,469</b>     | <b>748,830</b>   | <b>1,408,299</b>  | <b>322,069</b>     | <b>421,650</b>   | <b>743,719</b>    |
| Balance at 1 May 2013                         |      | 659,469            | 748,830          | 1,408,299         | 322,069            | 421,650          | 743,719           |
| Depreciation for the year                     |      | 1,180,236          | 981,692          | 2,161,928         | 168,036            | 233,391          | 401,427           |
| Disposals                                     |      | -                  | (356,000)        | (356,000)         | -                  | (356,000)        | (356,000)         |
| <b>Balance at 30 April 2014</b>               |      | <b>1,839,705</b>   | <b>1,374,522</b> | <b>3,214,227</b>  | <b>490,105</b>     | <b>299,041</b>   | <b>789,146</b>    |
| <b>Carrying amounts</b>                       |      |                    |                  |                   |                    |                  |                   |
| At 1 May 2012                                 |      | 16,268,815         | 4,887,412        | 21,156,227        | 16,268,815         | 4,887,412        | 21,156,227        |
| At 30 April 2013                              |      | 19,240,467         | 3,238,902        | 22,479,369        | 1,358,196          | 729,882          | 2,088,078         |
| At 1 May 2013                                 |      | 19,240,467         | 3,238,902        | 22,479,369        | 1,358,196          | 729,882          | 2,088,078         |
| At 30 April 2014                              |      | 18,060,231         | 3,122,800        | 21,183,031        | 1,190,160          | 1,362,081        | 2,552,241         |

Four King Air fixed wing aircraft are part of the Top End Medical Retrieval Services contract with the Northern Territory Government (written down value 18,630,791; 2013: 20,391,291). 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.

# CAREFLIGHT LIMITED (Reduced Disclosure Requirements)

## 16. Rotary Wing Aircraft

|                                    | Note      | Consolidated              |                           |  |                   | Company                   |                           |  |                   |
|------------------------------------|-----------|---------------------------|---------------------------|--|-------------------|---------------------------|---------------------------|--|-------------------|
|                                    |           | Agusta A109               | Kawasaki                  | Agusta   | Total             | Agusta A109               | Kawasaki                  | Agusta   | Total             |
|                                    |           | Power<br>VH-ZCF<br>Leased | BK117<br>VH-IME<br>Leased | AW139<br>VH-YHF<br>Leased<br>(under<br>modification) |                   | Power<br>VH-ZCF<br>Leased | BK117<br>VH-IME<br>Leased | AW139<br>VH-YHF<br>Leased<br>(under<br>modification) |                   |
|                                    |           | \$                        | \$                        | \$   | \$                | \$                        | \$                        | \$   | \$                |
| <b>At Valuation</b>                |           |                           |                           |  |                   |                           |                           |  |                   |
| Balance at 1 May 2012              |           | 2,472,974                 | 2,489,064                 | -  | 4,962,038         | 2,472,974                 | 2,489,064                 | -  | 4,962,038         |
| Depreciation for the year          |           | (206,081)                 | (155,567)                 | -  | (361,648)         | (206,081)                 | (155,567)                 | -  | (361,648)         |
| Revaluation increment/(decrement)  | 16 a), b) | (152,213)                 | 386,503                   | -  | 234,290           | (152,213)                 | 386,503                   | -  | 234,290           |
| <b>Balance at 30 April 2013</b>    |           | <b>2,114,680</b>          | <b>2,720,000</b>          | <b>-</b>   | <b>4,834,680</b>  | <b>2,114,680</b>          | <b>2,720,000</b>          | <b>-</b>   | <b>4,834,680</b>  |
| Balance at 1 May 2013              |           | 2,114,680                 | 2,720,000                 | -  | 4,834,680         | 2,114,680                 | 2,720,000                 | -  | 4,834,680         |
| Acquisition                        | 16 c)     | -                         | -                         | 8,437,987  | 8,437,987         | -                         | -                         | 8,437,987  | 8,437,987         |
| Depreciation for the year          |           | (192,240)                 | (181,332)                 | -  | (373,572)         | (192,240)                 | (181,332)                 | -  | (373,572)         |
| Revaluation increment/(decrement)  | 16 b)     | -                         | (8,248)                   | -  | (8,248)           | -                         | (8,248)                   | -  | (8,248)           |
| Transfer to aircraft held for sale | 12, 16 a) | (1,922,440)               | -                         | -  | (1,922,440)       | (1,922,440)               | -                         | -  | (1,922,440)       |
| <b>Balance at 30 April 2014</b>    |           | <b>-</b>                  | <b>2,530,420</b>          | <b>8,437,987</b>                                     | <b>10,968,407</b> | <b>-</b>                  | <b>2,530,420</b>          | <b>8,437,987</b>                                     | <b>10,968,407</b> |
| <b>Carrying amounts</b>            |           |                           |                           |  |                   |                           |                           |  |                   |
| At 1 May 2012                      |           | 2,472,974                 | 2,489,064                 | -  | 4,962,038         | 2,472,974                 | 2,489,064                 | -  | 4,962,038         |
| At 30 April 2013                   |           | 2,114,680                 | 2,720,000                 | -  | 4,834,680         | 2,114,680                 | 2,720,000                 | -  | 4,834,680         |
| At 1 May 2013                      |           | 2,114,680                 | 2,720,000                 | -  | 4,834,680         | 2,114,680                 | 2,720,000                 | -  | 4,834,680         |
| At 30 April 2014                   |           | -                         | 2,530,420                 | 8,437,987  | 10,968,407        | -                         | 2,530,420                 | 8,437,987  | 10,968,407        |

### a) Agusta A109 Power VH-ZCF Helicopter

This aircraft has not been revalued as this has been transferred to fixed assets held for sale (Note 12).

### b) Kawasaki BK117 VH-IME Helicopter

Directors' valuation of helicopter VH-IME at 30 April 2014 is based on a market value valuation by Slattery Valuations Pty Limited (directors' valuation at 30 April 2013 was likewise based on a valuation by Slattery Valuations Pty Limited). In accordance with significant accounting policies (Note 3 d) (v)), total revaluation decrement for 2014 amounted to \$8,248 (2013: revaluation increment of \$386,503).

### c) Under modification Agusta AW139 VH-YHF

At 30 April 2014 Agusta AW139 VH-YHF was undergoing modification prior to commencing service in the Northern Territory and has been stated at book value at 30 April 2014.

**CAREFLIGHT LIMITED (Reduced Disclosure Requirements)**

**17. Land and buildings**

|                                 | Consolidated                          |  |                  | Company                               |  |
|---------------------------------|---------------------------------------|--|------------------|---------------------------------------|--|
|                                 | 4 Barden Street<br>Northmead<br>Owned | 50 Beamish Street<br>Northmead<br>Leased | Total            | 4 Barden Street<br>Northmead<br>Owned | 50 Beamish Street<br>Northmead<br>Leased |
|                                 | \$                                    | \$                                       | \$               | \$                                    | \$                                       |
| <b>Cost</b>                     |                                       |  |                  |                                       |  |
| Balance at 1 May 2012           | 2,200,000                             | 528,996                                  | 2,728,996        | 2,200,000                             | 528,996                                  |
| Acquisitions                    | -                                     | 54,262                                   | 54,262           | -                                     | 54,262                                   |
| <b>Balance at 30 April 2013</b> | <b>2,200,000</b>                      | <b>583,258</b>                           | <b>2,783,258</b> | <b>2,200,000</b>                      | <b>583,258</b>                           |
| Balance at 1 May 2013           | 2,200,000                             | 583,258                                  | 2,783,258        | 2,200,000                             | 583,258                                  |
| <b>Balance at 30 April 2014</b> | <b>2,200,000</b>                      | <b>583,258</b>                           | <b>2,783,258</b> | <b>2,200,000</b>                      | <b>583,258</b>                           |
| <b>Accumulated Depreciation</b> |                                       |  |                  |                                       |  |
| Balance at 1 May 2012           | 118,278                               | 1,562                                    | 119,840          | 118,278                               | 1,562                                    |
| Depreciation for the year       | 119,230                               | 4,575                                    | 123,805          | 119,230                               | 4,575                                    |
| <b>Balance at 30 April 2013</b> | <b>237,508</b>                        | <b>6,137</b>                             | <b>243,645</b>   | <b>237,508</b>                        | <b>6,137</b>                             |
| Balance at 1 May 2013           | 237,508                               | 6,137                                    | 243,645          | 237,508                               | 6,137                                    |
| Depreciation for the year       | 41,500                                | 5,106                                    | 46,606           | 41,500                                | 5,106                                    |
| <b>Balance at 30 April 2014</b> | <b>279,008</b>                        | <b>11,243</b>                            | <b>290,251</b>   | <b>279,008</b>                        | <b>11,243</b>                            |
| <b>Carrying amounts</b>         |                                       |  |                  |                                       |  |
| At 1 May 2012                   | 2,081,722                             | 527,434                                  | 2,609,156        | 2,081,722                             | 527,434                                  |
| At 30 April 2013                | 1,962,492                             | 577,121                                  | 2,539,613        | 1,962,492                             | 577,121                                  |
| At 1 May 2013                   | 1,962,492                             | 577,121                                  | 2,539,613        | 1,962,492                             | 577,121                                  |
| At 30 April 2014                | 1,920,992                             | 572,015                                  | 2,493,007        | 1,920,992                             | 572,015                                  |

# CAREFLIGHT LIMITED (Reduced Disclosure Requirements)

## 18. Property, plant and equipment

|                                 | Consolidated            |                                 |                                  |                   | Company                 |                                 |                                  |                   |
|---------------------------------|-------------------------|---------------------------------|----------------------------------|-------------------|-------------------------|---------------------------------|----------------------------------|-------------------|
|                                 | Hangar facilities Owned | Other plant and equipment Owned | Other plant and equipment Leased | Total             | Hangar facilities Owned | Other plant and equipment Owned | Other plant and equipment Leased | Total             |
|                                 | \$                      | \$                              | \$                               | \$                | \$                      | \$                              | \$                               | \$                |
| <b>Cost</b>                     |                         |                                 |                                  |                   |                         |                                 |                                  |                   |
| Balance at 1 May 2012           | 751,998                 | 7,967,967                       | 934,054                          | 9,654,019         | 751,998                 | 7,967,967                       | 934,054                          | 9,654,019         |
| Acquisitions                    | 282,443                 | 1,044,202                       | 1,111,983                        | 2,438,628         | 282,443                 | 1,044,202                       | 1,111,983                        | 2,438,628         |
| Leased assets capitalised       | -                       | 348,542                         | (348,542)                        | -                 | -                       | 348,542                         | (348,542)                        | -                 |
| Disposals                       | -                       | (860,074)                       | (585,512)                        | (1,445,586)       | -                       | (860,074)                       | (585,512)                        | (1,445,586)       |
| <b>Balance at 30 April 2013</b> | <b>1,034,441</b>        | <b>8,500,637</b>                | <b>1,111,983</b>                 | <b>10,647,061</b> | <b>1,034,441</b>        | <b>8,500,637</b>                | <b>1,111,983</b>                 | <b>10,647,061</b> |
| Balance at 1 May 2013           | 1,034,441               | 8,500,637                       | 1,111,983                        | 10,647,061        | 1,034,441               | 8,500,637                       | 1,111,983                        | 10,647,061        |
| Acquisitions                    | 152,207                 | 2,644,050                       | 1,068,590                        | 3,864,847         | 152,207                 | 2,644,050                       | 1,068,590                        | 3,864,847         |
| Leased assets capitalised       | -                       | 514,641                         | (514,641)                        | -                 | -                       | 514,641                         | (514,641)                        | -                 |
| Disposals                       | (190,760)               | (229,618)                       | (374,179)                        | (794,557)         | (190,760)               | (229,618)                       | (374,179)                        | (794,557)         |
| Assets written off              | -                       | (279,035)                       | -                                | (279,035)         | -                       | (279,035)                       | -                                | (279,035)         |
| <b>Balance at 30 April 2014</b> | <b>995,888</b>          | <b>11,150,675</b>               | <b>1,291,753</b>                 | <b>13,438,316</b> | <b>995,888</b>          | <b>11,150,675</b>               | <b>1,291,753</b>                 | <b>13,438,316</b> |
| <b>Accumulated Depreciation</b> |                         |                                 |                                  |                   |                         |                                 |                                  |                   |
| Balance at 1 May 2012           | 86,814                  | 4,505,533                       | 113,678                          | 4,706,025         | 86,814                  | 4,505,533                       | 113,678                          | 4,706,025         |
| Depreciation for the year       | 21,312                  | 1,009,215                       | 227,647                          | 1,258,174         | 21,312                  | 1,009,215                       | 227,647                          | 1,258,174         |
| Impairment                      | -                       | 15,508                          | -                                | 15,508            | -                       | 15,508                          | -                                | 15,508            |
| Disposals                       | -                       | (539,595)                       | (219,601)                        | (759,196)         | -                       | (539,595)                       | (219,601)                        | (759,196)         |
| <b>Balance at 30 April 2013</b> | <b>108,126</b>          | <b>4,990,661</b>                | <b>121,724</b>                   | <b>5,220,511</b>  | <b>108,126</b>          | <b>4,990,661</b>                | <b>121,724</b>                   | <b>5,220,511</b>  |
| Balance at 1 May 2013           | 108,126                 | 4,990,661                       | 121,724                          | 5,220,511         | 108,126                 | 4,990,661                       | 121,724                          | 5,220,511         |
| Depreciation for the year       | 25,204                  | 1,178,075                       | 204,160                          | 1,407,439         | 25,204                  | 1,178,075                       | 204,160                          | 1,407,439         |
| Disposals/written off           | (9,134)                 | (360,608)                       | (80,197)                         | (449,939)         | (9,134)                 | (360,608)                       | (80,197)                         | (449,939)         |
| <b>Balance at 30 April 2014</b> | <b>124,196</b>          | <b>5,808,128</b>                | <b>245,687</b>                   | <b>6,178,011</b>  | <b>124,196</b>          | <b>5,808,128</b>                | <b>245,687</b>                   | <b>6,178,011</b>  |
| <b>Carrying amounts</b>         |                         |                                 |                                  |                   |                         |                                 |                                  |                   |
| At 1 May 2012                   | 665,184                 | 3,462,434                       | 820,376                          | 4,947,994         | 665,184                 | 3,462,434                       | 820,376                          | 4,947,994         |
| At 30 April 2013                | 926,315                 | 3,509,976                       | 990,259                          | 5,426,550         | 926,315                 | 3,509,976                       | 990,259                          | 5,426,550         |
| At 1 May 2013                   | 926,315                 | 3,509,976                       | 990,259                          | 5,426,550         | 926,315                 | 3,509,976                       | 990,259                          | 5,426,550         |
| At 30 April 2014                | 871,692                 | 5,342,547                       | 1,046,066                        | 7,260,305         | 871,692                 | 5,342,547                       | 1,046,066                        | 7,260,305         |



## CAREFLIGHT LIMITED (Reduced Disclosure Requirements)

|  | Note | Consolidated      |                   | Company           |                  |
|--|------|-------------------|-------------------|-------------------|------------------|
|  |      | 2014<br>\$        | 2013<br>\$        | 2014<br>\$        | 2013<br>\$       |
| <b>19. Trade and other payables</b>  |      |                   |                   |                   |                  |
| <b>Current</b>   |      |                   |                   |                   |                  |
| Trade creditors  |      | 3,171,334         | 2,768,182         | 3,171,334         | 2,768,182        |
| Other payables and accrued expenses  |      | 2,374,139         | 2,003,179         | 2,374,139         | 2,003,179        |
| Income received in advance   |      |                   |                   |                   |                  |
| - restricted funds   |      | 142,004           | 72,140            | 142,004           | 72,140           |
| - unrestricted sponsorship income received in advance  |      | 266,667           | 266,667           | 266,667           | 266,667          |
| - deferred revenue   |      | 6,622,944         | 4,521,109         | 6,233,642         | 4,521,109        |
|  |      | <b>12,577,088</b> | <b>9,631,277</b>  | <b>12,187,786</b> | <b>9,631,277</b> |
| <b>20. Interest bearing liabilities</b>  |      |                   |                   |                   |                  |
| <b>Current</b>   |      |                   |                   |                   |                  |
| Hire purchase and lease liabilities  |      | <b>3,937,290</b>  | <b>4,901,106</b>  | <b>2,960,939</b>  | <b>3,992,347</b> |
| <b>Non-current</b>   |      |                   |                   |                   |                  |
| Hire purchase and lease liabilities  |      | <b>29,874,104</b> | <b>23,758,566</b> | <b>11,315,043</b> | <b>4,223,154</b> |
| <b>Financing arrangements</b>  |      |                   |                   |                   |                  |
| The Group's hire purchase and lease liabilities of \$33,811,394 (2013: \$28,659,672) are secured by the leased assets and, in the event of default, the assets revert to the financier.  |      |                   |                   |                   |                  |
| The Company's hire purchase and lease liabilities of \$14,275,982 (2013: \$8,215,501) are secured by the leased assets and, in the event of default, the assets revert to the financier. |      |                   |                   |                   |                  |
| <b>21. Provisions</b>  |      |                   |                   |                   |                  |
| <b>Current</b>   |      |                   |                   |                   |                  |
| Liability for annual leave   |      | 1,636,050         | 1,793,316         | 1,636,050         | 1,793,316        |
| Liability for long service leave   |      | 267,986           | 216,305           | 267,986           | 216,305          |
|  | 26   | <b>1,904,036</b>  | <b>2,009,621</b>  | <b>1,904,036</b>  | <b>2,009,621</b> |
| <b>Non-current</b>   |      |                   |                   |                   |                  |
| Liability for long service leave   | 26   | <b>387,746</b>    | <b>353,191</b>    | <b>387,746</b>    | <b>353,191</b>   |
| <b>22. Reserves</b>  |      |                   |                   |                   |                  |
| Asset revaluation reserve at 1 May   |      | 234,290           | -                 | 234,290           | -                |
| Revaluation (decrement)/increment  |      | (8,248)           | 234,290           | (8,248)           | 234,290          |
| <b>Asset revaluation reserve at 30 April</b>   |      | <b>226,042</b>    | <b>234,290</b>    | <b>226,042</b>    | <b>234,290</b>   |



# CAREFLIGHT LIMITED (Reduced Disclosure Requirements)

|                                     | Consolidated     |                          |                          | Company          |                          |                          |
|-------------------------------------|------------------|--------------------------|--------------------------|------------------|--------------------------|--------------------------|
|                                     | 2014<br>\$       | 2013<br>\$<br>(Restated) | 2012<br>\$<br>(Restated) | 2014<br>\$       | 2013<br>\$<br>(Restated) | 2012<br>\$<br>(Restated) |
| <b>23. Retained Surplus</b>         |                  |                          |                          |                  |                          |                          |
| Retained surplus at 1 May           | 7,324,225        | 6,571,815                | 7,313,225                | 8,485,865        | 6,571,815                | 7,313,225                |
| Net surplus for the year            | 530,248          | 752,410                  | (43,518)                 | 428,787          | 1,914,050                | (43,518)                 |
| Devaluation decrement               | -                | -                        | (697,892)                | -                | -                        | (697,892)                |
| <b>Retained surplus at 30 April</b> | <b>7,854,473</b> | <b>7,324,225</b>         | <b>6,571,815</b>         | <b>8,914,652</b> | <b>8,485,865</b>         | <b>6,571,815</b>         |

## CAREFLIGHT LIMITED (Reduced Disclosure Requirements)

### 24. Commitments

|   | Note  | Consolidated                           |                   |   |  |                   |   |
|---|-------|--|-------------------|---|--|-------------------|---|
|   |       | 2014                                   |                   |   | 2013                                   |                   |   |
|   |       | Future<br>minimum<br>lease<br>payments | Interest          | Present<br>value of<br>minimum<br>lease<br>payments | Future<br>minimum<br>lease<br>payments | Interest          | Present<br>value of<br>minimum<br>lease<br>payments |
|   |       | \$                                     | \$                | \$  | \$                                     | \$                | \$  |
| <b>Hire purchase and finance lease commitments for the Group are:</b> |       |  |                   |   |  |                   |   |
| Within one year   | 20    | 6,104,870                              | 2,167,580         | 3,937,290   | 6,808,972                              | 1,907,866         | 4,901,106   |
| One year or later and no later than five years                        | 20    | 22,304,198                             | 6,650,879         | 15,653,319  | 13,719,947                             | 5,495,833         | 8,224,114   |
| Later than five years   | 20    | 17,573,779                             | 3,352,994         | 14,220,785  | 19,703,741                             | 4,169,289         | 15,534,452  |
|   |       | <b>45,982,847</b>                      | <b>12,171,453</b> | <b>33,811,394</b>                                   | <b>40,232,660</b>                      | <b>11,572,988</b> | <b>28,659,672</b>                                   |
| <b>Operating lease commitments for the Group are:</b>                 |       |  |                   |   |  |                   |   |
| <b>VH-LWI</b>   | 24 a) |  |                   |   |  |                   |   |
| Within one year   |       | 1,715,840                              | -                 | 1,715,840   | 2,513,244                              | -                 | 2,513,244   |
| One year or later and no later than five years                        |       | 3,717,654                              | -                 | 3,717,654   | 7,958,606                              | -                 | 7,958,606   |
|   |       | <b>5,433,494</b>                       | <b>-</b>          | <b>5,433,494</b>                                    | <b>10,471,850</b>                      | <b>-</b>          | <b>10,471,850</b>                                   |

a) The Company has entered into an operating lease agreement for Bell 412 helicopter VH-LWI, deployed in Sydney, to fulfil commitments under medical retrieval contracts.

**CAREFLIGHT LIMITED (Reduced Disclosure Requirements)**

**24. Commitments (continued)**

|   | Note  | Company                                |                  |   |  |                  |   |
|---|-------|--|------------------|---|--|------------------|---|
|   |       | 2014                                   |                  |   | 2013                                   |                  |   |
|   |       | Future<br>minimum<br>lease<br>payments | Interest         | Present<br>value of<br>minimum<br>lease<br>payments | Future<br>minimum<br>lease<br>payments | Interest         | Present<br>value of<br>minimum<br>lease<br>payments |
|   |       | \$                                     | \$               | \$  | \$                                     | \$               | \$  |
| <b>Hire purchase and finance lease commitments for the Group are:</b> |       |  |                  |   |  |                  |   |
| Within one year   | 20    | 3,751,704                              | 790,765          | 2,960,939   | 4,473,158                              | 480,811          | 3,992,347   |
| One year or later and no later than five years                        | 20    | 12,877,614                             | 1,911,949        | 10,965,665  | 4,376,691                              | 515,708          | 3,860,983   |
| Later than five years   | 20    | 642,371                                | 292,993          | 349,378   | 686,454                                | 324,283          | 362,171   |
|   |       | <b>17,271,689</b>                      | <b>2,995,707</b> | <b>14,275,982</b>                                   | <b>9,536,303</b>                       | <b>1,320,802</b> | <b>8,215,501</b>                                    |
| <b>Operating lease commitments for the Group are:</b>                 |       |  |                  |   |  |                  |   |
| <b>VH-LWI</b>   | 24 b) |  |                  |   |  |                  |   |
| Within one year   |       | 1,715,840                              | -                | 1,715,840   | 2,513,244                              | -                | 2,513,244   |
| One year or later and no later than five years                        |       | 3,717,654                              | -                | 3,717,654   | 7,958,606                              | -                | 7,958,606   |
|   |       | <b>5,433,494</b>                       | <b>-</b>         | <b>5,433,494</b>                                    | <b>10,471,850</b>                      | <b>-</b>         | <b>10,471,850</b>                                   |

b) The Company has entered into an operating lease agreement for Bell 412 helicopter VH-LWI, deployed in Sydney, to fulfil commitments under medical retrieval contracts.

## CAREFLIGHT LIMITED (Reduced Disclosure Requirements)

### 25. Notes to the statement of cashflows

#### a) Reconciliation of cash

For the purposes of the statement of cashflows, cash includes cash on hand and at bank and short term deposits at call. Cash at the end of the year as shown in the statement of cashflows is reconciled to the related items in the statement of financial position as follows:

| Note  | Consolidated     |                          | Company          |                          |
|---|------------------|--------------------------|------------------|--------------------------|
|   | 2014<br>\$       | 2013<br>\$<br>(Restated) | 2014<br>\$       | 2013<br>\$<br>(Restated) |
| Cash on hand  | 14,410           | 14,757                   | 14,410           | 14,757                   |
| Cash at bank  | 6,291,356        | 3,452,297                | 6,072,479        | 3,410,937                |
| 9   | <b>6,305,766</b> | <b>3,467,054</b>         | <b>6,086,889</b> | <b>3,425,694</b>         |
| <b>b) Reconciliation of cashflow from operating activities</b>            |                  |                          |                  |                          |
| Net surplus for the period  | 530,248          | 752,410                  | 428,787          | 1,914,050                |
| <b>Add items classified as investing/financing activities:</b>            |                  |                          |                  |                          |
| Net loss on sale of non-current assets                                    | 85,897           | 429,601                  | 85,897           | 429,601                  |
| <b>Add non-cash items:</b>  |                  |                          |                  |                          |
| Depreciation  | 3,989,545        | 3,195,042                | 2,229,044        | 2,530,460                |
| Impairment loss on non-current assets                                     | -                | 15,508                   | -                | 15,508                   |
| Impairment loss on fixed wing aircraft held for sale                      | -                | 411,694                  | -                | 411,694                  |
| <b>Operating surplus before changes in working capital and provisions</b> | <b>4,605,690</b> | <b>4,804,255</b>         | <b>2,743,728</b> | <b>5,301,313</b>         |
| (Increase)/decrease in trade and other receivables                        | 1,997,026        | (4,942,125)              | 1,997,026        | (4,942,125)              |
| (Increase)/decrease in inventories  | 58,975           | (36,169)                 | 58,975           | (36,169)                 |
| (Increase)/decrease in other current assets                               | 14,405           | (407,558)                | 3,637            | (163,046)                |
| Increase/(decrease) in trade and other payables                           | 2,945,811        | 490,722                  | 2,556,509        | 490,722                  |
| Increase/(decrease) in provisions   | (71,030)         | 390,699                  | (71,030)         | 390,699                  |
| <b>Net cash from operating activities</b>                                 | <b>9,550,877</b> | <b>299,824</b>           | <b>7,288,845</b> | <b>1,041,394</b>         |

## CAREFLIGHT LIMITED (Reduced Disclosure Requirements)

|   | Consolidated     |                  | Company          |                  |
|---|------------------|------------------|------------------|------------------|
|   | 2014<br>\$       | 2013<br>\$       | 2014<br>\$       | 2013<br>\$       |
| <b>26. Employee benefits</b>                                      |                  |                  |                  |                  |
| Aggregate liability for employee entitlements including on-costs: |                  |                  |                  |                  |
| Current   | 1,904,036        | 2,009,621        | 1,904,036        | 2,009,621        |
| Non-current   | 387,746          | 353,191          | 387,746          | 353,191          |
|   | <b>2,291,782</b> | <b>2,362,812</b> | <b>2,291,782</b> | <b>2,362,812</b> |
| <b>Number of employees</b>  |                  |                  |                  |                  |
| Number of employees at year end                                   | <b>167</b>       | <b>173</b>       | <b>167</b>       | <b>173</b>       |

### Superannuation commitment

The Group was under a legal obligation during the period 1 May 2013 – 30 June 2013 to contributed 9% of each employee's base salary to a superannuation fund nominated by each employee and 9.25% during the period 1 July 2013 – 30 April 2014.

### Types of benefits

The superannuation funds provide benefits which represent the accumulation of contributions to employees, providing lump sum or annuity benefits upon retirement, death or disability.

|  | Consolidated     |                  | Company          |                  |
|--|------------------|------------------|------------------|------------------|
|  | 2014<br>\$       | 2013<br>\$       | 2014<br>\$       | 2013<br>\$       |
| <b>Contributions</b>                                     |                  |                  |                  |                  |
| Details of contributions during the year are as follows: |                  |                  |                  |                  |
| Employer contributions to the funds                      | <b>2,130,533</b> | <b>1,990,629</b> | <b>2,130,533</b> | <b>1,990,629</b> |

## 27. Related party disclosure

The following were key management personnel of the Group at any time during the reporting period.

### Non-executive directors

Patricia ANGUS

David BOWEN

Daniel CASS

Garry DINNIE

Anna GUILLAN

Andrew REFSHAUGE

### Executive directors

Ian BADHAM – Media Relations Manager

Derek COLENBRANDER – Chief Executive Officer

### Other executives

Andrew ANDERSON – General Manager Medical & Support Services

Natalie GALLAGHER – Human Resources Manager

Alan GARNER – Medical Director

Tanya IZOD – General Manager Northern Operations

Don KEMBLE – Manager Communications & Engagement

David MANN – General Manager Aviation Services

Trent OSBORN – Head of Fundraising

Richard SANDFORD – Chief Pilot

Paul SMITH – National Manager CareFlight International

Rajini SURENDRAN – Finance Manager

## CAREFLIGHT LIMITED (Reduced Disclosure Requirements)

### 28. Related party disclosure (continued)

#### a) Transactions with key management personnel

|                              | Consolidated     |                  | Company          |                  |
|------------------------------|------------------|------------------|------------------|------------------|
|                              | 2014             | 2013             | 2014             | 2013             |
|                              | \$               | \$               | \$               | \$               |
| Short term employee benefits | 2,396,680        | 2,141,759        | 2,396,680        | 2,141,759        |
| Long term employee benefits  | 216,562          | 185,370          | 216,562          | 185,370          |
|                              | <b>2,613,242</b> | <b>2,327,129</b> | <b>2,613,242</b> | <b>2,327,129</b> |

#### b) Loans and other transactions with key management personnel

Dr Andrew Refshauge, Chairman of the Board, received an allowance in recognition of the time he commits to the affairs of the Group above and beyond the normal role of a board chairman. He was paid \$60,000 (2013: \$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 Group above and beyond the normal role of chairman of a board committee. He was paid \$30,140 (2013: \$29,500) for these services under normal market rates.

Derek Colenbrander, Chief Executive Officer, purchased a motor vehicle from the Company for \$14,000 on normal commercial terms.

#### c) Other related party transactions

Peter Quayle, a member of the Company, provided company secretarial and consultancy services to the Group. He was paid \$56,456 (2013: \$39,462) for these services under normal market rates.

Heidi Colenbrander, wife of Derek Colenbrander, Chief Executive Officer provided design and communication services to the Group. She was paid \$31,800 (2013: \$34,000) for these services under normal market rates.

#### d) Transactions with joint ventures

|                                | Transaction values<br>year ended 30<br>April |      | Balance outstanding as<br>at 30 April |      |
|--------------------------------|--|------|---------------------------------------|------|
|                                | 2014   | 2013 | 2014                                  | 2013 |
| CareFlight Aeromedical Limited | 263,602                                      | -    | -                                     | -    |

During the year ended 30 April 2014 the Parent Company paid expenditure on behalf of CareFlight Aeromedical Limited. This was subsequently repaid prior to year end.

### 29. Economic dependency

The Group has continuing financial support from the NT Government, NSW Government, sponsors and the community.

### 30. 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 Company, the results of those operations, or the state of affairs of the Company, in future financial years.

### 31. Registered charity

The Company is an authorised fundraiser under the provisions of 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).

## CAREFLIGHT LIMITED (Reduced Disclosure Requirements)

**32. Information and declaration to be furnished 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).**

Fundraising appeals conducted by the Company:

- Christmas
- Taxation
- Newsletter
- Corporate

These appeals are used to continue the Group's role of providing rapid response critical care services.

| 33. Statement of income and expenditure              | Consolidated      |                          | Company           |                          |
|--|-------------------|--------------------------|-------------------|--------------------------|
|  | 2014<br>\$        | 2013<br>\$<br>(Restated) | 2014<br>\$        | 2013<br>\$<br>(Restated) |
| <b>Fundraising</b>                                   |                   |                          |                   |                          |
| <b>Donations and sponsorship revenue</b>             |                   |                          |                   |                          |
| Bequests   | 588,437           | 843,175                  | 588,437           | 843,175                  |
| Corporate and general donations                      | 3,593,912         | 3,044,463                | 3,593,912         | 3,044,463                |
| Appeals  | 1,449,499         | 1,398,817                | 1,449,499         | 1,398,817                |
| Sponsorship-Motor Accident Authority                 | 1,000,000         | 1,000,000                | 1,000,000         | 1,000,000                |
| Sponsorship-Other                                    | 46,307            | 352,727                  | 46,307            | 352,727                  |
| <b>Gross revenue - donations and sponsorship</b>     | <b>6,678,155</b>  | <b>6,639,182</b>         | <b>6,678,155</b>  | <b>6,639,182</b>         |
| <b>Donations and sponsorship expenditure</b>         |                   |                          |                   |                          |
| Bequests   | -                 | -                        | -                 | -                        |
| Corporate and general donations                      | 1,002,408         | 392,319                  | 1,002,408         | 392,319                  |
| Appeals  | 637,219           | 590,620                  | 637,219           | 590,620                  |
| Sponsorship  | -                 | -                        | -                 | -                        |
| <b>Total expenditure - donations and sponsorship</b> | <b>1,639,627</b>  | <b>982,939</b>           | <b>1,639,627</b>  | <b>982,939</b>           |
| <b>Net surplus - donations and sponsorship</b>       | <b>5,038,528</b>  | <b>5,656,243</b>         | <b>5,038,528</b>  | <b>5,656,243</b>         |
| <b>Merchandising and events revenue</b>              |                   |                          |                   |                          |
| Bear merchandising                                   | 5,746,611         | 6,059,964                | 5,746,611         | 6,059,964                |
| Events   | 1,162,493         | 1,204,032                | 1,162,493         | 1,204,032                |
| <b>Gross revenue - merchandising and events</b>      | <b>6,909,104</b>  | <b>7,263,996</b>         | <b>6,909,104</b>  | <b>7,263,996</b>         |
| <b>Merchandising and events expenditure</b>          |                   |                          |                   |                          |
| Bear merchandising                                   | 4,266,786         | 4,314,026                | 4,266,786         | 4,314,026                |
| Events   | 630,615           | 724,644                  | 630,615           | 724,644                  |
| <b>Total expenditure - merchandising and events</b>  | <b>4,897,401</b>  | <b>5,038,670</b>         | <b>4,897,401</b>  | <b>5,038,670</b>         |
| <b>Net surplus - merchandising and events</b>        | <b>2,011,703</b>  | <b>2,225,326</b>         | <b>2,011,703</b>  | <b>2,225,326</b>         |
| <b>Total revenue - fundraising</b>                   | <b>13,587,259</b> | <b>13,903,178</b>        | <b>13,587,259</b> | <b>13,903,178</b>        |
| <b>Total expenditure - fundraising</b>               | <b>6,537,028</b>  | <b>6,021,609</b>         | <b>6,537,028</b>  | <b>6,021,609</b>         |
| <b>Net surplus - fundraising</b>                     | <b>7,050,231</b>  | <b>7,881,569</b>         | <b>7,050,231</b>  | <b>7,881,569</b>         |
| <b>Other revenue</b>                                 |                   |                          |                   |                          |
| NSW Ambulance  | 10,843,688        | 6,375,333                | 10,843,688        | 6,375,333                |
| Northern Territory Department of Health              | 32,842,178        | 31,355,803               | 29,727,758        | 31,355,803               |
| Aero-medical and other retrieval revenue             | 10,673,963        | 12,716,848               | 10,673,963        | 12,716,848               |
| Exchange rate gain                                   | 930               | 4,683                    | 930               | 4,683                    |
| Finance income                                       | 123,647           | 117,701                  | 123,379           | 117,701                  |
| Share of surplus from equity accounted investee      | 68,741            | -                        | 68,741            | -                        |
|  | <b>54,553,147</b> | <b>50,570,368</b>        | <b>51,438,459</b> | <b>50,570,368</b>        |

## CAREFLIGHT LIMITED (Reduced Disclosure Requirements)

| 33. Statement of income and expenditure (continued)             | Consolidated      |                          | Company           |                          |
|---|-------------------|--------------------------|-------------------|--------------------------|
|   | 2014<br>\$        | 2013<br>\$<br>(Restated) | 2014<br>\$        | 2013<br>\$<br>(Restated) |
| <b>Other expenditure</b>  |                   |                          |                   |                          |
| Operations and administration - costs of personnel              | 29,138,665        | 29,597,027               | 29,138,665        | 29,597,027               |
| Direct costs of aero-medical operations                         | 18,609,346        | 17,492,611               | 18,609,346        | 17,492,611               |
| Depreciation  | 3,989,545         | 3,195,042                | 2,229,044         | 2,530,460                |
| Insurance   | 998,479           | 962,601                  | 998,479           | 962,601                  |
| Professional fees   | 2,350,435         | 1,520,487                | 2,350,435         | 1,520,487                |
| General overheads   | 3,472,042         | 2,705,269                | 3,657,326         | 2,705,269                |
| Exchange rate loss  | 5,107             | -                        | 5,107             | -                        |
| Finance expense   | 2,423,614         | 1,369,687                | 985,604           | 872,629                  |
| Impairment loss on non-current assets                           | -                 | 15,508                   | -                 | 15,508                   |
| Impairment loss on fixed wing aircraft held for sale            | -                 | 411,694                  | -                 | 411,694                  |
| Net loss on sale of non-current assets                          | 85,897            | 429,601                  | 85,897            | 429,601                  |
|   | <b>61,073,130</b> | <b>57,699,527</b>        | <b>58,059,903</b> | <b>56,537,887</b>        |
| <b>Total revenue</b>  | 68,140,406        | 64,473,546               | 65,025,718        | 64,473,546               |
| <b>Total expenditure</b>  | 67,610,158        | 63,721,136               | 64,596,931        | 62,559,496               |
| <b>Net surplus for the year transferred to retained surplus</b> | <b>530,248</b>    | <b>752,410</b>           | <b>428,787</b>    | <b>1,914,050</b>         |

### 34. Statement showing how funds received from fundraising appeals were applied to charitable purposes

|  | Consolidated      |                          | Company           |                          |
|--|-------------------|--------------------------|-------------------|--------------------------|
|  | 2014<br>\$        | 2013<br>\$<br>(Restated) | 2014<br>\$        | 2013<br>\$<br>(Restated) |
| <b>Net surplus from fundraising</b>  | 7,050,231         | 7,881,569                | 7,050,231         | 7,881,569                |
| This was applied to the charitable purposes in the following manner:                               |                   |                          |                   |                          |
| <b>Expenditure on general operating and administration costs</b>                                   | <b>7,050,231</b>  | <b>7,881,569</b>         | <b>7,050,231</b>  | <b>7,881,569</b>         |
| Total other expenditure  | 61,073,130        | 57,699,527               | 58,059,903        | 56,537,887               |
| Less: Net surplus from fundraising   | 7,050,231         | 7,881,569                | 7,050,231         | 7,881,569                |
| <b>Shortfall</b>   | <b>54,022,899</b> | <b>49,817,958</b>        | <b>51,009,672</b> | <b>48,656,318</b>        |
| Group Shortfall of \$54,022,899 (2013: \$49,817,958)   |                   |                          |                   |                          |
| Company Shortfall of \$51,009,672 (2013: \$48,656,318)   |                   |                          |                   |                          |
| was provided from the following sources:   |                   |                          |                   |                          |
| NSW Ambulance  | 10,843,688        | 6,375,333                | 10,843,688        | 6,375,333                |
| Northern Territory Department of Health  | 32,842,178        | 31,355,803               | 29,727,758        | 31,355,803               |
| Aero-medical and other retrieval revenue   | 10,673,963        | 12,716,848               | 10,673,963        | 12,716,848               |
| Exchange rate gain   | 930               | 4,683                    | 930               | 4,683                    |
| Finance income   | 123,647           | 117,701                  | 123,379           | 117,701                  |
| Share of surplus from equity accounted investee  | 68,741            | -                        | 68,741            | -                        |
|  | <b>54,553,147</b> | <b>50,570,368</b>        | <b>51,438,459</b> | <b>50,570,368</b>        |
| Less: Shortfall between surplus available from fundraising appeals conducted and total expenditure | 54,022,899        | 49,817,958               | 51,009,672        | 48,656,318               |
| <b>Net surplus</b>   | <b>530,248</b>    | <b>752,410</b>           | <b>428,787</b>    | <b>1,914,050</b>         |

### 35. Details of gross income and aggregate expenditure of appeals conducted jointly with traders

|                            |                  |                  |                  |                  |
|----------------------------|------------------|------------------|------------------|------------------|
| Gross income               | <b>6,504,541</b> | <b>6,909,944</b> | <b>6,504,541</b> | <b>6,909,944</b> |
| Total expenditure incurred | <b>4,835,934</b> | <b>4,911,143</b> | <b>4,835,934</b> | <b>4,911,143</b> |



## CAREFLIGHT LIMITED (Reduced Disclosure Requirements)

### 36. Comparisons of certain monetary figures and percentages

|  | <b>Consolidated</b>       |             |                           |                   |
|--|---------------------------|-------------|---------------------------|-------------------|
|  | <b>2014</b>               | <b>2014</b> | <b>2013</b>               | <b>2013</b>       |
|  | <b>\$</b>                 | <b>%</b>    | <b>\$</b>                 | <b>%</b>          |
|  |                           |             | <i>(Restated)</i>         | <i>(Restated)</i> |
| Costs of procuring donations and sponsorship /<br>Gross revenue from donations and sponsorship | 1,639,627/<br>6,678,155   | 25          | 982,939/<br>6,639,182     | 15                |
| Costs of merchandising and events /<br>Gross revenue from merchandising and events             | 4,897,401/<br>6,909,104   | 71          | 5,038,670/<br>7,263,996   | 69                |
| Total costs of fundraising /<br>Gross revenue from fundraising                                 | 6,537,028/<br>13,587,259  | 48          | 6,021,609/<br>13,903,178  | 43                |
| Net surplus from fundraising /<br>Gross revenue from fundraising                               | 7,050,231/<br>13,587,259  | 52          | 7,881,569/<br>13,903,178  | 57                |
| Total costs of services /<br>Total expenditure   | 47,748,011/<br>67,610,158 | 71          | 47,089,638/<br>63,721,136 | 74                |
| Total costs of services /<br>Total revenue   | 47,748,011/<br>68,140,406 | 70          | 47,089,638/<br>64,473,546 | 73                |

|  | <b>Company</b>            |             |                           |                   |
|--|---------------------------|-------------|---------------------------|-------------------|
|  | <b>2014</b>               | <b>2014</b> | <b>2013</b>               | <b>2013</b>       |
|  | <b>\$</b>                 | <b>%</b>    | <b>\$</b>                 | <b>%</b>          |
|  |                           |             | <i>(Restated)</i>         | <i>(Restated)</i> |
| Costs of procuring donations and sponsorship /<br>Gross revenue from donations and sponsorship | 1,639,627/<br>6,678,155   | 25          | 982,939/<br>6,639,182     | 15                |
| Costs of merchandising and events /<br>Gross revenue from merchandising and events             | 4,897,401/<br>6,909,104   | 71          | 5,038,670/<br>7,263,996   | 69                |
| Total costs of fundraising /<br>Gross revenue from fundraising                                 | 6,537,028/<br>13,587,259  | 48          | 6,021,609/<br>13,903,178  | 43                |
| Net surplus from fundraising /<br>Gross revenue from fundraising                               | 7,050,231/<br>13,587,259  | 52          | 7,881,569/<br>13,903,178  | 57                |
| Total costs of services /<br>Total expenditure   | 47,748,011/<br>64,596,931 | 74          | 47,089,638/<br>62,559,496 | 75                |
| Total costs of services /<br>Total revenue   | 47,748,011/<br>65,025,718 | 73          | 47,089,638/<br>64,473,546 | 73                |

## CAREFLIGHT LIMITED (Reduced Disclosure Requirements)

### Declaration by Chief Executive Officer in respect of fundraising appeals

I, Derek Colenbrander, Chief Executive Officer 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 2014;
- (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 2014;
- (c) the provisions of 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 2014; 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.



Derek Colenbrander  
Chief Executive Officer

Signed at Sydney on 24 June 2014

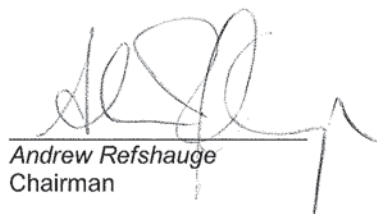
## CAREFLIGHT LIMITED (Reduced Disclosure Requirements)

### Directors' declaration

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

- (a) the consolidated financial statements and notes, set out on pages 11 to 40, are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Group's and the Company's financial position as at 30 April 2014 and of its performance, for the financial year ended on that date; and
  - (ii) complying with Australian Accounting Standards – Reduced Disclosure Regime and the Corporations Regulations 2001; 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



Derek Colenbrander  
Chief Executive Officer

Dated at Sydney on 24 June 2014



***Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001***

To: the directors of CareFlight Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 April 2014 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Chris Hollis  
*Partner*

Sydney

24 June 2014



## **Independent auditor's report to the members of CareFlight Limited**

### **Report on the financial report**

We have audited the accompanying financial report of CareFlight Limited (the Company), which comprises the statements of financial position as at 30 April 2014, and statements of comprehensive income, statements of changes in equity and statements of cash flows for the year ended on that date, notes 1 to 36 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration set out on page 41 of the Company and the Group comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

#### *Directors' responsibility 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 *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards – Reduced Disclosure Requirements, a true and fair view which is consistent with our understanding of the Company's and the Group's financial position and of their performance.

In addition, our audit report has also been prepared for the members of the Company in accordance with Section 24(2) of the *Charitable Fundraising (NSW) Act 1991* and Section 15(1) of the *Charitable Collections (WA) Act 1946*. Accordingly we have performed additional work beyond that which is performed in our capacity as auditors pursuant to the *Corporations Act 2001*. These additional 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 Charitable Fundraising (NSW) Act 1991 and Regulations and Charitable Collections (WA) Act 1946 and Regulations.

It should be noted that the accounting records and data relied upon for reporting on fundraising appeal activities are not continuously audited and do not necessarily reflect after the event accounting adjustments and the normal year end financial adjustments for such matters as accruals, prepayments, provisioning and valuations necessary for year end financial report preparation.

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

#### *Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

#### *Basis for qualified auditor's opinion*

Fundraising revenue is a significant source of revenue for CareFlight Limited. CareFlight Limited has determined that it is impracticable to establish controls over the collection of fundraising revenue prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from this source was limited, our audit procedures with respect to fundraising revenue had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether the fundraising of CareFlight Limited obtained is complete.

In respect of the qualification however, based on our understanding of the internal controls, nothing has come to our attention which would cause us to believe that the internal controls over revenue from fundraising appeal activities by the Company are not appropriate given the size and nature of the Company.

#### *Qualified Auditor's opinion pursuant to the Corporations Act 2001*

In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion paragraph, the financial report of CareFlight Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's and the Group's financial position as at 30 April 2014 and of their performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.



*Qualified audit opinion pursuant to the Charitable Fundraising (NSW) Act 1991 and Charitable Collections (WA) Act 1946*

In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion paragraph:

- a) the financial report gives a true and fair view of the financial result of fundraising appeal activities for the financial year ended 30 April 2014;
- b) the financial report has been properly drawn up, and the associated records have been properly kept for the period from 1 May 2013 to 30 April 2014, in accordance with the Charitable Fundraising (NSW) Act 1991, Charitable Collections (WA) Act 1946 and Regulations;
- c) money received as a result of fundraising appeal activities conducted during the period from 1 May 2013 to 30 April 2014 has been properly accounted for and applied in accordance with the Charitable Fundraising (NSW) Act 1991, Charitable Collections (WA) Act 1946 and Regulations; and
- d) there are reasonable grounds to believe that CareFlight Limited will be able to pay its debts as and when they fall due.

KPMG

KPMG

Chris Hollis

Chris Hollis  
Partner

Sydney

24 June 2014