

CareFlight



CAREFLIGHT LIMITED 2022 CONSOLIDATED FINANCIAL REPORT

ABN 18 210 132 023
Registered Office:
4-6 Barden Street
Northmead NSW 2152

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Directors' Report

The Directors present their report together with the consolidated financial report of CareFlight Limited ("CareFlight"), for the year ended 30 April 2022 and the Auditor's report thereon.

Acknowledgement of Country

CareFlight recognises and respects Indigenous Australians as the Traditional Owners of these lands. In the spirit of reconciliation, we acknowledge and pay respects to the Traditional Owners and Elders –past, present and emerging – of all the lands on which CareFlight operates.

Directors

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

Name, qualifications, and independence status	Experience and special responsibilities
<p>Andrew REFSHAUGE MBBS, FAICD <i>Chair</i> <i>Independent Non-Executive Director</i></p>	<ul style="list-style-type: none"> • Appointed and Chair since 18 December 2007. • Extensive experience at the highest levels of government. • Former Deputy Premier of NSW, former Treasurer and Minister for Health, Planning, Housing, Education, Training, State Development and Aboriginal Affairs. • Former medical practitioner. • Chair of the NSW Far West Local Health District. • Chair of the Investment Committee. • Member of the Nominations & Remuneration Committee.
<p>Mick FREWEN BA, MMgt, GAICD <i>Chief Executive Officer</i> <i>Executive Director</i></p>	<ul style="list-style-type: none"> • Appointed 20 August 2018. • Extensive management career with a major medical and travel security assistance company. • Former member of the Australian Army. Retired from the Army in 2007, having attained the rank of Lieutenant Colonel. • Member of the Investment Committee.
<p>Patricia ANGUS PSM, MTH <i>Independent Non-Executive Director</i></p>	<ul style="list-style-type: none"> • Appointed 24 June 2013 • Extensive experience as a senior executive in the Northern Territory Public Service in health and housing policy, and programs and services to indigenous people. • Northern Territory resident director. • Former registered nurse, midwife, and public health practitioner. • Director of various statutory and commercial bodies.
<p>Susan BAILEY GradDipMktg, MAICD <i>Independent Non-Executive Director</i></p>	<ul style="list-style-type: none"> • Appointed 2 September 2020. • Extensive experience in the telecommunications industry and in marketing, large-scale business transformation and project management. • Director of Chorus Limited. • Member of Investment Committee. • Member of Audit and Risk Committee.

Name, qualifications, and independence status	Experience and special responsibilities
<p>Garry DINNIE BCom, FCA, FAICD, FAIM <i>Independent Non-Executive Director</i></p>	<ul style="list-style-type: none"> • Appointed 23 February 2010. • Extensive experience in financial and accounting matters, risk management and regulatory regimes with broad-based business experience across several industries. • Former senior partner of a leading accounting firm. • Director of various public and private companies and statutory bodies. • Chair of the Audit & Risk Committee. • Member of the Investment Committee. • Member of the Nominations & Remuneration Committee.
<p>Leonard NOTARAS AM, BMed, LLB, BA (Hons), Dip Com, MHA <i>Independent Non-Executive Director</i></p>	<ul style="list-style-type: none"> • Appointed 10 December 2019 and Resigned 01 April 2022 • Founder and Executive Director of the National Critical Care and Trauma Response Centre in Darwin. • Northern Territory resident director. • Recognised leader in building health security and emergency capability across the Asia-Pacific region. • Former Chief Executive of the NT Department of Health. • Former General Manager of Royal Darwin Hospital. • President of the Australian Council on Healthcare Standards
<p>Robert TURNER MBBS (Hons), FANZCA (ANZCA), DHM (SPUMS), Dip Advanced DHM <i>Independent Non-Executive Director</i></p>	<ul style="list-style-type: none"> • Appointed 20 October 2019. • Senior Staff Specialist in Anesthesia, Diving and Hyperbaric Medicine at Prince of Wales Hospital. • Co-Chair of the Prince of Wales Hospital Clinical Council. • Former CareFlight Registrar and Specialist who completed more than 300 missions with the organisation. • Commander in the Royal Australian Navy.
<p>Ian VANDERBEEK BBus, GAICD <i>Independent Non-Executive Director</i></p>	<ul style="list-style-type: none"> • Appointed 13 December 2016. • A seasoned executive leader and Non-Executive Director, with over 30 years' experience in Australia and Europe in the transport and logistic sectors, including appointments as Managing Director and CEO of fixed wing and rotary aviation companies. • Member of the Audit and Risk Committee. • Director of Tasmanian Railway Pty Ltd. • Volunteer Ambulance Officer – Tasmanian Ambulance Service.

Company Secretary

Mr Peter Quayle resigned as Company Secretary on 01 February 2022.

Ms Erin McMullen was appointed as Company Secretary on 01 February 2022. Erin has over 12 years' experience in company secretarial roles for various publicly listed and unlisted entities. Prior to this Erin worked in Executive Support and Managerial roles across several sectors.

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 was as follows:

	BOARD		AUDIT AND RISK COMMITTEE (ARC)		INVESTMENT COMMITTEE	
	Eligible to Attend	Meetings Attended	Eligible to Attend	Meetings Attended	Eligible to Attend	Meetings Attended
Andrew Refshauge	12	12	-	-	3	3
Mick Frewen	12	12	-	-	3	3
Patricia Angus*	12	9	1	1	-	-
Sue Bailey**	12	12	1	1	1	1
Garry Dinnie	12	12	2	2	3	3
Leonard Notaras ***	11	7	-	-	-	-
Robert Turner	12	12	-	-	-	-
Ian Vanderbeek	12	11	2	2	-	-

* Resigned as ARC Member 06 July 2021

** Appointed as ARC Member 06 July 2021 and Investment Committee Member 31 August 2021

*** Resigned from Board 01 April 2022

The Nomination and Remuneration Committee meet as required and did not meet during the financial year. The Board had responsibility of all matters relating to remuneration and nomination.

Operating and Financial Review

Our Mission and Ethos

CareFlight's Mission is "to save lives, speed recovery and serve the community." We are clinically led in our operations and our focus is on our patients first and foremost, and this flows through into everything we do as an organisation. Our operations occur in some of the most challenging remote and regional areas, as well as in heavily built-up cities. We continually review and assess how we operate to ensure that innovation and best practice guide our thinking on fleet decisions and equipment.

Environmental, Social and Governance

All companies face growing expectations to ensure they are effectively managing, measuring and reporting on Environmental, Social and Governance (ESG) issues. At CareFlight we are committed to the transparency required to demonstrate how we are meeting or moving toward these ESG expectations. We see that ESG management is both essential for CareFlight's long term success, but it is also essential to the health of our planet.

Environmental - A key focus is our existing strategy for addressing environmental sustainability. It is based on driving improvements across our operations, while also looking to how we can continue to innovate and evolve to enable transition to lower-carbon footprints in our aeromedical operations.

Social - As a for purpose organisation, CareFlight is committed to delivering our social purpose of building resilience across communities, and in providing best in class aeromedical care in order to meet our Mission of "saving lives, speeding recovery and serving the community". CareFlight is committed to ensuring we have provided a safe and inclusive work environment, and we aspire to be an Employer of Choice that invests in our people, as for CareFlight our people are our greatest strength.

Governance - CareFlight has a strong tradition of transparency between the Executive and Board and our stakeholders, and we hold ourselves to meeting and exceeding the financial accounting standards for our organisation. CareFlight encourages external audit and accreditation of our operations to ensure we are meeting industry benchmarks and setting the standard in our industry in terms of Clinical Governance and Aviation Safety and operational excellence. Board diversity and the skills and experience this brings is a key aspect of our approach to governance.

Strength in Adversity

For a third year CareFlight has experienced disruption from the ongoing impacts of Covid-19. Our ability to deliver our operations, has at times been disrupted by staff needing to isolate. At all stages though the team have been able to collaboratively find solutions to ensure essential capabilities are staffed and delivering the mission.

Our CareFlighters remain the strength of the organisation, with their determination to deliver exceptional patient outcomes regardless of the challenges presented to the team.

Our ongoing investment in the depth of key roles has ensured we have been able to fill gaps and deliver care. We have continued to maintain control measures at our bases to protect our operational crews, ensuring we can continue to safely respond to the at-risk communities we support.

Strategic Focus

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



Growth and Sustainability

CareFlight’s growth in recent years has been critical to ensuring we are a resilient organisation. In the last year we have also focussed on our sustainability, ensuring that every dollar spent is relevant to the mission and supportable. This has enabled CareFlight to emerge from the challenge of Covid-19 with a sustainable structure in place.

We do not seek to grow in an aggressive way. We have a very deliberate approach to assessing what aligns with our social purpose and our core strengths, so that any growth provides a benefit across the organisation in terms of our sustainability and depth. Growth, as part of the strategy, is to both offset the risk of losing key contracts (as seen in the downturn in oil and gas sector during this period) and also ensure we can continue to meet the increasing costs of compliance and governance, while ensuring we have the depth in our team to enable staff to take leave, develop their skills and in doing so make CareFlight stronger for the challenges ahead.

Diversification

CareFlight continues to focus on increasing diversification across our revenue streams and in our fundraising channels. This diversification program, run over many years, has ensured CareFlight is resilient to impacts in any one area of our contractual revenue or our fundraising channels. We have seen how unforeseen events such as the extent of the bushfires and the sudden emergence of Covid-19 can significantly disrupt forecast performance. Diversification has been critical to our success navigating through Covid-19 disruption, ensuring that we were able to quickly identify challenges and then change focus into areas of the organisation that were less impacted.

This strategy has been central to the success of our fundraising team, and we have invested more into the team to ensure they have the capacity across the many channels they have developed, to provide the significant funding required to operate a for-purpose organisation in the very complex and expensive area of aeromedical and critical care services for the community. CareFlight have also secured bipartisan federal government support for a second helicopter in the NT. This and the surge funding demonstrate success in our deliberate approach to seek federal government support, diversifying from our more established state and territory government support.

Additionally, CareFlight have further diversified our commercial operations in the Education and Training space, expanding the services we offer through our Registered Training Organisation, and in the work we do in the Energy and Resource sector and in our support of Government.

Controlling Costs

A major focus for this last year has been to look at every area of the business and ensure our cost base is essential, sustainable and mission-focussed. A major cost-containment activity throughout the year has ensured we have removed non-essential costs and ensured we are far better positioned for the future, through better management of costs at all levels of the organisation. We take very seriously the need to be good stewards of every dollar we are entrusted with, to ensure that it is spent as efficiently and effectively as possible delivering improved patient outcomes and serving the community.

Safety and Quality

CareFlight maintains a safety-first culture, and this focus on safety in the workplace and in every aspect of our operations ensures we can deliver our aeromedical and other services with risks identified and mitigated. This is driven, not only by our duty of care to our employees and patients, but is also a critical element to ensuring we meet and exceed the requirements of our regulatory licence to conduct air ambulance work.

During this financial year, our safety and quality team undertook 124 internal audits to ensure our operations were performing to our own high standards of safety and quality. We also audited 13 of our critical suppliers to ensure the best quality and standards of service are expected and delivered across our operations.

We conducted a wide review of our operations and our supply chains (including suppliers' upstream vendor operations) to identify and assess for the risk of Modern Slavery pursuant to the Commonwealth governments Modern Slavery Act 2018. This resulted in CareFlight's Modern Slavery Statement being accepted by the Australian Border Force, as required by the Act.

Additional third-party external audits were conducted, including two USAF Commercial Air Review Board (CARB) Audits and one US Department of Defense pre-deployment to Northern Territory exercise audit, benchmarking our operations against US Military best practice. Recertification audits for our ongoing ISO9001 (quality), ISO14001 (environment) certifications and NSQHSS (healthcare) accreditation were undertaken and retained. We successfully transitioned our Australian AS4801 (OH&S) certification to the international ISO45001 (OH&S) certification.

Aviation Safety Management System

CareFlight's standalone Safety Management System (SMS) for aviation activities continued to be developed and was formally approved by the Civil Aviation Safety Authority (CASA) in December 2021. CareFlight's Aviation SMS helped us achieve one of civil aviation's key goals: enhanced safety performance through the identification of hazards and

reducing these hazards until they are As Low As Reasonably Practicable (ALARP). In the year we reviewed and transitioned all our paper-based operational risk profiles (ORPs) to an electronic Risk & Hazard Register, to allow for better accountability of the management of those identified risks and more efficient continuous review. We implemented our Drug and Alcohol Management Plan across all bases and we also trained our Medical Transport Specialists on our Aviation SMS procedures.

Our Change Management Process continues to control changes that impact our processes, procedures, products, and services with the objective to ensure that any safety risks resulting from change are reduced to ALARP. In the year Change Management was initiated for the Flight Operations transition to the New Regulations, Revision of the Flight Operations Manual, the roll out of Emergency Breathing System (EBS) Bottles, and Engineering's transition from CAR 30 to Part 145 organisation.

The Aviation Safety Action Group (ASAG) who oversee our operational safety for Flight Operations, Engineering and Medical Transport Specialists has been strengthened with the introduction of the Aviation Safety Risk and Review Committee who, in addition to providing strategic direction to the ASAG, have defined CareFlight's aviation Safety Lead Indicators and settings for aviation safety performance targets.

CareFlight also updated our Transport Security Plan which was approved by the Department of Home Affairs in March 2022.

Brand and Reputation

We have continued to focus on ensuring our work is well understood and supported in the community. We remain one of the most trusted charities in Australia, and we have engaged with a number of partners and sponsors in order to further broaden our community impact and awareness of what we do.

The success of this work has been shown through our new major sponsorship with Mounties Care who are providing direct support to the Mounties Care CareFlight Helicopter based in Sydney. This close partnership has grown over many years based on mutual trust and respect, and Mounties Group are passionate supporters in our work to save lives and serve the community. We have also worked closely with Nurofen to highlight the work done by our aircrew, often in challenging circumstances. We have also partnered with a number of organisations to grow our media exposure including Foxtel, JC Decaux, Smooth FM, and Mix 104.9.

The strength we have built in our brand and reputation has also created other opportunities for sponsorship in other parts of the organisation, and we look forward to announcing these in the new financial year.

Financial Strength

The Group continued to respond to challenges presented by Covid-19 during the financial year by building financial strength, diversifying revenue and focusing on cost containment initiatives which has ensured the Group is well positioned for the year ahead.

A surplus of \$1,199,446 was generated, which includes a significant donation from Mounties Group to be directed towards operating costs of the Mounties Care CareFlight Helicopter over five years. This donation was partially offset by a \$3,592,661 fair value decrement to rotary wing aircraft, mainly due to upcoming scheduled overhauls on an aircraft negatively impacting the value until that work is completed. Overall fundraising efforts, despite the ongoing Covid-19 challenges in actively engaging with communities, generated a surplus of \$15,871,279, up \$7,078,059 from the prior year.

Pleasingly the strength of the balance sheet improved with a 20.1% increase in net assets of the Group to \$23,421,491 due to both the overall surplus and a \$2,916,117 positive fair value movement on land and buildings. Additional funds were placed into investments during the year, with investments of \$6,672,037 now held.

These financial results position the Group favourably to continue delivering our social purpose including supporting the upgrading of our fleet and ensuring we continue to innovate and lead the industry in aeromedical response.

Dividends

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

Significant Changes in the State of Affairs

In May 2021, Mounties Group became the naming rights sponsor to the CareFlight Rapid Response Helicopter Service, which is now branded Mounties Care CareFlight Helicopter and provided a significant donation towards the operating costs of that service over five years.

The Group also completed the sale of two B400 aircraft which were classified as assets held for sale in the prior year and paid out remaining lease liabilities on those aircraft upon settlement.

There were no other significant changes in the state of affairs of the Group during the financial year.

Events Subsequent to Reporting Date

At the date of this report, the Directors are not aware of any matter or circumstance, other than transactions disclosed in the financial statements, that has arisen and has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of the affairs of the Group in the financial years subsequent to 30 April 2022.

Likely Developments

During the year ahead, CareFlight will be continuing its efforts to diversify revenue streams, in particular through educational training offerings as well as investing in system and process transformation to enhance our service delivery.

Environmental Regulation

CareFlight are subject to a range of Commonwealth, State and Territory environmental legislation. The Board places particular focus on the environmental aspects of its operations and is certified for ISO14001 Environmental Management Systems. The Directors are satisfied that systems are in place for the management of CareFlight's environmental exposures and environmental performance. The Directors are also satisfied that relevant licences and permits are held and that appropriate monitoring procedures are in place to ensure compliance with those licences and permits. Any significant environmental incidents are reported to the Board.

Indemnification of Auditors

To the extent permitted by law, the Group has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young Australia during the year ended 30 April 2022.

Indemnification and Insurance of Officers

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

Auditor's Independence Declaration

The auditor's independence declaration is set out on page 39.

Board

In April this year, Leonard Notaras retired from the board. Leonard was appointed a director in late 2019, bringing a wealth of experience, including as former Chief Executive of the NT Department of Health, and Royal Darwin Hospital's First Medical Superintendent and General Manager.

Founder and executive director of the National Critical Care and Trauma Response Centre in Darwin, Leonard is a leader in building health security and emergency capability across the Asia-Pacific region. Leonard has gone above and beyond to serve as Northern Territory resident director for CareFlight throughout these most challenging pandemic years. We sincerely thank Leonard for his valued contribution to the development of CareFlight. We have no doubt it will continue to benefit the communities we serve.

Board Recognition of Staff

The Board would like to formally thank the staff for the outstanding work done during another challenging year. Despite the significant disruptions to normal operations due to Covid-19, the staff at all times continued to deliver to the highest standards ensuring we continued to provide the very best patient care at all times.

The Northern operations team met the requirement to significantly surge in support of the Northern Territory Government's response to Covid-19 in the community, many taking on multiple extra shifts to ensure we could move the high numbers of patients during the height of the pandemic. In Eastern Operations we again responded to support the community, on the back of the excellent work on the fires in recent years. The team responded this time to major flooding and again ensured we could meet the needs of the Rural Fire Service and communities impacted across NSW. Yet again our people proved to be the real strength of CareFlight.

Our Commitment

The Board and Management of CareFlight are committed to all our stakeholders and going above and beyond our statutory obligations when delivering all our services. We are dedicated to acting with the highest ethical standards, having regard to CareFlight's mission and values, its charitable status and its community service ethos.

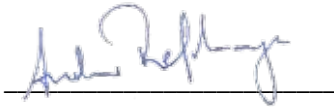
Our commitment to good governance and providing value-for-money in everything we do means our thousands of generous supporters can be assured that their decision to support CareFlight is making a difference to the community.

We thank the entire CareFlight team who together deliver our mission every day. It is central to who we are that the close collaboration and integration of our highly diverse team means all our staff members contribute to getting our frontline teams to the patient. They all directly help to save lives and speed recovery, while living in and serving the communities we support.

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

This directors' report is signed in accordance with a resolution of directors made pursuant to s298(2) of the Corporations Act 2001.

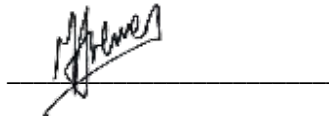
On behalf of the Directors



Andrew Refshauge

Chair

Sydney, 25 August 2022



Mick Frewen

Chief Executive Officer

Statement of Income

for the year ended 30 April 2022

	Note	2022 \$	2021 \$ Restated *
Revenue	2	99,300,319	99,004,689
Operations and administration - costs of personnel		(56,112,045)	(57,918,535)
Direct costs of aeromedical operations		(17,435,545)	(16,439,421)
Fundraising costs - donations and sponsorship	3a)	(4,005,249)	(3,689,923)
Fundraising costs - merchandising and events	3b)	(1,454,205)	(1,998,709)
Depreciation expense – property, plant, and equipment	11b)	(2,997,069)	(2,511,802)
Depreciation expense – right-of-use assets	14c)	(4,810,044)	(5,046,928)
Impairment and revaluation adjustment	11c)	(3,592,661)	(2,127,129)
Insurance expense		(1,155,798)	(1,096,682)
Net loss on sale of assets		(49,768)	-
Support costs		(5,386,888)	(5,305,693)
Finance expense	4	(1,101,601)	(1,467,023)
Total surplus/(deficit) for the year		1,199,446	1,402,844
Other comprehensive income/(expense) items that may be reclassified to surplus			
Gain/(loss) on revaluation of investments		(192,926)	370,164
Gain/(loss) on revaluation of non-current assets	11c)	2,916,117	(3,291,163)
Total comprehensive income/(loss) for the year		3,922,637	(1,518,155)

The Statement of Income should be read in conjunction with the accompanying notes.

* Refer Note 1 for further details regarding the restated amounts.

Statement of Financial Position

as at 30 April 2022

	Note	2022 \$	2021 \$ Restated *
Current assets			
Cash and cash equivalents	6	14,529,396	22,931,776
Trade and other receivables	7	9,388,946	6,167,272
Inventories	8	555,218	570,519
Investments	9	6,672,037	2,498,957
		31,145,597	32,168,524
Assets held for sale	10		2,285,919
Total current assets		31,145,597	34,454,443
Non-current assets			
Trade and other receivables	7	600,000	-
Property, plant, and equipment	11b)	13,516,387	12,486,301
Right-of-use assets	14b)	31,410,697	39,110,218
Total non-current assets		45,527,084	51,596,519
		76,672,681	86,050,962
Total assets			
Current liabilities			
Trade and other payables	12	4,914,280	6,070,648
Income received in advance	13	7,135,507	10,103,788
Lease liabilities	14c)	9,611,594	9,485,124
Provisions	15	2,229,051	2,380,100
Employee benefits	16	6,181,229	5,661,089
Total current liabilities		30,071,661	33,700,749
Non-current liabilities			
Trade and other payables	12	600,000	-
Lease liabilities	14c)	21,773,440	31,794,070
Employee benefits	16	806,089	1,057,289
Total non-current liabilities		23,179,529	32,851,359
		53,251,190	66,552,108
Total liabilities			
		23,421,491	19,498,854
Net assets			
Equity			
Reserves	17	6,116,933	3,393,742
Retained surplus		17,304,558	16,105,112
Total equity		23,421,491	19,498,854

The Statement of Financial Position should be read in conjunction with the accompanying notes.

* Refer Note 1 for further details regarding the restated amounts.

Statement of Cash Flows

for the year ended 30 April 2022

	Note	2022 \$	2021 \$ Restated *
Cash flows from operating activities			
Cash receipts in the course of operations		100,953,567	113,926,730
Cash payments in the course of operations		(96,224,950)	(96,438,439)
Interest received	2	2,061	5,239
Interest paid on bank finance leases	4	(801,526)	(1,010,372)
Interest paid on non-bank finance leases	4	(164,188)	(255,552)
Net cash from operating activities		3,764,964	16,227,606
Cash flows from/(used in) investing activities			
Acquisition of non-current assets	11b) 14b)	(2,222,432)	(2,490,036)
Net proceeds from sale of non-current assets		2,242,281	197,651
Payments for investments		(4,231,436)	-
Net cash used in investing activities		(4,211,587)	(2,292,385)
Cash flows used in financing activities			
Repayments of bank finance lease liabilities		(7,390,674)	(3,376,940)
Repayments of non-bank finance lease liabilities		(565,083)	(1,009,687)
Net cash used in financing activities		(7,955,757)	(4,386,627)
Net increase/(decrease) in cash held		(8,402,380)	9,548,594
Cash and cash equivalents at the beginning of the year		22,931,776	13,383,182
Cash and cash equivalents at the end of the year	6	14,529,396	22,931,776

The Statement of Cash Flow should be read in conjunction with the accompanying notes.

* Refer Note 1 for further details regarding the restated amounts.

Statement of Changes in Equity

for the year ended 30 April 2022 (restated *)

	Note	Reserves	Retained surplus	Total
		\$	\$	\$
Balance at 1 May 2020		6,314,741	14,702,268	21,017,009
Total surplus for the year		-	1,402,844	1,402,844
Other comprehensive income/(expense)				
Gain on revaluation of investments		370,164	-	370,164
Loss on revaluation of non-current assets	11c)	(3,291,163)	-	(3,291,163)
Balance at 30 April 2021		3,393,742	16,105,112	19,498,854
Balance at 1 May 2021		3,393,742	16,105,112	19,498,854
Total surplus for the year		-	1,199,446	1,199,446
Other comprehensive income/(expense)				
Loss on revaluation of investments		(192,926)	-	(192,926)
Gain on revaluation of non-current assets	11c)	2,916,117	-	2,916,117
Balance at 30 April 2022		6,116,933	17,304,558	23,421,491

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

* Refer Note 1 for further details regarding the restated amounts.

Notes to the Financial Statements

1. Statement of Compliance and Basis of Preparation

Reporting entity

The consolidated financial statements of the Group as at and for the year ended 30 April 2022 comprise CareFlight Limited (the 'Company') and its subsidiary CareFlight (NT) Limited, together referred to as the 'Group' and individually as 'Group entities'. The Company is a not-for-profit entity limited by guarantee and is a registered charity and a Public Benevolent Institution.

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 2022, the Company had 32 Members (2021: 32), of whom 7 (2021: 8) were directors of the Company.

The Group financial statements for the year ended 30 April 2022 were authorised for issue in accordance with a resolution of the Directors on 25 August 2022

i) Statement of compliance

The Group is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored to satisfy specifically all their information needs.

This financial report has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements adopted by the Australian Accounting Standards Board (AASB), the Australian Charities and Not-for-profits Commission Act 2012 and the Australian Charities and Not-for-profits Commissions Regulation 2013.

The financial statements have been prepared on a going concern basis, which assumes the Group will be able to meet its obligations as and when they fall due.

ii) Basis of Preparation

The financial statements are presented in Australian dollars, which is the Group's functional currency and have been prepared on an historical cost basis except for rotary wing aircraft, land and buildings and investments which are measured at fair value.

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

New standards and interpretations issued and not yet effective

At the date of authorisation of the financial statements, the directors have determined there are no new standards and interpretations issued and not yet effective which would have a material impact upon the Group.

1. Statement of Compliance and Basis of Preparation (continued)

Critical accounting estimates and judgements

Preparation of these financial statements require Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. It also requires the directors to exercise their judgement in the process of applying the Group's accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis, as appropriate to the particular circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Judgements made by Management in the application of AASBs, that have a significant effect of the Group's Financial Statements and estimates with a significant risk of material adjustment in future periods are included in the following notes:

- Note 11 – Property, plant and equipment
- Note 14 – Right-of-Use Assets and Lease Liabilities
- Note 16 – Employee benefits

Prior period restatements

For the year ended 30 April 2022, the Group revised the interpretation of the agreements concerning the four fixed wing aircraft operating under the Top End Medical Retrieval Services contract.

Under the terms of the Services Agreement with the Northern Territory Government ("NTG"), these aircraft are solely used in providing services to NTG and all flights are at their direction. Therefore, the Group neither has the right to substantially all the economic benefits from the use of the aircraft nor the right to direct the use of the aircraft, other than to service the Agreement. As a result, both the right-of-use asset and associated lease liability for the aircraft have been derecognised together with the associated revenue, interest and depreciation expense and a provision for engine overhauls has been recognised.

Amounts presented in \$	30 April 2021	Increase/ (Decrease)	30 April 2021 (Restated)	30 April 2020	Increase/ (Decrease)	1 May 2020 (Restated)
Balance Sheet (extract)						
Trade & other receivables	6,299,537	(132,265)	6,167,272	9,340,886	(150,060)	9,190,826
Right-of-use assets	51,622,416	(12,512,198)	39,110,218	45,985,476	(12,215,126)	33,770,350
Income received in advance	(10,493,095)	389,307	(10,103,788)	(6,110,661)	389,305	(5,721,356)
Provisions	-	(2,380,100)	(2,380,100)	-	(4,205,436)	(4,205,436)
Leases liability - current	(11,098,396)	1,613,272	(9,485,124)	(17,200,095)	1,501,587	(15,698,508)
Leases liability - non-current	(41,152,986)	9,358,916	(31,794,070)	(24,568,425)	10,972,188	(13,596,237)
Net asset impact		(3,663,068)			(3,707,542)	
Retained earnings	19,768,180	(3,663,068)	16,105,112	18,409,810	(3,702,542)	14,702,268

2. Revenue

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

Revenue	Nature	Recognition Criteria
Government revenue	<ul style="list-style-type: none"> Government revenue received on the condition that specified services are delivered or conditions are fulfilled, are considered reciprocal. Such revenue is initially recognised as a liability (Note 13) and revenue is recognised as services are performed or conditions fulfilled. Non-reciprocal revenue is recognised when received. Grants that compensate the Group for expenses incurred are recognised as revenue as expenses are incurred. 	<p>Revenue is recognised when specific performance obligations are met.</p> <p>If control of a good or service is transferred over time, (i.e., satisfies a performance obligation over time) revenue is also recognised over time in line with transfer of control. Income is deferred until performance obligations are satisfied.</p> <p>The Group receives short-term advances from its customers. Using the practical expedient in AASB 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.</p>
Aeromedical and other retrieval income	<ul style="list-style-type: none"> Revenue is recognised following agreement of both parties regarding terms and conditions when services are provided. 	
Fundraising: donations and sponsorship	<ul style="list-style-type: none"> General donation revenue is measured by the amount of cash received and is brought to account in the period in which it is received. Conditional donation revenue is initially recognised as a liability (Note 13) and is recognised as revenue when the Group has complied with the conditions attached to the donation. Donations in kind are recorded as revenue from fundraising at the fair value of the goods received, with an equal amount being recognised as an expense or capitalised as a fixed asset to which the donation relates. Sponsorship revenue is recognised as services are performed or conditions fulfilled. 	<p>On receipt.</p> <p>Conditions of the revenue are complied with.</p> <p>On receipt of asset or service.</p> <p>Systematic basis in the periods in which conditions are fulfilled.</p>
Fundraising: merchandising and events	<ul style="list-style-type: none"> Sale of merchandise is recorded as revenue when goods are delivered. Measured at the amount of cash received. Event revenue is recognised upon completion of event. 	<p>On delivery of goods.</p> <p>Completion of event.</p>

2. Revenue (continued)

	Note	2022 \$	2021 \$ Restated *
Government revenue		71,123,557	66,747,325
Australian Government JobKeeper subsidy		-	7,297,900
Australian Government Covid-19 Surge Grants		4,235,933	2,218,612
Aeromedical and other retrieval revenue		2,443,138	8,035,496
Fundraising revenue: donations and sponsorship	3a)	19,254,824	11,803,151
Fundraising revenue: merchandising and events	3b)	2,075,909	2,678,701
Operational Revenue		99,133,361	98,781,185
Net gain on sale of non-current assets		-	112,369
Dividend income		164,897	105,896
Interest income		2,061	5,239
Other Revenue		166,958	223,504
Total Revenue		99,300,319	99,004,689

At 30 April 2022 the Group has income received in advance of \$7,135,507 (2021: \$10,103,788), relating to contract revenue received in advance for services not yet provided and donations with specific terms or conditions which must be met before the Group is entitled to the resources (Note 13).

* Refer Note 1 for further details regarding the restated amounts.

3. Fundraising revenue and expenses

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

a) Fundraising - donations and sponsorship

	2022	2021
	\$	\$
Revenue		
Bequests	789,516	1,782,458
General donations and sponsorship	15,585,123	6,783,111
Appeals	1,926,685	1,938,889
Regular giving investment programs	953,500	1,298,693
Total Fundraising revenue – donations and sponsorship	19,254,824	11,803,151
Expenses		
Bequests	2,235	10,092
General donations and sponsorship	2,113,353	2,425,713
Appeals	823,447	743,185
Regular giving investment programs	1,066,214	510,933
Total Fundraising costs – donations and sponsorships	4,005,249	3,689,923
Total Surplus – donations and sponsorship	15,249,575	8,113,228

b) Fundraising - merchandising and events

Revenue		
Bear merchandising	1,639,221	2,052,079
Events	436,688	626,622
Total Fundraising revenue – merchandising and events	2,075,909	2,678,701
Expenses		
Bear merchandising	1,448,873	1,743,010
Events	5,332	255,699
Total Fundraising costs – merchandising and events	1,454,205	1,998,709
Total surplus – merchandising and events	621,704	679,992

3. Fundraising revenue and expenses (continued)

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

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

	2022	2021
	\$	\$
Total Fundraising Revenue	21,330,733	14,481,852
Total Fundraising Costs	5,459,454	5,688,632
Total Surplus from Fundraising	15,871,279	8,793,220

The Fundraising surplus was applied to charitable purposes in the form of expenditure towards Mounties Care CareFlight Helicopter, MediSim training and aeromedical retrieval work in NSW and Northern Territory.

ii) Fundraising ratios

	2022			2021		
	Numerator \$	Denominator \$	Ratio \$	Numerator \$	Denominator \$	Ratio \$
Fundraising: donations and sponsorships - expenses / revenue	4,005,249	19,254,824	21%	3,689,923	11,803,151	31%
Fundraising: merchandising and events ¹ - expenses / revenue	1,454,205	2,075,909	70%	1,998,709	2,678,701	75%
Total costs of fundraising / Gross revenue from fundraising	5,459,454	21,330,733	26%	5,688,632	14,481,852	39%
Net surplus from fundraising / Gross revenue from fundraising	15,871,279	21,330,733	74%	8,793,220	14,481,852	61%
Total costs of services / Total expenditure ²	92,641,419	98,100,873	94%	91,913,213	97,601,845	94%
Total costs of services / Total revenue ³	92,641,419	99,300,319	93%	91,913,213	99,004,689	93%

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

²Total expenditure includes finance expense

³Total revenue includes finance income

The Group conducted four appeals during the year (2021: four appeals).

4. Finance income and expense

Finance income and expense comprise interest payable on leases and interest receivable on funds invested.

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

Interest income is recognised in the Statement of Income on the date that the Group's right to receive payment is established.

Transactions in foreign currencies are translated to the functional currency of the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign currency gains and losses are reported on a net basis. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the Statement of Income.

	2022	2021
	\$	\$ Restated *
	2,061	5,239
Total finance income	2,061	5,239
Interest expense on bank finance lease liabilities	(801,526)	(1,010,372)
Interest expense on non-bank finance lease liabilities	(300,075)	(456,651)
Total finance expense	(1,101,601)	(1,467,023)
Net finance expense	(1,099,540)	(1,461,784)

* Refer Note 1 for further details regarding the restated amounts.

5. Taxes

Income tax

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

Goods and services tax

Revenue, expenditure, assets, and liabilities are recognised net of the amount of goods and services tax (GST), except where the amount of GST is not recoverable from the taxation authority. 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 trade payables are stated with GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the Statement of Financial Position. The GST components of cash flows arising from investing and financing activities which are recoverable from or payable to the taxation authority are classified as operating cash flows.

6. Cash and cash equivalents

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

	2022	2021
	\$	\$
Cash – unrestricted	7,393,889	12,827,788
Cash – restricted	7,135,507	10,103,788
	14,529,396	22,931,776

7. Trade and other receivables

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

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

Value of receivables is assessed at each reporting date to determine whether there is objective evidence that it is impaired. The Group considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics. In 2022, nil trade receivables were written off (2021: \$367,020).

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

	2022	2021
	\$	\$
Current		
Trade receivables	7,916,065	4,655,891
Other receivables	1,272,881	1,511,381
Contract receivable	200,000	-
	9,388,946	6,167,272
Non-current		
Contract receivable	600,000	-

8. 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.

	2022	2021
	\$	\$
Engineering parts	457,382	480,205
Bear merchandising stock	85,060	77,858
Fuel stock	12,776	12,456
	555,218	570,519

In 2022, bear merchandising stock of \$186,400 (2021: \$230,837) was recognised as a cost of goods sold during the period and was included in Fundraising costs - merchandising and events. In 2022 no inventory was written down to net realisable value (2021: nil).

9. Investments

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

All financial assets held are categorised as level 1 on the fair value hierarchy based on the inputs used in the valuation techniques, being quoted prices in active markets.

10. Assets held for sale

On 15 December 2020 the Board approved the sale of two B400 aircraft following the termination of contracts where the aircraft were deployed on oil and gas operations. The decrement to the value of these aircraft was booked last financial year to reflect their expected selling price less costs to sell of \$2,285,919. Completion of the sale of these aircraft occurred during the current financial year.

11. Property, plant and equipment

a) Recognition and measurement

Fixed wing aircraft

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

Rotary wing aircraft

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

Land and buildings

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

Plant and equipment

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

Gains and losses on disposal

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

Depreciation expense

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

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

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

11. Property, plant and equipment (continued)

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

	2022	2021
Fixed wing – airframe	10 to 18 years	10 to 18 years
Fixed wing - engines*	3,600 to 5,000 hours	3,600 to 5,000 hours
Rotary wing aircraft	20 years	20 years
Buildings	40 years	40 years
Plant and equipment	2.5 to 10 years	2.5 to 10 years

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

Impairment

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

Revaluation

Revaluation increments on a class of asset basis are recognised in the asset revaluation reserve except to the extent that this reverses an impairment loss which had previously been recognised in the Statement of Income, in which case the reversal of that impairment loss is also recognised in the Statement of 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 Income. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained surplus. Fair value of the Group's assets is based on appraisals performed by independent, professionally qualified aircraft and property valuers.

Subsequent costs

The cost of replacing a component of an item for a non-current asset 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 a non-current asset are recognised as an expense when incurred.

11. Property, plant and equipment (continued)

b) Movement in carrying amount

	Fixed wing aircraft	Rotary wing aircraft	Land and buildings	Work in progress	Plant and Equipment	Total
	<i>At cost</i>	<i>Fair value</i>	<i>Fair value</i>	<i>At cost</i>	<i>At cost</i>	
	\$	\$	\$	\$	\$	\$
As at 30 April 2021						
Gross carrying amount	4,469,762	1,774,692	4,197,099	221,240	19,125,088	29,787,881
Accumulated depreciation and impairment	3,067,871	-	74,089	-	14,159,620	17,301,580
Net carrying amount	1,401,891	1,774,692	4,123,010	221,240	4,965,468	12,486,301
As at 30 April 2022						
Gross carrying amount	4,469,762	1,748,742	6,300,000	409,043	20,491,055	33,418,602
Accumulated depreciation and impairment	3,401,166	-	-	-	16,501,049	19,902,215
Net carrying amount	1,068,596	1,748,742	6,300,000	409,043	3,990,006	13,516,387

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment held and used at the beginning and the end of the reporting period is set out below:

As at 30 April 2022						
Net carrying amount at start of year	1,401,891	1,774,692	4,123,010	221,240	4,965,468	12,486,301
Acquisitions	-	-	-	195,699	1,390,032	1,585,731
Transfers	-	-	-	(7,896)	7,896	-
Disposals/written off	-	-	-	-	(6,129)	(6,129)
Depreciation expense	(333,295)	(221,836)	(74,677)	-	(2,367,261)	(2,997,069)
Revaluation transferred to Statement of Income	-	195,886	-	-	-	195,886
Revaluation transferred to reserves	-	-	2,251,667	-	-	2,251,667
Net carrying amount at end of year	1,068,596	1,748,742	6,300,000	409,043	3,990,006	13,516,387

11. Property, plant, and equipment (continued)

c) Revaluation and impairment

The Group has recognised impairment if the carrying value of an asset exceeds its recoverable amount.

Total revaluation decrement for rotary wing aircraft for the year was \$3,592,661 (2021: decrement of \$3,506,958) which was transferred to the Statement of Income. In the prior year, \$3,291,163 was transferred to the revaluation reserve to reverse prior year revaluation increments with the balance of \$215,795 being transferred to the Statement of Income.

	2022	2021
	\$	\$
Impairment of aircraft held for sale	-	1,853,516
Impairment of equipment	-	57,818
Revaluation decrement of aircraft	(3,592,661)	215,795
Total impairment and revaluation adjustment	(3,592,661)	2,127,129

Asset details	Effective date of revaluation	Independent valuer	Asset Revaluation Reserve Movement		
			Opening Balance	OCI Movement	Closing Balance
			\$	\$	\$
Rotary Wing	14 April 2022	DavAir Group	-	-	-
Land and buildings	10 March 2022	Civil Property Valuers	2,921,257	2,916,117	5,837,374
			2,921,257	2,916,117	5,837,374

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

Independent registered valuer, DavAir Group, was engaged to perform the valuation of the helicopters and Civil Property Valuers the valuation of the land and buildings in the current financial year. At the valuation dates, both valuers noted that whilst the valuations performed reflected their current opinion of value, the Covid-19 pandemic has created a higher degree of market uncertainty resulting in significant valuation uncertainty. As a result, estimated fair values may change significantly and unexpectedly over a relatively short period of time. As a consequence, less certainty and a higher degree of caution is attached to the valuation than would normally be the case.

12. Trade and other payables

Trade payables are recognised at the fair value of goods and services received. An accrual is recorded when an expense has been incurred by the Group, prior to the related invoice being received.

The Group derecognises a financial liability when its contractual obligation is discharged or cancelled or expires.

	2022	2021
	\$	\$
Current		
Trade payables	2,116,279	2,606,176
Accrued expenses	2,598,001	3,464,472
Contract liability	200,000	-
	4,914,280	6,070,648
Non-current		
Contract liability	600,000	-

13. Income received in advance

Conditional donations and income received in advance are initially recognised in the Statement of Financial Position as income received in advance until the Group has complied with the conditions attached to the income (Note 2).

	2022	2021
	\$	\$
Conditional donations	1,655,628	533,076
Payments received in advance for contracts	5,479,879	9,570,712
	7,135,507	10,103,788

14. Right-of-use Assets and Lease Liabilities

a) Recognition and measurement

Right-of-use Assets

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The carrying amounts of right-of-use assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment is recognised if the carrying value of an asset exceeds its recoverable amount.

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

Lease Liabilities

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

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

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

The Group has a concessionary lease for a hangar space and for a property which is necessary for its day to day operations. The Group has applied the temporary relief provisions available under the standard to postpone the requirement for not-for-profit (NFP) entities to recognise concessionary leases at fair value. Accordingly, this lease is accounted for at cost, being zero.

The fair value of the lease liabilities is calculated based on the present value of future principal and interest cash flows discounted at the market rate of interest at the reporting date. Market rate of interest is determined by reference to similar lease agreements.

14. Right-of-Use Assets and Leases Liabilities (continued)

b) Right-of-Use Assets Movement in carrying amount (restated)

	Fixed wing aircraft	Rotary wing aircraft	Land and buildings	Total
	\$	\$	\$	\$
As at 30 April 2021				
Gross carrying amount	19,093,292	16,460,906	13,835,737	49,389,935
Accumulated depreciation and impairment	5,016,995	-	5,262,722	10,279,717
Net carrying amount	14,076,297	16,460,906	8,573,015	39,110,218
As at 30 April 2022				
Gross carrying amount	19,109,030	12,241,187	12,907,965	44,258,182
Accumulated depreciation and impairment	6,654,947	-	6,192,538	12,847,485
Net carrying amount	12,454,083	12,241,187	6,715,427	31,410,697
Reconciliation				
A reconciliation of the carrying amount of each class of property, plant and equipment held and used at the beginning and the end of the reporting period is set out below:				
As at 30 April 2022				
Net carrying amount at start of year	14,076,297	16,460,906	8,573,015	39,110,218
Acquisitions	15,738	620,963	-	636,701
Disposals/written off	-	-	(402,081)	(402,081)
Depreciation expense	(1,637,952)	(1,052,135)	(2,119,957)	(4,810,044)
Revaluation transferred to Statement of Income	-	(3,788,547)	-	(3,788,547)
Revaluation transferred to reserves	-	-	664,450	664,450
Net carrying amount at end of year	12,454,083	12,241,187	6,715,427	31,410,697

* Refer Note 1 for further details regarding the restated amounts.

14. Right-of-Use Assets and Leases Liabilities (continued)

c) Lease Liabilities (restated)

	2022	2021
	\$	\$
Current		
Bank finance lease liabilities	7,440,277	7,390,506
Non-bank finance lease liabilities	2,171,317	2,094,618
Total current lease liabilities	9,611,594	9,485,124
Non-current		
Bank finance lease liabilities	18,216,882	25,657,327
Non-bank finance lease liabilities	3,556,558	6,136,743
Total non-current lease liabilities	21,773,440	31,794,070
Total lease liabilities	31,385,034	41,279,194

Terms and conditions of outstanding loans are as follows:

	2022				2021	
	Nominal interest rate	Year of maturity	Face Value \$	Carrying amount \$	Face Value \$	Carrying amount \$
Bank finance lease liabilities	2.27-4.34%	2022-2041	32,065,919	25,657,159	35,907,046	33,047,833
Non-bank finance leases liabilities	4.45%	2023-2028	5,771,930	5,727,875	12,821,898	8,231,361
Total finance leases			37,837,849	31,385,034	48,728,944	41,279,194

Payments for short term leases are recognised as an expense on a straight-line basis over the lease term. \$893,441 (2021: \$683,185) has been recognised in the Statement of Income relating to short term leases.

The Group maintains a line of credit of \$1,000,000 that is unsecured and undrawn at year end (2021: undrawn).

* Refer Note 1 for further details regarding the restated amounts.

14. Right-of-Use Assets and Leases Liabilities (continued)

d) Future lease payments (restated)

	2022			2021		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
	\$	\$	\$	\$	\$	\$
Future bank lease payments:						
Within one year	8,055,841	615,564	7,440,277	8,167,316	776,810	7,390,506
One year or later and no later than five years	18,686,643	588,232	18,098,411	26,715,307	1,185,652	25,529,655
Later than five years	168,462	49,991	118,471	181,430	53,758	127,672
	26,910,946	1,253,787	25,657,159	35,064,053	2,016,220	33,047,833
Future non-bank lease payments:						
Within one year	2,382,277	210,960	2,171,317	2,417,563	322,945	2,094,618
One year or later and no later than five years	3,279,050	341,251	2,937,799	5,215,342	568,463	4,646,879
Later than five years	632,611	13,852	618,759	1,557,786	67,922	1,489,864
	6,293,938	566,063	5,727,875	9,190,691	959,330	8,231,361

* Refer Note 1 for further details regarding the restated amounts.

15. Provisions

Aircraft Engine Overhaul Provision

	2022	2021 Restated
	\$	\$
Opening Balance	2,380,100	4,205,436
Increase in provision based on hours flown	873,577	985,290
Engine overhauls during the year	(1,274,175)	(2,366,418)
Foreign exchange adjustment	249,549	(444,208)
Closing Balance	2,229,051	2,380,100

An engine overhaul provision is recognised for the four fixed wing aircraft operating under the Northern Territory Government Top End Medical Retrieval Services Contract. The provision is calculated based on the hours incurred on the engines since previous overhaul based on estimated cost and impact of foreign currency exchange movements.

* Refer Note 1 for further details regarding the restated amounts.

16. Employee benefits

a) Short-term employee benefits

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

b) Long-term employee benefits

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

c) Superannuation

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

	2022	2021
	\$	\$
Current		
Annual leave entitlements	4,454,320	4,274,316
Long service leave entitlements	1,726,909	1,386,773
	6,181,229	5,661,089

16. Employee benefits (continued)

Non-current

Long service leave entitlements

806,089 1,057,289

Total employee benefits

6,987,318 6,718,378

17. Reserves

Reserves comprises the revaluation reserve for aircraft and investments which relate to movements arising from the revaluation of assets.

	2022	2021
	\$	\$
Asset Revaluation Reserve	5,837,376	2,921,258
Investment Revaluation Reserve	279,557	472,484
Total Reserves	6,116,933	3,393,742

18. Related parties

In February 2021, the Members of the Company approved an amendment to the Company's Constitution. The amendment permits the remuneration of non-executive Directors, subject to obtaining the prerequisite regulatory approvals and subject to the aggregate remuneration not exceeding an annual fixed sum determined by the Members in general meeting. The Board has decided to defer implementation of remuneration of non-executive Directors, except for the Chair of the Board and Chair of the Audit & Risk Committee at least until the start of CareFlight's 2023/24 financial year on 1 May 2023.

Dr Andrew Refshauge, non-executive director and Chair of the Board, received an allowance in recognition of the time he commits to the affairs of the Company above and beyond the normal role of a board Chair. He was paid \$60,000 (2021: \$60,000) for these services under normal market rates.

Garry Dinnie, non-executive director and Chair of the Audit & Risk Committee, received an allowance in recognition of the time he commits to the affairs of the Company above and beyond the normal role of a director. He was paid \$30,000 (2021: \$30,000) for these services under normal market rates.

19. Economic dependency

The Group relies upon financial revenue from the Northern Territory Government, New South Wales Government, sponsors, and the community.

20. Subsidiaries

The Company has a wholly owned subsidiary, CareFlight (NT) Limited which was registered as a public company limited by guarantee on 17 June 2011. CareFlight (NT) Limited is a not-for-profit entity and is a registered charity and Public Benevolent Institution. CareFlight Limited is the sole member of CareFlight (NT) Limited. No investment cost is recorded in relation to this subsidiary.

20. Subsidiaries (continued)

The Company has resolved to provide ongoing financial support to its wholly owned subsidiary CareFlight (NT) Limited, as required, to ensure that it continues as a going concern for at least 12 months from the date of signing of the 2022 Annual Financial Report.

21. Contingent assets and liabilities

Bank guarantees on issue at 30 April 2022 totalled \$287,549 (2021: \$287,549).

22. Events subsequent to reporting date

The Directors are not aware of any material events occurring after balance date of this report that would require further disclosure in these financial statements

23. Parent entity disclosure

The parent entity of the Group was CareFlight Limited throughout both the current and prior financial year.

a) Result of parent entity

	2022	2021
	\$	\$
Surplus/(deficit) for the year	1,199,686	1,403,051
Other comprehensive income	2,723,191	(2,920,999)
	3,922,877	(1,517,948)

b) Financial position of parent entity at year end

Current assets	31,147,080	34,455,686
Total assets	76,674,164	86,052,205
Current liabilities	30,071,661	33,700,749
Total liabilities	53,251,190	66,552,108

c) Total equity of parent entity

Reserves	6,116,933	3,393,742
Retained surplus	17,306,041	16,106,355
	23,422,974	19,500,097

As the sole member of CareFlight (NT) Limited, the parent entity has resolved to provide ongoing financial support to CareFlight (NT) Limited, as required, to ensure that it continues as a going concern for at least 12 months from the date of signing of the 2021 Annual Financial Report. Net assets deficiency of CareFlight (NT) Limited is \$1,483 (2021: \$1,243).

Declaration by Chief Executive Officer in respect of fundraising appeals

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

- a) the Financial Statements and notes thereto give a true and fair view of all income and expenditure of the Group with respect to fundraising appeals and event activities for the financial year ended 30 April 2022;
- b) the attached Financial Statements are in compliance with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001 (Cth);
- c) the Statement of Income and Statement of Financial Position and notes thereto give a true and fair view of the state of affairs with respect to fundraising appeals and event activities as at 30 April 2022;
- d) the provisions of the Australian Charities and Not-for-profits Commission Act 2012, the Charitable Fundraising Act 1991 (NSW), the Fundraising Act 1998 (Vic), the Charitable Collections Act 2003 (ACT), the Collections for Charities Act 2001 (Tas), the Collections for Charitable Purposes Act 1939 (SA) and the Charitable Collections Act 1946 (WA), the Regulations under the Act(s) and the conditions attached to the authorities have been complied with for the financial year ended 30 April 2022; and
- e) the internal controls exercised by the Group are appropriate and effective in accounting for all income received and applied from any fundraising appeals.



Mick Frewen

Chief Executive Officer

Sydney, 25 August 2022

Directors' declaration

In accordance with a resolution of the directors of CareFlight Limited (the Company), in the opinion of the directors:

- a) the Group is not a reporting entity as defined in the Australian Accounting Standards;
- b) the financial statements and notes are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 April 2022 and of its performance, for year ended on that date; and
 - (ii) complying with Australian Accounting Standards Reduced Disclosure Regime and the Australian Charities and Not-for-profits Commission Regulation 2013; and
- (c) 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

Chair

Sydney, 25 August 2022



**Building a better
working world**

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

In relation to our audit of the financial report of CareFlight Limited and its controlled entity for the financial year ended 30 April 2022, and in accordance with the requirements of Subdivision 60-C of the Australian Charities and Not-for-profits Commission Act 2012, to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of any applicable code of professional conduct; and
- b. No non-audit services provided that contravene any applicable code of professional conduct.

A handwritten signature in black ink that reads "Ernst & Young".

Ernst & Young

A handwritten signature in black ink that reads "Renay Robinson".

Renay Robinson
Partner
25 August 2022

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

Report on the Financial Report

Opinion

We have audited the financial report of CareFlight Limited (the Company) and its controlled entity (collectively the Group), which comprises the consolidated statement of financial position as at 30 April 2022, the consolidated statement of surplus or deficit and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- a) giving a true and fair view of the consolidated financial position of the Group as at 30 April 2022 and of its consolidated financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Basis for Opinion

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

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

Emphasis of Matter: COVID-19 Impact on Fair Value of Land & Buildings and Rotary Wing assets

We draw attention to Note 11 of the financial report which describes the impact of the COVID-19 pandemic on the determination of fair value of Land and Building and Rotary Wing assets. Due to the significant valuation uncertainty associated with the valuations, values for these assets may change significantly and unexpectedly over a relatively short period of time. Our opinion is not modified in respect of this matter.

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

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

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

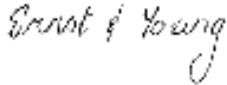
We have audited the financial report as required by Section 24(1) of the *NSW Charitable Fundraising Act 1991* and the *WA Charitable Collections Act (1946)*. Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulations 2015* and the *WA Charitable Collections Act (1946)* and the *WA Charitable Collections Regulations (1947)*.

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

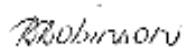
Opinion

In our opinion:

- a. The financial report of CareFlight Limited and its controlled entity has been properly drawn up and associated records have been properly kept during the financial year ended 30 April 2022, in all material respects, in accordance with:
 - i Sections 20(1), 22(1-2), 24(1) of the *NSW Charitable Fundraising Act 1991*;
 - ii Sections 14(2) and 17 of the *NSW Charitable Fundraising Regulations 2021*;
 - iii The *WA Charitable Collections Act (1946)*; and
 - iv The *WA Charitable Collections Regulations (1947)*.
- b. The money received as a result of fundraising appeals conducted by the Group during the financial year ended 30 April 2022 has been properly accounted for and applied, in all material respects, in accordance with the above-mentioned Acts and Regulations.



Ernst & Young



Renay Robinson
Partner
25 August 2022