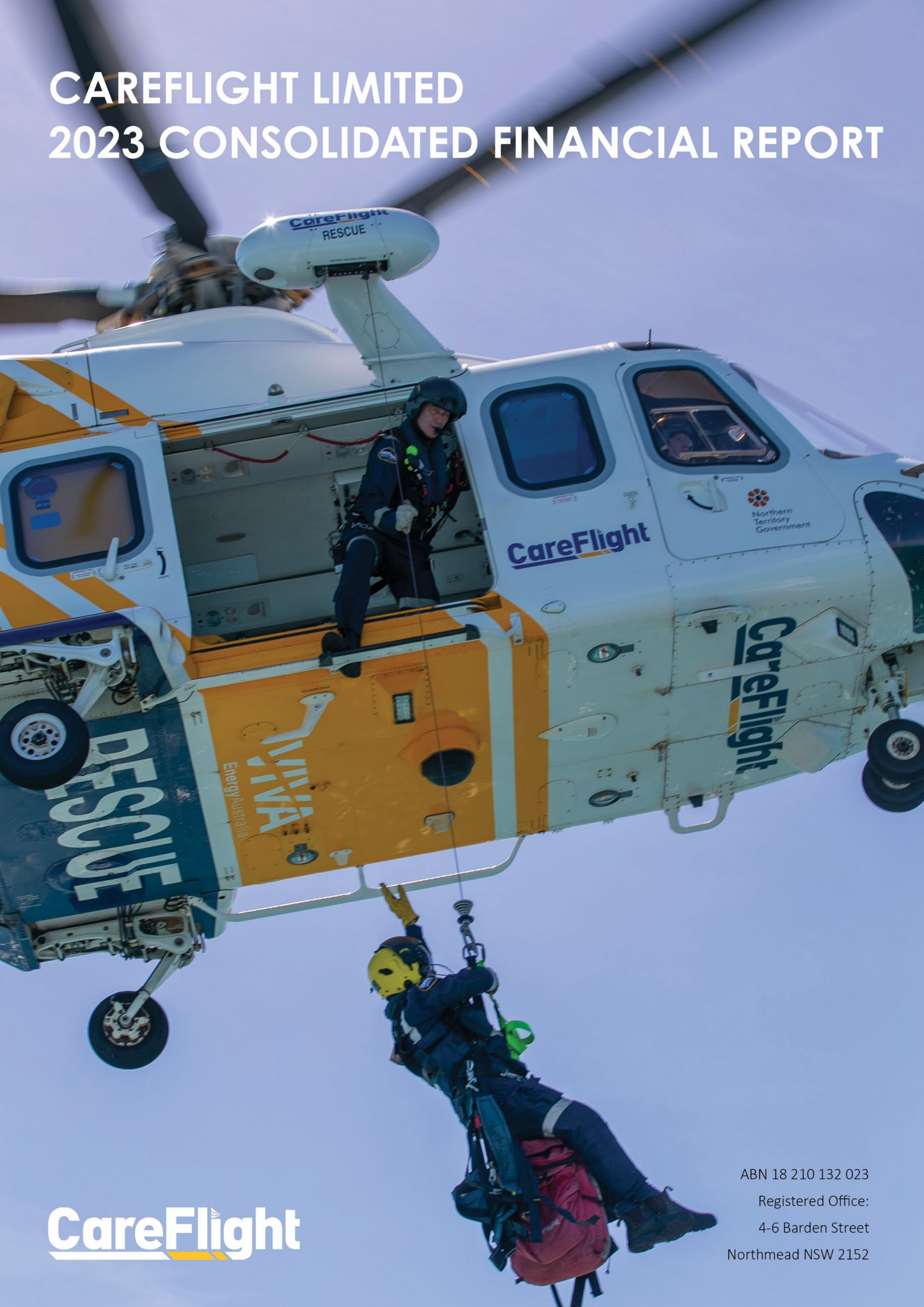
CAREFLIGHT LIMITED
2023 CONSOLIDATED FINANCIAL REPORT



CareFlight

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 2023 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
Andrew REFSHAUGE MBBS, FAICD *Chair* *Independent Non-Executive Director*	• 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.
Michael FREWEN BA, MMgt, GAICD *Chief Executive Officer* *Executive Director*	• 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. • Director of ACHS International • Member of the Investment Committee.
Patricia ANGUS PSM, MTH *Independent Non-Executive Director*	• 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. • Member of Nominations & Remuneration Committee.
Susan BAILEY GradDipMktg, MAICD *Independent Non-Executive Director*	• 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 Audit and Risk Committee. • Member of People, Safety & Environment Committee.

Name, qualifications, and independence status	Experience and special responsibilities
Joanne BAKER B. Comm, GAICD *Independent Non-Executive Director*	• Appointed 23 October 2022. • Broad and deep senior executive experience in financial services, with a focus on risk management. • Non-Executive Director, and Chair of Audit and Risk Committee of APRA regulated Beyond Bank Australia. • Non-Executive Director, and Chair of Audit and Risk Committee of Federal Government statutory body, Export Finance Australia. • Chair of Audit and Risk Committee. • Member of Investment Committee.
Robert TURNER MBBS (Hons), FANZCA (ANZCA), DHM (SPUMS), Dip Advanced DHM *Independent Non-Executive Director*	• Appointed 20 October 2019. • Senior Staff Specialist in Anaesthesia, Diving and Hyperbaric Medicine at Prince of Wales Hospital. • Co-Chair of the Prince of Wales Hospital Clinical Council. • Former CareFlight Registrar and Specialist who completed more than 300 missions with the organisation. • Commander in the Royal Australian Navy. • Member of the People, Safety & Environment Committee.
Ian VANDERBEEK BBus, GAICD *Independent Non-Executive Director*	• 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. • Director of Tasmanian Railway Pty Ltd. • Volunteer Ambulance Officer – Tasmanian Ambulance Service. • Chair of People, Safety and Environment Committee. • Member of the Audit and Risk Committee. • Member of Nomination & Remuneration Committee.
Edward MALLAN Adv Dip HospMan, BComm, MBA, Grad Dip WHS, GAICD *Independent Non-Executive Director*	• Appointed 25 May 2023. • Northern Territory resident Director. • Extensive executive experience in the private and public sectors in a range of industries including infrastructure, mining, supply chain, logistics, manufacturing, technology, and utilities. • Strong commercial focus, with particular interest in risk management, business improvement, safety, and cyber security. • Current General Manager Commercial at Territory Generation. • Non-executive Director of Asthma Foundation Northern Territory.
Garry DINNIE BCom, FCA, FAICD, FAIM *Independent Non-Executive Director (resigned)*	• Appointed 23 February 2010, retired on 22 September 2022 in line with tenure guidelines in the Company's Constitution. • Extensive experience in financial and accounting matters, risk management and regulatory regimes. • Former senior partner of a leading accounting firm. • Director of various companies and statutory bodies. • Chair of the Audit & Risk Committee until retirement. • Member of the Investment Committee until retirement. • Member of the Nominations & Remuneration Committee until retirement.

Company Secretary

Ms Erin McMullen was appointed as Company Secretary on 01 February 2022. Erin has over 13 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 & Risk Committee (ARC)		Investment Committee (IC)	
	Eligible to Attend	Meetings Attended	Eligible to Attend	Meetings Attended	Eligible to Attend	Meetings Attended
Andrew Refshauge	13	11	-	-	4	3
Michael Frewen	13	13	-	-	4	4
Patricia Angus	12	9	1	1	-	-
Susan Bailey*	13	13	6	6	3	3
Robert Turner	13	12	-	-	-	-
Ian Vanderbeek	13	11	6	6	-	-
Joanne Baker**	9	8	3	3	1	1
Garry Dinnie***	4	4	2	2	2	2

*Resigned as Investment Committee Member on 07 February 2023
**Appointed to Board 23 October 2022. Joined ARC as Member on 11 November 2022, joined IC as Member on 13 December 2022
*** Resigned from Board 22 September 2022

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

On 7 February 2023, the Board established a People, Safety and Environment Committee with the first meeting scheduled to be held on 8 September 2023.

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. CareFlight is 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 and 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 to meet our Mission. CareFlight is committed to ensuring we provide a safe and inclusive work environment, and we aspire to be an Employer of Choice that invests in our people, as 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 complying with 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.

CareFlight has recently established a People, Safety and Environment Committee (PSEC) to provide specific focus and complement the work done by the Audit and Risk Committee (ARC).

Responding to Challenges

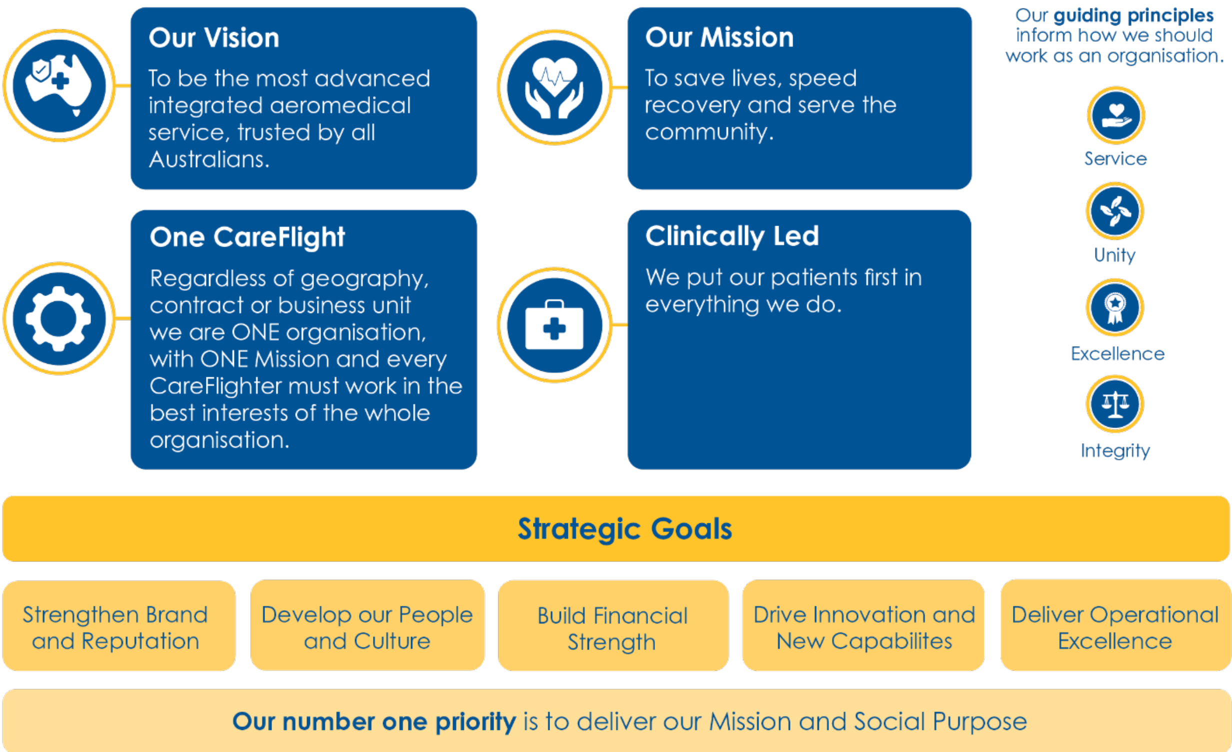
CareFlight has emerged in a strong position from the impacts of COVID-19. However, this year we have continued to see a lag as industry recovers. This has impacted CareFlight in availability of aircraft parts, a strong US dollar driving higher costs in parts, aircraft and fuel, and a tight employment market. Our team have worked very hard to ensure online availability of our aircraft despite these challenges and have ensured we can continue to support the community to our usual high standards.

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 worked hard to build pipelines for pilots and engineers and for clinicians to ensure we can meet our organisational staffing requirements at a time of competition from the airline industry and shortages particularly in regional and remote areas of clinical staff.

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 has continued to grow in areas of the organisation that represent the best opportunity for strong revenue growth such as Education and Training. This growth enables CareFlight to keep pace with the ever-increasing cost of operations. Over the past year, our focus has remained on ensuring we are efficient and sustainable, and we have focused on an organisation-wide review of our systems and processes to ensure we are well placed for the future.

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 in an increasingly commercially competitive industry, addressing the increased cost of operations, and ensuring we have the depth in our team to enable staff to take leave and develop their skills. In doing this we continue to ensure CareFlight becomes stronger for the challenges ahead.

Diversification

CareFlight continues to focus on increasing diversification across revenue streams and fundraising channels. This diversification program, run over many years, has ensured CareFlight is resilient to impacts in any one area of its contractual revenue or fundraising channels. We have seen how unforeseen events can significantly disrupt forecast performance. Diversification has been critical to our success in being resilient to changing commercial challenges.

CareFlight secured $19.95m Federal Government Funding to purchase an additional helicopter and jet based in the Northern Territory. This support demonstrates we are a trusted partner of government, and we will continue to engage with government across states, territories and at the Federal level as this support will be critical to our long-term success. We have continued to invest in our Partnerships team to ensure we are well positioned to continue this engagement.

CareFlight has also continued its investment in commercial operations in Education and Training and in its Air Ambulance capability.

Controlling Costs

The ongoing need to ensure we are efficient in how we spend resources has remained a key focus. We are committed to being good stewards of the funding entrusted to us by our supporters, partners and sponsors. This year we have been focusing on improving our systems and processes to get far greater visibility of our data and from that an improved ability to manage our costs across the organisation. This has required investment in new IT systems and in the depth of our teams to enable greater analysis in support of our managers. This investment in IT systems will continue over the next few years as part of our IT Strategic Plan.

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 satisfy the requirements of our regulatory licence to conduct air ambulance work.

During this reporting period, internal audits have been completed to ensure CareFlight operations comply with regulatory and standard requirements, conform to our own operational standards, and meet or exceed our customer expectations. We also audited many of our critical suppliers to ensure the best quality and standards of service are delivered across our operations.

Third-party operational audits that were conducted include, one US Department of Defence (DOD) pre-deployment audit prior to Northern Territory exercises, two US DOD Commercial Air Review Board (CARB) audits, and an Environmental Assurance Audit undertaken by the Airport Development Group (ADG) in Darwin.

These third-party audits were conducted by independent external audit companies to provide assurance that CareFlight complies with statutory, regulatory, and contractual requirements. External audits assess our performance against industry and global standards and demonstrate that we continue to meet or exceed compliance requirements for safety, environment, and quality.

Aviation Safety Management System

CareFlight's Aviation Safety Management System assures that CareFlight continues to achieve a key civil aviation goal: enhance safety performance through the identification of hazards and reducing these hazards until they are As Low as

Reasonably Practicable (ALARP). During the year, CareFlight successfully obtained $4,500 through CASA's Sponsorship Program which helped facilitate two safety workshops in Darwin. One of the workshops focused on the challenges of operating in remote areas/airstrips across the complexity of the Top End and the second workshop centred on Human Factors and Non-Technical Skills. Other operators and CASA representatives attended the workshops, which provided an excellent opportunity to share insights and safety information.

Our Change Management Process continues to ensure that the impacts of material changes to processes, procedures, products and services are managed appropriately giving due consideration to relevant enterprise risks and ALARP principles. Last year, we initiated Change Management for the commencement of night operations for Fire and Flood Rescue as well as for the addition of a second AW-139 and a B412 to the fleet that CareFlight operates. We also launched our inaugural Aviation Safety Survey to evaluate operations / practices and to recommend ongoing improvements to the safety of our aviation activities.

The Civil Aviation Safety Authority (CASA) conducted a Part 141/142 (Flight Training & Checking) surveillance audit which provided opportunities for improvement of our internal quality assurance processes. The regulator also conducted a Certificate of Approval (CoA) audit focusing on aircraft maintenance and improving processes within the Maintenance Procedures Manual.

At the inaugural Australian Aviation Awards, CareFlight was proud to win the accolade for Rotary Wing Business of the Year and be finalists for the categories of Aviation Safety Professional of the Year, Rotary-Wing Pilot of the Year and Maintenance Business of the Year.

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 several partners and sponsors to further broaden our community impact and awareness of what we do. The support from the Federal Government is testament to our reputation and trust in our brand.

The success of this work has been shown through the ongoing support from our major sponsors; Mounties Care who are providing direct support to the Mounties Care CareFlight Helicopter based in Sydney, and Viva Energy Australia, who are providing direct support to our NT Rescue Helicopter service. Viva Energy and Mounties Care have been passionate supporters beyond their sponsorship. We greatly appreciate our ongoing relationship, which helps us continue saving lives and serving the community. We have commenced an important partnership with Nutrien Ag Solutions in providing first aid and trauma care training and building resilience in rural communities across Australia. Our partnership with Nurofen has continued highlighting the work our aircrew do, often in challenging circumstances and in their support of a new program of baby care courses for new parents launched this year. We have also partnered with several organisations to grow our media exposure, including Foxtel, JC Decaux and Smooth FM.

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

CareFlight has continued to experience cost pressure due to exchange rates, aviation supply chain delays, wage pressures, an inflationary economy and high fuel prices, which have started to fall slightly over recent months.

These pressures have been a contributing factor to the deficit result of $507,074 and net operating cash outflow of $901,847. After normalising for a significant donation in the prior year from Mounties Care towards the operating costs of the Mounties Care CareFlight Helicopter for five years, the fundraising surplus pleasingly grew by $3,213,874.

During the year, several key contracts were renegotiated on improved terms and pricing. This, together with an additional year of NSW Government grant funding for the Mounties Care Rapid Response Helicopter, will ensure delivery of a financial surplus and positive operating cashflows next financial year.

The net asset position remained stable in the year. Next financial year, the net asset position will be significantly bolstered by $19,950,000 of Federal Government funding received on 29 June 2023 for the purchase of two additional aircraft. This means the short-term interest-bearing loan facility temporarily funding the purchase of these aircraft at year end is now fully repaid. The net current asset position at year end is a deficit of $8,705,754 due to the temporary debt funding of these aircraft purchases. Normalising for the impact of the temporary loan facility and trade payables relating to these aircraft purchases, CareFlight has a positive net current asset position of $326,628.

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

CareFlight purchased a second AW-139 aircraft in January 2023 following approval of $10m of Federal Government grant funding. The purchase was temporarily funded with a short-term interest-bearing loan facility which has since been fully repaid following receipt of the grant funding after year end. This aircraft will be based in the Northern Territory and be operational next financial year.

The renegotiation of several major contracts on improved terms and pricing will mitigate some of the future cost pressures from exchange rates, aviation supply chain delays, wage pressures, inflation and fuel price rises and will drive improvement in next year's financial results.

Events Subsequent to Reporting Date

The following events occurred subsequent to year end:

- On 3 May 2023, an 18-month contract extension agreement for the NSW Health Patient Transport Service was formally executed.
- On 29 June 2023, $19,950,000 of Federal Government Funding was received to fund the purchase of an additional rotary wing aircraft and jet to be based in the Northern Territory and the short-term 12-month interest-bearing bank loan to temporarily fund these aircraft purchases was completely repaid.

Likely Developments

During the year ahead, CareFlight will continue its efforts to diversify revenue streams, particularly by growing educational training and Air Ambulance services as well as investing in system and process transformation to enhance 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. 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 2023.

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 34.

Board

In September 2022, Garry Dinnie retired from the Board after serving since 2010. Garry brought a wealth of experience to the Board and CareFlight benefitted significantly from Garry's extensive experience in finance and risk management along with regulatory regimes. We sincerely thank Garry for his contribution to CareFlight during his tenure.

In October 2022, Joanne (Jodie) Baker joined the Board and was then appointed as Chair of the Audit and Risk Committee and as a Member of the Investment Committee. Jodie brings to the board a depth of knowledge of financial markets, and with a background in corporate analysis is able to view businesses from both a strategic and financing perspective. Jodie holds a Bachelor of Commerce from University of WA, a Diploma from FINSIA, is a Graduate of the Australian Institute of Company Directors and a Trustee Fellow of the Australian Superannuation Funds Association.

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 challenges in the global economy and with extraordinary volumes of patient movements that created fatigue and roster issues, 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, many taking on extra shifts to ensure we could move the high numbers of patients we continue to see post pandemic. In Eastern Operations we once again supported the community through our professional and highly-skilled response to widespread flooding emergencies across the state. This has come off the back of the excellent work our teams provided on the fire response in recent years. Our professionalism and skill were also seen across every operation and part of our organisation proving yet again that our people are 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	Mick Frewen Chief Executive Officer

Sydney, 26 July 2023

Income Statement

for the year ended 30 April 2023

	Note	2023 $	2022 $
Revenue	2	**101,760,913**	**99,300,319**
Operations and administration - costs of personnel		(62,405,506)	(56,112,045)
Direct costs of aeromedical operations		(23,175,842)	(17,435,545)
Fundraising costs - donations and sponsorship	3a)	(4,189,894)	(4,005,249)
Fundraising costs - merchandising and events	3b)	(1,452,878)	(1,629,431)
Depreciation expense – property, plant, and equipment	10b)	(2,410,116)	(2,997,069)
Depreciation expense – right-of-use assets	14b)	(4,296,327)	(4,810,044)
Impairment and revaluation adjustment	10c)	3,808,455	(3,592,661)
Insurance expense		(1,261,576)	(1,155,798)
Gain/(loss) on sale of assets		26,690	(49,768)
Support costs		(5,886,163)	(5,211,662)
Finance expense	4	(1,024,830)	(1,101,601)
Total surplus/(deficit) for the year		**(507,074)**	**1,199,446**
Other comprehensive income/(expense) items that may be reclassified to surplus			
Loss on revaluation of investments		(4,701)	(192,926)
Gain on revaluation of non-current assets	10c)	562,149	2,916,117
Total comprehensive income/(loss) for the year		**50,374**	**3,922,637**

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

Balance Sheet
as at 30 April 2023

	Note	2023 $	2022 $
Current assets			
Cash and cash equivalents	6	3,711,420	14,529,396
Trade and other receivables	7	14,201,828	9,388,946
Inventories	8	976,821	555,218
Investments	9	6,965,750	6,672,037
Total current assets		**25,855,819**	**31,145,597**
Non-current assets			
Trade and other receivables	7	469,594	600,000
Property, plant, and equipment	10b)	24,518,386	13,516,387
Right-of-use assets	14b)	33,592,550	31,410,697
Total non-current assets		**58,580,530**	**45,527,084**
Total assets		**84,436,349**	**76,672,681**
Current liabilities			
Loan and borrowings	11	8,523,176	-
Trade and other payables	12	9,823,208	4,914,280
Income received in advance	13	6,344,415	7,135,507
Lease liabilities	14c)	4,086,541	9,611,594
Employee benefits	17	5,784,233	6,181,229
Total current liabilities		**34,561,573**	**27,842,610**
Non-current liabilities			
Trade and other payables	12	433,333	600,000
Lease liabilities	14c)	22,503,838	21,773,440
Provisions	16	2,690,070	2,229,051
Employee benefits	17	775,670	806,089
Total non-current liabilities		**26,402,911**	**25,408,580**
Total liabilities		**60,964,484**	**53,251,190**
Net assets		**23,471,865**	**23,421,491**
Equity			
Reserves	18	6,674,381	6,116,933
Retained surplus		16,797,484	17,304,558
Total equity		**23,471,865**	**23,421,491**

The Balance Sheet should be read in conjunction with the accompanying notes.

Cash Flow Statement

for the year ended 30 April 2023

	Note	2023 $	2022 $
Cash flows from operating activities			
Cash receipts in the course of operations		102,783,133	100,953,567
Cash payments in the course of operations		(102,762,577)	(96,224,950)
Interest received	2	32,170	2,061
Interest paid on bank finance leases		(806,037)	(801,526)
Interest paid on non-bank finance leases		(148,536)	(164,188)
Net cash from operating activities		**(901,847)**	**3,764,964**
Cash flows from/ (used in) investing activities			
Acquisition of non-current assets		(14,483,541)	(2,222,432)
Net proceeds from sale of non-current assets		26,690	2,242,281
Payments for investments		(183,486)	(4,231,436)
Net cash used in investing activities		**(14,640,337)**	**(4,211,587)**
Cash flows used in financing activities			
Proceeds from borrowings		8,523,176	
Proceeds from bank finance lease liabilities		16,160,455	
Repayments of bank finance lease liabilities		(19,419,838)	(7,390,674)
Repayments of non-bank finance lease liabilities		(539,585)	(565,083)
Net cash used in financing activities		**4,724,208**	**(7,955,757)**
Net increase/(decrease) in cash held		**(10,817,976)**	**(8,402,380)**
Cash and cash equivalents at the beginning of the year		**14,529,396**	**22,931,776**
Cash and cash equivalents at the end of the year	6	**3,711,420**	**14,529,396**

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

Statement of Changes in Equity

for the year ended 30 April 2023

	Note	Reserves $	Retained surplus $	Total $
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)				
Gain on revaluation of investments		(192,926)	-	**(192,926)**
Loss on revaluation of non-current assets	10c)	2,916,117	-	**2,916,117**
Balance at 30 April 2022		**6,116,933**	**17,304,558**	**23,421,491**
Balance at 1 May 2022		**6,116,933**	**17,304,558**	**23,421,491**
Total surplus for the year		-	(507,074)	**(507,074)**
Other comprehensive income/(expense)				
Gain on revaluation of investments		(4,701)	-	**(4,701)**
Loss on revaluation of non-current assets	10c)	562,149	-	**562,149**
Balance at 30 April 2023		**6,674,381**	**16,797,484**	**23,471,865**

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

Notes to 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 2023 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 2023, the Company had 34 Members (2022: 32), of whom 8 (2022: 7) were directors of the Company.

The Group financial statements for the year ended 30 April 2023 was authorised for issue in accordance with a resolution of the Directors on 26 July 2023.

a) 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 – Simplified 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. The net current asset deficiency at year end of $8,705,754 is due to temporary debt funding in place to fund the purchase of an additional rotary wing aircraft and jet to be based in the Northern Territory following approval of $19,950,000 of Federal Government funding. This temporary debt funding has been fully repaid after year end following receipt of the funding. Normalising for the impact of the temporary loan facility and trade payables relating to these aircraft purchases, CareFlight has a positive net current asset position of $326,628. In addition, the renegotiation of several major contracts on improved terms and pricing during the year is expected to drive improvement in next year's financial results further supporting the going concern assumption.

b) 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.

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 10 – Property, plant, and equipment
- Note 14 – Right-of-Use Assets and Lease Liabilities
- Note 17 – Employee benefits

2. Revenue

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

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

2. Revenue (continued)

	Note	2023 $	2022 $
Government revenue		78,824,413	71,123,557
Government grants		977,622	-
Australian Government COVID-19 Surge Grants		-	4,235,933
Education, aeromedical and other retrieval revenue		3,632,389	2,443,138
Fundraising revenue: donations and sponsorship	3a)	15,924,471	19,254,824
Fundraising revenue: merchandising and events	3b)	2,128,228	2,075,909
Operational Revenue		**101,487,123**	**99,133,361**
Dividend income		241,620	164,897
Interest income		32,170	2,061
Other Revenue		273,790	166,958
Total Revenue		**101,760,913**	**99,300,319**

At 30 April 2023, the Group has income received in advance of $6,344,415 (2022: $7,135,507), 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).

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

	2023 $	2022 $
Revenue		
Bequests	2,104,976	789,516
General donations and sponsorship	10,877,757	15,585,123
Appeals	1,879,274	1,926,685
Regular giving investment programs	1,062,464	953,500
Total Fundraising revenue – donations and sponsorship	**15,924,471**	**19,254,824**
Expenses		
Bequests	12,821	2,235
General donations and sponsorship	2,479,589	2,113,353
Appeals	783,223	823,447
Regular giving investment programs	914,261	1,066,214
Total Fundraising costs – donations and sponsorships	**4,189,894**	**4,005,249**
Total Surplus – donations and sponsorship	**11,734,577**	**15,249,575**

3. Fundraising Revenue and Expenses (continued)

The Group conducted four appeals during the year (2022: four appeals).

b) Fundraising - merchandising and events

	2023	2022
Revenue	**$**	**$**
Bear merchandising	1,314,087	1,639,221
Events	814,141	436,688
Total Fundraising revenue – merchandising and events	**2,128,228**	**2,075,909**
Expenses		
Bear merchandising	1,134,032	1,448,873
Events	318,846	180,558
Total Fundraising costs – merchandising and events	**1,452,878**	**1,629,431**
Total surplus – merchandising and events	**675,350**	**446,478**

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

	2023	2022
	$	**$**
Total Fundraising Revenue	18,052,699	21,330,733
Total Fundraising Costs	5,642,772	5,634,680
Total Surplus from Fundraising	**12,409,927**	**15,696,053**

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. Prior year fundraising revenue includes a $6,500,000 donation received from Mounties Care towards the Mounties Care CareFlight Helicopter.

ii) Fundraising ratios

	2023			2022		
	Numerator $	Denominator $	Ratio %	Numerator $	Denominator $	Ratio %
Fundraising: donations and sponsorships - expenses / revenue	4,189,894	15,924,471	26	4,005,249	19,254,824	21
Fundraising: merchandising and events[1] - expenses / revenue	1,452,878	2,128,228	68	1,629,431	2,075,909	78
Total costs of fundraising / Gross revenue from fundraising	5,642,772	18,052,699	31	5,634,680	21,330,733	26
Net surplus from fundraising / Gross revenue from fundraising	12,409,927	18,052,699	69	15,696,053	21,330,733	74
Total costs of services / Total expenditure[2]	97,108,414	102,751,186	95	92,641,419	98,100,873	94
Total costs of services / Total revenue[3]	97,108,414	101,760,913	95	92,641,419	99,300,319	93

[1]The merchandising and events expense ratio primarily reflects the costs of retail product acquisition, sales, and distribution.
[2]Total expenditure includes finance expense
[3]Total revenue includes finance income

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 Income Statement 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 Income Statement.

	2023	2022
	$	$
Interest on cash and investments	32,170	2,061
Total finance income	**32,170**	**2,061**
Interest expense on loans and borrowings	(123,941)	-
Interest expense on bank finance lease liabilities	(689,929)	(801,526)
Interest expense on non-bank finance lease liabilities	(210,960)	(300,075)
Total finance expense	**(1,024,830)**	**(1,101,601)**
Net finance expense	**(992,660)**	**(1,099,540)**

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 Balance Sheet. 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 Cash Flow Statement.

	2023	2022
	$	$
Cash – unrestricted	2,411,345	7,393,889
Cash – restricted	1,300,075	7,135,507
	3,711,420	**14,529,396**

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 policy 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 2023, nil trade receivables were written off (2022: $nil).

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

	2023	2022
Current	**$**	**$**
Trade receivables	11,961,370	7,916,065
Other receivables and prepayments	2,040,458	1,272,881
Contract receivables	200,000	200,000
	14,201,828	**9,388,946**
Non-current		
Other receivables and prepayments	32,361	-
Contract receivables	437,233	600,000
	469,594	**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.

	2023 $	2022 $
Engineering parts	713,400	457,382
Bear merchandising stock	151,112	85,060
First Aid Kit Stock	102,011	-
Fuel stock	10,298	12,776
	976,821	**555,218**

During the financial year, no inventory was written down to net realisable value (2022: $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 Income Statement 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 Income Statement, 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. 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 Income Statement 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.

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

	2023	**2022**
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 Income Statement, in which case the reversal of that impairment loss is also recognised in the Income Statement. Revaluation decrements are only offset

10. Property, Plant and Equipment (continued)

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 Income Statement. 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.

b) Movement in carrying amount

	Fixed wing aircraft	Rotary wing aircraft	Land and buildings	Work in progress	Plant and Equipment	Total
	At cost	*Fair value*	*Fair value*	*At cost*	*At cost*	
	$	$	$	$	$	$
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**
As at 30 April 2023						
Gross carrying amount	4,469,762	10,880,662	8,000,000	883,849	22,185,444	**46,419,717**
Accumulated depreciation and impairment	(3,655,895)	-	-	-	(18,245,436)	**(21,901,331)**
Net carrying amount	**813,867**	**10,880,662**	**8,000,000**	**883,849**	**3,940,008**	**24,518,386**

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:

	Fixed wing aircraft	Rotary wing aircraft	Land and buildings	Work in progress	Plant and Equipment	Total
As at 30 April 2023						
Net carrying amount at start of year	**1,068,596**	**1,748,742**	**6,300,000**	**409,043**	**3,990,006**	**13,516,387**
Acquisitions	-	8,713,616	4,630	688,842	1,528,504	**10,935,592**
Transfers within PPE	-	-	-	(214,036)	214,036	**-**
Transfers from Right-of-Use Assets			1,630,000	-	-	**1,630,000**
Depreciation expense	(254,729)	(249,820)	(113,029)	-	(1,792,538)	**(2,410,116)**
Revaluation transferred to Income Statement	-	316,510	-	-	-	**316,510**
Revaluation transferred to reserves	-	351,614	178,399	-	-	**530,013**
Net carrying amount at end of year	**813,867**	**10,880,662**	**8,000,000**	**883,849**	**3,940,008**	**24,518,386**

10. Property, Plant and Equipment (continued)

c) Revaluation and impairment

Asset details	Effective date of revaluation	Independent valuer	Revaluation for the year	Opening Balance	Transferred to Stmt. Of Income	Revaluation Movement OCI Movement	Closing Balance
			$	$	$	$	$
Rotary Wing	30 April 2023	DavAir Group	4,192,206	-	3,808,455	383,751	383,751
Land and buildings	21 & 23 April 2023	Civil Property Valuers	178,398	5,837,374	-	178,398	6,015,772
			4,370,604	**5,837,374**	**3,808,455**	**562,149**	**6,399,523**

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, 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.

The Group recognises an impairment if the carrying value of an asset exceeds its recoverable amount. An increment shall be recognised in Income Statement to the extent that it reverses a previous revaluation decrement of the same asset class for not-for-profit entities previously recognised in Income Statement.

	2023	2022
	$	$
Impairment and revaluation adjustment transferred to Income Statement	3,808,455	(3,592,661)
	3,808,455	**(3,592,661)**

11. Loans and Borrowings

The Group had a short term twelve-month interest-bearing bank loan facility of $18,000,000 approved during the year for the purchase of a rotary wing and a fixed wing aircraft underpinned by approved Federal Government grant funding for the purchases. The utilised amount of the facility at 30 April 2023 was $8,523,176 and is classified as current. The Group maintains a line of credit of $1,000,000 that is unsecured and undrawn at year end (2022: undrawn).

	2023	2022
Current	$	$
Loans and borrowings	8,523,176	-

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.

	2023	2022
Current	$	$
Trade payables	5,287,685	2,116,279
Accrued expenses	4,335,523	2,598,001
Contract liability	200,000	200,000
	9,823,208	**4,914,280**
Non-current		
Contract liability	433,333	600,000

13. Income Received in Advance

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

	2023	2022
	$	$
Conditional donations	1,300,075	1,655,628
Payments received in advance for contracts	5,044,340	5,479,879
	6,344,415	**7,135,507**

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 Lease Liabilities (continued)

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

	Fixed wing aircraft	Rotary wing aircraft	Land and buildings	Motor vehicles	Total
	$	$	$	$	$
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**
As at 30 April 2023					
Gross carrying amount	20,742,873	16,263,238	11,694,494	182,038	**48,882,643**
Accumulated depreciation and impairment	(7,117,892)	-	(8,164,954)	(7,247)	(15,290,093)
Net carrying amount	**13,624,981**	**16,263,238**	**3,529,540**	**174,791**	**33,592,550**

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:

	Fixed wing aircraft	Rotary wing aircraft	Land and buildings	Motor vehicles	Total
As at 30 April 2023					
Net carrying amount at start of year	**12,454,083**	**12,241,187**	**6,715,427**	-	**31,410,697**
Acquisitions	2,763,563	1,221,969	-	182,038	**4,167,570**
Transfers to PPE	-	-	(1,630,000)	**-**	**(1,630,000)**
Remeasurement	-	-	416,529	**-**	**416,529**
Depreciation expense	(1,592,665)	(723,999)	(1,972,416)	(7,247)	**(4,296,327)**
Revaluation transferred to Income Statement	-	3,491,945	-	**-**	**3,491,945**
Revaluation transferred to Reserves	-	32,136	-	**-**	**32,136**
Net carrying amount at end of year	**13,624,981**	**16,263,238**	**3,529,540**	**174,791**	**33,592,550**

c) Lease Liabilities

	2023	2022
	$	$
Current		
Bank finance lease liabilities	2,979,424	7,440,277
Non-bank finance lease liabilities	1,107,117	2,171,317
Total current lease liabilities	**4,086,541**	**9,611,594**
Non-current		
Bank finance lease liabilities	19,637,868	18,216,882
Non-bank finance lease liabilities	2,865,970	3,556,558
Total non-current lease liabilities	22,503,838	21,773,440
Total lease liabilities	**26,590,379**	**31,385,034**

14. Right of use Assets and Lease Liabilities (continued)

Terms and conditions of outstanding loans are as follows:

	2023				2022	
	Nominal interest rate	Year of maturity	Face Value $	Carrying amount $	Face Value $	Carrying amount $
Bank finance lease liabilities	2.57-6.93%	2022-2041	26,006,413	22,617,292	32,065,919	25,657,159
Non-bank finance leases liabilities	4.45%	2023-2028	5,650,888	3,973,087	5,771,930	5,727,875
Total finance leases			**31,657,301**	**26,590,379**	**37,837,849**	**31,385,034**

Payments for short term leases are recognised as an expense on a straight-line basis over the lease term. $954,695 (2022: $893,441) has been recognised in the Income Statement relating to short term leases.

d) Future lease payments

	2023			2022		
	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	4,053,545	1,074,121	2,979,424	8,055,841	615,564	7,440,277
One year or later and no later than five years	20,928,587	1,290,720	19,637,868	18,686,643	588,232	18,098,411
Later than five years	-	-	-	168,462	49,991	118,471
	24,982,132	**2,364,841**	**22,617,292**	**26,910,946**	**1,253,787**	**25,657,159**
Future non-bank lease payments:						
Within one year	1,253,611	146,494	1,107,117	2,382,277	210,960	2,171,317
One year or later and no later than five years	3,134,077	268,107	2,865,970	3,279,050	341,251	2,937,799
Later than five years	-	-	-	632,611	13,852	618,759
	4,387,688	**414,601**	**3,973,087**	**6,293,938**	**566,063**	**5,727,875**

15. Financial Instruments

a) Introduction

The Group's principal financial instruments comprise cash, receivables, investments, payables, loans and borrowings and lease liabilities.

The main risks arising from the Group's financial instruments are interest rate risk, foreign exchange risk, credit risk, liquidity risk and market risk. The Board has overall responsibility for the establishment and oversight of the Company's risk management. The Board Members have established the Audit and Risk Committee, which is responsible for developing and monitoring the Group's risk management policies. The Committee reports regularly to the Board Members on its activities.

The Group manages its exposure to these risks through risk management policies. The Group's Audit and Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of risk management in relation to the risks faced by the Group. The Group reviews and modifies its risk management should risk profiles change.

b) Interest rate Risk

The Group's exposure to the risk of changes in market interest rates arises when aircraft finance leases are entered into. The main consequence of adverse changes in market interest rates is higher interest costs over the life of the aircraft finance lease, which may or may not be recovered through operational contracts, thus reducing the Group's financial results. During this financial year, the Group entered into some short-term debt financing with a maturity date of less than twelve months. Under the Group's debt funding arrangements, there is a minimum interest cover covenant which would be impacted by higher interest costs. In the event of a breach of this covenant, the lender has the right to call in the finance leases and any loans and borrowings.

The Group manages the risk of changes in market interest rates by entering, where possible, into aircraft finance leases with tenures that align with the tenure of the underlying revenue contract that the aircraft are supporting. This ensures the interest rate costs have been appropriately priced into the contractual revenue funding and the finance lease repayments.

Refer Note 14 Right-of-Use Assets and Lease Liabilities for interest rate risk exposure.

c) Foreign Exchange Risk

The Group's exposure to foreign exchange risk primarily relates to the purchase and sale of aircraft and the purchase of aircraft parts. Any purchase or sale of aircraft is hedged following Board approval whilst the purchase of aircraft parts is unhedged as the quantum and timing of purchases is difficult to forecast well in advance.

d) Credit Risk

Credit risk refers to the risk that a counterparty defaults on its contractual obligations resulting in a financial loss to the Group.

The Group's main counterparties are considered low risk as they are mainly State and Territory Government agencies and large corporations. If the Group is performing aeromedical retrieval work for smaller entities or individuals, payment upfront is requested. There were no provisions for impairment of trade receivables at reporting date.

Credit risk also arises from cash deposits placed with financial institutions and investments held. The Group held cash and cash equivalents at year end with banks rated A- to A+. Investments are managed by an ASX listed diversified financial services company.

The Group's maximum exposure to credit risk at reporting in relation to each class of financial instrument is its carrying value as reported in the balance sheet.

15. Financial Instruments (continued)

e) Liquidity Risk

The main objective of liquidity risk management is to reduce the risk that the Group does not have the resources available to meet its financial obligations and working capital and committed capital expenditure requirements.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group may also be exposed to contingent liquidity risk under its debt funding arrangements that include covenants which if breached give the lender the right to call in the debt, thereby accelerating a cash flow which otherwise was scheduled for the maturity date. The Group monitors adherence to loan covenants on a regular basis and sets targets to maintain the Group's ability to withstand adverse market movements and remain within loan covenant limits.

Refer Note 14 Right-of-Use Assets and Lease Liabilities for contractual maturities of lease liabilities at reporting date.

f) Market risk

Market risk is the risk that changes in market prices will affect the Group's financial results and value of its investments. The key market risks are fuel price and equity market movements. Fuel price risk is mitigated to an extent through contract pricing revenue indexation mechanisms which adjust for fuel price. Equity market movements for investments are managed by aligning the investment strategy to the Group's risk profile based on the intended investment horizon and risk appetite.

g) Fair Value

The fair value of cash and cash equivalents, trade receivables, loans and borrowings, trade payables approximate their carrying value.

Investments are carried at fair value (Level 1) based on calculated quoted prices in active markets as at the reporting date without any deduction for transaction costs.

The fair value of lease liabilities (Level 3) is the present value of minimum lease payments, which is $22,617,292 at reporting date as shown in Note 14 Right-of-Use-Assets and Lease Liabilities.

16. Provisions

Aircraft Engine Overhaul Provision	**2023**	**2022**
	$	**$**
Opening Balance	2,229,051	2,380,100
Increase in provision based on hours flown	995,600	873,577
Engine overhauls during the year	(713,640)	(1,274,175)
Foreign exchange adjustment	179,059	249,549
Closing Balance	**2,690,070**	**2,229,051**

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.

17. 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.

17. Employee Benefits (continued)

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.

	2023	2022
Current	**$**	**$**
Annual leave entitlements	3,983,767	4,454,320
Long service leave entitlements	1,800,466	1,726,909
	5,784,233	**6,181,229**
Non-current		
Long service leave entitlements	**775,670**	**806,089**
Total employee benefits	**6,559,903**	**6,987,318**

18. Reserves

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

	2023	2022
	$	**$**
Asset Revaluation Reserve	6,399,525	5,837,376
Investment Revaluation Reserve	274,856	279,557
Total Reserves	**6,674,381**	**6,116,933**

19. 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 (2022: $60,000) for these services under normal market rates.

Garry Dinnie, non-executive director, and Chair of the Audit & Risk Committee until 22 September 2022, 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 $12,500 (2022: $30,000) for these services under normal market rates.

19. Related Parties (continued)

Key Management Personnel Renumeration

Compensation of the Company's key management personnel includes salaries, non-cash benefits and contributions to superannuation.

	2023	2022
	$	$
Short term employee benefit	848,424	833,074
Post-employment benefit	70,791	50,454
Total Remuneration	**919,215**	**883,528**

20. Economic Dependency

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

21. 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.

22. Auditor's Remunmeration

Ernst & Young fees for auditing the statutory financial report were $118,190 (2022: $94,000). There were no fees paid for other services during the reporting period (2022: nil).

23. Contingent Assets and Liabilities

Bank guarantees on issue at 30 April 2023 of $315,082 (2022: $287,549).

24. Events Subsequent to Reporting Date

The following events occurred subsequent to year end:

- On 3 May 2023, an 18-month contract extension agreement for the NSW Health Patient Transport Service was formally executed.
- On 29 June 2023, $19,950,000 of Federal Government Funding was received to fund the purchase of an additional rotary wing aircraft and jet to be based in the Northern Territory and the short-term twelve-month interest-bearing bank loan to temporarily fund these aircraft purchases was completely repaid.

25. Parent Entity Disclosure

The parent results and financial position are the same as the Consolidated Income Statement and Balance Sheet presented in this report.

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 2023;

b. the attached Financial Statements are in compliance with Australian Accounting Standards – Simplified Disclosure Requirements and the Corporations Regulations 2001 (Cth);

c. the Income Statement and Balance Sheet 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 2023;

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 2023; 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, 26 July 2023

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 2023 and of its performance, for year ended on that date; and

   ii. complying with Australian Accounting Standards – Simplified Disclosure Requirements and 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, 26 July 2023

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Auditor's independence declaration to the directors of CareFlight Limited

In relation to our audit of the financial report of CareFlight Limited for the financial year ended 30 April 2023, 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.

This declaration is in respect of CareFlight Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

RRobinson

Renay Robinson
Partner
26 July 2023

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Independent auditor's report to the members of CareFlight Limited and its Controlled Entity

Report on the financial report

Opinion

We have audited the financial report of CareFlight Limited (the Company) and its controlled entity (collectively the Group), which comprises the consolidated statement of financial position as at 30 April 2023, 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 2023 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Regulations 2022*.

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.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information is the directors' 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 – Simplified Disclosures 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(2) of the *NSW Charitable Fundraising Act 1991* and the *WA Charitable Collections Act (1946)*. Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulations 2015* and the *WA Charitable Collections Act (1946)* and the *WA Charitable Collections Regulations (1947)*.
Because of the inherent limitations of any assurance engagement, it is possible that fraud, error or non-compliance may occur and not be detected. An audit is not designed to detect all instances of non-compliance with the requirements described in the above-mentioned Acts and Regulations as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. The audit opinion expressed in this report has been formed on the above basis.

Opinion

In our opinion:

a. The financial report of [Company] has been properly drawn up and associated records have been properly kept during the financial year ended 30 April 2023, in all material respects, in accordance with:

   i. Sections 20(1), 22(1-2), 24(1-3) of the *NSW Charitable Fundraising Act 1991*;

   ii. Sections 14(2) and 17 of the *NSW Charitable Fundraising Regulation 2021*;

   iii. The *WA Charitable Collections Act (1946)*; and

   iv. The *WA Charitable Collections Regulations (1947)*.

The money received as a result of fundraising appeals conducted by the Group during the financial year ended 30 April 2023 has been properly accounted for and applied, in all material respects, in accordance with the above-mentioned Acts and Regulations.

Ernst & Young

Ernst & Young

RRobinson

Renay Robinson
Partner
Sydney
26 July 2023