



Financial Statements

For the Year Ended 30 June 2016

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Royal Flying Doctor Service Tasmania Inc

ABN: 93 785 910 050

Address: Building 90, Launceston Airport
305 Evandale Road
WESTERN JUNCTION TAS 7212

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2016

	Note	2016 \$	2015 \$
Operating Revenue			
Grant funding		139,420	144,000
Rent		35,000	35,000
Other revenue		6,302	5,839
Donations, bequests and fundraising		1,022,288	464,246
Bequests - Stan Merrett Foundation		575,338	4,988,609
Interest and dividends		311,309	154,195
Market value movements - investments		(331,912)	194,815
		1,757,745	5,986,704
Operating Expenses			
Employment costs		320,288	220,501
Depreciation and impairment		55,237	60,408
Facilities costs		43,743	35,276
Administration and other		123,924	65,408
Primary health and education programs		175,246	121,644
Fundraising and events expenses		57,764	14,076
Aeromedical support		4,208	12,846
RFDS Federation contribution		142,500	-
		922,910	530,159
Net surplus for the year		834,835	5,456,545
Other comprehensive income			
Other comprehensive income		-	-
Total comprehensive income for the year		834,835	5,456,545

Balance Sheet

As At 30 June 2016

	Note	2016 \$	2015 \$
ASSETS			
Current Assets			
Cash and cash equivalents	2	1,477,819	2,020,689
Trade and other receivables	3	23,049	29,562
Inventories		2,319	632
Total Current Assets		1,503,187	2,050,883
Non-Current Assets			
Other financial assets	4	757,517	-
Stan Merrett Foundation portfolio	4	5,727,153	5,248,811
Property, plant and equipment	5	374,765	204,446
Total Non-Current Assets		6,859,435	5,453,257
TOTAL ASSETS		8,362,622	7,504,140
LIABILITIES			
Current Liabilities			
Trade and other payables	6	54,254	36,638
Employee benefits		17,868	11,836
Total Current Liabilities		72,122	48,474
Non-Current Liabilities			
TOTAL LIABILITIES		72,122	48,474
NET ASSETS		8,290,500	7,455,666
EQUITY			
Reserves		6,274,260	5,859,408
Accumulated funds		2,016,240	1,596,258
TOTAL EQUITY		8,290,500	7,455,666

Statement of Changes in Equity

For the Year Ended 30 June 2016

	Retained Earnings	Capital Maintenance Reserve	Stan Merrett Foundation	Total
	\$	\$	\$	\$
Balance at 1 July 2015	1,596,258	600,000	5,259,408	7,455,666
Net surplus/(deficit) for the year	834,834	-	-	834,834
Transfer of bequest received	(575,338)	-	575,338	-
Earnings on foundation investments	93,911	-	(93,911)	-
Foundation funds utilised in operations	66,575	-	(66,575)	-
Balance at 30 June 2016	2,016,240	600,000	5,674,260	8,290,500
Balance at 1 July 2014	1,399,120	600,000	-	1,999,120
Net surplus/(deficit) for year	5,456,546	-	-	5,456,546
Transfer of bequest received	(4,988,609)	-	4,988,609	-
Earnings on foundation investments	(270,799)	-	270,799	-
Foundation funds utilised in operations	-	-	-	-
Balance at 30 June 2015	1,596,258	600,000	5,259,408	7,455,666

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2016

	Note	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from contributors		187,166	188,291
Payments to suppliers		(598,001)	(256,651)
Interest and dividends received		320,217	132,813
Donations received		1,022,288	464,246
Payments to employees		(304,344)	(209,640)
GST recovered/paid		47,792	(1,117)
Net cash provided by/(used in) operating activities	10	<u>675,118</u>	<u>317,942</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(225,555)	(72,576)
(Purchase)/redemption of financial assets		<u>(992,433)</u>	<u>340,447</u>
Net cash used by investing activities		<u>(1,217,988)</u>	<u>267,871</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net increase/(decrease) in cash and cash equivalents held		(542,870)	585,813
Cash and cash equivalents at beginning of year		<u>2,020,689</u>	<u>1,434,877</u>
Cash and cash equivalents at end of financial year	2	<u><u>1,477,819</u></u>	<u><u>2,020,690</u></u>

Notes to the Financial Statements

For the Year Ended 30 June 2016

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

These financial statements are a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Australian Charities and Not-for-profits Commission Act 2012. The board has determined that the not-for-profit Association is not a reporting entity.

Royal Flying Doctor Service Tasmania Inc applies the following accounting standards as required by the ACNC:

AASB101 *Presentation of Financial Statements*
AASB107 *Statement of Cash Flows*
AASB108 *Accounting Policies, Changes in Accounting Estimates and Errors*
AASB1031 *Materiality*
AASB1048 *Interpretation of Standards*
AASB1054 *Australian Additional Disclosures*

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

(b) Income Tax

The Association is exempt from income tax under section 50-10 of the Income Tax Assessment Act 1997, and the association has received notification from the Australian Taxation Office in respect to its exempt status, together with its Deductible Gift Recipient status. Accordingly, no income tax expense or liability has been recognised.

(c) Revenue and other income

Donations, bequests, grants and fundraising revenue are recognised when the entity obtains control over the funds, which is generally at the time of receipt.

Government grants are recognised as revenue in the period in which they are actually received.

Rental revenue is recognised when the rent becomes due and payable in accordance with the relevant lease agreement.

Interest revenue is recognised on an accruals basis, whilst other investment income, including dividends and distributions, are generally recognised on receipt.

(d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Notes to the Financial Statements

For the Year Ended 30 June 2016

1 Summary of Significant Accounting Policies (continued)

(e) Property, Plant and Equipment

Property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all property, plant and equipment is depreciated over the useful lives of the assets to the Association commencing from the time the asset is held ready for use.

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The carrying amount of property, plant and equipment is reviewed annually by the board to ensure it is not in excess of the recoverable amount. The recoverable amount is based on the depreciated cost of the asset, which has been deemed to be more appropriate than the discount net cash flows from the use and subsequent disposal of the asset, as the majority of assets are held for the purpose of producing income.

(f) Financial instruments

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- amortised cost;
- fair value through profit or loss; and
- fair value through other comprehensive income.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

Amortised cost

Generally this category includes loans and receivables with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

Significant receivables are considered for impairment on an individual asset basis when they are

Notes to the Financial Statements

For the Year Ended 30 June 2016

1 Summary of Significant Accounting Policies (continued)

(f) **Financial instruments (continued)**

past due at the reporting date or when objective evidence is received that a specific counterparty will default.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets acquired principally for the purpose of selling in the near future or otherwise designated by the entity to be carried at fair value through profit or loss upon initial recognition.

The Association holds a portfolio of investments including fixed interest securities and domestic and international equities which are designated as financial assets at fair value through profit or loss.

Assets included within this category are carried in the balance sheet at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Fair value through other comprehensive income

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets or which have been designated in this category. The Association's currently does not hold any assets that fall into this category.

All available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

Notes to the Financial Statements

For the Year Ended 30 June 2016

	2016 \$	2015 \$
2 Cash and cash equivalents		
Cash trading accounts	205,496	183,592
Short-term bank deposits	1,272,323	1,837,097
	<u>1,477,819</u>	<u>2,020,689</u>
3 Trade and other receivables		
Trade debtors	10,575	8,180
Accrued income	12,474	21,382
	<u>23,049</u>	<u>29,562</u>
4 Investments		
Other Financial Assets		
Australian equities	520,523	-
International equities	236,994	-
	<u>757,517</u>	<u>-</u>
Stan Merrett Foundation Portfolio		
JB Were Cash Trust	709,609	262,838
Fixed interest securities	2,046,893	250,000
Australian Equities	2,141,941	4,735,973
International equities	828,711	-
	<u>5,727,154</u>	<u>5,248,811</u>
5 Property, plant and equipment		
Buildings		
Buildings and improvements at cost	1,028,213	827,453
Less: accumulated depreciation	(722,854)	(678,788)
	<u>305,359</u>	<u>148,665</u>
Capital works in progress		
At cost	6,788	9,504
Plant and equipment		
At cost	127,713	100,201
Accumulated depreciation	(65,095)	(53,924)
	<u>62,618</u>	<u>46,277</u>
Total property, plant and equipment	<u>374,765</u>	<u>204,446</u>

Notes to the Financial Statements

For the Year Ended 30 June 2016

2016	2015
\$	\$

5 Property, plant and equipment (continued)

The buildings and improvements are situated on leasehold land. The association leases the use of the site from Launceston and Burnie Airports. The buildings and improvements are sub-let to RFDS South-Eastern Section.

6 Trade and other payables

Employee benefits and tax withholding	23,554	13,643
Trade and other payables	42,017	27,066
GST clearing	(11,317)	(4,069)
	<u>54,254</u>	<u>36,640</u>

7 Employee Benefits

Current liabilities		
Provision for annual leave	17,868	11,836
	<u>17,868</u>	<u>11,836</u>

8 Members' Guarantee

The Association is incorporated under the *Associations Incorporation Act (Tasmania) 1964* and members' liability is limited by guarantee. If the Association is wound up, the constitution states that each member is required to contribute a maximum of \$ 10 each towards meeting any outstandings and obligations of the Association. At 30 June 2016 the number of members was 36 (2015: 35).

9 Remuneration of Auditors

Remuneration of the auditor of the association, for:		
- auditing or reviewing the financial statements	3,250	2,250

Notes to the Financial Statements

For the Year Ended 30 June 2016

2016	2015
\$	\$

10 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities		
Surplus for the year	834,834	5,456,546
Non-cash flows in profit:		
Depreciation and impairment	55,237	60,408
Bequests - Stan Merrett Foundation	(575,338)	(4,988,609)
Market value movements - investments	331,912	(194,815)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
Trade and other receivables	6,513	(17,930)
Inventories	(1,688)	(132)
Trade and other payables	17,615	876
	6,032	1,599
Cashflow from operations	675,117	317,943

11 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

12 Association Details

The registered office of the association is:
 Royal Flying Doctor Service Tasmania Inc
 Building 90, Launceston Airport
 305 Evandale Road
 WESTERN JUNCTION TAS 7212

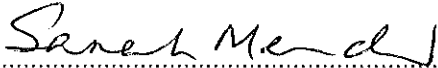
Board Declaration

The board has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the board the financial report as set out on pages 1 to 10:

1. Presents fairly the financial position of Royal Flying Doctor Service Tasmania Inc as at 30 June 2016 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Royal Flying Doctor Service Tasmania Inc will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the board and is signed for and on behalf of the board by:

Treasurer 

Dated 12th October 2016


Auditor's Independence Declaration

To the board of Royal Flying Doctor Service Tasmania Inc

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as auditor of Royal Flying Doctor Service Tasmania Inc for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of section 60-40 of the ACNC Act in relation to the audit; and
- b) No contraventions of any applicable code of professional conduct in relation to the audit.


Synectic Audit & Assurance Pty Ltd


Benjamin Coull
Director

Date: 12 October 2016

Independent Auditor's Report

To the Members of Royal Flying Doctor Service Tasmania Inc

Report on the Audit of the Financial Report

We have audited the financial report, being a special purpose financial report of Royal Flying Doctor Service Tasmania Inc (the Association), which comprises the balance sheet as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the board declaration.

Opinion

In our opinion the accompanying financial report of Royal Flying Doctor Service Tasmania Inc has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act), including:

- (a) giving a true and fair view of the entity's financial position as at 30 June 2016 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the board's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose.

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 Association in accordance with the auditor independence requirements of the ACNC Act and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Board for the Financial Report

The board of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance the accounting policies outlines in Note 1 and the ACNC Act and for such internal control as the board 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 board are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intend to liquidate the Association 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 Australian Auditing Standards, we exercise professional judgement 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board.
- Conclude on the appropriateness of management's 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 Association's ability to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board 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.

We also provide the board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Synectic Audit & Assurance Pty Ltd



Benjamin Coull
Director

Date: 12 October 2016

Our Supporters

The RFD would like to thank all of our amazing volunteers, committees and community fundraisers who generously donate their time and effort to fundraising for the RFDS.

With special thanks to:



How you can help >

Thanks to the kind support of individuals, corporations, the government and the community, the Royal Flying Doctor Service has proudly served Australia for 88 years. Help us continue to be there in the future. To help us deliver the finest care to the furthest corners of Australia you can:

- > Send your donation to Royal Flying Doctor Service
Postal Address: PO Box 1087, Launceston TAS 7250
- > Phone us on 03 6391 0504 or 1300 669 569
- > Visit **flyingdoctor.org.au** to make an online donation

 flyingdoctor.org.au

 facebook.com/royalflyingdoctorservice

 [@RoyalFlyingDoc](https://twitter.com/RoyalFlyingDoc)

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Royal Flying Doctor Service