

2019/2020

ANNUAL REPORT

Royal Flying Doctor Service Tasmania



Royal Flying Doctor Service
TASMANIA

Year In Review

By Malcom White, Chair

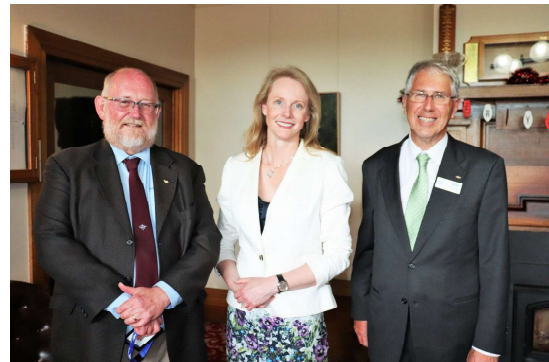
In a year we could not have envisaged or planned for, the Board is proud to report that we have:

- continued to provide our vital health services across rural Tasmania
- maintained all staff positions without any reduction of hours
- maintained satisfactory financial performance – without the need to access government job support programs

Our priority, as we became aware of the COVID-19 pandemic and its implications, was to set down the necessary policies and processes that would, to the best of our ability and knowledge, and as information became available, ensure the safety of our staff and our clients. As a health service we were at all times mindful of the need to keep delivering our important services.

Many changes were required in the way we performed our work around the State. Physical locations that we previously used for consultations and appointments were no longer suitable. Of necessity we quickly moved to on-line consultations where this suited our clients.

Not all health work can be done using electronic communications and our dental teams were, for a time, confined to emergency work. Restrictions on this most important service lifted in a relatively short time and, with the State Government assigning essential work status, dental services around the State, including the Bass Strait Islands, quickly resumed.



In the early days of the pandemic, when events were moving very quickly, the Board and CEO considered a number of scenarios including potential financial impact. Our concerns were, however, quickly lessened by the timely actions of the Commonwealth Government and Primary Health Tasmania in adapting existing contracts to allow RFDS Tasmania to maintain capability and to provide a continued service. Despite the many challenges of the year in review, we were able to progress projects that will enable RFDS Tasmania to better provide services in rural Tasmania. We were able to substantially advance two Mobile Health Hubs, planned to enter service in August, 2020. This joint project has been strongly supported, financially and through volunteer effort, by Rotary Tasmania Community Care. Also by the Tasmanian Government, through its donation of the two former public buses, and the Australian Government by its contribution to the cost of fit-out.

In last year's report it was noted that the Board had approved the purchase of a fully equipped Dental Van that would allow the dental team to drive up, plug in and commence dental treatments in regions where facilities are limited both in terms of space and clinical requirements.

As of June 30, 2020, the vehicle was nearing completion and very pleasingly a generous sponsor, Woolnorth Renewables, came forward to cover a significant proportion of the capital cost.

We also gratefully acknowledge the support of our Patron, Her Excellency Professor the Honourable Kate Warner AC, Mr Warner and Government House staff in fundraising a significant contribution to this project through the Governor's 2019 Winter Ball.



As mentioned earlier in this report the financial outcome for the year was satisfactory. As will be noted from the accompanying financial report and statements, our revenue and expenditure have again increased compared to the previous financial year, reflecting continued growth in operations and the financial support received from generous donors, bequestors and sponsors. This charitable revenue in particular has allowed RFDS Tasmania to build its financial capability over the past five years and now be in a position to support vital programs particularly with capital items.

As for the months and years ahead, RFDS Tasmania will continue to provide primary healthcare services and support for aeromedical infrastructure in Tasmania. In doing this we will seek to provide high quality outcomes in the most cost effective and sustainable manner.

We will consider closely new opportunities where RFDS Tasmania is able to enhance health outcomes in underserved rural areas. We will continue to work closely with Commonwealth, State, local governments, community leaders and local health professionals in ensuring our work meets needs that are not otherwise being met. We will continue to advocate for the healthcare needs, including aeromedical infrastructure, of people in Tasmania who live outside the major cities.

In respect of aeromedical, we believe that Tasmania and in particular Ambulance Tasmania, has been very well served over many years in contracting aviation services from our colleague RFDS organisation, RFDS SE Section, supported by RFDS Tasmania. We will be working very closely with RFDS SE to ensure this successful relationship and service for the Tasmanian Government, which periodically is put to tender, continues and develops for many years to come.

In what has been an extraordinary year, we have many individuals and organisations to thank and acknowledge. The timely and considered actions of the Commonwealth Government and Primary Health Tasmania in ensuring vital dental health, mental health and primary healthcare services could continue to be delivered and adapted to meet new circumstances is acknowledged.

Our grateful thanks to all our donors, fundraisers, sponsors, volunteers and a special mention to those friends of the RFDS who think of us when planning their Wills, we have in particular benefitted from generous bequests over the past 12 months.

In closing and on behalf of the Board I acknowledge the work, guidance and expertise of our CEO, John Kirwan, and the contribution of our valued staff during a challenging time.

Malcolm R. White

In the Spotlight

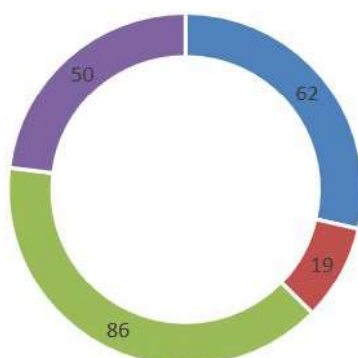
A good spread of media coverage across traditional and online media platforms resulted in RFDS Tasmania and RFDS-related stories receiving 217 mentions during the year with an estimated Advertising Space Rate of approximately \$300,000. WIN Television, the Examiner Newspaper and Mercury Newspaper were our strongest supporters and contributed significantly to an increasing online news presence on top of traditional media coverage.

Publicity generated by The Naked Farmer's Tasmanian tour in July, followed by the launch of new online dental resources for teachers, Westbury Show display, Strathmore open garden and the resumption of dental clinics on King Island (this received the greatest amount of media interest for the year) rounded out 2019 and then 2020 started on a roll with the Hawthorn Football Club trivia night and fun day. Attention then turned to our involvement with the first coronavirus testing clinic.

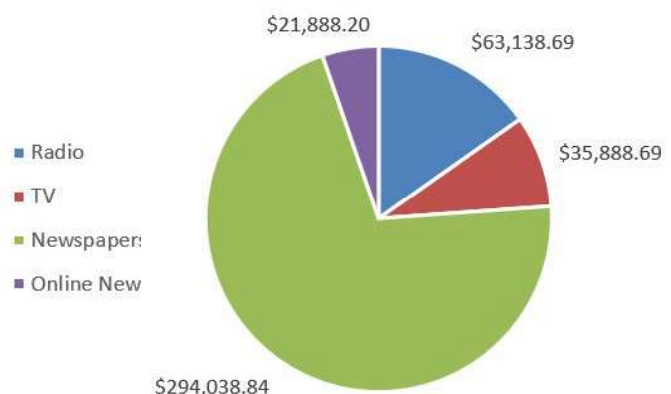
There was a noticeable dip in coverage following the outbreak of COVID-19 as regular shows and events were cancelled, but we were able to put out some positive stories around online teacher resources as families tackled home schooling, plus regular updates on how our services were continuing throughout the pandemic.

Promotion of the 4x4 Drive for the Doc event (now happening in February) and some lovely feature pieces in print media and on radio, around dentist Lorika Strickland leaving and how much the dental program had achieved, helped with ongoing brand awareness.

Media Type Overview



ASR by media type



Non-Emergency Patient Transport Service

Royal Flying Doctor Service (Victorian Section) provides a Non-Emergency Patient Transport (NEPT) service on road and in the air across Australia, including Tasmania. This service is known as Mobile Patient Care, operating out of the RFDS base at Launceston Airport. In 2019/20, staff in Tasmania transported 68 patients and traveled 22,885 km. Feedback from some of those patients include:

"Transported by two very kind and caring people. I was treated with respect and care when I became upset."

"The two girls who transported me were 10++ top notch. Parody of pre-flight demo was quite funny, made for a more comfortable and relaxing trip."

Even though RFDS complies with the Australian Guidelines for the Prevention and Control of Infection, this year saw additional precautions added in our fight against COVID-19. Some examples of this included the wearing of a mask during every transport due to the inability to social distance in our vehicles, and disinfecting of non-clinical surfaces such as steering wheel, gear shift, door handles and car keys.

In addition to patient transfers, this past year TAS MPC staff also provided first aid services for patrons at Big Bash cricket matches in Hobart and for the players during the National U18s Women's Cricket Championships held in Hobart and Launceston in January, 2020. The highlight of the year would have been when a TAS MPC road crew met the RFDS PC-24 from Central Operations at Hobart Airport to facilitate the road portion of a repatriation of a patient.



Primary Health Care

The provision of free primary health care services, with funding from Primary Health Tasmania, is today the biggest health service provided by Royal Flying Doctor Service Tasmania.

While our history is wrapped up in aeromedical work our wheels are now firmly on the ground with a focus on improved health outcomes for people living in rural and remote areas through the delivery of mental health and wellbeing and exercise programs.



Our physical health team works across the north-east and south of the state to support people living with chronic obstructive pulmonary disease, cardiovascular disease, dementia, mental illness and chronic musculoskeletal disorders. The primary health team support and educate people to have a better understanding of their chronic health conditions to self-manage their conditions and reduce

hospitalisations. Each program is flexible and free and provides options for group support or individualised consultations for eligible people living in the Glamorgan Spring Bay, Break O'Day, Flinders Island, Dorset, Georgetown, Bruny Island, Tasman Peninsula and Huon Valley communities.

The RFDS Youth Mental Health program funded by the Commonwealth Government continues to support young people aged 8 to 16 years who are experiencing mild to moderate mental health issues in remote and rural areas of Tasmania.

The free mental health program supports eligible youth living in the Central Highlands, West Coast, Northern Midlands, Meander Valley, Break O'Day and Glamorgan Spring Bay areas and the team provides face-to-face, telehealth, one-on-one or group sessions.

Primary Health Care

During the past 12 months service delivery expanded and we welcomed additional staff to the team, allowing for more than 1500 clients to receive more than 15,000 contacts and a total of 175,568 kms of road was traversed.

This includes bringing the National Rural and Remote Better Ageing Program to people over the age of 65 years in the Meander Valley area.

Although face-to-face support is part of our core model, during the pandemic our teams embraced new and innovative techniques to support our clients and we've continued to grow our services through online platforms, live Q&A sessions and by utilising the latest advances in digital health solutions.



Education Program

The onset of a pandemic has meant RFDS educational base tours have been on hold for most of the year, although 80 students from Hagley Farm Primary School were lucky to visit the base in March just before restrictions came into play.



Lockdowns around the country meant that our already comprehensive list of online educational resources became more important than ever for teachers, parents and children, and education officer Jocelyn McLean also added a series of online activities designed to keep primary school aged children engaged with us as well as provide extracurricular fun for kids who had all their activities cancelled.

These have proved extremely popular, with the activities able to be done independently, if parents are working from home, or with the whole family. Five activities were released one per week for five weeks, and included Your Story, where children were asked to contribute a story about where they live and what they have been doing during lockdown. These stories will be collated into a online book.

To view or engage with our online resources got to www.flyingdoctor4education.org.au

Education Program

For secondary school students, the Senior Health Studies presentation has been updated and converted into a virtual presentation to allow the program to continue, with 11 schools already requesting the information.

Scholarship placements have been tricky to organise as these involve interstate travel.

The RFDS Fairbrother First Year Nursing Scholarship has been awarded to Eve Bell of Port Sorell and the RFDS CTA 4th Year Medical Scholarships have been awarded to Emily Murray, Emma Hicks and Charlotte Piper.



The Fred McKay Medical Scholarship has been awarded to Alice Thompson who will be going to Broken Hill.

The Robin Miller Nursing Scholarship has been awarded to Schuyler Tin and a placement at an RFDS base is being arranged for early next year.

- *For more information on our education program or to book a school tour contact Jocelyn McLean at Jocelyn.mclean@rfdstas.org.au*

Aeromedical support

RFDS Tasmania supports the aeromedical contract between RFDS South East and Ambulance Tasmania for the delivery of emergency evacuation services and inter-hospital transfers.

One Beechcraft King Air is operated in Tasmania by a crew of seven RFDS pilots with Ambulance Tasmania paramedics back-of-cabin.

Slipping away into retirement in typically quiet style was Cpt Steve Woods, who finished up on May 25 after more than 25 years with RFDS. Cpt Reinhard Van Beeck has moved from Mascot to Launceston to fill the position. The requirement by Ambulance Tasmania for heightened isolation measures in response to the pandemic necessitated some of our staff moving from the aeromedical hangar and office facility at the Launceston base.

Additional office accommodation has now been leased at Launceston Airport with access to the primary aeromedical hangar now restricted to operational and shift based aeromedical staff. We will continue to enthusiastically support and maintain this building, which we built in 1998, and look forward to resuming work from this hub when Ambulance Tasmania is comfortable that we do so.

Work has begun on the Cape Barren Island airstrip upgrade – following a successful Commonwealth Government grant of \$500,000 for the Cape Barren Island Aboriginal Association Incorporated (CBIAAI). After a short delay due to the COVID-19 pandemic, the upgrade is now underway with Tasmanian company CBM

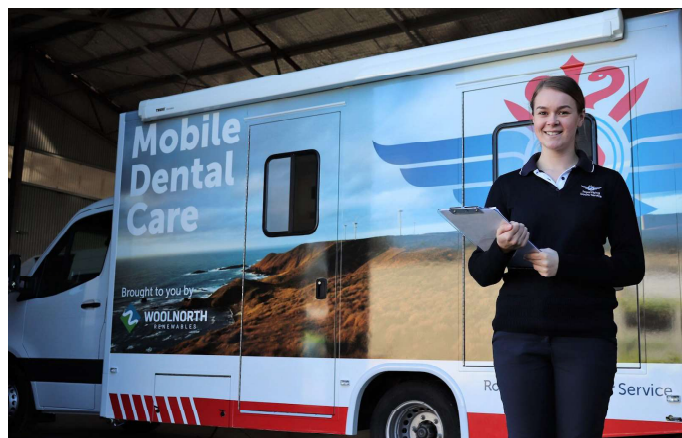
Sustainable Design contracted to manage works associated with vegetation management, drainage upgrades, runway resurfacing and the supply of aerodrome equipment, replacement and spares. RFDS provided letters of support and information from pilots and management to help secure the funding which was made possible due to a joint Federation, SE and Tas approach.



Mobile Dental Program

During the past year the RFDS mobile dental care team has expanded its services into the east coast of Tasmania, at Swansea with the support of May Shaw Health Centre, and to the Bass Strait island communities of King and Flinders Island, in partnership with Oral Health Services Tasmania (OHST) to provide free dental treatments to eligible patients.

The dental program is a community-based program with dental staff travelling to rural and remote locations weekly and tailoring dental care to accommodate a community's need. This now means in many cases our patients no longer need to travel long distances to receive essential health services for themselves or family members, which has led to a decrease in social isolation and financial burdens.



Requests for appointments with the dental team continued to increase with 1191 patients seen over 2581 visits in the past 12-month period. A total of 13,423 treatments were provided to our patients through a mixed delivery method of fixed clinics, mobile outreach visits to schools along with visiting aged care facilities.

The development of a purpose-built mobile dental vehicle was made possible thanks to the support of Woolnorth and this will enable the dental team to provide dental services in communities where we currently cannot access a fixed dental clinic.

The dental program in 2019/2020 has grown from visiting two fixed clinics to now travelling to both King and Flinders island and increasing access to communities by the provision of our mobile dental vehicle. We are working towards having a total of three dentals teams covering the state.

Our Volunteers

The volunteer support for RFDS Tasmania continues to grow with a team of around 30 last year now closer to 50. Like all such groups there is a core of regular helpers who will turn their hand to anything - organising events, working at shows, selling merchandise, mailing out magazines, supervising school tours, offering consumer feedback for printed material and much more.

Some have been directed to us from Volunteering Services Australia (Tasmania) which captures a large cohort of University of Tasmania and TasTAFE students keen to put their studies in health and education to good use. However the background of our volunteers is extremely varied - there's a former St John Ambulance worker, hematology student, beer exporter, rural industry retailer and at least three former and current teachers!

Events they've been involved in include the Launceston Christmas parade, Bothwell Bushfest, Officeworks RUTMAD days, Hawks trivia night, mobile health hub launch (and driving the buses), Kid I Am and Westbury Show.

During the pandemic there was an enforced lull in activities and opportunities for our volunteers, but it did provide the opportunity to work on obtaining WWVP cards and completing hand hygiene and food handling courses online in readiness for future initiatives.



FINANCIAL STATEMENTS

For the year ended 30 June, 2020

The entity reported on is the Royal Flying Doctor Service Tasmania Limited. The Directors present their report for the year ended 30th June 2020.

Information on Directors

The names of each person who has been a director during or since the year ended 30 June 2020 are:

Information on Directors

The names of each person who has been a director during the year ended 30th June 2020 are:

Dr James Cretan	
Qualifications:	B.Med Sci, MBBS, FAICD
Special Responsibilities:	Member, Governance & Nominations Committee
Ms Jan Davis	
Qualifications:	Masters of Agribusiness & Environmental Planning, B Econ, GAICD
Special Responsibilities:	Member, Governance & Nominations Committee
Mr Tony Gray	
Qualifications:	B.Com, LLB, GDipAppFin, CFP, DipFP, DipEM, FFin
Special Responsibilities:	Chair, Finance Risk & Investment Committee
Mr Robert Grey	
Qualifications:	Masters of Defence Studies, CPL
Dr Tim Mooney AM	
Qualifications:	MBBS, FRACGP, RMP
Special Responsibilities:	Member, Clinical Health & Safety Committee
Dr Roderick Roberts	
Qualifications:	B.Ec, M.B.A.
Special Responsibilities:	Member, Finance Risk & Investment Committee
Prof Kim Rooney OAM	
Qualifications:	FRACP, MBBS
Ms Caroline Wells	
Qualifications:	GAICD; MBA
Special Responsibilities:	Deputy Board Chair; Chair, Clinical Health & Safety Committee; Member, Governance & Nominations Committee
Mr Malcolm White	
Qualifications:	Cert Comm Eng; MBA; ATPL
Special Responsibilities:	Board Chair; Chair, Governance & Nominations Committee
<u>Company Secretary</u>	
Ms Jacqui Fryett	Resigned 20 January 2020
Mr James Abernethy	Appointed 20 January 2020

Review of Operations

The principal activity during the year was the delivery of primary health care in rural and regional Tasmania and support for aeromedical infrastructure in the State.

During the second half of the financial year the COVID-19 pandemic affected the operations of the organisation in a number of ways. Firstly, a COVID policy setting out how staff would work to ensure their safety and how services could continue to be delivered safely was implemented.

Changes were also required at the Launceston Base to ensure that access to the primary aeromedical hangar was restricted to operational and shift based staff, necessitating the move of some RFDS staff to other premises at Launceston Airport.

The potential financial impact of the pandemic was lessened significantly by the timely actions of the Commonwealth Government and Primary Health Tasmania in adapting existing contracts to allow RFDS Tasmania to maintain capability and to provide a continued, and at times limited, service especially during the early phase of the pandemic.

The primary healthcare program, funded by Primary Health Tasmania and the Commonwealth Government, consolidated growth from the previous year, providing significant primary health services across 14 rural local Government areas in Tasmania. With the rapid adoption of measures to limit the spread of COVID, the primary healthcare team changed from face to face consultations to the use of video and teleconferencing facilities. As such they were able to continue to meet the needs of clients in a significantly changed work environment.

During the year work progressed on two Mobile Health Hubs, planned to enter services in August 2020. This joint project has been strongly supported, financially and through volunteer effort, by Rotary Tasmania Community Care. Also by the Tasmanian Government, through their donation of the two former public buses, and the Australian Government by their contribution to the cost of fit-out.

Dental outreach services, funded by the Commonwealth Government and RFDS supporters, were temporarily restricted during the period of limited travel and activity in Tasmania. However, with the support of communities and the Tasmanian Government, services were operating at near normal levels at the end of the financial year. At the request of the State Government, the Dental team has, over the year in review, provided services to Flinders and King Islands. This service has been warmly welcomed and supported by Island communities, local government and local health services.

In last year's report it was noted that the Board had approved the purchase of a fully equipped Dental Van that would allow the dental team to drive up, plug in and commence dental treatments in regions where facilities are limited both in terms of space and clinical requirements. As of June 30th 2020 the vehicle was nearing completion and very pleasingly a generous sponsor, Woolnorth Renewables, has come forward to cover a significant proportion of the capital cost.

RFDS Tasmania and those whom the organisation serves have again, during the year in review, benefitted from many generous donations, bequests and sponsorships, including from interstate supporters. The work of volunteers is also gratefully acknowledged.

It will be noted from the financial reports that revenue and expenditure have increased compared to the 2019 financial year, reflecting continued growth in operations and the financial support received from generous donors, bequestors and sponsors. This important part of revenue has allowed RFDS Tasmania to build its financial capability over the last 5 years and be in a position to support vital programs particularly with capital items.

While noting the satisfactory end of year financial outcome, the Board considered carefully a number of scenarios during February and March to assist in managing the impact of the COVID-19 pandemic and will continue to do so.

In what has been a highly unusual year, the Directors acknowledge the work and expertise of our CEO, Mr John Kirwan, our valued staff and our donors, volunteers and many friends.

Short Term Objectives & Strategy

RFDS Tasmania will continue to provide primary healthcare services and support for aeromedical infrastructure in Tasmania. In doing this we will seek to provide high quality outcomes in the most cost effective and sustainable manner. New opportunities will be considered where RFDS Tasmania is able to enhance health outcomes in underserved rural areas. We will continue to work closely with Commonwealth, State and local governments and advocate for the healthcare needs, including aeromedical infrastructure, of people in Tasmania who live outside the major cities.

Director

Markus G. White

Dated

13th October 2020

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
Operating Revenue			
Commercial activities		36,642	17,965
Donations, bequests and fundraising		1,520,869	474,947
Government funding		4,918,809	3,928,929
Interest and dividends		338,856	556,226
Market value movements - investments		(159,029)	107,856
Other revenue		-	18,875
Rent		30,000	30,000
Share of Federation fundraising and sponsorship		435,237	808,958
		<u>7,121,384</u>	<u>5,943,756</u>
Operating Expenses			
Employment costs		3,020,789	2,328,812
Contractor cost - Bass Strait Islands		1,011,264	1,050,000
Program costs		773,399	664,674
Administration and other		372,678	247,058
Depreciation		201,891	102,782
Facilities costs		218,500	234,075
Fundraising and marketing		145,746	105,754
Federation contribution		260,000	285,000
		<u>6,004,267</u>	<u>5,018,155</u>
Profit for the year		<u>1,117,117</u>	<u>925,601</u>
Other comprehensive income			
Other comprehensive income		-	-
Total comprehensive income for the year		<u>1,117,117</u>	<u>925,601</u>

Royal Flying Doctor Service Tasmania Ltd

Statement of Financial Position

As At 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	911,680	959,950
Trade and other receivables	3	229,224	447,137
Inventories		4,972	5,679
Other financial assets	4	1,008,045	500,000
Prepayments		113,484	-
TOTAL CURRENT ASSETS		2,267,405	1,912,766
NON-CURRENT ASSETS			
Stan Merrett Foundation portfolio	4	9,549,070	8,465,331
Property, plant and equipment	5	1,029,894	624,302
TOTAL NON-CURRENT ASSETS		10,578,964	9,089,633
TOTAL ASSETS		12,846,369	11,002,399
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	6	719,729	627,529
Lease liability		151,334	-
Deferred income	7	678,624	319,183
Employee benefits	8	114,474	84,002
TOTAL CURRENT LIABILITIES		1,664,161	1,030,714
NON-CURRENT LIABILITIES			
Lease liability		88,916	-
Employee benefits	8	16,037	11,548
TOTAL NON-CURRENT LIABILITIES		104,953	11,548
TOTAL LIABILITIES		1,769,114	1,042,262
NET ASSETS		11,077,255	9,960,137
EQUITY AND LIABILITIES			
Reserves		6,274,260	9,065,331
Accumulated funds		4,802,995	894,806
TOTAL EQUITY		11,077,255	9,960,137

Statement of Changes in Equity

For the Year Ended 30 June 2020

	Retained Earnings	Capital Maintenance Reserve	Stan Merrett Foundation	Total
	\$	\$	\$	\$
Balance at 1 July 2019	894,806	600,000	8,465,331	9,960,137
Net surplus/(deficit) for the year	1,117,117	-	-	1,117,117
Transfer of bequests and donations received	(1,043,254)	-	1,043,254	-
Earnings on foundation investments	(40,485)	-	40,485	-
Balance at 30 June 2020	928,184	600,000	9,549,070	11,077,254
Balance at 1 July 2018	1,996,128	600,000	6,438,408	9,034,536
Net surplus/(deficit) for the year	925,601	-	-	925,601
Transfer of bequests received	(199,265)	-	199,265	-
Earnings on foundation investments	(597,857)	-	597,857	-
Investments transferred to foundation	(1,229,801)	-	1,229,801	-
Balance at 30 June 2019	894,806	600,000	8,465,331	9,960,137

Statement of Cash Flows

For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from government		6,096,076	4,506,162
Payments to suppliers		(3,162,835)	(2,482,991)
Interest and dividends received		338,856	556,226
Donations and bequests received		1,520,869	474,947
Payments to employees		(2,933,164)	(2,246,340)
Other receipts		501,879	875,798
GST recovered/paid		(291,908)	(160,206)
Net cash provided by/(used in) operating activities	11	<u>2,069,773</u>	<u>1,523,596</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(254,235)	-
(Purchase)/redemption of financial assets		(1,750,813)	(1,206,796)
Net cash used by investing activities		<u>(2,005,048)</u>	<u>(1,206,796)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of borrowings		(112,996)	(24,930)
Net cash used by financing activities		<u>(112,996)</u>	<u>(24,930)</u>
Net increase/(decrease) in cash and cash equivalents held		(48,271)	291,870
Cash and cash equivalents at beginning of year		959,951	668,080
Cash and cash equivalents at end of financial year	2	<u>911,680</u>	<u>959,950</u>

Notes to the Financial Statements

For the Year Ended 30 June 2020

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 directors have determined that the not-for-profit company is not a reporting entity.

Royal Flying Doctor Service Tasmania Ltd 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 Company is exempt from income tax under section 50-10 of the Income Tax Assessment Act 1997, and the company 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 company obtains control over the funds, which is generally at the time of receipt.

Government grants are initially recorded as a liability and then subsequently recognised as revenue once specific performance obligations arising under the respective contracts have been met.

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 Taxation 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 statement of financial position are shown inclusive of GST.

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies

(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 company 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 directors 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.

Items of property, plant and equipment purchased for less than \$5,000 are not depreciated and are expensed in the year of purchase.

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

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies

(f) Financial instruments

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 company 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 statement of financial position 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 company'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.

(g) Leases

At the lease commencement, the company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods only where the company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies

- (g) **Leases**
change in the company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- (h) **Adoption of new and revised accounting standards**

The company has adopted all standards which became effective for the first time at 30 June 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the company.

AASB16 Leases

The company has adopted AASB 16 Leases using the modified retrospective (cumulative catch-up) method from 1 July 2019 and therefore the comparative information for the year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 Leases and associated Accounting Interpretations.

Under the superseded AASB 117, the company assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the company or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low value assets).

The company has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss on a straight line basis.

Financial statement impact of adoption of AASB 16

The company has recognised right-of-use assets of \$258,137 and lease liabilities of \$258,137 at 1 July 2019, for leases previously classified as operating leases.

The weighted average lessee's incremental borrowing rate applied to lease liabilities at 1 July 2019 was 3.0%.

Notes to the Financial Statements

For the Year Ended 30 June 2020

	2020 \$	2019 \$
2 Cash and cash equivalents		
Cash trading accounts	205,513	457,981
Cash savings accounts	706,167	501,412
Short-term bank deposits	-	557
	<u>911,680</u>	<u>959,950</u>
3 Trade and other receivables		
Trade debtors	54,983	100,949
Provision for impairment	(13,102)	-
	<u>41,881</u>	<u>100,949</u>
Accrued income	187,343	346,188
	<u>229,224</u>	<u>447,137</u>
4 Investments		
Other Financial Assets		
Fixed interest securities	1,008,045	500,000
Stan Merrett Foundation Portfolio		
JB Were Cash Trust	4,117,785	2,405,392
Fixed interest securities	582,544	1,212,968
Australian equities	2,579,939	2,564,930
International equities	1,892,676	1,837,725
Property and alternative assets	376,126	444,316
	<u>9,549,070</u>	<u>8,465,331</u>

Notes to the Financial Statements

For the Year Ended 30 June 2020

	2020 \$	2019 \$
5 Property, plant and equipment		
Leasehold land		
Buildings and improvements at cost	878,368	643,531
Less: accumulated depreciation	(184,506)	(136,893)
	693,862	506,638
Plant and equipment		
At cost	466,130	211,892
Accumulated depreciation	(130,098)	(94,228)
	336,032	117,664
Total property, plant and equipment	1,029,894	624,302

The buildings and improvements are situated on leasehold land. The company leases the use of the site from Launceston and Burnie Airports. The buildings and improvements are sub-let to RFDS South-Eastern Section. During the 2018 financial year, the ownership of the building and improvements on the Launceston site reverted to Launceston Airport, and RFDS entered into a further lease agreement.

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Buildings \$	Plant and Equipment \$	Total \$
Year ended 30 June 2020			
Balance at the beginning of year	506,638	117,664	624,302
Recognition right-of-use asset on initial adoption of AASB16	258,137	-	258,137
Right-of-use asset at commencement of new lease	95,108	-	95,108
Additions	-	254,238	254,238
Depreciation expense	(166,021)	(35,870)	(201,891)
Balance at the end of the year	693,862	336,032	1,029,894

Notes to the Financial Statements

For the Year Ended 30 June 2020

	2020 \$	2019 \$
6 Trade and other payables		
Trade and other payables	294,858	124,047
GST clearing	(18,813)	39,672
Accrued expenses	306,956	379,746
Employee benefits and tax withholding	136,728	84,064
	<u>719,729</u>	<u>627,529</u>
7 Deferred income		
Program funding unexpended	678,624	319,183
	<u>678,624</u>	<u>319,183</u>
8 Employee Benefits		
Current liabilities		
Annual Leave	114,474	84,002
Non-current liabilities		
Long service leave	16,037	11,548
	<u>130,511</u>	<u>95,550</u>
9 Capital and Leasing Commitments		
Minimum lease payments under non-cancellable leases:		
- not later than one year	151,334	222,697
- between one year and five years	88,916	518,203
	<u>240,250</u>	<u>740,900</u>
Leases have been taken out for commercial premises. Lease payments are increased on an annual basis to reflect market rentals.		
10 Remuneration of Auditors		
Remuneration of the auditor of the association, Synectic Audit & Assurance Pty Ltd, for:		
- auditing or reviewing the financial statements	6,800	6,500

Notes to the Financial Statements

For the Year Ended 30 June 2020

	2020 \$	2019 \$
11 Cash Flow Information		
Reconciliation of result for the year to cashflows from operating activities		
Surplus/(deficit) for the year	1,117,117	925,601
Non-cash flows in profit:		
Depreciation	201,891	102,782
Market value movements - investments	159,029	(107,856)
Changes in assets and liabilities:		
Trade and other receivables	217,913	(69,843)
Inventories	707	(1,693)
Trade and other payables	92,198	354,579
Employee benefits	34,961	65,843
Deferred income	359,441	254,183
Prepayments	(113,484)	-
Cashflow from operations	<u>2,069,773</u>	<u>1,523,596</u>

12 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 company, the results of those operations or the state of affairs of the company in future financial years.

13 Company Details

The registered office of the company is:
 Royal Flying Doctor Service Tasmania Ltd
 Building 85, Launceston Airport
 305 Evandale Road
 Western Junction TAS 7212



Auditor's Independence Declaration

To the directors of Royal Flying Doctor Service Tasmania Ltd

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 Ltd for the year ended 30 June 2020, 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 *Australian Charities and Not-for-profits Commission Act 2012* 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 Court
Director

Date: 19 October 2020



Independent Auditor's Report

To the Members of Royal Flying Doctor Service Tasmania Ltd

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 Ltd (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of 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 directors' declaration.

Opinion

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

- (a) giving a true and fair view of the entity's financial position as at 30 June 2020 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 directors' 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 company 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 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 the accounting policies described in Note 1 and the ACNC Act 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 company'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 directors either intend to liquidate the company 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 company'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 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 company'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 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.

We also provide the directors 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.

A stylized, handwritten signature of the word "Synectic" in black ink.

Synectic Audit & Assurance Pty Ltd

A handwritten signature in black ink, appearing to read "Benjamin Court".

Benjamin Court
Director

Date: 19 October 2020