



Royal Flying Doctor Service
SOUTH EASTERN SECTION

Financial Report

2020/21

2020/21 Snapshot

More than
58,000
occasions of
care provided

More than
4,700
clinics and
health services
delivered

722
dental
clinics
conducted in
44 locations

**New Mobile
Primary
Health
Service**
piloted in remote
communities

**New
Wellbeing
Places**
opened in Lightning
Ridge and Dubbo

**Permanently
staffed**
remote clinic opened as
part of our North West
service

Delivered
**respiratory
clinics and
vaccination
roll-out**
to support COVID-19
response

Front cover artwork: By the artist Wiradjuri Woman, Trudy Sloane. The artwork depicts the Royal Flying Doctor Service (South Eastern Section) as the hub with the circling birds our aircraft that fly into and out of communities. The snake-link figures represent the rivers, and the colours represent our organisation and the landscape we live and work on.

Royal Flying Doctor Service

South Eastern Section

Improving the health outcomes in remote, rural and regional communities

For children and adults living in rural and remote areas of New South Wales, the Royal Flying Doctor Service (South Eastern Section) is their safety net – providing the highest quality life-saving emergency and vital healthcare services when and where they need it, throughout all stages of life.

Since 1936, we have been continually evolving to meet the complex and changing needs of people living in outback. Our mission is to deliver improved access supporting better health outcomes to remote, rural, and regional communities – whether that's in relation to life-threatening medical emergencies, chronic disease or mental health.

Emergency retrievals remain at the heart of our service, along with the ever-expanding range of primary health services we deliver – from GP clinics, dental care, telehealth consultations and mental health support. This year, we have played a key role in protecting regional communities from the spread of COVID-19 through delivering respiratory clinics and supporting the vaccination roll-out in outback areas.

We have also explored new ways of addressing the health issues of the communities we serve, with innovative pilot programs that bring healthcare services to those with limited access.

With everything we do, it is our goal to deliver high quality healthcare services that meet community need and improve the health outcomes of all those in rural and remote areas. We are committed to closing the healthcare gap between Australians living in outback areas and their counterparts in metropolitan centres.





Contents

05	Message from the President	16	Statement of comprehensive income
06	Treasurer's Report	17	Statement of changes in equity
08	Key financial data over five years	18	Statement of financial position
10	Our service reach	19	Statement of cash flow
11	Governance	20	Notes to and forming part of the financial statements
12	Board of Directors	31	Directors' declaration
14	Directors' Report	32	Independent auditor's report
15	Lead auditor's independence declaration	34	Government and Corporate Supporters

Message from the President



A handwritten signature in black ink, appearing to read 'Mr Scamps', written in a cursive style.

Mr Alexander Scamps
President
Royal Flying Doctor Service
(South Eastern Section)

Throughout the 2020/21 financial year, the Royal Flying Doctor Service (South Eastern Section) has remained resilient and committed to meeting the needs of our patients and community amidst the ongoing unpredictability of COVID-19.

I would like to recognise the outstanding and ongoing commitment from all our staff in responding to the pandemic complexities and the continued demand for more services to be delivered. These challenges were large and small in scale, from emerging challenges of daily operational safety and infection control to the larger project of delivering COVID-19 testing through respiratory clinics and building a COVID-19 vaccination delivery plan across our network.

Our frontline health teams were required to treat many patient cases as COVID-19 positive in addition to the challenges of border closures, public health restrictions and adhering to the new policies and procedures regarding clinical and workplace health and safety that were introduced early in 2020, when the pandemic emerged. The adaptability and focus of our frontline teams throughout this year of change continues to demonstrate their dedication and professionalism when balancing the demands of responding to medical emergencies, delivering primary healthcare and supporting local, state and national responses to COVID-19.

Beginning last year and continuing into 2021, our service implemented and supported multiple COVID-19 testing clinics and vaccination clinics across our network including in many remote communities.

Involvement in community-centred COVID-19 vaccination programs funded by the Commonwealth government, local health services, health networks, Aboriginal medical services and state government has strengthened the Royal Flying Doctor Service (South Eastern Section's) collaborations and partnerships to provide essential care to our communities.

Our Financial Report for 2020-21 highlights the prudent approach to managing our resources through a year of heightened uncertainty and operational risk. Our balance sheet and cash position remain strong. The Board committed to continue to meet, and where necessary, grow our service commitments understanding the economic and operating impact of COVID-19 on the business. We have invested in additional services and infrastructure, recognising the value to our communities at a time of greatest need.

Our life-saving emergency retrieval work and primary health clinics have remained core to our service, alongside our growing primary care, dental, mental health and alcohol and other drugs services. This shows that no matter the medical emergency, the Flying Doctor is a trusted ally to those living, working and travelling in rural, regional and remote places.

There were many celebrations for the Flying Doctor throughout the year, including the official launches of our remote clinics at Louth, Tilpa and Innamincka, which were all made possible through the support of a generous donor. We extend our deepest thanks to all who support these initiatives including the Clinic Coordinators and other team members who support the vital work of these clinics.

During the year, the Royal Flying Doctor Service (South Eastern Section) continued to expand our mobile services, in particular telehealth and mobile primary healthcare, a vitally important aspect in times when the physical presence of a doctor or nurse was not possible.

Our fundraising teams were presented with many challenges as a result of COVID-19 and showed innovation and flexibility in maintaining relationships with our supporters, including implementing contactless options to enable our supporters to continue to contribute. This fundraising support throughout the year was humbling.

We are forever grateful to our large number of committed supporters, including donors, volunteers, support groups, fundraisers, our Board and our Patrons, whose generous contributions mean the Royal Flying Doctor Service (South Eastern Section) can continue to provide the finest care to the furthest corner. I wish to express again my sincere thanks to all our employees for the work they do every day, especially during these often unpredictable and challenging times.

Thank you again for your ongoing trust, support and interest in the work of the Royal Flying Doctor Service (South Eastern Section).

We look forward to seeing you in person in 2022. Please stay healthy and safe and look after yourselves and your loved ones.

A photograph of a wind farm in a hilly, arid landscape. Several wind turbines are visible in the background, silhouetted against a clear sky. The foreground shows dry, scrubby vegetation on rolling hills.

Treasurer's Report

The Royal Flying Doctor Service (South Eastern Section) has remained resilient and taken a prudent approach to managing its resources throughout 2020/21, given the ongoing unpredictability of COVID-19.



A handwritten signature in black ink, appearing to read 'Anthony MacRae'.

Mr Anthony (Tony) MacRae

Treasurer
Royal Flying Doctor Service
(South Eastern Section)

At 30 June 2021, we recorded a deficit of \$2.0million after depreciation of \$12.4million. This result is significantly favourable to the budget and demonstrates our ability to respond to the reduction in activity across some areas of the service, whilst continuing to deliver our strategic plan of investing in new and expanded services.

Revenue for the year was \$88.3million, which is 99.4% of the prior year, with government contracts contributing the largest proportion, 34% of total revenue. Government contract revenue declined by 6% from the prior year due to a reduction in flying activity as a result of COVID-19.

Operating grants from Commonwealth and State governments are up 18% on the prior year and totalled \$27.2million for 2020/21. These funds are a major contributor to our traditional services and included funding to prepare for a surge in COVID-19 evacuations as well as a contribution to the expansion in mental health services that we provide from our Bases.

Fundraising in 2020/21 was affected by COVID-19, and like many charities, resulted in a decline in revenue from bequests and donations of 25% from the prior year, with a total of \$20.7million. Merchandising revenue doubled to \$1.8million, due to continuing development of our online sales and an increase in regional tourism. The investment in new fundraising strategies in prior years continued in 2020/21 and is expected to provide a sustainable return in future years.

Funds raised from donations and bequests were used to support aeromedical services from our traditional Bases, equipment and capital needs. Donations continue to fund many of our healthcare services including the TOOTH oral health program, oral health enhancements from our Broken Hill Base, a practice nurse in Broken Hill, additional Mental Health practitioner positions in Broken Hill and Dubbo,

and support for our network patients following hospital discharge in Broken Hill. As mentioned above, the additional Commonwealth and State revenue specifically for mental health will be supplemented by donor funds to meet an ever-increasing mental health need in the bush, during these extremely hard times for our farmers and rural communities. In 2020/21 the Service contributed \$4.6million toward these programs, an increase of 6% from prior year.

Our expenditure for the year was \$90.5million, an increase of 7.9% over the prior year. This was mainly due to an increase in total employment costs associated with the new and expanding services in the following areas:

- Mental health programs and;
- Health & Aviation Quality & Safety programs.

Overall, our financial position is strong which has underpinned our ability to continue to invest in services and programs.

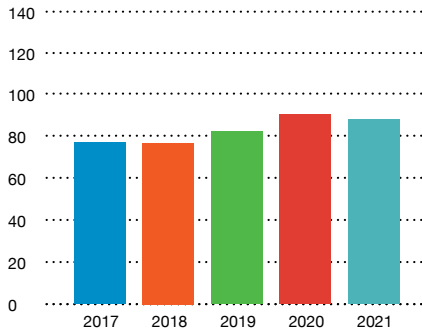
During 2020/21, we expended \$7.3million on assets, including our continued aircraft upgrade program enabling the Service to have aircraft compliant with the new CASA standards. Surplus cash enabled the early repayment of two aircraft loans. Cash flows from operating activities was \$3.4million.

Taking all this into account, our liquidity position remains strong, holding Cash and Investments, including term deposits of \$66.7million as at 30 June 2021. These funds will be kept in reserve to ensure our services remain sustainable and continue to grow.

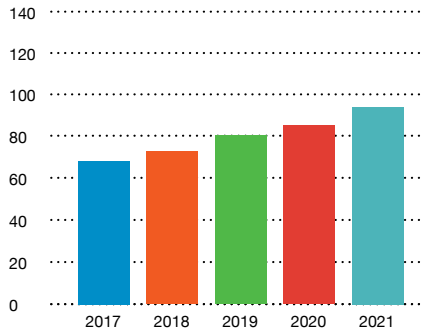
It is my view that the Royal Flying Doctor Service (South Eastern Section) is in a good position to execute its strategy, fund vital additional services, and carry out its operational and service obligations.

Key financial data **over five years**

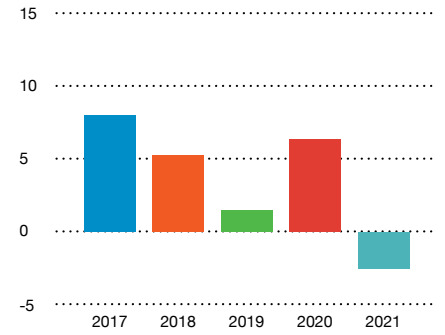
TOTAL REVENUE (\$ million)



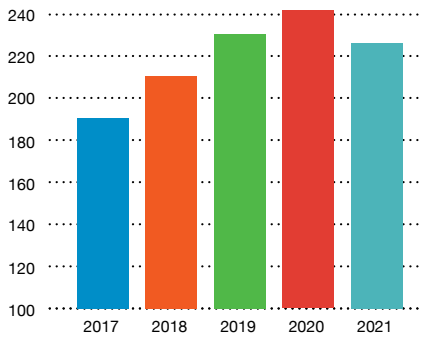
TOTAL EXPENDITURE (\$ million)



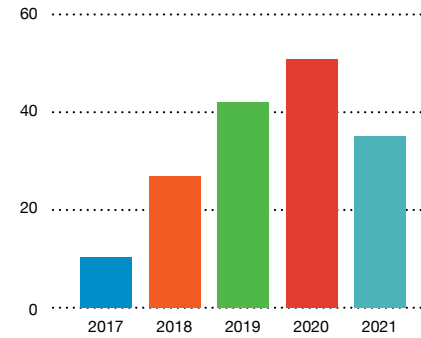
SURPLUS (\$ million)



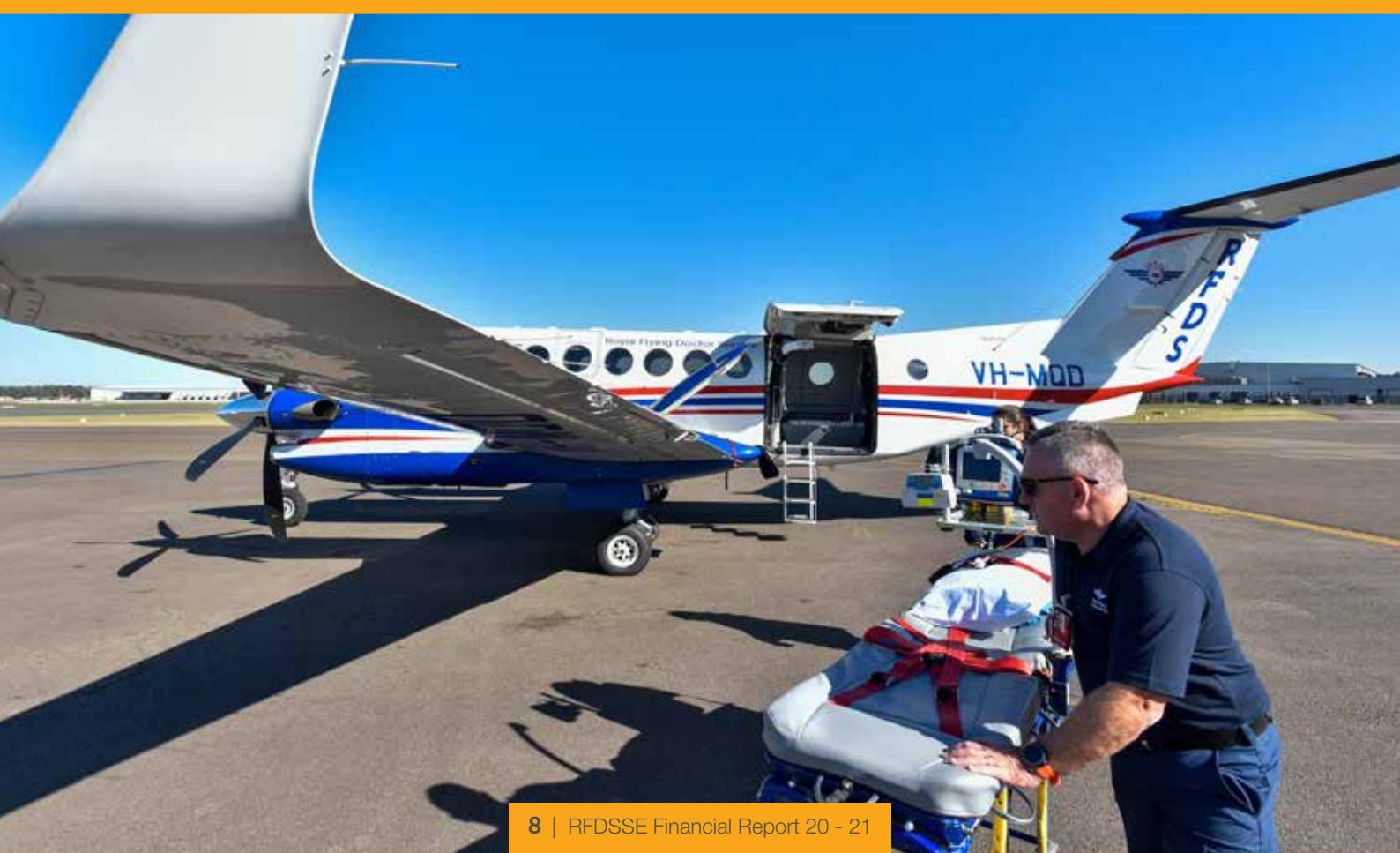
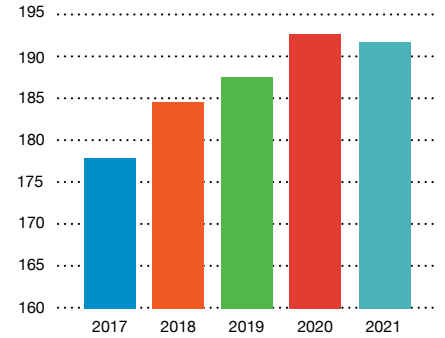
TOTAL ASSETS (\$ million)



TOTAL LIABILITIES (\$ million)

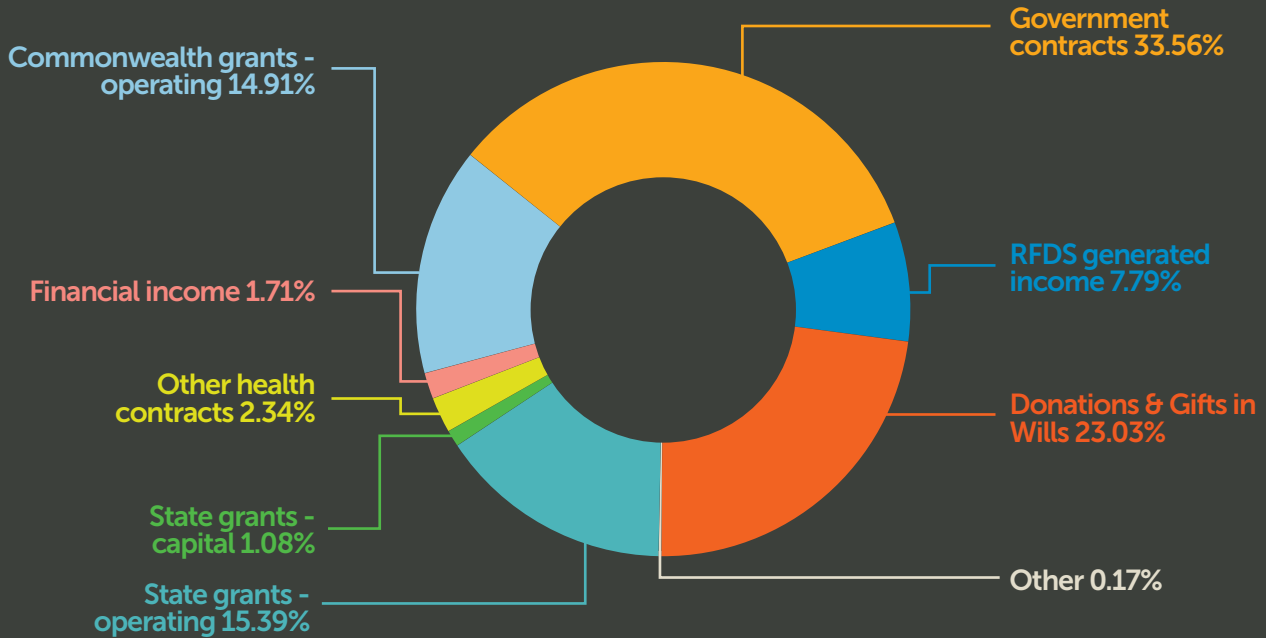


TOTAL EQUITY (\$ million)



Where our funding comes from

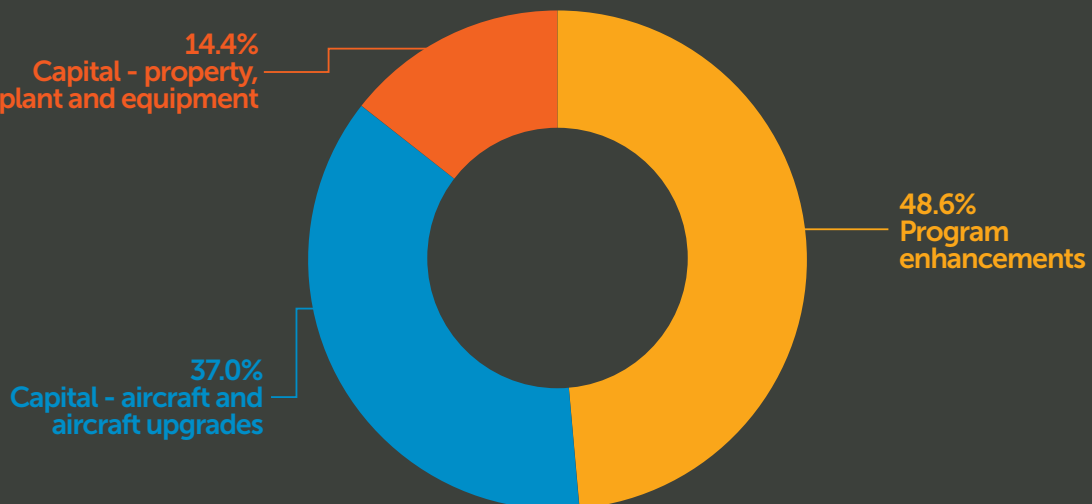
To 30 June 2021



Where our donor funding is applied

To 30 June 2021

(After marketing and fundraising costs have been met)





Our service reach >

Our aeromedical crews are on standby 24/7, 365 days a year.

Key

- Frequently visited primary (emergency) evacuation locations
- RFDS clinics including fly-in clinics, mobile dental clinics and alcohol and other drugs services
- Inter-hospital transfers including Air Ambulance locations
- RFDS Bases and healthcare facilities
- Rural Aerial Health Service
- Rural Women's GP Service clinics
- Contracted Aeromedical Service Delivery



Governance

The Board of Directors of the Royal Flying Doctor Service (South Eastern Section) has overseen the responsive and coordinated approach to support rural and remote communities during the ongoing COVID-19 pandemic whilst expanding the delivery of healthcare services in line with the strategy.

Role and responsibility

The Board is accountable to Members and stakeholders for the performance of the organisation and ensures it meets its constitutional, legal and fiduciary responsibilities as a charitable, not-for-profit organisation.

The Board monitors and guides the performance and management of the Royal Flying Doctor Service (South Eastern Section) on behalf of Members, by whom it is elected, and to whom it is responsible. The Board Charter clearly defines the matters that are reserved for the Board and those that the Board has designated to management.

Strategy

The Board continues to oversee the strategic and business development of the Royal Flying Doctor Service (South Eastern Section) to sustain, improve and increase the delivery of its core traditional services, including emergency evacuations and primary healthcare; and to increase health and wellbeing services, through a variety of channels, to support the needs of our rural and remote communities.

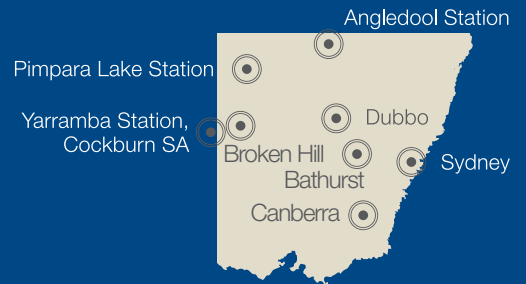
The Board works with the RFDS Federation Office to identify and advocate for appropriate Commonwealth funding contributions.

The Board subcommittees provide increased oversight of aviation regulation, medical and health services, regional advisory, fundraising activities and audit and risk.

Sub-Committees of the Board for 2020/21

Sub-Committee	Members
Audit & Risk Committee	<ul style="list-style-type: none"> • Ms Elizabeth Johnstone - Chair • Dr Saranne Cooke • Mr Anthony (Tony) MacRae • Mrs Elaine (Ruth) Sandow • Mr Greg Sam (CEO) • GM Corporate Services
Medical & Health Services Advisory Committee	<ul style="list-style-type: none"> • Professor David Lyle - Chair • Mrs Elaine (Ruth) Sandow • Mrs Sanchia Treloar • Mrs Joan Treweeke • Mr Sam Jeffries – Indigenous Community Representative (resigned 4 February 2021) • Mr Paul Martin – Consumer Representative • Dr Andre Nel – Far Western LHD (resigned 31 May 2021) • Mr Greg Sam (ex officio) • GM Health Services Development – Secretariat • Chief Medical Officer • Manager, Governance Engagement and Development
Regional Advisory Committee	<ul style="list-style-type: none"> • Mrs Sanchia Treloar - Chair • Mr Terence (Terry) Clark (retired 27 October 2020) • Mrs Elaine (Ruth) Sandow • Mrs Joan Treweeke • Mrs Pat Doolan • Mrs Julie McClure • Mr Greg Sam (ex officio) • GM Health Services – Secretariat • GM Marketing & Fundraising • Community Engagement Officer • Manager, Governance Engagement and Development
Board Aviation Committee	<ul style="list-style-type: none"> • Mr Alexander Scamps - Chair • Mr Anthony (Tony) MacRae • Ms Brooke Curtin (resigned 22 February 2021) • Mr Ranath Fernando – Independent Advisor • Mr Todd Chapman – Independent Advisor • Mr Greg Sam • GM Aviation • GM Base Operations & Service Delivery
Board Fundraising Committee (established 27 October 2020)	<ul style="list-style-type: none"> • Dr Saranne Cooke - Chair • Mrs Elaine (Ruth) Sandow • GM Marketing & Fundraising – Secretariat

Board of Directors



Our Board members live in NSW and South Australia and represent a unique mix of skills and experience.



Left to right: Mr Alexander Scamps (President), Mrs Elaine (Ruth) Sandow (Vice President), Mr Anthony (Tony) MacRae (Treasurer), Mr Terence (Terry) Clark (retired 27/10/2020), Dr Saranne Cooke, Ms Elizabeth Johnstone, Professor David Lyle, Mrs Sanchia Treloar, Mrs Joan Treweeke OAM, Ms Brooke Curtin (resigned 22/02/2021).

Mr Alexander Scamps BE (Elec Hons) ME (Aero) Grad Cert Fin. MBA ATPL GAICD

President

Chairman, Board Aviation Committee, RFDS Federation Board Member. Current role: Head of Fleet Operations, Flight Operations, Qantas. Former roles include: Manager Boeing Fleet Operations and B737 Captain: Qantas Airways; LOSA Auditor; Chief Operating Officer Network Aviation.; CASA approvals for AOC CEO, Part 145 CEO and Part 42 CEO; General Manager Flight Operations and Chief Pilot Network Aviation; Technical Pilot Airbus A330; and Instructor Boeing 747 and 767.

Mrs Elaine (Ruth) Sandow

Vice President

Member, Audit & Risk Committee; Regional Advisory Committee; Medical & Health Services Advisory Committee; Board Fundraising Committee. Former Royal Flying Doctor (South Eastern Section) President and registered nurse; resident grazer in the South Eastern Section Network area; Founding Member and Chairperson of the Milparinka Heritage and Tourism Association Inc.

Mr Anthony (Tony) MacRae

Treasurer

Member, Audit & Risk Committee and Board Aviation Committee. Current role: Chief Commercial Officer, SocietyOne; Non-Executive Director, Orbyt Corporation Limited. Former roles include: General Manager Banking My State Limited; General Manager Third Party Distribution at Westpac Banking Corporation; State General Manager, Commercial Banking NSW at Westpac Banking Corporation; Acting CEO RAMS; Head of Broker Business and Head of Operations and IT at RAMS Financial Group Pty Ltd; Head of Sales at PMI Mortgage Insurance Ltd; Operations & Direct Sales Director at Virgin Money; and Business Consultant/ Project Director at AXA/Ipac.

Mr Terence (Terry) Clark

Director (retired 27/10/2020)

Member, Regional Advisory Committee. Resident of the South Eastern Section Network. Former roles include: President, RFDS Dubbo Supporter Group; Director, Dubbo Tourism Association; Member Dubbo Tourism Advisory Committee.

Dr Saranne Cooke PhD FCPA MComLaw MBus(Mkt) BCom GAICD FAMI CPM

Director

Chair, Board Fundraising Committee; Member, Audit & Risk Committee. Current roles include: Deputy Chancellor, Charles Sturt University; Board Member, Racing NSW; Director, Western NSW Primary Health Network; Director, Leading Age Services Australia; Director, Fisheries Research & Development Corporation; Trustee Director, HESTA Superannuation; Chair, Diocesan Finance Council (Catholic Diocese of Bathurst). Saranne has a wealth of experience as a regionally based non-executive director and chair across multiple industries. Saranne has lived and worked almost all her life in regional NSW, with her previous executive career spanning financial, marketing, strategy, legal and information technology disciplines.

Ms Elizabeth Johnstone LLB MA (Hons) BA (Hons) FAICD

Director

Chair, Audit & Risk Management Committee. Current role: Senior Consultant, DLA Piper. Current directorships: Chair of ASX Compliance Governance Board; Chair of CEO Circle and Future Circle. Former roles include: Partner and Practice Head (Company Law and Governance) Blake Dawson now Ashurst; Chairman KinCare; Director, ASX Compliance Board; Auditing and Assurance Standards Board; Australian Press Council; Institute of Compliance and Sydney Writers' Festival. Prior BPW/Qantas Business Woman of the Year. Fellow, Australian Institute of Company Directors.

Professor David Lyle MB BS PhD FAFPHM

Director

Chair, Medical & Health Services Advisory Committee. Current role: Professor and Head of the Broken Hill University Department of Rural Health (BH UDRH), University of Sydney. Director of Research, Far West Local Health District. David is a public health physician who

worked as a medical epidemiologist with the NSW Health Department before moving to Broken Hill in 1995 to set up the BH UDRH. He has a strong research and health service development background.

Mrs Sanchia Treloar

Director

Chair, Regional Advisory Committee; Member, Medical & Health Services Advisory Committee. Current roles include: Royal Flying Doctor Service Broken Hill Women's Auxiliary; Broken Hill School of the Air P&C; Cockburn Progress Association; and ICPA North East SA & Broken Hill branches. Resident grazier in the South Eastern Section Network area.

Mrs Joan Treweeke OAM LLB

Director

Member, Medical & Health Services Advisory Committee and Regional Advisory Committee. Current directorships: Board Member, Royal Far West. Former roles include: Board Member Western NSW Local Health District; President/Vice President RFDS SE Section; Board Member Far West Medicare Local; Vice President ICPA NSW, and Walgett Shire Councillor. Experienced in leadership and governance roles in education, community services and natural resource management for both government and non - government organisations in rural and remote NSW. Resident of the South Eastern Section Network area.

Ms Brooke Curtin MAICD

Associate Director (resigned 22/02/2021)

Member, Board Aviation Committee. Current roles include: Non Executive Director, Mildura Airport PTY LTD; Board Member, Royal Australian College of Surgeons Urology Training Board. Brooke has experience as a Navigator in the Air Force (similar to a co-pilot role) where she flew Super King Airliners, and as Senior Aviation Advisor to the Minister for Transport. Brooke has significant business and government experience ranging from experience in not-for-profits to global private sector companies, government organisations and with federal members of parliament.



Director's Report

For the year ended 30 June 2021

- The Directors present their report together with the financial report of the Royal Flying Doctor Service of Australia (South Eastern Section) ("the Service"), for the financial year ended 30 June 2021 and the auditor's report thereon.

The names of Board members holding office at any time during or since the end of the financial year were: Mr Alexander Scamps, Mrs Elaine (Ruth) Sandow, Mr Anthony (Tony) MacRae, Mr Terence (Terry) Clark (retired 27/10/2020), Dr Saranne Cooke, Ms Elizabeth Johnstone, Professor David Lyle, Mrs Sanchia Treloar, Mrs Joan Treweeke. Ms Brooke Curtin was an Associate Director of the Board (resigned 22/02/2021). Associate Directors have no voting rights and are not subject to any of the obligations of a Director.

Particulars of Directors' qualifications, experience and special responsibilities are set out on page 12 - 13 of the Financial Report.

- The principal activity of the Service during the financial year was the provision of aeromedical services.
There were no changes in the nature of the activities during the period.
- The total deficit for the year was \$2,008,013 (2020 was a surplus of \$5,831,942).
- The Service is a company not for gain, limited by guarantee.
- The Service is subject to environmental regulation. The National Greenhouse and Energy Reporting Act 2007 requires the Service to report its annual greenhouse gas emissions and energy use. The Service has implemented systems and processes for the collection and calculation of the data required and submitted its 2019/20 report to the Greenhouse and Energy Data Officer on 2 November 2020.
- Since the end of the financial year the Directors are not aware of any matter or circumstances, not otherwise dealt with in this report or the accounts, that has significantly affected or may significantly affect the operations of the Service, the results of those operations or the state of affairs of the Service in subsequent financial years.
- No Director of the Service since the end of the previous financial year has received or become entitled to receive a benefit by reason of a contract made by the Service or by a related corporation with the Director or with a firm of which they are a member or with a company in which they have a substantial financial interest.
- The Service has been impacted by the COVID-19 pandemic during the financial year under review. Please see this document and Year in Review report for further information.

- A review of the operations of the Service is contained in the Annual Report. The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of the Service during the financial year are:

	Board of Directors	
	Held	Attended
Mr Alexander Scamps	8	8
Mrs Elaine (Ruth) Sandow	8	7
Mr Anthony (Tony) MacRae	8	8
Mr Terence (Terry) Clark	4	4
Dr Saranne Cooke	8	8
Ms Elizabeth Johnstone	8	8
Professor David Lyle	8	8
Mrs Sanchia Treloar	8	7
Mrs Joan Treweeke	8	8

	Audit & Risk Committee	
	Held	Attended
Mrs Elaine (Ruth) Sandow	4	3
Mr Anthony (Tony) MacRae	4	4
Dr Saranne Cooke	4	4
Ms Elizabeth Johnstone	4	4

- Company Secretary - Mr Greg Sam was appointed to the position of company secretary in 2014. Mr Sam has over twenty years of experience in corporate governance and health services management.
- During the financial year, the Service paid a premium to insure the directors and officers of the Service and its Australian based subsidiaries and the general managers of the Service. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Service, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Service.
- The Lead Auditor's Independence Declaration is set out on page 15 and forms part of the directors' report for the financial year ended 30 June 2021.

For and on behalf of the Board in accordance with a resolution of the Board

Mr Alexander Scamps
President
23 August 2021

Mr Anthony (Tony) MacRae
Treasurer
23 August 2021

Lead auditor's independence declaration



Auditor's Independence Declaration

As lead auditor for the audit of Royal Flying Doctor Service of Australia (South Eastern Section) for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



M. T. Lojszczyk
Partner
PricewaterhouseCoopers

Adelaide
23 August 2021

PricewaterhouseCoopers, ABN 52 780 433 757
Level 11, 70 Franklin Street, ADELAIDE SA 5000, GPO Box 418, ADELAIDE SA 5001
T: +61 8 8218 7000, F: +61 8 8218 7999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

Statement of Comprehensive Income

For the year ended 30 June 2021

	Notes	2021	2020
		\$	\$
Revenue	2	62,844,266	59,930,696
Other revenue	2	25,477,825	28,935,779
		88,322,091	88,866,475
Administration		8,776,582	9,426,862
Aviation costs		13,786,300	14,241,622
Amortisation of engines	8	2,558,546	2,596,593
Depreciation	8	12,417,241	11,203,791
Depreciation right-of-use of assets		804,182	236,043
Impairment of asset	8	-	679,199
Employment costs	3	45,153,607	39,172,806
Facilities costs		2,095,903	1,878,353
Marketing expenses		4,683,298	4,173,299
Loss on disposal/retirement of property, plant & equipment		-	2,977
Other expenses		260,000	260,000
Surplus from operating activities		(2,213,568)	4,994,930
Net financial income	4	205,555	837,012
SURPLUS FOR THE YEAR BEFORE INCOME TAX		(2,008,013)	5,831,942
Income tax expense	1(f)	-	-
SURPLUS FOR THE YEAR		(2,008,013)	5,831,942
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Change in fair value of property, plant and equipment		(3,147,822)	
<i>Items that will not be reclassified to profit or loss</i>			
Change in fair value of financial assets through other comprehensive income		4,805,487	(302,654)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(350,348)	5,529,288

The adoption by the Service of AASB 16 in the 2019/20 financial year has resulted in the reclassification of leases in the Statement of Comprehensive Income from an administration expense to be shown above as depreciation right-of-use assets and, in Note 4 Net financial income, interest unwinding on lease liabilities. Right-of-use assets are shown as assets in the Statement of Financial Position while the commitment is classified as current or non current liability based on the term of the lease as required by the Standard. The Statement of Cashflow has been adjusted to show the lease payment of principal as a payment separate to payments to employees and suppliers (inclusive of GST)

Statement of Changes in Equity

For the year ended 30 June 2021

	Notes	Asset Revaluation Reserve	Investment Fair value Reserve	Total Reserves	Retained Earnings	Total
		\$	\$	\$	\$	\$
Balances at 1 July, 2019		7,002,015	3,134,575	10,136,590	176,700,176	186,836,766
Other comprehensive income		-	(302,654)	(302,654)	-	(302,654)
Surplus for the year		-	-	-	5,831,942	5,831,942
Balances at 30 June, 2020		7,002,015	2,831,921	9,833,936	182,532,118	192,366,054
Balances at 1 July, 2020		7,002,015	2,831,921	9,833,936	182,532,118	192,366,054
Other comprehensive income		(3,147,822)	4,805,487	1,657,665	-	1,657,665
Deficit for the year			-	-	(2,008,013)	(2,008,013)
Balances at 30 June, 2021	10,11	3,854,193	7,637,408	11,491,601	180,524,105	192,015,706

Statement of Financial Position

For the year ended 30 June 2021

	Notes	2021	2020
		\$	\$
Assets			
Cash and cash equivalents	5	17,657,928	27,114,372
Term deposits (greater than 90 days) and fixed interest funds		2,734,889	3,214,672
Trade and other receivables	6	5,618,051	5,137,319
Inventories	7	6,775,028	6,744,956
Total current assets		32,785,896	42,211,319
Property, plant and equipment	8	141,253,119	156,148,711
Right-of-use assets		6,581,139	6,269,196
Financial assets at fair value through other comprehensive income		26,659,977	19,489,139
Fixed interest funds		19,623,927	18,242,724
Total non current assets		194,118,162	200,149,770
TOTAL ASSETS		226,904,058	242,361,089
Liabilities			
Trade and other payables		5,411,190	5,818,021
Employee benefits	9	8,191,162	8,161,435
Unearned income		1,867,322	5,545,521
Financial liabilities		2,131,268	3,535,662
Lease liability		565,746	755,264
Total current liabilities		18,166,688	23,815,903
Employee benefits	9	419,781	433,784
Financial liabilities		10,033,288	20,214,554
Lease liability		6,268,595	5,530,794
Total non current liabilities		16,721,664	26,179,132
TOTAL LIABILITIES		34,888,352	49,995,035
NET ASSETS		192,015,706	192,366,054
Equity			
Reserves	10	11,491,601	9,833,936
Retained earnings	11	180,524,105	182,532,118
TOTAL EQUITY		192,015,706	192,366,054

Statement of Cash Flows

For the year ended 30 June 2021

	Notes	2021	2020
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from government grants (inclusive of GST)		30,047,196	25,451,274
Receipts from contracts (inclusive of GST)		32,624,597	46,493,602
Receipts from fundraising		19,643,535	25,474,335
Receipts from customers (inclusive of GST)		2,150,140	1,126,638
Payments to employees and suppliers (inclusive of GST)		(81,056,236)	(75,737,244)
NET CASH FLOWS FROM OPERATING ACTIVITIES		3,409,232	22,808,605
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts from capital grants (inclusive of GST)		986,428	1,346,579
Proceeds from sale of property, plant and equipment		7,584,617	307,287
Payments for property, plant and equipment	8	(7,274,689)	(16,718,642)
Interest received	4	126,556	120,608
Dividends received		1,408,794	1,635,737
Transfers from / (to) term deposits		479,784	1,954,579
Transfers from / (to) investment portfolio		(3,746,553)	6,241,450
Settlement of foreign exchange contracts		(13,371)	65,275
Bequest of Investments		1,052,684	1,954,579
NET CASH FLOWS FROM INVESTING ACTIVITIES		604,250	(3,092,548)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(1,059,676)	(922,977)
Lease payment of principal		(824,590)	(280,809)
Repayment of borrowings		(11,585,660)	(3,407,705)
NET CASH FLOWS FROM FINANCING ACTIVITIES		(13,469,926)	(4,611,491)
NET INCREASE/(DECREASE) IN CASH HELD		(9,456,444)	15,104,566
Cash and cash equivalents at the beginning of the year		27,114,372	12,009,806
Cash and cash equivalents at the end of the year	5	17,657,928	27,114,372

Notes to and forming part of the Financial Statements

For the year ended 30 June 2021

1. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements to the extent they have not already been disclosed in the other notes. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Reporting entity

The Royal Flying Doctor Service of Australia (South Eastern Section), ("the Service"), is domiciled in Australia. The address of the Service's registered office is Broken Hill Airport, Broken Hill NSW 2880. The financial report of the Service is for the financial year ended 30 June 2021. The Service is a company not for gain, limited by guarantee.

(b) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the ACNC Act 2012. The Service is a not-for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with Australian Accounting Standards – Reduced Disclosure Requirements

The financial statements of the Service comply with Australian Accounting Standards - Reduced Disclosure Requirements as issued by the AASB. The financial statements were approved by the Board of Directors on **26 August 2020**.

(ii) Historical cost convention

The financial statements have been prepared on the historical cost basis except for the following which are stated at their fair value:

- financial instruments classified as fair value through other comprehensive income and foreign exchange contracts; and
- freehold land and buildings.

(iii) Accounting estimates

The service makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- valuation of property, plant and equipment, refer to note 8 for further details
- depreciation and amortisation of property, plant and equipment, refer to note 8 for further details
- employee benefits, refer to note 9 for further details

(iv) Reclassification

When the presentation or classification of items in the financial report is amended, comparative amounts are reclassified to ensure comparability.

(c) New and amended standards and interpretations

Certain new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Service have not been early adopted by the Service.

(d) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the 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 payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to the ATO is included as a current asset or liability in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(e) Foreign currency translation

(i) Functional and presentation currency

The financial report is presented in Australian dollars, which is the Service's functional currency and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

(f) Income Tax

The Service is exempt from Income Tax.

(g) Investments

Investments and other financial assets

(i) Classification From 1 July 2018, the Service classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Service's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Service has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Service commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Service has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Service measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

The Service subsequently measures all equity investments at fair value. Where the Service's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Service's right to receive payments is established. Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

From 1 July 2018, the Service assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Significant Accounting Policies (continued)

(h) Trade and other payables

These amounts represent liabilities for goods and services provided to the Service prior to the end of the financial year which are unpaid. Trade and other payables are stated at their amortised cost. Trade payables are non-interest bearing and are normally settled on 30 day terms. Trade and other payables are unsecured.

(i) Interest bearing liabilities

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. Borrowings are classified as current liabilities unless the Service has an unconditional right to defer settlement of the liability for at least 12 months.

The bank loans are secured by the rights to the aircraft asset of MSZ recognised in the financial statements, that revert to the lender in the event of default.

(j) Impairment

(i) Testing for impairment

The carrying amounts of the Service's assets, other than inventories (see note 7) are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income unless an asset has previously been valued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation in equity with any excess recognised through the Statement of Comprehensive Income.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that has been recognised directly in equity is recognised in the profit and loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit and loss.

(ii) Reversals of impairment

Impairment losses are reversed where there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount. An impairment loss in respect of a receivable carried at after the impairment loss was recognised. An impairment loss in respect of an investment in an equity instrument classified as available-for-sale is not reversed through profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not

exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(iii) Derecognition of financial assets and liabilities

A financial asset is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Service retains the rights to receive cash flows from the asset, but has assumed an obligation to pay them in full to a third party; or
- the Service has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset or has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. When existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit and loss.

(k) Leases

The Service recognises lease liabilities at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at date of initial measurement. Each lease payment is allocated between the liability and finance cost. The finance cost (Note 4) is charged to the statement of comprehensive income over the lease period so as to produce a constant rate of interest on the remaining balance of the liability at each period.

The associated right-of-use assets for leases are measured at the present value of the lease payments, discounted using the lessee's incremental borrowing rate as at date of initial measurement. Right-of-use assets are depreciated over the shorter of assets useful life and the lease term on a straight-line basis. Leases with a duration of less than 12 months or a net present value of less than \$5,000 are treated as rental payments with no lease obligation or associated right to use asset recognised.

(l) Accounting Policy for Jobkeeper Subsidy Scheme

The Service received government grant income during the reporting period under the Australian Government's Jobkeeper Payment scheme. The scheme is a response by the Australian Government to assist businesses impacted by the economic effects of COVID-19. The scheme subsidises employee costs of eligible nominated employees, provided the employer meets certain eligibility criteria and elects to participate in the scheme. The service recognise income received under the scheme as a government grant. The service recognises income when there is reasonable assurance that it will comply with the conditions applicable to them and that the grants will be received.

2. Revenue

	2021	2020
	€	€
Revenue		
Government grants - commonwealth	13,400,723	11,387,668
Government grants - state	13,826,713	11,627,438
Government contracts - services	30,151,672	32,010,206
Other health contracts - services	2,104,914	2,080,953
Cost recoveries - services	1,561,068	1,960,501
Merchandising	1,799,176	863,930
	62,844,266	59,930,696
Other revenue		
Capital grants - state	970,193	1,346,579
Capital grants - commonwealth	16,235	-
Bequests	6,109,888	11,600,658
Donations	14,586,331	15,828,256
Profit on disposal/retirement of property, plant & equipment	3,639,681	-
Other income	155,497	160,286
	25,477,825	28,935,779
	88,322,091	88,866,475

(i) Services rendered

Revenue from services rendered is recognised in the Statement of Comprehensive Income when the performance obligations have been satisfied.

(ii) Grants

Government and capital grants from funding bodies are recognised over time as revenue when the performance obligations attached to the grants have been fulfilled. In the cases where the performance obligations are not filled, the grant received is recognised as unearned income. Grants that compensate the Service for expenses incurred are recognised as revenue in the Statement of Comprehensive Income on a systematic basis in the same periods in which the expenses are incurred.

(iii) Donations & bequests

Donations without contractual obligations represents monies received into the Service's bank account. Donations with contractual obligations are recognised over time when the performance obligations attached to the donation have been fulfilled. In the cases where the performance obligations are not filled, the donation received is recognised as unearned income. Bequests and gifts received in the form of properties or investments are taken into account when received at their market value.

(iv) Merchandising

Revenue from merchandising is recognised in the Statement of Comprehensive Income on sale of goods.

3. Employment costs

	2021	2020
	\$	\$
Wages and salaries	38,349,348	32,411,894
Other associated personnel expenses	3,328,875	2,230,489
Contributions to defined superannuation funds	3,459,660	3,110,077
Increase in provisions for employee leave entitlements	15,724	1,420,346
	45,153,607	39,172,806

4. Net financial income / (expense)

	2021	2020
	\$	\$
Interest income	126,556	120,607
Dividend income	1,215,319	1,266,475
Imputation credits	193,475	369,261
Realised gain on foreign exchange	-	65,275
Financial income	1,535,350	1,821,618
Interest expense	1,059,676	922,977
Interest unwinding on lease liabilities	256,748	61,629
Realised loss on foreign exchange	13,371	-
Financial expense	1,329,795	984,606
NET FINANCIAL INCOME	205,555	837,012

Interest income is recognised in the Statement of Comprehensive Income as it accrues, using the effective interest method. Dividend income is recognised in the Statement of Comprehensive Income on the date the Service's right to receive payments is established which in the case of quoted securities is the ex-dividend date. The Service uses derivative financial instruments to hedge its exposure to foreign exchange risks arising from predominately aircraft purchases.

Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

5. Cash and cash equivalents

	2021	2020
	\$	\$
Cash on hand	3,250	2,575
Cash at bank	14,862,582	15,659,298
Term deposits (less than 90 days)	-	7,500,000
Investment trust	2,792,096	3,952,499
	17,657,928	27,114,372

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Deposits with original maturities of greater than three months are classified as term deposits on the face of the Statement of Financial Position.

6. Trade and other receivables

	2021	2020
	€	€
Trade receivables	2,987,226	3,703,878
Prepayments - note 8 (vi)	1,903,870	228,840
Other receivables	726,955	1,204,601
TOTAL	5,618,051	5,137,319

Trade and other receivables are stated at their amortised cost less impairment losses.

The recoverable amount of the Service's receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate. Receivables with a short duration are not discounted and collectibility of trade receivables is reviewed on an ongoing basis.

The Service applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. No impairment for trade receivables is carried.

7. Inventories

	2021	2020
	€	€
Aviation stores, at cost	6,719,509	6,589,495
Provision for obsolete aviation stores	(422,673)	(422,726)
Marketing stores, at cost	478,192	578,187
TOTAL	6,775,028	6,744,956

Inventories include aircraft spare parts and souvenirs. Inventories are valued at the lower of cost and current replacement cost. Inventory identified as obsolete is written off in the Statement of Comprehensive Income.

8. Property, plant and equipment

	PROPERTY			AIRCRAFT	
	Freehold land and buildings	Leasehold land and buildings	WIP	Aircraft hulls	Aircraft engines
	\$	\$	\$	\$	\$
Year ended 30 June 2021					
Cost	18,773,562	20,594,413	184,639	130,818,506	28,227,727
Accumulated depreciation	(1,472,629)	(1,968,681)	-	(67,089,737)	(11,557,142)
Net carrying amount	17,300,933	18,625,732	184,639	63,728,769	16,670,585
Movement					
Opening net carrying amount	18,150,926	19,140,379	3,036,448	72,824,194	19,241,856
Additions	158,525	75,645	184,639	-	592,241
Disposals and write-offs	(3,880,000)	-	-	(5,104,141)	(1,328,133)
Depreciation and amortisation	(544,654)	(590,292)	-	(6,182,532)	(2,558,546)
Depreciation and amortisation on disposals	379,688	-	-	2,191,248	723,167
Impairments	-	-	-	-	-
Transfers between classes	3,036,448	-	(3,036,448)	-	-
Closing net carrying amount	17,300,933	18,625,732	184,639	63,728,769	16,670,585
Year ended 30 June 2020					
Cost	19,458,589	20,518,768	3,036,448	135,922,647	28,963,619
Accumulated depreciation	(1,307,663)	(1,378,389)	-	(63,098,453)	(9,721,763)
Net carrying amount	18,150,926	19,140,379	3,036,448	72,824,194	19,241,856

(i) Measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, with the exception of freehold land and buildings, which are stated at fair value less subsequent depreciation for buildings.

Management engage external independent valuer every five years to value the Service's freehold land and buildings. On 30 June 2017, the Service's freehold land and buildings was independently valued by Broken Hill Valuers and National Property Valuers (NSW) to determine the fair value. A revaluation surplus is credited to other reserves in equity. For years when independent valuations are not completed the directors prepare director valuations.

(ii) Depreciation

With the exception of land, depreciation is calculated using the straight-line method to allocate the cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold buildings, the shorter lease term as follows:

- Buildings 40 to 60 years
- Plant, equipment, furniture and intangibles 3 to 15 years
- Aircraft and related equipment 10 to 20 years
- Aircraft rotables 5 to 10 years
- Motor Vehicles 3 to 10 years

Management estimates the useful lives and residual values of property, plant and equipment based on the expected period of time over which economic benefits from use of the asset will be derived. Management reviews useful life assumptions on an annual basis having consideration to variables, including historical and forecast usage rates, technological advancements and changes in legal and economic conditions.

AIRCRAFT			PLANT & EQUIPMENT		TOTAL
Aircraft fit outs	Aircraft rotables	WIP	Plant and equipment	WIP	
\$	\$	\$	\$	\$	\$
35,470,176	2,016,363	3,251,789	20,018,285	1,747,088	261,102,548
(27,429,336)	(1,466,183)	-	(8,865,721)	-	(119,849,429)
8,040,840	550,180	3,251,789	11,152,564	1,747,088	141,253,119
10,476,588	512,524	325,805	10,970,198	1,469,793	156,148,711
652,920	533,974	2,925,984	1,402,959	747,802	7,274,689
-	(125,421)	-	(561,030)	-	(10,998,725)
(3,088,668)	(393,017)	-	(1,618,078)	-	(14,975,787)
-	22,120	-	488,008	-	3,804,231
-	-	-	-	-	-
-	-	-	470,507	(470,507)	-
8,040,840	550,180	3,251,789	11,152,564	1,747,088	141,253,119
34,817,256	1,607,810	325,805	18,705,849	1,469,793	264,826,584
(24,340,668)	(1,095,286)	-	(7,735,651)	-	(108,677,873)
10,476,588	512,524	325,805	10,970,198	1,469,793	156,148,711

(iii) Amortisation

Aircraft engines are amortised using the unit-of-production method. Unit-of-production method rates are based on TBO (time between overhaul) hours, which are the minimum performance standard for specified materials, parts and appliances used on civil aircraft.

(iv) Qualifying assets

The Service capitalises borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset.

(v) Deposits paid on aircraft purchased

Cash deposits paid in the previous financial year by the Service when purchasing an aircraft are recorded as a prepayment until the transfer of the aircraft occurs at which time the aircraft is classified as property, plant and equipment at cost.

(vi) Assets disposed of during the current financial year

During 2020/21 the Service disposed of the property at 110 Sussex St, Sydney and one B250 aircraft call sign MRQ. The cash value of these disposals have been recognised in the cash flow with profit on sale recognised in Note 2.

9. Employee benefits

	2021	2020
	€\$	€\$
CURRENT		
Salaries and wages accrued	2,053,062	2,692,897
Liability for long service leave	1,953,859	1,539,278
Liability for annual leave	4,184,241	3,929,260
	8,191,162	8,161,435
NON-CURRENT		
Liability for long service leave	419,781	433,784
TOTAL	8,610,943	8,595,219

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the reporting period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Other long-term benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the reporting period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting future cash flows.

The obligations are presented as current liabilities in the statement of financial position if the Service does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

10. Reserves

Asset Revaluation reserve

The revaluation reserve relates to land and buildings measured at fair value in accordance with applicable Australian Accounting Standards.

Investment Fair Value reserve

The fair value reserve includes the cumulative net change of investments at fair value through other comprehensive income until the investment is derecognised through sale. Impairment losses are recognised in the statement of comprehensive income.

11. Retained Earnings

The Service retains earnings in order to provide the necessary funds to support the net assets required to meet its strategic objectives as well as to fund program enhancements such as Oral Health and Mental programs. These net assets include cash retained in order to provide for future capital requirements. Details of capital commitments at 30 June 2021 are set out in note 12.

12. Commitments for expenditure

	2021	2020
	€\$	€\$
CAPITAL COMMITMENTS		
Budgeted and expected to be incurred within 12 months:		
Land and buildings	622,000	550,000
Aircraft	4,861,000	3,780,500
Plant and equipment	2,017,000	2,071,625
Total capital commitments	7,500,000	6,402,125
INTEREST COMMITMENTS		
Interest current	400,181	795,141
Interest non current	419,492	1,299,919
Total interest commitment	819,673	2,095,060

13. Related parties

Transactions with key management personnel

In addition to its salaries, the Service also provides non-cash benefits to key management personnel, and contributes to a post-employment defined contribution superannuation fund on their behalf.

Key management personnel are Greg Sam (Chief Executive Officer), Jenny Beach (General Manager Health Services), Polly Doak (General Manager Corporate Services), Claudio Grasso (General Manager Base Operations & Service Delivery), Justin Marr (General Manager Aviation), Melanie Mayne-Wilson (General Manager Marketing & Fundraising), Peter Miranda (General Manager Strategic Development) and Jeff Koneman (Flight Operations Manager).

During the financial year the following key management personnel resigned: Troy Wild, Carlie Gross.

	2021	2020
	\$	\$
Total remuneration to related parties	2,788,730	2,516,278

Other key management personnel transactions

The terms and conditions of the transactions with key management personnel were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

14. Controlled entities

	Country of Incorporation	Ownership Interest	
		2021	2020
		%	%
Parent entity			
Royal Flying Doctor Service of Australia (SE Section)			
Subsidiary			
Royal Flying Doctor Service of Australia (South Eastern Section) New South Wales Operations	Australia	100	100
Royal Flying Doctor Service of Australia (South Eastern Section) Tasmanian Operations	Australia	100	100
Royal Flying Doctor Service of Australia (South Eastern Section) Victorian Operations	Australia	100	100

Principals of consolidation

Consolidated financial statements comprising the Service and the controlled entities are not prepared as the controlled entities' results, assets and liabilities are not material.

15. Information on charitable fundraising activity

	Notes	2021	2020
		\$	€\$
Source of fundraising revenue			
Gross income from bequests	2	6,109,888	11,600,658
Gross income from fundraising	2	14,586,331	15,828,256
Gross income all sources		20,696,219	27,428,914
Gross cost of fundraising			
Gross cost of fundraising		6,684,407	5,938,748
Gross cost of marketing		1,062,616	1,154,431
Gross cost marketing & fundraising		7,747,023	7,093,179
Surplus of gross income all sources after deducting gross cost of marketing & fundraising		12,949,196	20,335,735
Source of funds ratios			
Gross fundraising costs to gross income from fundraising		46%	38%
Gross fundraising costs to gross income from all sources		32%	22%
Gross cost marketing & fundraising to gross income all sources		37%	26%
Disbursement of fundraising revenue			
Program enhancements		4,649,710	4,387,161
Capital - aircraft & aircraft upgrades		3,543,419	3,523,962
Capital - property, plant & equipment		1,375,478	5,729,558
Total funds disbursed		9,568,607	13,640,681
Surplus / (deficit) of gross income all sources after deducting funds disbursed		3,380,589	6,695,054
Disbursement of funds ratios			
Net surplus / (deficit) percentage to gross income all sources		16%	24%
Total funds disbursed to gross cost of marketing & fundraising		124%	192%
Total funds disbursed to gross income all sources		46%	50%

16. Members' guarantee

The Service is incorporated under the Corporations Act 2001 and is a company limited by guarantee. In the event the Service is wound up, the Constitution states that each constitutional member is required to contribute a maximum of \$2.00 each towards meeting any outstanding obligations of the Service. At 30 June 2021, the number of constitutional members was 117 (2020: 120).

17. Contingent liabilities and contingent assets

There are no contingent liabilities or contingent assets as at 30 June 2021.

18. Events occurring after balance date

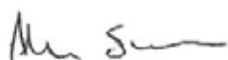
There have been no events after balance date affecting this financial report.

Directors' Declaration

1. In the opinion of the Directors of the Royal Flying Doctor Service of Australia (South Eastern Section)

- (a) the financial statements and notes set out on page 16 to 30, are in accordance with the Division 60 of the Australian Charities and Not-For-Profits Commission (ACNC) Act 2012, including:
- (i) giving a true and fair view of the financial position of the Service as at 30 June 2021 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards including the Australian Accounting Interpretation and Division 60 of the ACNC Regulation 2013
- (b) there are reasonable grounds to believe that the Service will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors



Mr Alexander Scamps, President
23 August 2021

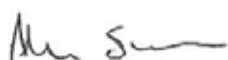


Mr Anthony (Tony) MacRae, Treasurer
23 August 2021

Declaration in Respect of Fundraising Appeals

I, Alexander Scamps, Chairman of the Board of Directors of the Royal Flying Doctor Service of Australia (South Eastern Section) declare that in my opinion:

- (a) the financial report gives a true and fair view of the state of affairs with respect to fundraising appeals;
- (b) the provisions of the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulations 2008 and the conditions attached to the authority have been complied with; and
- (c) the internal controls exercised by the Royal Flying Doctor Service of Australia (South Eastern Section) are appropriate and effective in accounting for all income received.



Mr Alexander Scamps, President
23 August 2021

Independent auditor's report

To the members of Royal Flying Doctor Service of Australia (South Eastern Section)

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Royal Flying Doctor Service of Australia (South Eastern Section) (the Service) is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- (a) giving a true and fair view of the Service's financial position as at 30 June 2021 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2021
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to and forming part of the financial statements, which include significant accounting policies and other explanatory information
- the declaration of the Directors.

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

Independence

We are independent of the Service in accordance with the ethical requirements of the Accounting Professional & 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.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

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 on the other information that we obtained prior to the date of this auditor's report, 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 are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission (ACNC) 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 ability of the Service 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 Service 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 the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Report on other legal and regulatory requirements on Charitable Fundraising Act 1991 (NSW) and the NSW Charitable Fundraising Regulations 2008

We have audited the financial report as required by Section 24(2) of the NSW Charitable Fundraising Act 1991. The directors of the Service are responsible for the preparation and presentation of the financial report in accordance with the Charitable Fundraising Act 1991 (NSW) and NSW Charitable Fundraising Regulations 2008. Our responsibility is to express an opinion on the financial report based on our audit.

Auditor's Opinion

In our opinion:

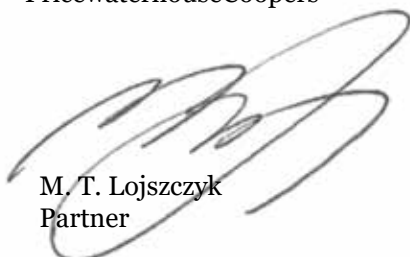
(a) The financial report and associated records have been properly kept, during the financial year ended 30 June 2021, in accordance with:

- (i) Sections 20(1), 22(1-2) and 24(1-3) of the Charitable Fundraising Act 1991 (NSW); and
- (ii) Sections 9(6) and 10 of the NSW Charitable Fundraising Regulations 2008.

(b) Money received as a result of fundraising appeal activities conducted by the Service during the financial year ended 30 June 2021 have been properly accounted for and applied in accordance with the above mentioned Act and Regulations.



PricewaterhouseCoopers



M. T. Lojszczyk
Partner

Adelaide
23 August 2021

Government and Corporate Supporters

Funding Partners



National Major Partners

National Community Partner



Corporate & Community Partners



Commercial Supporters



We would also like to thank the following businesses for their assistance this year:



Trusts and Foundations

- Allen Family Foundation
- Bruce and Joy Reid Trust
- Collier Charitable Fund
- Funded by the Lord Mayor's Charitable Foundation, through the Eldon & Anne Foote Trust
- Maple-Brown Family Foundation
- McGrath Foundation
- Skipper-Jacobs Charitable Trust
- The Knappick Foundation
- The Profield Foundation
- The Rydge Foundation
- The Vernon Foundation



How you can help

With your help, we will be able to continue to deliver healthcare, no matter how remote. More than ever, we are grateful for the generosity of so many individuals, families, volunteers, businesses, workplaces and community organisations. Help us continue to make an impact into the future by making a donation.

Send your donation to:

Royal Flying Doctor Service of Australia
(South Eastern Section)
Reply Paid 3537
SYDNEY NSW 2001

Phone: 1300 669 569

Email: supporter@rfdse.org.au

Donate: flyingdoctor.org.au to make your donation online.



Royal Flying Doctor Service
SOUTH EASTERN SECTION

Bankstown Base

Hangar 276, Airport Ave
Bankstown Airport NSW 2200
T: 02 9941 8880

Broken Hill Base and Visitors' Centre

Broken Hill Airport, Airport Rd,
Broken Hill NSW 2880
T: 08 8080 3777

Dubbo Base

RFDS Dubbo Hangar
9R Cooreena Road (Judy Jakins Drive)
Dubbo NSW 2830
T: 02 6841 2555

Dubbo RFDS Visitor Experience

21 Judy Jakins Drive
Dubbo NSW 2830
T: 1800 847 487

Mascot Base

Cnr Ross Smith Ave & Eleventh St,
Sydney Airport
Mascot NSW 2020
T: 02 9941 8880

Sydney Office

Level 5, 418A Elizabeth Street,
Surry Hills NSW 2010
T: 02 9941 8859
E: enquiries@rfdse.org.au

Connect with us



1300 669 569



GPO Box 3537 Sydney NSW 2001



Flyingdoctor.org.au



[Facebook.com/royalflyingdoctorservice](https://www.facebook.com/royalflyingdoctorservice)



@RoyalFlyingDoc



[royalflyingdoc](https://www.instagram.com/royalflyingdoc)