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ANNUAL
REPORT
2019



OTAGO
Rescue
HELICOPTER TRUST



Otago Rescue Helicopter Trust Board



Martin Dippie
Trust Chairman



Warwick Deuchrass



John Gallaher



Paul Moodie
Retired July 2019



Tony Sycamore



Key Statistics 2018-19

1,200 Emergency Patient Retrievals up 17% on last year

	MISSION HOURS FLOWN DURING YEAR		
	2018-19	2017-18	%Change
Accident	836	622	+34%
Medical Emergency	745	679	+10%
Hospital Transfers	359	281	+11%
Search and Rescue	57	105	-46%
TOTAL	1,997	1,687	+18%

(Hours include those flown directly by HeliOtago from 1st April 2018 and include Queenstown from 1st November 2018)

Total Revenue	\$947,264	\$6,435,910
Total Expenses	\$949,899	\$6,208,809
Net surplus before bequests and transfer of assets	-\$2,635	\$226,381
Total comprehensive revenue and expenses for the year	\$271,890	\$226,381

Highlights - Year to 30 June 2019

- **1,200 Emergency Patient Retrievals, 17% above last year***
- **Upgraded medical fitout complete in three helicopters**
- **Further GPS routes established for enhanced safety and ability to fly in previously restrictive weather conditions**
- **Upgraded service with additional MOH/ACC funding and contract confirmed for years two to four from 1 November 2019 (lower South Island operator continues to be HeliOtago).**
- **Four dedicated machines with dedicated crew – three at Taieri and one in Queenstown plus Te Anau as available.**

*includes Queenstown from 1 November 2018

Further growth in Rescue Missions

The high rate of growth in the number of rescue missions has continued with a record 1,200 patients rescued involving 1,996 helicopter hours flown by HeliOtago.

The compares with the previous year of 1,023 emergency patient missions and 1,688 hours flown. The increased number of dedicated machines and the dedicated crews of highly trained intensive care paramedics enabled HeliOtago to respond very promptly day and night during the busiest year in the history of the service.

Upgrade in medical equipment

Trust funding of \$342,000 has contributed to the replacement and upgrade of critical monitoring and life-support medical equipment in the helicopters.

This was completed on the recommendation and with the overview of the Trust's senior medical advisor, Dr Mike Hunter. The replacement provided the opportunity to standardise equipment across all rescue helicopters ensuring that the crews have access to the same medical equipment no matter which helicopter they fly in.



New GPS routes

The establishment of instrument grade GPS tracks in and out of Dunedin hospital a couple of years ago has been followed with the establishment of GPS tracks into Invercargill and Christchurch hospitals and, during this year, the introduction of GPS tracks into Dunstan and Oamaru. These GPS tracks are used in combination with HeliOtago's '3D Synthetic Vision' virtual reality system that is coupled to a GPS flight management system and the helicopters' auto-pilot enabling improved safety of crews and patients during night time missions and especially where low cloud would have previously prevented the rescue helicopters responding to an emergency. The community can be especially proud of having this advanced technology available for our region.

Ministry of Health (MOH) / Accident Compensation Corporation (ACC) Contract reliant on community donations

From 1 November 2018, the MOH / ACC contract to provide rescue helicopter services across the entire South Island has been held by HEMS New Zealand, a partnership between HeliOtago and GCH Aviation in Christchurch. Under the contract, HeliOtago continues to deliver its stunning service in the lower South, now also incorporating the Queenstown Lakes area that is also supported by the Lakes District Air Rescue Trust. The increased specifications in terms of numbers of helicopters and dedicated crews has provided an enhanced service in the lower South. The contract was awarded based on ongoing committed community donations and delivery of that part of the contract is now the main focus of the Trust. Since balance date, the contract between MOH / ACC and HEMS New Zealand has been confirmed until 31/10/22 with a further year at NASO (National Ambulance Sector Office) discretion, providing the community with certainty of an ongoing, highly professional and capable rescue service.

Donations and Bequests

The Trust received generous community donations totalling \$822,000. This includes a generous donation from the Otago Motor Club Trust of just on \$110,000 that contributed to the replacement of medical equipment carried in the helicopters.

The Trust records its grateful thanks to the Otago Regional Council for its ongoing annual sponsorship of \$350,000. It also acknowledges the communities across the region that continue to undertake truly outstanding fundraising projects and events in support of the rescue helicopter service. In addition, the Trust has received many generous individual donations.

The Trust relies on community donations to support the continuation of the service in this region. The generosity of our community reflects the benefit received from the increased use of the rescue helicopters and the care the service delivers in serious emergency situations.

The Trust has been the beneficiary of three large bequests that have been transferred to the Endowment Fund Reserve to ensure that these special funds benefit the long-term future enhancement of the rescue helicopter service in this region.

Operational performance

During the year, the Trust donated operational income to the operator of the rescue helicopter service, HeliOtago, leaving an operating deficit of \$3,000. It also transferred assets that had been held at the end of its own contract with MOH / ACC (concluded March 2018) across to HeliOtago reflecting the new role of the Trust as the vehicle for community support of the rescue helicopter service, rather than as the entity that contracts with MOH / ACC as was the case in the past.

Ongoing role of the Trust

The demands of the emergency rescue helicopter service are uniquely challenging. Otago's rescue helicopters serve one of the larger, more remote and mountainous regions in the country. Key to the success of the service for over 20 years has been the Trust's relationship with HeliOtago that is based on enduring mutual respect, trust and teamwork. The Trust is delighted to continue to work with Mr Graeme Gale and HeliOtago under the new structure of the contract and will work to continue to support the delivery of vital rescue helicopter operations across our large region.

Retirements

In March 2019 our founding Chair, Ross Black, retired after 22 years of outstanding service to our region. In 1997 Ross was instrumental in working with a small group of trustees to raise \$3.5m in donations and sponsorship to establish and equip Otago's first dedicated Twin Engine Machine – a BK117 – Purpose Built air ambulance. They then funded the construction of a rooftop helipad on the Dunedin Public Hospital. In the subsequent years since the trust was formed the service has transported over 9500 patients, flown over 15,470 hours and helped raise over \$14.8m from the Otago region. We are all very grateful for Ross's expert knowledge of the challenges facing the wider health sector and for his passion and tenacity in working with Graeme Gale and his team to provide one of the highest quality rescue helicopter services in New Zealand.

Since our balance date Paul Moodie has also resigned from his role of Trustee. Since his appointment in 2003 Paul has provided expert financial advice and governance oversight to the Trust. His passion and enthusiasm for the important work that the rescue helicopter service provides has never waned over the many years he has volunteered his time. It has been a privilege for the rest of the trustees to work alongside such capable people as Ross and Paul - their unwavering sense of what is best for the wide number of communities that we serve has been outstanding. Thank you both for your service.



Community Appreciation and Thanks

HeliOtago's pilots, highly trained intensive care paramedics, and its management all work together to maintain the rescue helicopter service on standby 24 hours a day, every day of the year. They respond to every emergency request often flying in challenging weather conditions and across difficult terrain to bring advanced medical capability and hospital transfers to those in need. The sound of the helicopter arriving is reportedly the best sound in often desperate situations.

The community expresses its heartfelt thanks to everyone involved in delivering this outstanding service for our region.



On behalf of Trustees

Martin Dippie
Chairman of Trustees





Donations 1 June 2018 to 30 June 2019

Otago Regional Council	\$350,000
Otago Motor Club Trust	\$109,853
Clintons Lions Club	\$47,750
Rotary Club of Taieri	\$37,500
Westpac Chopper Appeal Monthly Donations	\$23,324
Anonymous Donor	\$20,000
Pinot Trust	\$20,000
Waianakarua Lions Club	\$18,500
Waiareka Lions Club	\$18,500
Emergency Services Ball	\$14,105
Road Transport Logistics	\$10,000
JBW McKenzie Trust	\$9,000
E M M Haynes Charitable Trust	\$7,500
Gore Pakeke Lions Club	\$7,500
The Valley Roar Hunting and Fishing	\$6,700
Lego Users Group	\$6,500
Lawrence Lions Club	\$5,760
Centrality Limited	\$5,000
Gordon Christie	\$5,000
Lions Club of Alexandra Charitable Trust	\$5,000
N A Page	\$5,000
Delta Utility Services Ltd	\$4,000
Estate G F Kliem	\$4,000
Lions Club of Ranfurly (Maniototo Pakeke) Inc	\$3,000
West Otago Town & Country Club	\$2,696
Estate JA Dodds	\$2,240
BRONZ (Otago) Inc	\$2,000
HM & IV Hunt	\$2,000
Julie Moore	\$2,000
Maori Royal Arch Chapter of Freemasonry No 28	\$2,000
Wendekreisen Travel	\$2,000
High Country Pleasure Riders	\$1,954
Highlanders Home Games	\$1,725
Dunedin Masonic Charity Bowls	\$1,525
Hawkins Watts Ltd New Zealand	\$1,500
SMM Trust (Sarah MacKay)	\$1,500
Glen Lyon Station - Jane Wrigley	\$1,415
In Memory of the Late Helen Munro	\$1,091
Otago Students Spear Fishing and Hunting Club	\$1,001
Brenda Ives	\$1,000
C Rose	\$1,000
CP Mangion	\$1,000
Dunedin Masonic Charity Bowls	\$1,000
E Bruce Morris	\$1,000
Estate TM Howison	\$1,000
Harvksta Dairy	\$1,000
Karne Stirling	\$1,000
Lions Club of Oamaru	\$1,000
Marion Maxwell	\$1,000
Matau Conclave No 16*	\$1,000
Neville Peters	\$1,000
NZ Institute of Medical Radiation Technology	\$1,000
Nicole Evans	\$1,000
Otago Round Table	\$1,000
Port Otago Ltd	\$1,000
Riversdale Lions Club	\$1,000
Roxburgh Thrift Shop	\$1,000
Taieri District Pig Hunting Club	\$1,000
Plus 122 generous group and individual donations	\$33,061

Total Donations **\$822,202**

Total Bequests **\$422,239**

Otago Rescue Helicopter Trust

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Otago Rescue Helicopter Trust

Directory

Nature of Organisation	To support and maintain the provision of an emergency rescue helicopter service in the greater Otago region.
Charitable Trust	Otago Rescue Helicopter Group - CC28304 Otago Rescue Helicopter Trust - CC28323 ORHT Limited - CC28329
Business Location	Greater Otago Region
Trustees	Martin Dippie (Chairman) Warwick Deuchrass John Gallaher Tony Sycamore Paul Moodie (Retired July 2019) Ross Black (Retired March 2019)
Solicitor	Anderson Lloyd Lawyers Dunedin
Bankers	ANZ
Accountant	Findex NZ Limited Dunedin
Auditor	Deloitte Dunedin

P.O. Box 188 Dunedin - www.otagorescue.co.nz



The notes on pages 6 to 16 are an integral part of these financial statements.

Otago Rescue Helicopter Trust

Consolidated Statement of Comprehensive Revenue and Expense For the year ended 30 June 2019

	Notes	Consolidated	
		2019	2018
		\$	\$
REVENUE			
Contract income	7	-	5,608,463
Fundraising and donations	7	822,202	718,016
Interest income	7	112,470	81,146
Other income	7	12,591	27,565
TOTAL REVENUE		947,264	6,435,190
EXPENSES			
Service delivery expenses	8	3,458	5,971,238
Donations to rescue helicopter operator	8	809,058	-
Other overhead and administration expenses	8	106,972	189,638
Depreciation, amortisation and impairment expenses	9	30,411	47,933
TOTAL EXPENSES		949,899	6,208,809
NET SURPLUS/(DEFICIT) BEFORE BEQUESTS AND EQUIPMENT DONATED		(2,635)	226,381
Bequests	7	422,239	-
Donation to Helicopters Otago Limited - fixed assets	8	(147,714)	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSES FOR THE YEAR		271,890	226,381

Reconciliation of Total Comprehensive Revenue and Expenses

Net Surplus allocated to General Operating Reserve	(150,349)	226,381
Net Surplus allocated to Endowment Fund Reserve	422,239	-
	271,890	226,381

NOTE

During the 2018 year the Trust ceased its rescue operations upon termination of the MOH/ACC contract with the effect from 31 March 2018.

From 1 November 2018 the Trust has financially supported the service operator under the new funding model and assisted with additional funding in the first year of the new model. These costs are shown in the Donations to Rescue Helicopter Operator (Note 9). During the year the remaining assets that were held by the Trust at the conclusion of the contract (\$147,714) have been transferred to the service operator.



The notes on pages 6 to 16 are an integral part of these financial statements.

Otago Rescue Helicopter Trust

Consolidated Statement of Financial Position As at 30 June 2019

	Notes	Consolidated	
		2019	2018
		\$	\$
ASSETS			
Current			
Cash and cash equivalents	10	563,934	375,460
Bank deposits		3,260,000	2,860,000
Receivables	11	28,841	156,131
Prepayments		2,728	4,728
Total current assets		3,855,503	3,396,319
Non-current			
Intangible assets	14	118,429	71,283
Plant and equipment	13	-	180,188
Total non-current assets		118,429	251,471
TOTAL ASSETS		3,973,932	3,647,790
LIABILITIES			
Current			
Payables under exchange transactions	12	154,189	99,937
Total current liabilities		154,189	99,937
TOTAL LIABILITIES		154,189	99,937
NET ASSETS		3,819,743	3,547,852
TRUST FUNDS			
Life support & ambulance equipment replacement reserve		1,000,000	1,000,000
Endowment capital reserve		1,320,044	897,805
General operating reserve		1,499,699	1,650,048
TOTAL TRUST FUNDS		3,819,743	3,547,853


Otago Rescue Helicopter Trust

Consolidated Statement of Changes in Net Assets For the year ended 30 June 2019

	Trust Capital	General Operating Reserve	Undistributed donations reserve	Endowment Fund Reserve	Life Support & Ambulance Equipment Replacement Reserve	Total
	\$	\$	\$		\$	\$
Balance 1 July 2018	-	1,650,048	-	897,805	1,000,000	3,547,853
Surplus/ (deficit) for the year	271,890	-	-	-	-	271,890
Total comprehensive revenue and expense	271,890	-	-	-	-	271,890
Transfer to/ (from) equity reserves in the year	(271,890)	(150,349)	-	422,239	-	-
Balance 30 June 2019	-	1,499,699	-	1,320,044	1,000,000	3,819,743
Balance 1 July 2017	-	1,423,667	-	897,805	1,000,000	3,321,472
Surplus/ (deficit) for the year	226,381	-	-	-	-	226,381
Total comprehensive revenue and expense	226,381	-	-	-	-	226,381
Transfer to/ (from) equity reserves in the year	(226,381)	226,381	-	-	-	-
Balance 30 June 2018	-	1,650,048	-	897,805	1,000,000	3,547,853

These financial statements have been authorised for issue by the trustees on 29 August 2019.

Trustee  Date 29.8.19

Trustee  Date 29.8.19



Otago Rescue Helicopter Trust

Consolidated Statement of Cash Flows For the year ended 30 June 2019

	Notes	Consolidated	
		2019	2018
		\$	\$
Cash flow from operating activities			
<i>Cash was provided from/(applied to):</i>			
Receipts from exchange transactions		132,794	6,565,669
Receipts from non-exchange transactions		1,244,442	718,016
Payments to suppliers		(859,005)	(6,382,959)
Payments to employees		-	-
Interest paid		-	-
Interest received		101,525	70,919
Net movement in GST		15,863	83,312
Net cash from/(used in) operating activities		635,619	1,054,957
Cash flow from investing activities			
<i>Cash was provided from/(applied to):</i>			
Acquisition of plant and equipment		(47,145)	(52,862)
Receipts from term deposits drawn		-	-
Receipts from term deposits invested		(400,000)	(1,950,000)
Net cash from/(used in) investing activities		(447,145)	(2,002,862)
Cash flow from financing activities			
<i>Cash was provided from/(applied to):</i>			
Net cash from/(used in) financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		188,474	(947,905)
Cash and cash equivalents, beginning of the year		375,460	1,323,364
Cash and cash equivalents at end of the year	11	563,934	375,460

The notes on pages 6 to 16 are an integral part of these financial statements.

Otago Rescue Helicopter Trust

Notes to the consolidated financial statements for the year ended 30 June 2019

1 Reporting entity

These financial statements comprise the consolidated financial statements of Otago Rescue Helicopter Trust (the "Trust") for the year ended 30 June 2019.

The Trust is a charitable trust, domiciled in New Zealand, incorporated in accordance with the provisions of the Charitable Trusts Act 1957.

The consolidated group comprises the Trust (the "Parent") and its controlled subsidiary, ORHT Limited (previously Otago Rescue Helicopter Trust Limited).

The Trust supports the provision of an emergency rescue helicopter service in the greater Otago region.

The consolidated financial statements were authorised for issue by the Trustees on the date signed on page 3.

2 Discontinued Operations

The latest MOH and ACC five year contract with the Trust to provide rescue helicopter services across the lower South Island, terminated on 31 March 2018.

As Trustees advised in their 2017 report, the new MOH-led tender process clearly signalled a significant shift from the former regional rescue helicopter services operated by community Trusts to a new centralised service model - designed, run and controlled by MOH. Trustees therefore determined that the Trust would not be a future contracted party, at a considerable financial risk, between MOH and the helicopter operator - rather the Trustees believed MOH should contract directly with HeliOtago - the proven regional specialist provider.

The end of the contract represents a discontinued operation for financial reporting purposes, the financial results of which are presented below:

	2019	2018
	\$	\$
A. Results of discontinued operation		
Revenue	-	5,637,302
Expenses	-	(6,134,335)
Net deficit from discontinued operations	-	(497,033)

	2018	2017
	\$	\$
B. Cash flows from discontinued operation		
Net cash used in operating activities	-	(551,112)
Net cash used in investing activities	-	-
Net cash used in financing activities	-	-
Net cash flows used for the year by discontinued operations	-	(551,112)

3 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with Tier 2 Public Benefit Entity (PBE) Financial Reporting Standards as issued by the New Zealand External Reporting Board (XRB). They comply with New Zealand equivalents to International Public Sector Accounting Standards Reduced Disclosure Regime (NZ IPSAS with RDR) and other applicable Financial Reporting Standards as appropriate to Public Benefit Entities.

The Parent and Group is eligible to report in accordance with Tier 2 PBE Accounting Standards on the basis that it does not have public accountability and annual expenditure does not exceed \$30 million.

The Parent and Group is deemed a public benefit entity for financial reporting purposes, as its primary objective is to provide services to the community for social benefit and has been established with a view to supporting that primary objective rather than a financial return.

(b) Basis of measurement

The financial statements have been prepared on a historical costs basis, except for assets and liabilities that have been measured at fair value.

The accrual basis of accounting has been used unless otherwise stated and the financial statements have been prepared on a going concern basis.

(c) Presentation currency

The financial statements are presented in New Zealand dollars, which is the Trust's functional currency.

(d) Comparatives

The comparative financial period is 12 months.

The net asset position and net surplus or deficit reported in comparatives is consistent with previously authorised financial statements.



Otago Rescue Helicopter Trust

Notes to the consolidated financial statements for the year ended 30 June 2019

(e) Changes in accounting policies

Other than as described in 2(a)(i) the accounting policies adopted are consistent with those of the previous financial year. There have been no significant changes in accounting policies.

4 Summary of significant accounting policies

The accounting policies of the Trust been applied consistently to all years presented in these financial statements.

The significant accounting policies used in the preparation of these financial statements are summarised below:

(a) Basis of consolidation

The Group financial statements consolidate the financial statements of the Parent and all entities over which the Parent has the power to govern the financial and operating policies so as to obtain benefits from their activities (defined as "subsidiaries").

Controlled entities are those entities over which the Trust has the power to govern the financial and operating activities so as to obtain benefits from their activities.

The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The subsidiary has a 30 June balance date and consistent accounting policies are applied.

The consolidation of the Parent and subsidiary involves adding together like terms of assets, liabilities, income and expenses on a line-by-line basis. All significant intra-group balances are eliminated on consolidation of Group financial position, performance and cash flows.

(b) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks and other short-term highly liquid investments with original maturities of three months or less.

(c) Debtors and other receivables

Trade debtors and other receivables are measured at their cost less any impairment losses.

An allowance for impairment is established where there is objective evidence the Group will not be able to collect all amounts due according to the original terms of the receivable.

(d) Creditors and other payables

Trade creditors and other payables are stated at cost.

(e) Plant and equipment

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

Additions and subsequent costs

Subsequent costs and the cost replacing part of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential will flow to the Trust and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

In most instances, an item of plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value at the acquisition date.

All repairs and maintenance expenditure is charged to surplus or deficit in the year in which the expense is incurred.

Disposals

A item of plant and equipment is derecognised upon disposal or when no further future economic benefits or service potential are expected from its use or disposal.

When an item of plant or equipment is disposed of, the gain or loss recognised in the surplus or deficit is calculated as the difference between the net sale proceeds and the carrying amount of the asset.

Upon disposal, any revaluation reserve relating to the particular asset being sold is reclassified to accumulated funds.

Depreciation

Depreciation is recognised as an expense in the reported surplus or deficit and measured on a straight line basis (SL) or diminishing value (DV) basis on all plant and equipment over the estimated useful life of the asset. The following depreciation rates have been applied at each class of plant and equipment:

Medical and Rescue equipment	11.4-80% DV
Motor Vehicles	13-36% DV

The residual value, useful life, and depreciation methods of plant and equipment is reassessed annually.

Otago Rescue Helicopter Trust

Notes to the consolidated financial statements for the year ended 30 June 2019

(f) Impairment

At each reporting date, the Trust assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Trust estimates the asset's recoverable amount. Recoverable amount is determined for an individual asset. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised immediately in surplus or deficit.

(g) Intangible assets

Intangible assets acquired separately are initially recognized at cost.

The cost of intangible assets acquired in a non exchange transaction is their fair value at the date of the exchange.

Intangible assets with indefinite useful lives

Intangible assets with indefinite useful lives are measured at cost less accumulated impairment losses; impairment testing is performed on an annual basis.

Intangible assets with finite useful lives

Intangible assets acquired by the entity, which have finite useful lives, are measured at cost less accumulated amortisation and any impairment losses.

Amortisation is recognised on a straight-line basis over the estimated useful life of the asset, from the date they are available for use and expensed in the reported in surplus or deficit for the year.

(h) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument in another entity.

Financial instruments are comprised of trade debtors and other receivables, cash and cash equivalents, trade creditors and other payables and borrowings.

Initial recognition and measurement

Financial assets and financial liabilities are recognised initially at fair value plus transaction costs attributable to the acquisition, except for those carried at fair value through surplus or deficit, which are measured at fair value.

Financial assets and financial liabilities are recognised when the reporting entity becomes a party to the contractual provisions of the financial instrument.

Derecognition of financial instruments

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or if the Parent or Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Subsequent measurement of financial assets

The subsequent measurement of financial assets depends on their classification, which is primarily determined by the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition and re-evaluates this designation at each reporting date.

All financial assets held by the Trust in the years reported have been designated into one classification, "loans and receivables", being non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment.

Subsequent measurement of financial liabilities

Trade payables and other borrowings are subsequently measured at amortised cost using the effective interest method.

(i) Provisions

A provision is recognised for a liability when the settlement amount or timing is uncertain; when there is a present legal or constructive obligation as a result of a past event; it is probable that expenditures will be required to settle the obligation; and a reliable estimate of the potential settlement can be made. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values where the time value of money is material. The increase in the provision due to the passage of time is recognised as an interest expense.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimates.



Otago Rescue Helicopter Trust

Notes to the consolidated financial statements for the year ended 30 June 2019

(j) Employee entitlements

Short-term employee benefits

Employee benefits, previously earned from past services, that the Trust expect to be settled within 12 months of reporting date are measured based on accrued entitlements at current rate of pays.

These include salaries and wages accrued up to the reporting date and annual leave earned, but not yet taken at the reporting date.

(k) Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Trust and revenue can be reliably measured. Revenue is measured at the fair value of consideration received.

The Trust assess its revenue arrangements against specific criteria to determine if it is acting as the principal or agent in a revenue transaction. In an agency relationship only the portion of revenue earned on the Trust's own account is recognised as gross revenue in the Statement of Comprehensive Revenue and Expense.

The following specific recognition criteria must be met before revenue is recognised:

Revenue from non-exchange transactions

A non-exchange transaction is where the Trust either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

When non-exchange revenue is received with conditions attached, the asset is recognised with a matching liability. As the conditions are satisfied the liability is decreased and revenue recognised.

When non-exchange revenue is received with restrictions attached, but there is no requirement to return the asset if not deployed as specified, then revenue is recognised on receipt.

Condition stipulation – funds received are required to be used for a specific purpose, with a requirement to return unused funds.

Restriction stipulation – funds received are required to be used for a specific purpose, with no requirement to return unused funds.

Donations and grants

Donations and grant income is recognised as revenue when received and all associated obligations have been met. Where grants have been given for a specific purpose, or with conditions attached, income is not recognised until agreed upon services and conditions have been satisfied. Government grants relating to income are recognised as income over the periods necessary to match them with the related services when performed. Grants received for which the requirements and services have not been met is treated as "income in advance" under current liabilities.

To the extent that there is a condition attached that would give rise to a liability to repay the grant amount or to return the granted asset, a deferred revenue liability is recognised instead of revenue. Revenue is then recognised only once the Trust has satisfied these conditions.

Rendering of services

Revenue from services rendered is recognised in the surplus or deficit in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to assessment of services provided. Under this method, revenue is recognised in the accounting periods in which the services are provided.

Interest income

Interest income is recognised as it accrues.

(l) Borrowing costs

All borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. The Trust has chosen not to capitalise borrowing costs directly attributable to the acquisition, construction or production of assets.

(m) Income tax

Due to its charitable status, the Trust is exempt from income tax.

(n) Goods and Services Tax (GST)

All amounts in these financial statements are shown exclusive of GST, except for receivables and payables that are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

(o) New standards adopted and interpretations not yet adopted

All mandatory new or amended accounting standards and interpretations were adopted in the current year. Refer above for the effect of first time adoption of PBE standards (NFP) last year.

Otago Rescue Helicopter Trust

Notes to the consolidated financial statements for the year ended 30 June 2019

5 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with NZ IPSAS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Where material, information on significant judgements, estimates and assumptions is provided in the relevant accounting policy or provided in the relevant note disclosure.

The estimates and underlying assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances. Estimates are subject to ongoing review and actual results may differ from these estimates. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in future years affected.

6 Capital Management Policy

The Trust's capital is its equity, being the net assets represented by retained earnings and other equity reserves. The primary objectives of the Trust's capital management policy is to ensure adequate capital reserves are maintained in order to support its activities. The Trust manages its capital structure and makes adjustment to it, in light of changes to funding requirements. To maintain or adjust the capital structure, budgetary discretionary expenditure is reduced to avoid the need for additional external borrowings.

7 Income

	2019	2018
	\$	\$
REVENUE FROM EXCHANGE TRANSACTIONS		
Rescue mission income		
ACC	-	2,167,935
MOH	-	2,026,238
DHB	-	884,400
Other - Police / SAR / Overseas patients	-	529,890
Total rescue mission income	-	5,608,463
Other income		
Overseas patient debt recovery	12,591	-
Kaikourai earthquake debt recovery	-	26,615
ACC crew accommodation allowance	-	950
Total other income	12,591	27,565
Total Revenue from exchange transactions	12,591	5,636,028
REVENUE FROM NON-EXCHANGE TRANSACTIONS		
Community fundraising and donations	822,202	718,016
Bequests	422,239	-
Interest	112,470	81,146
Total Revenue from non-exchange transactions	1,356,912	799,162
TOTAL REVENUE	1,369,503	6,435,190

Otago Rescue Helicopter Trust

Notes to the consolidated financial statements for the year ended 30 June 2019

8 Expenses

The following amounts were expensed in the surplus / (deficit) for the year:

	2019	2018
	\$	\$
Service Delivery Expenses		
ACC Missions Stopped	-	21,097
Helicopter leases	-	1,556,690
Helicopter operating costs	-	2,233,188
Helicopter rental - extra machines	-	569,566
Helicopter pilots standby & ground charges	-	1,080,224
Maintenance - equipment	3,458	10,078
Paramedic crewing - permanent	-	459,324
Safety training - crew & services	-	41,072
Total	3,458	5,971,238
	2019	2018
	\$	\$
Donations to Rescue Helicopter Operator		
Donation to HeliOtago EMS Limited - operational	400,000	-
Donation to HeliOtago EMS Limited - additional costs towards expanded service Year 1	66,667	-
Donation to HeliOtago EMS Limited - capital projects	342,391	-
Donation to Helicopters Otago Limited - fixed assets	147,714	-
Total	956,772	-

From 1 November 2018 the Trust has financially supported the service operator under the new funding model and assisted with additional funding in the first year of the new model. These costs are shown in the Donations to Rescue Helicopter Operator. During the year the remaining assets that were held by the Trust at the conclusion of the contract (\$147,714) have been transferred to the service operator.

	2019	2018
	\$	\$
Other Overhead and Administration Expenses		
Audit fees	7,150	7,060
Accountancy & administration	26,147	58,179
Legal fees	2,284	2,477
Loss on disposal of property, plant and equipment	2,063	7,263
Bad debts - overseas patients written off	-	48,600
Trust board expenses	16,939	7,706
Other	52,389	58,353
Net foreign exchange losses	-	-
Total	106,972	189,638

9 Depreciation, amortisation and impairment expenses

	2019	2018
	\$	\$
Depreciation of property, plant and equipment	30,411	47,933
Total	30,411	47,933

Otago Rescue Helicopter Trust

Notes to the consolidated financial statements for the year ended 30 June 2019

10 Cash and cash equivalents

	2019	2018
	\$	\$
ANZ Cheque Account	35,946	110,364
ANZ Call Account 25	471,292	224,017
ANZ Call Account 26	28,627	28,540
ANZ NPO Current Account	22,533	34
Westpac Account	4,011	9,005
Paypal Account	1,525	3,500
Total cash and cash equivalents	563,934	375,460

The carrying amount of cash and cash equivalents approximates their fair value.

11 Receivables

	2019	2018
	\$	\$
Trade debtors	-	138,233
Accrued interest	28,841	17,897
Total	28,841	156,131
<i>Classified as:</i>		
Current assets	28,841	156,131
Non-current assets	-	-
Total	28,841	156,131

Trade debtors and other receivables are non-interest bearing and receipt is normally on 30 days terms. Therefore the carrying value of trade debtors and other receivables approximates its fair value.

As at 30 June 2018 and 2019, all overdue receivables have been assessed for impairment and appropriate allowances made. All receivables are subject to credit risk exposure.

Impairment allowance

The movement in the allowance for doubtful debts is as follows:

	2019	2018
	\$	\$
Opening balance	-	-
Amounts written off	-	-
Impairment losses recognised in the year	-	-
Impairment losses reversed in the year	-	-
Closing balance	-	-

12 Payables under exchange transactions

	2019	2018
	\$	\$
Current		
Trade creditors	154,428	86,674
Non trade payables and accrued expenses	6,000	6,824
GST payable/(receivable)	(7,510)	3,121
Related party payables	1,271	3,318
Total current	154,189	99,937
Total payables under exchange transactions	154,189	99,937

Trade creditors and other payables are non-interest bearing and normally settled on 30 day terms; therefore their carrying amount approximates their fair value.



Otago Rescue Helicopter Trust

Notes to the consolidated financial statements for the year ended 30 June 2019

13 Plant and equipment

Movements for each class of plant and equipment are as follows:

2019	Medical & Rescue Equipment	Motor vehicles	Total
	\$	\$	\$
Gross carrying amount			
Opening balance	1,227,893	101,904	1,329,797
Additions	-	-	-
Disposals	(1,227,893)	(101,904)	(1,329,797)
Closing balance	-	-	-
Accumulated depreciation and impairment			
Opening balance	1,076,788	72,821	1,149,609
Depreciation for the year	26,635	3,776	30,411
Depreciation recovered on disposal	(1,103,423)	(76,597)	(1,180,020)
Closing balance	-	-	-
Carrying amount 30 June 2019	-	-	-

2018	Medical & Rescue Equipment	Motor vehicles	Total
	\$	\$	\$
Gross carrying amount			
Opening balance	1,187,612	101,904	1,289,516
Additions	47,545	-	47,545
Disposals	(7,264)	-	(7,264)
Closing balance	1,227,893	101,904	1,329,797
Accumulated depreciation and impairment			
Opening balance	1,035,257	66,419	1,101,676
Current year depreciation	41,531	6,402	47,933
Impairment charge for the year	-	-	-
Closing balance	1,076,788	72,821	1,149,609
Carrying amount 30 June 2018	151,105	29,083	180,188

Otago Rescue Helicopter Trust

Notes to the consolidated financial statements for the year ended 30 June 2019

14 Intangible assets

Movements for each class of intangible assets are as follows:

2019	IFR GPS Route Mapping - Indefinite Life	Other	Total
	\$	\$	\$
Gross carrying amount			
Opening balance	64,603	6,680	71,283
Additions	47,146	-	47,146
Disposals	-	-	-
Closing balance	111,749	6,680	118,429
Accumulated depreciation and impairment			
Opening balance	-	-	-
Current year amortisation	-	-	-
Amortisation written back on disposal	-	-	-
Closing balance	-	-	-
Carrying amount 30 June 2018	111,749	6,680	118,429

2018	IFR GPS Route Mapping - Indefinite Life	Other	Total
	\$	\$	\$
Gross carrying amount			
Opening balance	58,703	-	58,703
Additions	5,900	6,680	12,580
Disposals	-	-	-
Closing balance	64,603	6,680	71,283
Accumulated depreciation and impairment			
Opening balance	-	-	-
Current year amortisation	-	-	-
Amortisation written back on disposal	-	-	-
Closing balance	-	-	-
Carrying amount 30 June 2017	64,603	6,680	71,283



Otago Rescue Helicopter Trust

Notes to the consolidated financial statements for the year ended 30 June 2019

15 Financial Instruments

(a) Carrying value of financial instruments

The carrying value of all material financial position assets and liabilities are considered to be equivalent to fair value.

Fair value is the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction.

(b) Classification of financial instruments

All financial assets held by the Trust are classified as "loans and receivables" and are carried at cost less accumulated impairment losses. All financial liabilities are carried as amortised cost using the effective interest rate method.

Classification of financial instruments

The carrying amounts presented in the statement of financial position relate to the following categories of financial assets and liabilities.

2019	Financial assets at fair value through surplus or deficit	Loans and receivables	Liabilities at amortised cost	Total carrying amount	Fair value
Financial assets					
Other receivables	-	-	-	-	-
Other investments	-	-	-	-	-
Total non-current assets	-	-	-	-	-
<i>Other investments</i>					
Trade and other receivables	-	28,841	-	28,841	28,841
Cash and cash equivalents	-	563,934	-	563,934	563,934
Other investments	-	3,260,000	-	3,260,000	3,260,000
Total current assets	-	3,852,775	-	3,852,775	3,852,775
Total assets	-	3,852,775	-	3,852,775	3,852,775
Financial liabilities					
Trade and other payables	-	-	154,189	154,189	154,189
Total current liabilities	-	-	154,189	154,189	154,189
Total liabilities	-	-	154,189	154,189	154,189

2018	Financial assets at fair value through surplus or deficit	Loans and receivables	Liabilities at amortised cost	Total carrying amount	Fair value
Financial assets					
Other receivables	-	-	-	-	-
Other investments	-	-	-	-	-
Total non-current assets	-	-	-	-	-
<i>Other investments</i>					
Trade and other receivables	-	156,131	-	156,131	156,131
Cash and cash equivalents	-	375,460	-	375,460	375,460
Other investments	-	2,860,000	-	2,860,000	2,860,000
Total current assets	-	3,391,591	-	3,391,591	3,391,591
Total assets	-	3,391,591	-	3,391,591	3,391,591
Financial liabilities					
Trade and other payables	-	-	99,937	99,937	99,937
Total current liabilities	-	-	99,937	99,937	99,937
Total liabilities	-	-	99,937	99,937	99,937

Otago Rescue Helicopter Trust

Notes to the consolidated financial statements for the year ended 30 June 2018

Notes to the consolidated financial statements for the year ended 30 June 2019

16 Related party transactions

Related party transactions arise when an entity or person(s) has the ability to significantly influence the financial and operating policies of the Trust.

The Trust has a related party relationship with its Trustees and other key management personnel.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Trust would have adopted in dealing with the party at arm's length in the same circumstances.

Transactions with related parties

The following transactions were carried out with related parties:

(a) Related party transactions

During the year Findex have provided accounting and secretarial support and advice to the Group, Mr Paul Moodie a Trustee of the Trust is a Principal of Findex. During the year Anderson Lloyd have provided legal support and advice to the Trust, Mr Warwick Deuchraas is a Trustee of the Trust and Former Partner of Anderson Lloyd.

(b) Key management compensation

The Trust has a related party relationship with its key management personnel. Key management personnel include the Executive Chairman, trustees and senior management of the Trust. The only payment to Trustees in 2018 and 2019 was to the Executive Chairman - Mr Ross Black, who retired in March 2019.

	2019			
	Executive Chairman	Trustees	Snr mgmt	Total
	\$	\$	\$	\$
Salaries and other short-term employee benefits	22,500	-	-	22,500
Termination benefits	-	-	-	-
Post-employment benefits	-	-	-	-
Other long-term benefits	-	-	-	-
Total remuneration	22,500	-	-	22,500
Number of persons recognised as key management personnel	1	6	-	7

	2018			
	Executive Chairman	Trustees	Snr mgmt	Total
	\$	\$	\$	\$
Salaries and other short-term employee benefits	30,000	-	75,224	105,224
Termination benefits	-	-	-	-
Post-employment benefits	-	-	-	-
Other long-term benefits	-	-	-	-
Total remuneration	30,000	-	75,224	105,224
Number of persons recognised as key management personnel	1	6	1	8

17 Contingent assets and contingent liabilities

The Trust has no contingent assets or contingent liabilities (2018: None).

18 Capital funds conditionally committed

Capital funds contracted for at the end of the reporting period but not yet incurred is as follows:

	2019	2018
	\$	\$
Intensive-care medical equipment replacement/upgrade - 3 Helicopters	-	350,000
Low-level GPS flight routes - Dunstan and Oamaru hospitals	-	63,200
Total	-	413,200

19 Events after the reporting period

There were no significant events after the balance date.



Deloitte.

Independent Auditor's Report

To the Trustees of Otago Rescue Helicopter Trust

Opinion

We have audited the financial statements of Otago Rescue Helicopter Trust (the 'entity') and its subsidiaries ('the group'), which comprise the consolidated statement of financial position as at 30 June 2019, and the consolidated statement of comprehensive revenue and expense, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements, on pages 2 to 16, present fairly, in all material respects, the consolidated financial position of the group as at date, and its consolidated financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs') and International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

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

We are independent of the group in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants*, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other than in our capacity as auditor, we have no relationship with or interests in the entity or any of its subsidiaries.

Trustee's responsibilities for the consolidated financial statements

The Trustees are responsible on behalf of the group for the preparation and fair presentation of the consolidated financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime, and for such internal control as the Trustees determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Trustees are responsible on behalf of the group for assessing the group'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 Trustees either intend to liquidate the group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are 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 ISAs and ISAs (NZ) 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 these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on at the External Reporting Board's website at:

<https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-7>

This description forms part of our auditor's report.

Restriction on use

This report is made solely to the Trustees, as a body. Our audit has been undertaken so that we might state to the Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte Limited
Dunedin, New Zealand
29 August 2019



OTAGO
Rescue
HELICOPTER TRUST



P.O.Box 188 Dunedin
www.otagorescue.co.nz