

Otago Rescue Helicopter Trust Annual Report 2014-15





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Key Statistics 2014-15

TOTAL FLYING HOURS	2014-15	2013-14	% Change
Accident	393	379	+3.7
Medical Emergency	393	378	+4
Hospital Transfers	186	147	+26.5
Search & Rescue & Others	37	55	-32.7
TOTAL	1009	959	+5.2

TOTAL MISSIONS	2014-15	2013-14	% Change
Accident	249	252	-1.2
Medical Emergency	238	219	+8.7
Hospital Transfers	91	71	+28.2
Other	20	22	-9.1
TOTAL	598	564	+6

FUNDS	2014-15	2013-14	% Change
OPERATING INCOME			
ACC	1,598,418	1,570,634	+1.8
Ministry of Health	1,518,843	1,208,773	+25.7
District Health Board	743,600	663,265	+12.1
Police and Other	165,681	246,133	-32.7
TOTAL	4,026,542	3,688,805	+9.2

Operating Expenses	4,849,207	4,672,053	+3.8
Trust Income	818,041	951,483	-14
Reserves	2,490,554	2,495,178	-0.2

Commentary

- Extreme volatility in demand for flying hours continues to create difficulties.
- Hospital Transfers up 26.5% while at the same time Medical Emergencies increased 60% in the first three months then finished up only four percent ahead for the year.
- Funds from the Ministry of Health increase on the back of strong increase in demand in the previous year.
- Annual flying hours exceed 1,000 for the first time ever.

Continuing volatility and growth in demand for flying hours bring the greatest challenge to the operation of the service. Ensuring the availability of aircraft, qualified crew and medical staff along with the difficulty of funding the operation are the key challenges that the Trust faces on a daily basis.



Ross Black
Trust Chairman



Warwick Deuchrass



Paul Moodie



Tony Sycamore



Phil Taylor



Martin Dippie



John Gallaher

The Trust flew 180 emergency mission hours in 1998-99 - its first year of operation.

We flew 1,009 mission hours in 2014-15 which highlights the dramatic growth in demand for the rescue helicopter service and marks a real milestone for the Trust. Further, present indications since July, are for demand to increase again this year to approx 1,100 hours.

In order to respond confidently to this increasing level of demand, Trustees have taken the major step of committing to a second fully dedicated twin-engine BK117 helicopter along with commensurate increases in pilots and paramedics. The Trust will also continue to utilise HeliOtago's two other BK117 helicopters as back-up when overlapping missions require.

A second fully dedicated helicopter and crew represents a significant step up in fixed costs for the Trust which must be shared both by the principal Government agencies that use the service (ACC, Ministry of Health and the Southern District Health Board) and by our Otago Southland communities. The issue of the appropriate fair share of rescue helicopter costs to be borne by Crown and Community has never been seriously addressed.

There are eleven rescue helicopter trusts in New Zealand, from Northland to Otago. Each individual trust was initially established by its respective community to provide rescue services for their region which has resulted in a wide range of different operating models and cost structures. The various regions also have dramatically differing population bases and commercial sponsorship opportunities available to help support their activities.

The Otago Rescue Helicopter Trust faces the dual challenge of servicing the largest geographic region in the country (the lower half of the South Island) with one of the smallest population / business support bases. Recognising this challenge, the Otago Trust was established, from its outset in 1998, on a partnership model with HeliOtago which has consistently delivered one of the most respected rescue helicopter operating performances and efficient administration models in the country.

Forty two Otago businesses, Community Trusts, Councils and the public contributed \$3 million in donations and sponsorship to establish and equip the rescue helicopter, build the rooftop helipad on Dunedin Hospital and underwrite the operational shortfall for the first three years. Both our city and rural communities clearly value the reassurance of the rescue helicopter and continue to support the Trust with generous donations year after year. Public donations totalled \$719,000 during 2014-15 and our Trust Manager is encouraged by donation levels already received and indications of future support for the 2015-16 year.

The continuing contribution of funds from the community indicates the level of support which has been enjoyed from the inception of the service and entitles our community to a clear voice.

The Trust is also actively discussing the funding implications of the increasing mission hours with the two major users, ACC and the Ministry of Health. All trusts are presently operating under a national service agreement which was developed as a partnership contract between ACC and the Ministry of Health and the 11 air rescue trusts.

Negotiation of the service agreement anticipated a continuation of the relatively steady pattern of growth experienced over previous years. Whilst this overall pattern has continued for Otago during the past two years, there has been a dramatic increase in demand for MOH medical missions which have historically been remunerated at lower levels than all other Crown agencies.

In twenty four months, ACC missions have increased by 6.5% whilst MOH mission hours have increased by 57% - with MOH now using almost 40% of our total flight time, compared to the 27% they were using only two years ago.

Further growth of 29% in the first 3 months of the present financial year suggests the demand for flight time to support the Ministry, and the associated costs of meeting that demand, require urgent attention.

Trustees have advised MOH that their present demands of the Otago service are not sustainable and challenge the Trust's continuing viability. The Trust is working with senior MOH staff to better understand the drivers of this growth and to agree how it is to be funded.

MOH staff have acknowledged that the medical mission growth in Otago Southland is beyond the intent of the present service agreement and are working with the Trust to find an appropriate solution.

This attempt at collaboration, however, is proving slow and cumbersome. The funding implications of this growth for Otago are material and totally dominate Trustees' and our Manager's focus which is not productive or best use of their potential.

Health services nationally are challenged by the need to deal with increasing levels of demand, rapidly increasing costs and changing technologies and treatment programmes requiring greater specialisation.

While the complexity of the problem is widely recognised, the support given by the Ministry to its partnership with Otago in finding solutions to these challenges is too often stalled simply by constraints on budget.

The need for a coordinated approach to the provision of health services for the people of Otago Southland is imperative. The rescue helicopter service plays an integral part and is increasingly being called upon to play a larger role.

New clinical pathways designed to improve patient treatment and recovery are too often not supported by funding to allow those pathways to be established. Denial of actual growth in demand will not resolve issues that are critical to improving efficiency. What is needed is a genuine expression of partnership, backed by a commitment from all parties to seek solutions.

The Otago Rescue Helicopter service is one of the most respected and efficient services in the country and has over twenty years of collective experience and insight to draw from. It has a responsibility to represent the interests of its community to the Crown to improve the effectiveness and efficiency of current and future air ambulance and air rescue services, within the context of all health services, in the Otago Southland region.

The Ministry, in turn, has a clear responsibility to work with us in a timely manner to explore and adopt solutions to the challenges of providing health services in this region, and to fund those solutions appropriately.

Both parties have a responsibility to respond to this present situation with urgency.

The urgency is real, and the potential long-term benefits that could flow from getting this partnership correct will be enduring.

Ross Black
Chairman of Trustees

Look at a day when you are supremely satisfied at the end. It's not a day when you lounge around doing nothing; it's a day you've had everything to do and you've done it.

Margaret Thatcher

The Year in Review

The people of Otago and Southland can feel satisfied with their response to the increasing challenges facing the air ambulance and air rescue sector over the last year: rapidly rising demand and rising costs, combined with constraints on funds; shortage of resources; and increasing compliance requirements all conspired to challenge the delivery of the Otago Rescue Helicopter Service in the year ended 30 June 2015.

The service met that challenge.

In a year that began with emergency medical missions experiencing rampant growth (exceeding 50 percent per annum), when service fees from the Ministry of Health and ACC were partially capped and effectively declining on a per mission basis, when overall demand was trending toward double the capacity of our single dedicated aircraft and crew, and when opening year forecasts predicted an impending loss that might drain a large chunk of our reserves, we came out ahead.

Having flown more than 1,000 mission hours in the 2014-15 year, the service achieved a virtual breakeven end-of-year result and managed to build qualified crew capacity sufficient to service the continuing growth in demand expected for this year and those following.

The community responded with significant fundraising initiatives. The Ministry of Health stepped up in recognition of the efficiency of the Otago service and provided a welcome and appropriate financial contribution.

It was a very tough year but we got it done.

Improvements in Technology

We continue to pledge our support to ensure all our patients and their families receive the very best quality of service we can deliver. In an environment challenged by difficult weather and tough terrain, we continue to invest in aircraft, technology and crew - not just at the top standard achieved within New Zealand but with credentials enviable on the world stage.

Upgrading aircraft instrument flying capability, defining and registering exclusive air access and egress pathways at regular destinations, and raising flight crew skill levels to utilise this technology are all part of ongoing strategy to improve safety, efficiency and response time.

HeliOtago has embarked on a long and difficult process to enable the aircraft to operate under Instrument Flying Rules (IFR). Nevertheless, it is an essential one that enables the rescue chopper to operate safely in conditions of poor visibility. It means new investment in high-tech equipment that then requires certification for the aircraft alongside operational training for crew. Once all that's been completed, approach routes need to be designed and approved by New Zealand

Airways and accepted by the Civil Aviation Authority. In some circumstances, this means we're operating in our own exclusive slice of sky.

We are delighted to report that over the last 12 months, there has been considerable progress on this initiative. While the job is not yet complete—the process is both lengthy and expensive—the range of conditions we can safely operate in has expanded, with no-fly days due to inclement weather already reducing from one in four to one in five.

Another big achievement in equipment upgrade came at the end of the year with the installation of a new seating and floor track system that allows easier transportation of the District Health Board's incubator—used for transporting premature babies to Dunedin Hospital's neonatal intensive care unit. By its very nature, the stretcher-incubator system is bulky and heavy, and is challenging to accommodate; whenever it was used, it required re-configuration of the aircraft's interior seating layout and a consequential loss of precious time. With the new system installed, that problem is now resolved.

Community Funding

Payment for that new seating and track system—almost \$200,000—was achieved thanks to some incredible community funding initiatives: a team from Dunedin's Mitre 10 Mega and Certified Builders built and auctioned a three-bedroom house, and the people of Ranfurly ran a Maniototo's Got Talent event.



Other fantastic fundraising events were run in Oamaru, Gore, Clinton and Lawrence, with local Lions Clubs and rural supply companies working alongside local farmers to show support for what they consider an essential service. Farmlands made contributions from a couple of unique rugby events organised with us in mind. That commitment and effort from the people of Otago and Southland is the key that allows us to continue.

The long-term financial support of the Otago Regional Council also requires recognition; its funding underwrites the provision of the rescue helicopter service and provides a welcome measure of certainty in a highly unpredictable environment.

Recent discussions with Environment Southland have considered ways of ensuring the service to that region responds well both to increasing demand and the changing manner that health services are dispensed as a result of Ministry of Health policy initiatives.

Contracts Prove Challenging

Discussions with the Accident Compensation Corporation and the Ministry of Health are looking at new ways the service might be operated to meet the ever-increasing demand, while maintaining our high standards and efficiency ratings and ensuring sufficient income is generated to achieve long-term sustainable viability.

These talks are crucial to the future of this service including the manner in which the ongoing debate around the constraints of the current contract is resolved. Resolution prior to the expiry of the current term of contract in March 2018 is essential if the service is to survive and continue to perform in a manner acceptable to its community.

Meanwhile, we have agreed a new arrangement with the Southern District Health Board. It now commits to a minimum number of flight hours for patient transfers; we, in turn, can offer a reduced cost of flying. Exploring such initiatives is essential in meeting the dynamic challenges of the environment we are operating in.

Helicopter Air Rescue in New Zealand

The need to remain dynamic and seek new ways of doing things has also provided incentive for our involvement in a number of other initiatives being considered by the national group of air rescue providers (ARG): the possible establishment of a philanthropic fund to enable the upgrade of the national helicopter fleet; exploring potential for joint sponsorship opportunities; and looking at opportunities to share resources and training to reduce costs and improve response capability. The range of different types of air rescue service and the widely differing resources available to each operator make these discussions challenging. However, all understand the challenge and have a common desire to do things better.

The Otago Rescue Helicopter enjoys some unique benefits as a consequence of its association with Helicopters Otago Limited (HeliOtago) and potential for dramatic gains from participation in ARG could be regarded as low. Nevertheless, there are very real benefits to the service overall when all operators work collaboratively on common issues and, in terms of improving standards and quality of service, there is no doubt about the benefits of working with other operators in this manner to represent the interests of our communities.

Demand Triggers Need for Second Helicopter

Three months into the current financial year and demand for services to the Ministry of Health have increased again by a staggering 29 percent on the same period last year. Overall demand across all users has increased by just on 10 percent, suggesting that the forecast of completing more than 1,100 flying hours this year looks highly likely.

Nationally, experience suggests that operating a BK117 helicopter in air rescue work will produce around 500 to 600 per annum mission hours as a maximum for a single aircraft.

While for several years HeliOtago has assisted the Trust by making two backup on call aircraft available to supplement the work of ZK HUP—the black machine—the Trust recognises the need for a second dedicated rescue helicopter to ensure the service continues to be available fulltime. This, of course, means providing crew, paramedics and equipment to ensure capability equal to that of the primary machine.

The consequence of making that commitment—in recognition of rising demand—when our contract with the Ministry of Health and ACC fails to provide for that level of increase, means a potential significant shortfall in operating income that could ultimately reduce existing reserves. However, the Trust Board is confident that, based on the quality of service provided in the region and the comparatively low cost of providing that service, additional financial contributions will be made by both ACC and the Ministry of Health. Failure to provide that additional funding will jeopardise continuation of the service in its current form. Discussions with ACC and the Ministry continue.

Thank You

2015 marked the 21st Anniversary of the helicopter air rescue service in the Otago and Southland regions. The contribution of Graeme and Ros Gale, through the performance of the Helicopters Otago team, alongside the St John paramedics and the long-serving and voluntary contributions of Board Trustees across those years has been nothing short of remarkable. Recognition of the exceptional work and dedication of these individuals and colleagues in associated roles comes with an expression of gratitude that can never fully reciprocate the debt of service they have given to this community.



Ken Franklin
Trust Manager

August 2015

Dear Graeme

Our one-year-old son, Oliver Fitzgerald, was transported in the rescue helicopter on the night of Monday, 6th of April, picked up at Milburn on State Highway 1.

I had left Lawrence to meet my wife and take Oliver to Dunedin hospital given how unwell he had become during the day. Unfortunately, he went downhill very quickly to the point his lips turned blue, and I had to pull over to comfort him and ring 111.

I was by myself on the side of the road, still a long way from reaching the hospital. The thought of the helicopter hadn't even crossed my mind but once I was told it was coming there were mixed feelings - concern about how serious the situation really was and relief that even as the phone conversation was ending, I could see the lights of the helicopter.

There were a number of things we're counting our blessings for that night: I was in an area where I could pull over; I had enough phone battery; I had cell phone coverage (just - one step into the ditch and it was gone); the helicopter, unbelievably, was on its way back from Invercargill empty and due to fly overhead; and the pilot was able to land in the paddock next to the road. Timing was such that the helicopter arrived and was taking off again with Oliver as the ambulance arrived from just down the road!

Oliver had a respiratory arrest in the helicopter but thankfully the crew were able to stabilise him and get him to the hospital, where my wife was now waiting.

It has taken us a long time to send this through but it's taken this long to have Oliver diagnosed with a combination of laryngomalacia (a floppy voice box) and subglottic stenosis (a narrow airway). It's the combination that causes the severity, and it occurs now any time he gets a cold. We are booked in for a dilation procedure in the next few months which isn't guaranteed but is the least invasive treatment option at this stage. The plan is to carry this out and monitor him until his airway grows sufficiently to avoid the issue. He may need this a number of times, and failing that a more invasive procedure.

That April trip home to Central Otago was a whirlwind. We'd come over for my wife's sister's wedding and between the wedding, hospital stay and treatment, and travelling back to Brisbane we weren't able to take the opportunity to thank the crew for their fantastic work in bringing Oliver safely to where he needed to be.

Please pass this letter and our most grateful and heartfelt thanks to the crew for saving Oliver's life. He was continuing to deteriorate and I don't believe would have made it to hospital by road. Looking at your website, I think it was Clayton Girven and Andrew McLellan, but given the pace and chaos of that time I cannot be 100 percent sure! I could write a novel about how much it meant to us but at the end it all comes back to those two simple words: thank you.

It goes without saying we would like to make a donation to support the trust. I see we are able to do this via the website so no troubles there. For our reference and a bit of a yard stick, do you have a rough indication of what the operational costs of a mission such as Oliver's would be?

Kind regards

Ryan and Erin Fitzgerald
Brisbane



Operator and Chief Pilot's Report

What a year - it started off busy and continued at pace for the full twelve months.

Not only was there a lot of missions to be flown, but, for an extended time, over 50% of the work was being undertaken at night. This created challenges with the piloting and crewing of the helicopter. We increased the pilot pool this year and also added another winchman, all of whom needed to complete our rigorous training requirements before they could be added to the roster. We now have three winchmen giving us cover during holidays, illness and when the workload demands.

Some missions have been long duration, with an increase in the number of flights direct to Christchurch. New destination policies issued by the Ministry of Health have come into place relating to spinal and stroke victims. Now, if we are tasked to a person with spinal injury and with no other major underlying condition, this patient will be flown directly from scene to Christchurch for definitive care.

One of the biggest challenges we overcame this year was having ZK HUP (the black machine) certified for Instrument Flight Rules (IFR) and approved to the standard Global Navigational Satellite System Required Navigational Performance 1 (GNSSRNPI).

We started this project in 2013 and it has taken two years to have the aircraft signed off. It is the only helicopter in New Zealand currently holding this level of IFR approval by the Civil Aviation Authority (CAA). This certification has stepped us up another notch, particularly in respect of safety and by providing extra capability in weather that has previously not allowed us to fly.

Piloting is a critical challenge for the organisation, especially ensuring we maintain and expand the skill levels of our crew. To get the full potential out of the aircraft we have started an IFR training programme for pilots, with two pilots now certified to fully use the aircraft capabilities, and others ongoing in their training. All this work needs to be undertaken in the aircraft and consequently is very costly, but, it is proving highly beneficial for safety of crew and welfare of patients.

With the ongoing increase in number of missions and the commitment by the Trust to fund a second dedicated helicopter, I felt it was also important for Helicopters Otago to demonstrate we can deliver the very highest level of care available in the country. We located and purchased a helicopter (another BK117) from Japan that was being used by the Japanese Government for emergency and disaster work. It is the newest and latest model BK117 in New Zealand. It has single-pilot IFR and auto-pilot capabilities which will bring significant benefits to our operation. This aircraft will fly pre-programmed routes at the altitude and speed we select without further pilot input. It is very clever.

The acquisition and modification of the new aircraft has been the biggest single project I have taken on in recent times and possibly one of the biggest projects on a helicopter within New Zealand.

We have stripped out the aircraft and have removed all wiring and any unnecessary extras to make the machine as light as possible (see photos page 24). Upgrading to a digital navigation system (similar to ZK HUP) and adding automatic terrain awareness, traffic avoidance plus a host of other technical enhancements will make this a highly advanced helicopter.

CAA has been involved in planning/reconfiguring/certification of this aircraft from the beginning. When complete, it will be the first



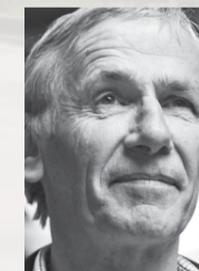
BK117 in the world, single-pilot IFR and autopilot coupled with full EFIS synthetic vision authorised GNSS/RNP1 (all old spinning gyros are removed and replaced with Digital to Analogue converters). The total cost of the upgrade will be close to a \$1,000,000.

Any patient we can help, give any hope, or deliver a high level of care to, every one of these missions, all have their own importance and recognising that importance is what we are all about.

Finally, I would like to thank the Trust and the Trustees who have been outstanding to work with, for their support over the last 12 months. It makes it easy, dealing with a Trust which understands the operational requirements of the service we are delivering.

The financial support and donations this service has received from the community has been impressive. Recently, a lady who lives in Fairfield (under our flightpath, and, who we probably wake up every second night) walked in the door and wrote out a cheque to the Trust for \$20,000. She has never used the service, never wants to use the service, but she appreciates what we do. We will always strive to give all our patients a better outcome, and a speedy recovery. For us, it is always about the patient.

Thanks again for your support, and I look forward to supporting the service in the way you have supported the Trust and the team at Helicopters Otago over the last 12 months.



Graeme Gale
Managing Director
Helicopters Otago Limited



Donors 2014-15

Otago Regional Council	350,000.00
Community donations via Westpac	93,990.05
Clinton Lions Club	48,000.00
The Maniototo's Got Talent	43,000.00
The Late V A Farquharson	26,115.60
Otematata Hydro Village Reunion	11,000.00
E M M Haynes Charitable Trust	10,000.00
Ann Woodham	10,000.00
BP Sponsorship Credit note from Helicopters Otago	10,000.00
JBW McKenzie Trust	9,000.00
Special Rigs for Special Kids	8,391.00
Estate of Lindsay Harding Moore	8,000.00
IOOF NZ	7,143.00
Farmlands Co-Operative	6,215.00
Road Transport Logistics	5,265.00
Bendigo Valley Sports & Charity Foundation	5,000.00
Sub Association Certified Builders Otago	5,000.00
PGG Wrightson	4,363.50
Pre-49 Rodders Inc	4,000.00
Highlanders Rugby Collection	2,290.80
Gallaway Cook Allan	2,000.00
BRONZ (Otago) Inc	2,000.00
Sarah Redfern	2,000.00
Givealittle Spark Foundation	1,530.00
Port Chalmers & District Lions Club	1,500.00
Hawkins Watts	1,500.00
West Otago Town & Country Club	1,426.30
Lauren Parker	1,174.20
Anonymous	1,171.00
AJ & DA O'Connell Trust	1,000.00
M J Wigley	1,600.00
G R Fowles	1,000.00
JF Hillebrand New Zealand	1,000.00
Finegand Employees Shed Fun	1,000.00
Dunedin Masonic Charity Bowls	1,000.00
Alex Golf	1,000.00
Palmerston and Waimeho A&P Association Inc	1,000.00
Karsten Pedersen	1,000.00
Grant Ludemann	1,000.00
Fay Lunn	1,000.00
Gore Hokonui Lions Club	1,000.00
Plus 101 individual & group donations	25,345.96
Total	719,021.41



OTAGO RESCUE HELICOPTER TRUST
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 30TH JUNE 2015

OTAGO RESCUE HELICOPTER TRUST
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 30TH JUNE 2015

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The accompanying notes on page 19-22 form part of these financial statements.

OTAGO RESCUE HELICOPTER TRUST

DIRECTORY

AS AT 30TH JUNE 2015

PRINCIPAL ACTIVITY: To support and maintain the provision of an emergency rescue helicopter service in the greater Otago Region.

TRUSTEES/DIRECTORS: Ross Black - Chairman
Warwick Deuchrass
Martin Dippie
John Gallaher
Paul Moodie
Tony Sycamore
Philip Taylor

AUDITORS: Deloitte
P O Box 1245
DUNEDIN

ACCOUNTANTS: Crowe Horwath
P O Box 188
DUNEDIN
Shaun McNamara

SOLICITORS: Anderson Lloyd Lawyers
Private Bag 1959
DUNEDIN
S Simmers

BANKERS: ANZ
P O Box 121
DUNEDIN

TRUST MANAGER: Ken Franklin

OTAGO RESCUE HELICOPTER TRUST

CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURE

FOR THE 12 MONTHS ENDED 30TH JUNE 2015

	2015	2014
	\$	\$
OPERATIONAL INCOME		
ACC	1,598,418	1,570,634
MOH	1,518,843	1,208,773
DHB	743,600	663,265
Police	37,779	73,373
Other	127,902	172,760
	<u>4,026,542</u>	<u>3,688,805</u>
OPERATIONAL EXPENSES		
ACC Mission Stopped	32,130	40,728
Accountancy and Administration	48,001	67,669
ARG Project Contributions	2,184	1,296
ARG Travel/Travel	9,934	16,087
Audit Fee	6,835	4,990
Communication and Promotion	20,927	12,507
Depreciation of Motor Vehicles, Medical & Rescue Equipment	61,692	65,209
General Expenses	13,656	4,932
Helicopter Lease	935,892	935,892
Helicopter Operating Costs	1,489,545	1,211,718
Helicopter Rental - Extra Machines	711,582	1,057,473
Helicopter Pilots Standby and Ground Charges	813,881	729,060
Insurance	13,886	15,813
Legal and Professional Fees	5,973	4,122
Loss on Disposal of Asset	-	375
Management Fees	-	22,500
Medical & Emergency Equipment Maintenance	7,944	6,848
Membership Fees - Ambulance NZ	7,243	11,000
Overseas Patients Write Off (MOH)	73,282	-
Paramedic Crewing - Permanent	362,832	362,832
Paramedic Crewing - Per mission	884	7,291
Safety Training - Crew & Services	101,476	39,791
Trust Board Expenses	36,031	-
Vehicle Expenses	4,265	4,754
Wages and Salaries	89,132	49,166
	<u>4,849,207</u>	<u>4,672,053</u>
OPERATIONAL DEFICIT	<u>(822,665)</u>	<u>(983,248)</u>

OTAGO RESCUE HELICOPTER TRUST

CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURE

FOR THE 12 MONTHS ENDED 30TH JUNE 2015

	2015	2014
	\$	\$
OPERATIONAL DEFICIT	<u>(822,665)</u>	<u>(983,248)</u>
PLUS NON OPERATIONAL INCOME		
Community Donations	719,021	856,292
Interest Received	<u>99,020</u>	<u>95,191</u>
	818,041	951,483
<u>SURPLUS/(DEFICIT) TRANSFERRED TO GENERAL OPERATIONAL RESERVE</u>	<u>(4,624)</u>	<u>(31,765)</u>

CAPITAL EXPENDITURE

	2015	2014
	\$	\$
Funds applied for the purchase of new and replacement emergency medical equipment	<u>\$159,897</u>	<u>\$57,660</u>

OTAGO RESCUE HELICOPTER TRUST

CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY

FOR THE 12 MONTHS ENDED 30TH JUNE 2015

	2015	2014
	\$	\$
<u>TOTAL EQUITY AT BEGINNING OF YEAR</u>	2,495,178	2,526,943
Add Net Surplus/(Deficit)	<u>(4,624)</u>	<u>(31,765)</u>
Total recognised revenues and expenses	(4,624)	(31,765)
<u>TOTAL EQUITY AT END OF YEAR</u>	<u>\$2,490,554</u>	<u>\$2,495,178</u>
<u>REPRESENTED BY:</u>		
General Operational Reserve		
Balance at beginning of year	1,495,178	1,526,943
Surplus/(Deficit) allocated	<u>(4,624)</u>	<u>(31,765)</u>
Balance at end of year	<u>1,490,554</u>	<u>1,495,178</u>
Life Support & Ambulance Equipment Replacement Reserve		
Balance at beginning of year	<u>1,000,000</u>	<u>1,000,000</u>
Balance at end of year	<u>1,000,000</u>	<u>1,000,000</u>
<u>TOTAL EQUITY</u>	<u>\$2,490,554</u>	<u>\$2,495,178</u>

The accompanying notes on page 19-22 form part of these financial statements.

The accompanying notes on page 19-22 form part of these financial statements.

OTAGO RESCUE HELICOPTER TRUST

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30TH JUNE 2015

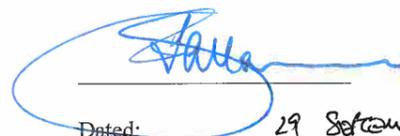
	Note	2015 \$	2014 \$
Life Support & Ambulance Equipment Replacement Reserve		1,000,000	1,000,000
General Operational Reserve		1,490,554	1,495,178
<u>TRUST EQUITY</u>		<u>2,490,554</u>	<u>2,495,178</u>
<u>REPRESENTED BY:</u>			
<u>CURRENT ASSETS</u>			
Accrued Interest		56,004	40,797
Accounts Receivable		323,515	287,837
Funds at Bank		588,959	501,066
Goods & Services Tax		72,796	21,788
Prepaid Expenses		5,195	3,531
		<u>1,046,469</u>	<u>855,019</u>
<u>NON CURRENT ASSETS</u>			
Motor Vehicles, Medical and Rescue Equipment	3	323,750	225,545
Term Deposits		<u>1,700,000</u>	<u>1,700,000</u>
		<u>2,023,750</u>	<u>1,925,545</u>
<u>TOTAL ASSETS</u>		<u>3,070,219</u>	<u>2,780,564</u>
<u>CURRENT LIABILITIES</u>			
Accounts Payable		444,574	285,386
Income In Advance		135,091	-
<u>TOTAL LIABILITIES</u>		<u>579,665</u>	<u>285,386</u>
<u>NET ASSETS</u>		<u>2,490,554</u>	<u>2,495,178</u>

For and on behalf of the Board .



Trustee

Dated: 29 . SEPTEMBER 2015



Trustee

Dated: 29 SEPTEMBER 2015

The accompanying notes on page 19-22 form part of these financial statements.

OTAGO RESCUE HELICOPTER TRUST
NOTES TO THE FINANCIAL STATEMENTS

FOR THE 12 MONTHS ENDED 30TH JUNE 2015

NOTE 1

STATEMENT OF ACCOUNTING POLICIES

Otago Rescue Helicopter Trust (the Trust) is a trust established by a trust deed dated 1 August 1997. The Trust qualifies for income tax and duty exemptions due to its charitable status. These financial statements have been compiled in accordance with the Financial Reporting Act 1993.

Consolidated Group

The consolidated group (the Group) comprises Otago Rescue Helicopter Trust and its subsidiary, Otago Rescue Helicopter Limited.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical cost basis are followed by the Group.

Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used last year.

Differential Reporting

Otago Rescue Helicopter Trust is a qualifying entity in terms of the Framework for Differential Reporting by virtue of the fact that it has no public accountability and the entity is not large per the size criteria.

All available differential reporting exemptions have been applied except for FRS 19 as the Group financial performance have been prepared GST exclusive.

Contingent Liabilities

There are no contingent liabilities at year end. The Group has not granted any securities nor given any guarantees in respect of liabilities payable by it or any other party.

Basis of Consolidation

The Group financial statements consolidate the financial statements of the parent and all entities over which the parent is deemed to have controlling relationship (defined as "subsidiaries"). An entity is defined as a subsidiary when the Group has beneficial ownership of a majority voting interest in an entity.

All subsidiaries have a 30 June balance date and consistent accounting policies are applied.

OTAGO RESCUE HELICOPTER TRUST
NOTES TO THE FINANCIAL STATEMENTS

Basis of Consolidation

The consolidation of the parent and subsidiary entities 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 the Group financial position and performance.

NOTE 2

STATEMENT OF ACCOUNTING POLICIES

Specific Accounting Policies

Depreciation

Depreciation has been charged in the financial statements using the following rates:
 Medical & Rescue Equipment 12% - 60% Diminishing Value
 Motor Vehicles 13% - 36% Diminishing Value

Medical and Rescue Equipment

Medical and Rescue Equipment are recorded at cost less accumulated depreciation.

Motor Vehicles

Motor Vehicles are recorded at cost less accumulated depreciation.

Term Deposits

Term Deposits have been recorded at cost.

Accounts Receivable

Accounts Receivable are recorded at net realisable value.

Goods and Services Tax

The financial statements have been compiled stating all income and expenditure items exclusive of GST.

Revenue

Contract revenue is recognised when earned. Grants and donations are recognised when received or when all associated obligations have been met.

OTAGO RESCUE HELICOPTER TRUST
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3

MOTOR VEHICLES, MEDICAL & RESCUE EQUIPMENT

	Original Cost \$	Depn To Date \$	Closing Book Value \$
2015			
Medical & Rescue Equipment	1,182,124	912,842	269,282
Motor Vehicles	101,904	47,436	54,468
	<u>\$1,284,028</u>	<u>\$960,278</u>	<u>\$323,750</u>
2014			
Medical & Rescue Equipment	1,022,227	865,304	156,923
Motor Vehicles	101,904	33,282	68,622
	<u>\$1,124,131</u>	<u>\$898,586</u>	<u>\$225,545</u>

NOTE 4

CAPITAL EXPENDITURE

	2015 \$	2014 \$
Funds applied for the purchase of new and replacement emergency medical equipment	<u>\$159,897</u>	<u>\$57,660</u>

NOTE 5

The consolidated financial statements of the group include the following subsidiary:

Name	Principal activity	Country of incorporation	2015	2014
Otago Rescue Helicopter Limited	Provision of emergency air ambulance services in the lower South Island	New Zealand	100%	100%

Report on the Financial Statements

We have audited the consolidated financial statements of Otago Rescue Helicopter Trust on pages 12 to 18, which comprise the consolidated statement of financial position as at 30 June 2015, the consolidated statement of income and expenditure for the year ended 30 June 2015, the consolidated statement of movements in equity for the year ended 30 June 2015, and a summary of significant accounting policies and other explanatory information.

Board of Trustees' Responsibility for the Financial Statements

The Board of Trustees are responsible for the preparation and fair presentation of the consolidated financial statements, in accordance with generally accepted accounting practice in New Zealand, and for such internal control as the Board of Trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates, as well as the overall presentation of the financial statements.

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

Other than in our capacity as auditor we have no relationship with or interests in Otago Rescue Helicopter Trust.

Opinion

In our opinion, the consolidated financial statements on pages 12 to 18 present fairly, in all material respects, the financial position of Otago Rescue Helicopter Trust as at 30 June 2015, and its financial performance for the year ended 30 June 2015 in accordance with generally accepted accounting practice in New Zealand.



Chartered Accountants
29 September 2015
Dunedin, New Zealand

OTAGO RESCUE HELICOPTER TRUST
NOTES TO THE FINANCIAL STATEMENTS

NOTE 6

RELATED PARTY TRANSACTION

Crowe Horwath have provided accounting and secretarial support and advice to the Trust/Company since the Trust/Company was formed. These services include monthly contract reporting and additional advisory services and are invoiced on an arms length basis as and when services are required. In November 2003 the Trust appointed Mr Paul Moodie, a Principal at Crowe Horwath as a Trustee and Director. Mr Moodie's potential conflict was addressed and formally noted. At year end, \$5,882 (2014: \$8,408) was payable to Crowe Horwath.

Anderson Lloyd have provided legal support and advice to the Trust/Company since the Trust/Company was formed. These services are invoiced on an arms length basis as and when services are required. In October 2000 the Trust appointed Mr Warwick Deuchrass as a Trustee and Director. Mr Deuchrass's potential conflict has been addressed and formally noted. At year end, \$986 (2014: \$NIL) was payable to Anderson Lloyd.

The Trust provides funding support to its subsidiary, Otago Rescue Helicopter Limited as required. At 30 June 2015, \$164,562 was payable to the subsidiary (2014: \$59,220).

NOTE 7

INCOME TAX EXEMPTION

Otago Rescue Helicopter Trust and Otago Rescue Helicopter Limited both qualify for income tax and duty exemptions due to their charitable purposes.



Image Index

Front cover: ZK-HUP on mission.

Inside front cover/Page 1:

Motor vehicle accident, Oamaru.
ZK-HUP interior.

Page 2: Motor vehicle accident on the road between
Balclutha and Kaitangata.

Page 6: Trail bike incident, Beaumont.

Page 9: ZK-IWG as delivered from Japan.

Page 10: Paramedic and crewman, Ian Ridley, collects
the big cheque (\$100,000) from the
Certified Builders Otago /Mitre 10 MEGA
Dunedin charity house build and auction.

Page 11: The Maniototo's Got Talent organising
committee takes the stage. [top]

Excitement builds for Dallas (Certified
Builders Otago), Shane (Harcourts) and Neil
(Mitre 10 MEGA Dunedin) as the charity
house begins to take shape. [middle]

The talented Maniototo hands over its
cheque for \$43,000 to Trust Manager, Ken
Franklin, at the Ranfurly pub. [lower]

Page 24/Inside back cover:

ZK-IWG receives a makeover to become what
will be the most sophisticated BK117 in
New Zealand.

Back cover: ZK-HUP uses the new helipad at the
Department of Conservation centre,
Aoraki Mt Cook.



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