



**Victorian Aboriginal
Community Controlled
Health Organisation Inc**

A.B.N. 67 498 114 972

Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

*VICTORIAN ABORIGINAL COMMUNITY
CONTROLLED HEALTH ORGANISATION INC
A.B.N. 67 498 114 972*

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VICTORIAN ABORIGINAL COMMUNITY
CONTROLLED HEALTH ORGANISATION INC
A.B.N. 67 498 114 972

COMMITTEE'S REPORT

Your committee members present this report along with the financial report of Victorian Aboriginal Community Controlled Health Organisation Incorporated (VACCHO) for the financial year ended 30 June 2020, in order to comply with the provisions of the *Associations Incorporation Reform Act 2012*.

COMMITTEE MEMBERS

The names of committee members throughout the year were:

Karen Heap	Chairperson (resigned June 2020)
Michael Graham	Acting Chairperson
Suzie Squires	Treasurer
Michael Bell	
John Gorton	
Joseph Day	Appointed October 2019
Kelli Bartlett	Appointed October 2019
James Atkinson	Resigned September 2019
Karlene Dwyer	Resigned September 2019

A Ballot for the election of Members of the Committee occurs at the Annual General Meeting in October each year.

Meetings of Committee Members

During the financial year, 12 meetings of Committee Members were held. Attendances by each member were as follows:

	Committee members meetings	
	Number eligible to attend	Number attended
Karen Heap	12	12
Michael Graham	12	11
Suzie Squires	12	8
Michael Bell	12	9
John Gorton	12	10
Joseph Day	8	3
Kelli Bartlett	8	7
James Atkinson	2	1
Karlene Dwyer	2	0

SUMMARY

VACCHO is the peak body for Aboriginal health and wellbeing in Victoria, with 32 member ACCO's providing support to approximately 50,000 Aboriginal people across the state.

VACCHO champions community control and health equality for Aboriginal communities. Our members have a proud history as sustainable, grassroots organisations that assist in building community capacity for self-determination. VACCHO believes that each Aboriginal community needs its own community-based, locally owned, culturally appropriate and adequately resourced primary health care facilities.

During 2019/20, VACCHO continued to cement its leadership role though continuing to drive outcomes from its Strategic Plan 2018-2022.

Importantly, with a strong balance sheet VACCHO is set to meet its Strategic Priorities and continue to support our Members the delivery of culturally safe health and wellbeing services of Aboriginal Peoples living in Victoria.

VICTORIAN ABORIGINAL COMMUNITY
CONTROLLED HEALTH ORGANISATION INC
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OPERATING RESULT

The surplus for the year amounted to \$212,375 (2019: \$65,064).

Signed in accordance with a resolution of the members of the Committee.



Michael Graham (A/Chair)



Suzie Squires

RSM Australia Partners

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www.rsm.com.au**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of Victorian Aboriginal Community Controlled Health Organisation Inc for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Australian Professional Accounting Bodies in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

**RSM AUSTRALIA PARTNERS****B Y CHAN**
PartnerDated: 22 September 2020
Melbourne, Victoria**THE POWER OF BEING UNDERSTOOD**
AUDIT | TAX | CONSULTING

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VICTORIAN ABORIGINAL COMMUNITY
CONTROLLED HEALTH ORGANISATION INC
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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020**

REVENUE	Note	2020	2019
		\$	\$
Grants and funding	2	17,951,859	11,668,908
Other income	2	992,793	847,949
TOTAL REVENUE		18,944,652	12,516,857
EXPENDITURE			
Program operational expenses		8,868,209	3,902,005
Employee expenses		8,077,618	6,817,181
Depreciation expenses		331,102	224,224
Office expenses	2	765,560	733,172
Other expenses	2	689,787	775,211
TOTAL EXPENDITURE		18,732,277	12,451,793
Surplus for the year attributable to the members		212,375	65,064
Total comprehensive income for the year attributable to the members		212,375	65,064

The above Statement of Profit and Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

VICTORIAN ABORIGINAL COMMUNITY
CONTROLLED HEALTH ORGANISATION INC
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**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020**

CURRENT ASSETS	Note	2020	2019
		\$	\$
Cash and cash equivalents	3	14,520,570	17,231,275
Trade and other receivables	4	16,896	666,359
Financial assets	5	-	-
Other	6	37,253	110,795
TOTAL CURRENT ASSETS		14,574,719	18,008,429
NON-CURRENT ASSETS			
Property, plant and equipment	7	6,747,621	6,854,166
TOTAL NON-CURRENT ASSETS		6,747,621	6,854,166
TOTAL ASSETS		21,322,340	24,862,595
CURRENT LIABILITIES			
Trade and other payables	8	1,973,833	1,779,359
Employee benefits	9	764,806	597,226
Contract liabilities	10	6,630,962	10,807,250
TOTAL CURRENT LIABILITIES		9,369,601	13,183,835
NON-CURRENT LIABILITIES			
Employee benefits	9	97,973	36,370
TOTAL NON-CURRENT LIABILITIES		97,973	36,370
TOTAL LIABILITIES		9,467,574	13,220,205
NET ASSETS		11,854,765	11,642,390
EQUITY			
Retained surpluses		11,854,765	11,642,390
TOTAL EQUITY		11,854,765	11,642,390

The above Statement of Financial Position should be read in conjunction with the accompanying notes

VICTORIAN ABORIGINAL COMMUNITY
CONTROLLED HEALTH ORGANISATION INC
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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020**

	Retained Surpluses	Total Equity
	\$	\$
2019		
Balance at 1 July 2018	11,577,326	11,577,326
Surplus for the year attributable to the members	65,064	65,064
Balance at 30 June 2019	11,642,390	11,642,390
2020		
Balance at 1 July 2019	11,642,390	11,642,390
Surplus for the year attributable to the members	212,375	212,375
Balance at 30 June 2020	11,854,765	11,854,765

The above Statement of Changes to Equity should be read in conjunction with the accompanying notes

VICTORIAN ABORIGINAL COMMUNITY
CONTROLLED HEALTH ORGANISATION INC
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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020**

		2020 \$	2019 \$
Cash flows from operating activities	Note		
Receipts from customers/funders		19,566,113	12,627,121
Interest received		168,332	295,669
Payments to suppliers and employees		(22,242,125)	(11,476,922)
Net cash from operating activities	11	(2,507,680)	1,445,868
 Cash flows from investing activities			
Payment for purchase of property, plant and equipment		(224,557)	(472,050)
Proceeds on sale of fixed assets		21,532	-
Proceeds on sale of investments		-	4,894,427
Net (provided by) investing activities		(203,025)	4,422,377
Net increase/(decrease) in cash		(2,710,705)	5,868,245
Cash and cash equivalents at the beginning of the financial year		17,231,275	11,363,030
Cash and cash equivalents at the end of the financial year	3	14,520,570	17,231,275

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

The financial statement covers Victorian Aboriginal Community Controlled Health Organisation Incorporated (VACCHO) as an individual entity. It is an association incorporated in Victoria under the *Associations Incorporation Reform Act 2012*. It is a not-for-profit registered health promotion charity as such it is exempt from income tax.

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, including Australian Accounting Interpretations and the *Associations Incorporation Reform Act 2012*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

Reporting basis and conventions

The financial statements have been prepared on an accruals basis and are based on historical costs modified where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Critical Accounting Estimates and Judgments

The preparation of the financial statements requires the use of certain critical accounting estimates. The directors evaluate estimates and judgments incorporated into the financial report are based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

New or amended Accounting Standards and Interpretations adopted

VACCHO has adopted all the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the incorporated association.

The following Accounting Standards and Interpretations are most relevant to the incorporated association:

AASB 15 Revenue from Contracts with Customers

VACCHO has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

**VICTORIAN ABORIGINAL COMMUNITY
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NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

AASB 16 Leases

VACCHO has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with an amortisation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities.

AASB 1058 Income of Not-for-Profit Entities

VACCHO has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other specific performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised.

Related amounts recognised may relate to AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability will be brought to account as income over the period in which the entity satisfies its specific performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

Impact of adoption

AASB 15, AASB 16 and AASB 1058 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained profits as at 1 July 2019.

Income tax

The incorporated association is a charitable institution in terms of subsection 50-5 of the *Income Tax Assessment Act 1997*, as amended, it is exempt from paying income tax.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

Trade and other receivables

Trade and other receivables are recognised at amortised cost, less any allowance for expected credit losses.

**VICTORIAN ABORIGINAL COMMUNITY
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NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Property, Plant and Equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Freehold land is at cost.

Paintings and Artwork is at cost and are not depreciated as considered to have an indefinite useful life.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives to the entity commencing from the time the asset is held ready for use. Leasehold assets are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Motor Vehicles	5-8 Years
Furniture & Equipment	3-10 Years
Building & Building Improvements	40 Years
Computer Equipment	1-5 Years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Leases

VACCHO has entered a three year lease agreement for computer equipment – Laptop. The application of the Accounting Standard AASB 16 allows for the exercise of judgement – particularly in respect of the definition of a lease, the assessment of the lease term and leases for which the underlying asset is of low value.

VACCHO has undertaken a thorough review of rental/ lease of IT equipment ie laptops for use by individuals and has deemed these items as low value assets and hence will be exempt for the specific application under the AASB16. The current rental/lease expenses as at 30 June 2020 will be expensed as the lease payments fall due.

Goods and Services Tax (GST)

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

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**VICTORIAN ABORIGINAL COMMUNITY
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NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Trade and other payables

These amounts represent liabilities for goods and services provided to the incorporated association prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities represent the incorporated association's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the incorporated association recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the incorporated association has transferred the goods or services to the customer.

Employee Benefit Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expect future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

VICTORIAN ABORIGINAL COMMUNITY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 2: REVENUE AND EXPENSE ITEMS

	2020	2019
	\$	\$
Significant Revenue and Expense items		
Revenue		
Grants and funding	16,788,620	9,846,691
Funds brought forward from prior year	1,163,239	1,822,217
	17,951,859	11,668,908
Other income		
Sales income	165,343	460,358
Billable services and materials	50,771	17,998
Donations	34,937	19,883
Interest income	136,373	330,848
Other Revenue	583,836	18,862
Profit on Sale of Asset	21,532	-
	992,793	847,949
Other Expenses		
Audit Fee	38,325	25,560
Motor Vehicle	36,009	39,680
Consultants Fees	613,615	708,373
Finance Costs	1,838	1,598
	689,787	775,211
Office Expenses		
Occupancy Costs	127,887	180,080
Telephone & Internet Services	205,867	211,844
Postage, Stationery & Printing	47,926	111,276
Other Office and General Expenses	383,880	229,972
	765,560	733,172

AASB 15 was adopted using the modified retrospective approach and as such comparatives have not been provided for disaggregation of revenue.

VICTORIAN ABORIGINAL COMMUNITY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 3: CASH AND CASH EQUIVALENTS

	2020	2019
	\$	\$
Cash on Hand	670	195
Cash at Bank	14,519,900	17,231,080
	<hr/>	<hr/>
Total Cash and cash equivalents	14,520,570	17,231,275

NOTE 4: TRADE AND OTHER RECEIVABLES

	2020	2019
	\$	\$
Trade Receivables	45,314	683,550
Provision for impairment	(37,138)	(52,370)
	<hr/>	<hr/>
	8,176	631,180
Other receivables		
Funds receivable	8,720	35,179
	<hr/>	<hr/>
Total trade and other receivables	16,896	666,359

NOTE 5: FINANCIAL ASSETS

	2020	2019
	\$	\$
Financial assets at fair value through profit and loss	-	-
	<hr/>	<hr/>
<u>Movement in financial assets</u>		
Balance at the beginning of the year	-	4,894,427
(Disposal)/Investment	-	(4,894,427)
	<hr/>	<hr/>
Balance at the end of the year	-	-

NOTE 6: OTHER ASSETS

	2020	2019
	\$	\$
Prepayments	37,253	110,795
	<hr/>	<hr/>

VICTORIAN ABORIGINAL COMMUNITY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 7: PROPERTY PLANT AND EQUIPMENT

	2020	2019
	\$	\$
Paintings and Artwork - at cost	54,388	54,388
Less: Accumulated Depreciation	-	-
Written Down Value	54,388	54,388
Motor Vehicles - at cost	129,572	187,435
Less: Accumulated Depreciation	(1,440)	(172,748)
Written Down Value	128,132	14,687
Computer Equipment & Software - at cost	636,495	649,094
WIP Transferred	325,625	-
Less: Accumulated Depreciation	(458,815)	(331,114)
Written Down Value	503,305	317,980
Furniture and Fittings - at cost	591,598	584,432
Less: Accumulated Depreciation	(380,250)	(335,394)
Written Down Value	211,348	249,038
Eye Health equipment - at cost	160,447	160,447
Less: Accumulated Depreciation	(160,367)	(160,367)
Written Down Value	80	80
Land and Buildings - at cost	6,773,702	6,773,702
Less: Accumulated Depreciation	(923,334)	(794,559)
Written Down Value	5,850,368	5,979,143
WIP – at Cost	325,625	238,850
WIP Transferred	(325,625)	-
WIP Value	-	238,850
Total Written Down Value of Assets	6,747,621	6,854,166

VICTORIAN ABORIGINAL COMMUNITY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

Movements in Carrying Amounts:

Movement in the carrying amounts for each class of property, plant and equipment:

2019	Paintings and Artwork \$	Motor Vehicles \$	Computer Equipment and Software \$	Furniture and Fittings \$	Eye Health Equipment \$	Land and Buildings \$	WIP \$	Total \$
Opening Balance	53,243	29,737	237,214	69,684	80	6,107,918	108,465	6,606,341
Additions at cost	1,145		148,668	191,853				341,666
Disposals								
Depreciation Expense		(15,050)	(67,902)	(12,499)		(128,775)		(224,225)
Project Cost WIP							130,385	130,385
Carrying amount at end year	54,388	14,687	317,980	249,038	80	5,979,143	238,850	6,854,166
2020								
Opening Balance	54,388	14,687	317,980	249,038	80	5,979,143	238,850	6,854,166
Additions at cost		124,841	5,776	7,165			86,775	224,557
Transfer from WIP			325,625				(325,625)	-
Disposals								
Depreciation Expense		(11,396)	(146,076)	(44,855)		(128,775)		(331,102)
Carrying amount at end year	54,388	128,132	503,305	211,348	80	5,850,368	-	6,747,621

NOTE 8: TRADE AND OTHER PAYABLES

	2020 \$	2019 \$
Trade Creditors	190,361	191,750
Accrued Expenses	958,326	767,394
PAYG Tax	149,025	88,562
GST	367,463	274,445
Other Creditors	237,132	81,015
Auspice Monies Held in Trust	71,526	376,193
Total Trade and Other Payables	1,973,833	1,779,359

VICTORIAN ABORIGINAL COMMUNITY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 9: PROVISIONS

	2020	2019
	\$	\$
Current Provisions		
Annual leave	476,777	337,426
Long-service leave	288,029	259,800
Total Current Provisions	764,806	597,226
Non-Current Provisions		
Long-service leave	97,973	36,370

NOTE 10: CONTRACT LIABILITIES

Unearned Revenue	5,675,737	4,849,250
Grants in advance	955,225	5,958,000
	6,630,962	10,807,250

NOTE 11: CASH FLOW INFORMATION

Reconciliation of Cash Flow from Operations with Surplus after Income Tax

	2020	2019
	\$	\$
Operating Surplus after income tax for the year	212,375	65,064
Non-cash flows in surplus after tax		
Depreciation	331,102	224,224
Profit on sale of assets	(21,532)	-
Changes in operating assets and liabilities		
(Increase) in trade and other receivables	779,365	441,112
(Increase)/decrease in other assets	105,501	(135,349)
(Decrease)/increase in trade and other payables	32,613	130,581
Increase/(decrease) in deferred income	(4,176,288)	724,440
Increase in employee benefits	229,183	(4,204)
Net cash from/(used in) operating activities	(2,507,680)	1,445,868

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 12: CONTINGENT LIABILITIES

As detailed in Note 7, the entity holds land and building at 17-23 Sackville Street, Collingwood Vic 3066, in the Statement of Financial Position at \$5,979,143. This acquisition took place in 2010 with government assistance of \$3.95million. Under the terms of this facility, the contribution is only repayable to the Department of Health and Human Services (formally the Department of Health) if and when the following takes place:

- Windup of VACCHO; or
- A change in the entity's strategic operations.

The incorporated association had no other contingent liabilities as at 30 June 2020.

NOTE 13: ECONOMIC DEPENDENCE

The entity is economically dependent on Commonwealth and State Government departments for its grant revenue. These grants funding sources require certain procedures for grant expenditure and acquittal. If grants are not expended and acquitted in accordance with the grantor's procedures, grantors can refuse to make further grants and request repayments of grants made.

**NOTE 14: MORTGAGES, CHARGES OR SECURITIES AFFECTING THE PROPERTY
OF THE ASSOCIATION**

Capital Funding Agreement Mortgage of Land:

The Department of Health and Human Services (formally the Department of Health) under their Capital Funding Agreement established a security interest by way of mortgage on the VACCHO Head Office at 17-23 Sackville Street, Collingwood, Vic 3066.

No interest is payable on the mortgage and repayment is restricted to the provisions of the Capital Funding Agreement.

There are no other mortgages, charges or securities encumbering the property of the Association.

NOTE 15: RELATED PARTY DECLARATION

VACCHO must disclose certain related party relationships together with information associated with those transactions in its annual financial statements in order to comply with Australian Accounting Standard AASB 124 Related Party Disclosures.

VACCHO's related parties include:

- key management personnel (KMP) of VACCHO
- close family members of KMP
- entities related to VACCHO, such as subsidiaries, joint ventures and associates
- entities controlled or jointly controlled by KMP or their close family members

A related party transaction is any transaction between VACCHO and the above related parties, whether monetary or not.

In order to meet the disclosure requirements, KMP must periodically provide a related party declaration identifying any close family members and entities controlled or jointly controlled by KMP or their close family members. Related party declarations will be requested by the Committee/Company Secretary. The Company Secretary will maintain a register to record and assess the related parties and related party transactions. The declarations and related party register may be audited as part of the annual external audit process.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 16: KEY MANAGEMENT PERSONNEL COMPENSATION

Key Management Personnel

VACCHO has made the determination that key management personnel not only includes the Committee Members but also include members of the VACCHO Executive Leadership Group as they support the strategic decisions of the Organisation.

The total of remuneration paid to key management personnel (KMP) of the entity during the year is as follows:

	2020	2019
	\$	\$
Aggregate Compensation	1,025,870	1,182,561
	1,025,870	1,182,561

NOTE 17: RELATED PARTY TRANSACTIONS

VACCHO's Membership is defined as fitting the related party definition by the nature of the alignment with their health services, as Charities and as part of VACCHO the peak body's membership support of the Victorian Aboriginal Community. VACCHO has defined in the past the 'related party transaction' is any transaction through which VACCHO provides a financial benefit to a member.

The following are related parties with VACCHO:

1. Aboriginal Community Elders Services Inc
2. Ballarat & District Aboriginal Cooperative
3. Bendigo and District Aboriginal Cooperative
4. Budja Budja Aboriginal Cooperative
5. Dandenong and District Aboriginal Cooperative
6. Dhauwurd Wurrung Elderly and Community Health Service
7. Gippsland and East Gippsland Aboriginal Cooperative
8. Goolum Goolum Aboriginal Cooperative
9. Gundijtmara Aboriginal Cooperative
10. Oonah Health and Community Services Aboriginal Coporation (Formerly Healesville Indigenous Community Services Association)
11. Kirrae Health Services
12. Lake Tyers Health and Children's Service
13. Lakes Entrance Aboriginal Health Association (Auspice with Gippsland Lakes Complete Health Ltd)
14. Mallee District Aboriginal Services
15. Moogji Aboriginal Council East Gippsland
16. Mungabareena Aboriginal Corporation
17. Murray Valley Aboriginal Cooperative
18. Ngwala Willumbong Cooperative
19. Njernda Aboriginal Corporation
20. Ramahyuck District Aboriginal Corporation
21. Rumbalara Aboriginal Cooperative
22. Victorian Aboriginal Health Service
23. Wathaurong Aboriginal Cooperative
24. Winda-Mara Aboriginal Corporation
25. Albury Wodonga Aboriginal Health Service
26. Boorndawan Willam Aboriginal Healing Service
27. Bubup Wilam for Early Learning
28. Cumberagunja Housing & Development Aboriginal Corporation (Viney Morgan AMS)
29. Kirrip Aboiriginal Corporation
30. Melbourne Aboriginal Youth, Sport & Recreation Co-operative
31. Mullum Mullum Indigenous Gathering Place
32. Weenthunga Health Network Inc

VICTORIAN ABORIGINAL COMMUNITY
CONTROLLED HEALTH ORGANISATION INC
A.B.N. 67 498 114 972

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

The following transactions occurred with related parties:

	2020	2019
	\$	\$
Payment for goods and services:		
Aboriginal Community Elders Services Inc	137,356	91
Ballarat & District Aboriginal Co-op	58,824	15,543
Bendigo & District Aboriginal Co-op	178,376	16,495
Bubup Wilam for Early Learning Inc.	136,500	-
Budja Budja Aboriginal Cooperative	463,700	81,281
Dandenong & District Aborigines Co-op	46,000	-
Dhauwurd Wurrng Elderly and Community Heath Service Inc	378,704	81,426
Gippsland & East Gippsland Aboriginal Co-Op	130,862	15,000
Lakes Entrance Aboriginal Health Association	77,052	-
Goolum Goolum Aboriginal Co-op	255,483	87,827
Gunditjmara Aboriginal Corp	806,201	159,037
Kirrae Health Service	265,682	81,281
Lake Tyers Health & Childrens Service	74,800	-
Mallee District Aboriginal Services	192,463	96,785
Moogji Aboriginal Council	316,950	-
Mullum Mullum Indigenous Gathering Place	107,800	-
Mungabareena Aboriginal Corporation	315,000	-
Wathaurong Aboriginal Co-Operative Ltd	381,101	71,818
Murray Valley Aboriginal Co-Op	507,923	59,530
Njernda Aboriginal Corp	146,002	450
Ramahyuck District Aboriginal Corporation	312,143	15,000
Ramahyuck District. Aboriginal Corp. PHCAP	156,290	-
Rumbalara Aboriginal Co-op	239,342	62,620
Victorian Aboriginal Health Service Co-Op Ltd	28,800	-
Weenthunga Health Network Inc	57,244	58,182
Windamara Aboriginal Corporation	332,392	89,412
Nairm Marr Djambana Inc	67,500	-
Oonah Health & Community Services Aboriginal Co-op	162,000	-
Albury Wodonga Aboriginal Health Service	28,800	-
Boorndawan William Aboriginal Health Service Ltd	28,800	-
Total	6,390,090	991,778

	2020	2019
	\$	\$
Sales for goods and services:		
Bendigo & District Aboriginal Co- Op	3,000	6,000
Dandenong & District Aboriginal Cooperative Ltd	-	36,512
Gunditjmara Aboriginal Corp.	7,871	62,741
Wathaurong Aboriginal Health Service	9,911	90,963
Mungabareena aboriginal Corporation	-	22,058
Bubup Wilam for Early Learning	-	3,818
Weenthunga Health Network	-	1,900
Total	20,782	223,992

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

**VICTORIAN ABORIGINAL COMMUNITY
CONTROLLED HEALTH ORGANISATION INC
A.B.N. 67 498 114 972**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

Receivable from and payable to related parties

The following table reflects the trade receivables from or trade payables with related parties at year end:

	2020		2019	
	\$ Receivable	Payable	\$ Receivable	Payable
Gunditjmara Aboriginal Corp.	-	2,200	3,017	-
Wathaurong Aboriginal Health Service	-	-	30,460	-
Bendigo and District Aboriginal Cooperative	-	-	6,000	-
Total	-	-	39,477	-

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

NOTE 18: EVENTS AFTER REPORTING PERIOD

The impact of the Coronavirus (COVID-19) pandemic is ongoing, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian and State Governments, including but not limited to maintaining social distancing requirements, home quarantining, significant travel restrictions and increased focus on testing for COVID-19. VACCHO understands that the Australian and State Governments may provide economic stimulus in the form of funding, however it is not clear at this time.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the incorporated association's operations, the results of those operations, or the incorporated association's state of affairs in future financial years.

NOTE 19: ASSOCIATION DETAILS

The registered office of the association is:
17-23 Sackville Street,
Collingwood Vic 3066

The principal place of business is at the registered office.

VICTORIAN ABORIGINAL COMMUNITY
CONTROLLED HEALTH ORGANISATION INC
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PUBLIC OFFICER'S STATEMENT FOR YEAR ENDED 30 June 2020

In the officers' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards – Reduced Disclosure Requirements;
- the attached financial statements and notes give a true and fair view of VACCHO's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that VACCHO will be able to pay its debts as and when they become due and payable.

On behalf of the officers



.....
Jill Gallagher, AO (CEO VACCHO)

DATED: 22nd September 2020

VICTORIAN ABORIGINAL COMMUNITY
CONTROLLED HEALTH ORGANISATION INC
A.B.N. 67 498 114 972

STATEMENT BY MEMBERS OF THE COMMITTEE

In the opinion of the committee, the financial report as set out on pages 2 to 21:

- 1 Presents fairly the financial position of Victorian Aboriginal Community Controlled Health Organisation Incorporated as at 30 June 2020 and its performance for the year ended on that date in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Associations Incorporation Reform Act 2012*.
- 2 At the date of this statement there are reasonable grounds to believe that Victorian Aboriginal Community Controlled Health Organisation Incorporated will be able to pay its debts as and when they fall due.

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



Michael Graham (A/Chair)



Suzie Squires

Dated this 22nd day of September 2020

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INDEPENDENT AUDITOR'S REPORT

To the Members of Victorian Aboriginal Community Controlled Health Organisation Inc

Opinion

We have audited the financial report of Victorian Aboriginal Community Controlled Health Organisation Inc (the Association), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by members' of the committee.

In our opinion, the financial report of the Association has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation Reform Act 2012*, including:

- (a) giving a true and fair view of the Association's financial position as at 30 June 2020 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013* and the *Associations Incorporation Reform Act 2012*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

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Responsibilities of the Members of the Committee for the Financial Report

The members of the committee of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and for such internal control as the members of the committee determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the members of the committee are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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



RSM AUSTRALIA PARTNERS



B Y CHAN
Partner

Dated: 22 September 2020
Melbourne, Victoria