



**Victorian Aboriginal  
Community Controlled  
Health Organisation Inc**

**A.B.N. 67 498 114 972**

**Financial Report**

**FOR THE YEAR ENDED 30 JUNE 2021**

*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 2021, in order to comply with the provisions of the *Associations Incorporation Reform Act 2012*.

### COMMITTEE MEMBERS

**The following persons were committee members during the whole of the financial year and up to the date of this report, unless otherwise stated:**

Suzie Squires	Chairperson
Michael Bell	Resigned September 2020
John Gorton	
Joseph Day	Resigned March 2021
Kelli Bartlett	
Felicia Dean	Appointed October 2020
Michael Graham	Deputy Chairperson and Treasurer Appointed October 2020
Shellee Strickland	Appointed October 2020

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, 17 meetings of Committee Members were held. Attendances by each member were as follows:

#### *Committee members meetings*

	<i>Number eligible to attend</i>	<i>Number attended</i>
Suzie Squires	14	9
Michael Bell	7	5
John Gorton	10	9
Joseph Day	5	4
Kelli Bartlett	10	10
Felicia Dean	5	5
Michael Graham	17	12
Shellee Strickland	7	4

### SUMMARY

VACCHO is the peak representative for the health and wellbeing of Aboriginal people in Victoria. We represent 100% of Aboriginal Community Controlled Health Organisations (ACCOs) in Victoria, with 32 member ACCO's providing support to approximately 50,000 Aboriginal people across the state.

We lead and support Aboriginal Community Control and the broader health and social services sector to deliver transformative health and wellbeing outcomes for Victorian Aboriginal communities.

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.

Our vision for vibrant, healthy, self-determining Aboriginal communities. Our strategic plan: *On Solid Ground (2021-26)* outlines our bold steps to get there.

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During 2020/21, VACCHO continues to progress the outcomes framework and an outcome-based approach which will allow VACCHO flexibility, agility, and a self-determining program/project delivery strategy for 21/22 going forward. VACCHO continued to cement its leadership role though continuing to drive outcomes from its Strategic Plan and Outcomes Framework 2021-2026.

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.

**OPERATING RESULT**

The surplus for the year amounted to \$52,679 (2020: \$212,375).

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



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Suzie Squires (Chair)



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Michael Graham

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**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 2021, 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.

A handwritten signature in blue ink, appearing to be 'RSM'.**RSM AUSTRALIA PARTNERS**A handwritten signature in blue ink, appearing to be 'BY CHAN'.

**B Y CHAN**  
Partner

Dated: 21 September 2021  
Melbourne, Victoria

VICTORIAN ABORIGINAL COMMUNITY  
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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2021**

<b>REVENUE</b>	<b>Note</b>	<b>2021 \$</b>	<b>2020 \$</b>
Grants and funding	3	14,443,728	17,951,859
Other income	3	2,067,812	992,793
<b>TOTAL REVENUE</b>		<b>16,511,540</b>	<b>18,944,652</b>
<b>EXPENDITURE</b>			
Program operational expenses		5,557,354	9,423,350
Employee expenses		9,423,024	8,077,618
Depreciation expenses		400,595	331,102
Office expenses	3	730,200	765,560
Other expenses	3	347,688	134,647
<b>TOTAL EXPENDITURE</b>		<b>16,458,861</b>	<b>18,732,277</b>
<b>Surplus for the year attributable to the members</b>		<b>52,679</b>	<b>212,375</b>
<b>Total comprehensive income for the year attributable to the members</b>		<b>52,679</b>	<b>212,375</b>

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

VICTORIAN ABORIGINAL COMMUNITY  
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**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2021**

<b>CURRENT ASSETS</b>		<b>2021</b>	<b>2020</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	4	26,818,787	14,520,570
Trade and other receivables	5	403,715	16,896
Other	6	86,362	37,253
<b>TOTAL CURRENT ASSETS</b>		<b>27,308,864</b>	<b>14,574,719</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	6,141,663	6,286,331
Intangible asset	8	433,221	461,290
<b>TOTAL NON-CURRENT ASSETS</b>		<b>6,574,884</b>	<b>6,747,621</b>
<b>TOTAL ASSETS</b>		<b>33,883,748</b>	<b>21,322,340</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	2,561,124	1,973,833
Employee benefits	10	773,735	764,806
Contract liabilities	11	18,560,507	6,630,962
<b>TOTAL CURRENT LIABILITIES</b>		<b>21,895,366</b>	<b>9,369,601</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	10	80,938	97,973
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>80,938</b>	<b>97,973</b>
<b>TOTAL LIABILITIES</b>		<b>21,976,304</b>	<b>9,467,574</b>
<b>NET ASSETS</b>		<b>11,907,444</b>	<b>11,854,765</b>
<b>EQUITY</b>			
Retained surpluses		11,907,444	11,854,765
<b>TOTAL EQUITY</b>		<b>11,907,444</b>	<b>11,854,765</b>

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

*VICTORIAN ABORIGINAL COMMUNITY  
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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2021**

	<b>Retained Surpluses</b>	<b>Total Equity</b>
	<b>\$</b>	<b>\$</b>
<b>2020</b>		
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	<b>11,854,765</b>	<b>11,854,765</b>
<b>2021</b>		
Balance at 1 July 2020	11,854,765	11,854,765
Surplus for the year attributable to the members	52,679	52,679
Balance at 30 June 2021	<b>11,907,444</b>	<b>11,907,444</b>

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



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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2021**

		2021 \$	2020 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>Note</b>		
Receipts from customers/funders		27,914,837	19,566,113
Interest received		29,937	168,332
Payments to suppliers and employees		(15,408,529)	(22,242,125)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>12</b>	<b>12,536,245</b>	<b>(2,507,680)</b>
 <b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payment for purchase of property, plant and equipment		(238,028)	(224,557)
Proceeds on sale of fixed assets		-	21,532
Proceeds on sale of investments		-	-
<b>NET (PROVIDED TO) INVESTING ACTIVITIES</b>		<b>(238,028)</b>	<b>(203,025)</b>
 Net increase/(decrease) in cash		12,298,217	(2,710,705)
Cash and cash equivalents at the beginning of the financial year		14,520,570	17,231,275
<b>CASH AND CASH EQUIVELANTS AT THE END OF FINANCIAL YEAR</b>	<b>4</b>	<b>26,818,787</b>	<b>14,520,570</b>

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

VICTORIAN ABORIGINAL COMMUNITY  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

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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. It also requires management to exercise its judgement in the process of applying the incorporated association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

**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.

**Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable in the accounting period in which services are rendered. Revenue is recognised for the major business activities as follows:

*Grants and Funding Revenue*

Grants and Funding Revenue is recognised at an amount that reflects the consideration to which the incorporated association is expected to be entitled in exchange for services to the funder/customer. For each grant and funding received, the incorporated association assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the Co-operative: identifies the performance obligations in the contract; determines the transaction price; allocates the transaction price to the separate performance obligations on the basis of the relative amount of each distinct deliverable or the cost incurred; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the services promised.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

If conditions are attached to the grant which must be satisfied before the incorporated association is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the incorporated association recognises the asset received in accordance with the recognition requirements of other applicable accounting standards and recognises income immediately upon receipt.

*Sales revenue*

Revenue from trainings is recognised when services provided.

*Donations*

Donations are recognised when received.

*Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

*Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

***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.

***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.

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 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.

***Intangible Assets***

**Computer Software**

IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the incorporated association has an intention and ability to use the asset. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimated being accounted for on a prospective basis.

Software-as-a-Service (SaaS) arrangements are service contracts providing with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and ongoing fees to obtain access the cloud provider's application software, are recognised as operating expenses when the services are received.

Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives of these assets are reviewed at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate.

**RTO Course Materials**

The incorporated association purchased online materials for various RTO training courses, on which the content will be enhanced, modified, and tailored for RTO training courses provided. The enhancements or modifications will create unique value aligned to Aboriginal and Torres Strait focus. The course materials meet the definition of and recognition criteria for an intangible asset. The costs are recognised as intangible asset and amortised over the useful life of the course material on a straight-line basis. The useful lives of the RTO material are reviewed at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate.

**Amortisation methods and useful lives**

The incorporated association amortises intangible assets with a limited useful life using the straight-line method over the following periods:

Computer software	2-5 years
RTO course materials	3 years

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Leases***

The incorporated association has entered a three-year lease agreement for computer equipment – Laptops in financial year 2020. 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.

The incorporated association has undertaken a thorough review of rental/ lease of IT equipment i.e. 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 of 30 June 2021 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. *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 expected 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***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.

**NOTE 2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

***Coronavirus (COVID-19) pandemic - Lockdowns***

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic and Victorian has had on the incorporated association based on known information. This consideration extends to the impacts to the nature of the services offered, customers, staffing and regional engagement in which the incorporated association operates. Other than as addressed in specific notes, there continues to be impacts upon the delivery of services aligned to funding as a result of the Coronavirus (COVID-19) pandemic.

***Estimation of useful lives of assets***

The incorporated association determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly because of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

***Employee benefits provision***

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been considered.

VICTORIAN ABORIGINAL COMMUNITY  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 3: REVENUE AND EXPENSE ITEMS**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Significant Revenue and Expense items</b>		
<b>Revenue</b>		
Grants and funding	11,855,283	16,788,620
Funds brought forward from prior year	2,588,445	1,163,239
	<u>14,443,728</u>	<u>17,951,859</u>
The disaggregation of revenue from contracts is within the geographical region of Australia.		
<b>Other income</b>		
Sales income	451,053	165,343
Billable services and materials	330,668	50,771
Donations	47,132	34,937
Interest income	26,718	136,373
Other Revenue	1,212,241	583,836
Profit on Sale of Asset	-	21,532
	<u>2,067,812</u>	<u>992,793</u>
<b>Other Expenses</b>		
Audit Fee	44,875	38,325
Motor Vehicle	20,684	36,009
Consultants Fees	279,950	58,475
Finance Costs	2,179	1,838
	<u>347,688</u>	<u>134,647</u>
<b>Office Expenses</b>		
Occupancy Costs	135,573	127,887
Telephone & Internet Services	74,362	205,867
Postage, Stationery & Printing	75,025	47,926
Other Office and General Expenses	445,240	383,880
	<u>730,200</u>	<u>765,560</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 4: CASH AND CASH EQUIVALENTS**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Cash on Hand	376	670
Cash at Bank	26,818,411	14,519,900
	<hr/>	<hr/>
Total Cash and cash equivalents	26,818,787	14,520,570
	<hr/>	<hr/>

**NOTE 5: TRADE AND OTHER RECEIVABLES**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Trade Receivables	460,877	45,314
Provision for expected credit loss	(57,162)	(37,138)
	<hr/>	<hr/>
	403,715	8,176
	<hr/>	<hr/>
Other receivables		
Funds receivable	-	8,720
	<hr/>	<hr/>
Total trade and other receivables	403,715	16,896
	<hr/>	<hr/>

**NOTE 6: OTHER ASSETS**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Prepayments	86,362	37,253
	<hr/>	<hr/>



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 7: PROPERTY PLANT AND EQUIPMENT**

	<b>2021</b> <b>\$</b>	<b>2020</b> <b>\$</b>
Paintings and Artwork - at cost	65,388	54,388
Written Down Value	<u>65,388</u>	<u>54,388</u>
 Motor Vehicles - at cost	 216,128	 129,572
Less: Accumulated Depreciation	(43,704)	(1,440)
Written Down Value	<u>172,424</u>	<u>128,132</u>
 Computer Equipment - at cost	 70,478	 313,706
Less: Accumulated Depreciation	(53,588)	(271,691)
Written Down Value	<u>16,890</u>	<u>42,015</u>
 Furniture and Fittings - at cost	 542,449	 591,598
Less: Accumulated Depreciation	(377,161)	(380,250)
Written Down Value	<u>165,288</u>	<u>211,348</u>
 Eye Health equipment - at cost	 160,447	 160,447
Less: Accumulated Depreciation	(160,367)	(160,367)
Written Down Value	<u>80</u>	<u>80</u>
 Land and Buildings - at cost	 6,773,702	 6,773,702
Less: Accumulated Depreciation	(1,052,109)	(923,334)
Written Down Value	<u>5,721,593</u>	<u>5,850,368</u>
 <b>Total Written Down Value of Assets</b>	 <b><u>6,141,663</u></b>	 <b><u>6,286,331</u></b>

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 2021**

**NOTE 7: PROPERTY PLANT AND EQUIPMENT (CONTINUED)**

**Movements in Carrying Amounts:**

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

<b>2020</b>	<b>Paintings and Artwork \$</b>	<b>Motor Vehicles \$</b>	<b>Computer Equipment \$</b>	<b>Furniture and Fittings \$</b>	<b>Eye Health Equipment \$</b>	<b>Land and Buildings \$</b>	<b>Total \$</b>
Opening Balance	<b>54,388</b>	<b>14,687</b>	<b>91,702</b>	<b>249,038</b>	<b>80</b>	<b>5,979,143</b>	<b>6,389,038</b>
Additions at cost		124,841	5,776	7,165			137,782
Depreciation Expense		(11,396)	(55,463)	(44,855)		(128,775)	(240,489)
<b>Carrying amount at end year</b>	<b>54,388</b>	<b>128,132</b>	<b>42,015</b>	<b>211,348</b>	<b>80</b>	<b>5,850,368</b>	<b>6,286,331</b>
<b>2021</b>							
Opening Balance	<b>54,388</b>	<b>128,132</b>	<b>42,015</b>	<b>211,348</b>	<b>80</b>	<b>5,850,368</b>	<b>6,286,331</b>
Additions at cost	11,000	86,556	10,800	5,495			113,851
Disposals			(6,368)	(3,802)			(10,170)
Depreciation Expense		(42,264)	(29,557)	(47,753)		(128,775)	(248,349)
<b>Carrying amount at end year</b>	<b>65,388</b>	<b>172,424</b>	<b>16,890</b>	<b>165,288</b>	<b>80</b>	<b>5,721,593</b>	<b>6,141,663</b>

VICTORIAN ABORIGINAL COMMUNITY  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 8: INTANGIBLE ASSETS**

	<b>2021</b> \$	<b>2020</b> \$
Computer Software - at cost	726,080	648,414
Less: Accumulated Depreciation	(334,557)	(187,124)
Written Down Value	<u>391,523</u>	<u>461,290</u>
 RTO Course Material - at cost	 46,511	 -
Less: Accumulated Depreciation	(4,813)	-
Written Down Value	<u>41,698</u>	<u>-</u>
 <b>Total Written Down Value of Assets</b>	 <b>433,221</b>	 <b>461,290</b>

**Movements in Carrying Amounts:**

Movement in the carrying amounts for intangible assets:

<b>2020</b>	<b>Computer Software</b> \$	<b>RTO Materials</b> \$	<b>Total</b> \$
Opening Balance	<b>226,278</b>	-	<b>226,278</b>
Additions at cost	325,625	-	325,625
Depreciation Expense	(90,614)	-	(90,614)
<b>Carrying amount at end year</b>	<b>461,290</b>	-	<b>461,290</b>
 <b>2021</b>			
Opening Balance	<b>461,290</b>	-	<b>461,290</b>
Additions at cost	77,666	46,511	124,177
Depreciation Expense	(147,433)	(4,813)	(152,246)
<b>Carrying amount at end year</b>	<b>391,523</b>	<b>41,698</b>	<b>433,221</b>

**NOTE 9: TRADE AND OTHER PAYABLES**

	<b>2021</b> \$	<b>2020</b> \$
Trade Creditors	732,437	190,361
Accrued Expenses	733,467	958,326
PAYG Tax	189,325	149,025
GST	671,297	367,463
Other Creditors	141,380	237,132
Auspice Monies Held in Trust	93,217	71,526
<b>Total Trade and Other Payables</b>	<u>2,561,123</u>	<u>1,973,833</u>

VICTORIAN ABORIGINAL COMMUNITY  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 10: EMPLOYEE BENEFITS**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Current Provisions</b>		
Annual leave	573,408	476,777
Long-service leave	200,327	288,029
Total Current Provisions	773,735	764,806
<b>Non-Current Provisions</b>		
Long-service leave	80,938	97,973

**NOTE 11: CONTRACT LIABILITIES**

Unearned Revenue	18,545,507	5,675,737
Grants in advance	-	955,225
Unearned Sales Revenue	15,000	-
	<b>18,560,507</b>	<b>6,630,962</b>

**NOTE 12: CASH FLOW INFORMATION**

**Reconciliation of Cash Flow from Operations with Surplus after Income Tax**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Operating Surplus after income tax for the year</b>	52,679	212,375
<b>Non-cash flows in surplus after tax</b>		
Depreciation	400,595	331,102
(Profit)/loss on disposal of assets	18,866	(21,532)
<b>Changes in operating assets and liabilities</b>		
(Increase) in trade and other receivables	(499,530)	779,365
(Increase)/decrease in other assets	(45,889)	105,501
(Decrease)/increase in trade and other payables	688,085	32,613
Increase/(decrease) in deferred income	11,929,545	(4,176,288)
Increase/(decrease) in employee benefits	(8,106)	229,183
<b>Net cash from/(used in) operating activities</b>	<b>12,536,245</b>	<b>(2,507,680)</b>

*VICTORIAN ABORIGINAL COMMUNITY  
CONTROLLED HEALTH ORGANISATION INC  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 13: CONTINGENT LIABILITIES**

As detailed in Note 6, the entity holds land and building at 17-23 Sackville Street, Collingwood Vic 3066, in the Statement of Financial Position at \$5,721,593. 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 2021.

**NOTE 14: 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 15: 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 16: 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. For the financial year 2020/21 all but Mikaela Egan Executive Director Population Health and Sector Development have completed the related party declaration.

VICTORIAN ABORIGINAL COMMUNITY  
CONTROLLED HEALTH ORGANISATION INC  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 17: 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:

	2021 \$	2020 \$
Aggregate Compensation	1,142,831	1,025,870
	<u>1,142,831</u>	<u>1,025,870</u>

**NOTE 18: 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 Corporation (Formerly HICSA)
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. Cummeragunja 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  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 18: RELATED PARTY TRANSACTIONS (CONTINUED)**

The following transactions occurred with related parties:

	2021 \$	2020 \$
<b><i>Payment for goods and services:</i></b>		
Aboriginal Community Elders Services Inc		137,356
Ballarat & District Aboriginal Co-op	55,000	58,824
Bendigo & District Aboriginal Co-op		178,376
Bubup Wilam for Early Learning Inc.	24,000	136,500
Budja Budja Aboriginal Cooperative	91,553	463,700
Dandenong & District Aborigines Co-op	174,000	46,000
Dhauwurd Wurrng Elderly and Community Heath Service Inc	156,553	378,704
Gippsland & East Gippsland Aboriginal Co-Op	142,857	130,862
Lakes Entrance Aboriginal Health Association	-	77,052
Goolum Goolum Aboriginal Co-op	91,553	255,483
Gunditjmara Aboriginal Corp	219,114	806,201
Kirrae Health Service	132,553	265,682
Kirrip Aboriginal Corporation	16,000	-
Lake Tyers Health & Childrens Service	166,857	74,800
Mallee District Aboriginal Services	257,553	192,463
Moogji Aboriginal Council	142,857	316,950
Mullum Mullum Indigenous Gathering Place	24,000	107,800
Mungabareena Aboriginal Corporation	142,857	315,000
Wathaurong Aboriginal Co-Operative Ltd	48,000	381,101
Murray Valley Aboriginal Co-Op	48,000	507,923
Njernda Aboriginal Corp	24,000	146,002
Ramahyuck District Aboriginal Corporation	-	312,143
Ramahyuck District. Aboriginal Corp. PHCAP	174,857	156,290
Rumbalara Aboriginal Co-op	57,000	239,342
Victorian Aboriginal Health Service Co-Op Ltd	43,636	28,800
Weenthunga Health Network Inc	40,290	57,244
Windamara Aboriginal Corporation	224,105	332,392
Nairn Marr Djambana Inc	-	67,500
Oonah Health & Community Services Aboriginal Co-op	-	162,000
Albury Wodonga Aboriginal Health Service	142,857	28,800
Boorndawan William Aboriginal Health Service Ltd	-	28,800
Total	2,640,052	6,390,090
	2021 \$	2020 \$
<b><i>Sales for goods and services:</i></b>		
Bendigo & District Aboriginal Co- Op	2,200	3,000
Dandenong & District Aboriginal Cooperative Ltd	1,500	-
Gunditjmara Aboriginal Corp.	22,708	7,871
Mallee District Aboriginal Services	302,361	
Wathaurong Aboriginal Health Service	5,100	9,911
Ramahyuck District Aboriginal Corporation	1,249,200	-
Victorian Aboriginal Health Service	57,376	-
Weenthunga Health Network	200	-
Total	1,640,645	20,782

***Loans to/from related parties***

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

VICTORIAN ABORIGINAL COMMUNITY  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**NOTE 18: RELATED PARTY TRANSACTIONS (CONTINUED)**

*Receivable from and payable to related parties*

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

	2021 \$		2020 \$	
	Receivable	Payable	Receivable	Payable
Dandenong & District Aborigines Co-op		95,700		
Goolum Goolum Aboriginal Co-op		8,800		
Mallee District Aboriginal Services	36,609	-	-	-
Lake Tyers Health & Childrens Service		26,400		
Mullum Mullum Indigenous Gathering Place		26,400		
Murray Valley Aboriginal Co-Op		52,800		
Rumbalara Aboriginal Co-op		35,200		
Wathaurong Aboriginal Co-Operative Ltd		52,800		
Windamara Aboriginal Corporation		35,200		
Kirrip Aboriginal Corporation	-	17,600	-	-
Kirrae Health Service		26,400		
Gunditjmara Aboriginal Corp.	-	61,600	-	2,200
Victorian Aboriginal Health Services	330	-	-	-
Total	36,939	438,900	-	2,200

*Terms and conditions*

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

**NOTE 19 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 and improving the vaccination rates. 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 2021 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 20: 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 2021**

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 2021 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:** 21<sup>st</sup> September 2021

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 23:

- 1       Presents fairly the financial position of Victorian Aboriginal Community Controlled Health Organisation Incorporated as at 30 June 2021 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:



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Suzie Squires (Chair)



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Michael Graham

Dated this    21<sup>st</sup> day of September 2021

**RSM Australia Partners**

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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 2021, 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 2021 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.

## **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](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: 21 September 2021  
Melbourne, Victoria