

Victorian Traditional Owners Trust

ABN 93 731 388 312

Financial Report for the Year Ended 30 June 2016

Directors Report

The Victorian Traditional Owners Trust was established on 13 September 2011 by Deed between Robert Clark the Attorney General of Victoria and the Trustee Victorian Traditional Owners Funds Ltd.

The directors of Victorian Traditional Owners Fund Limited as Trustee of the Victorian Traditional Owners Trust present this report on the Trust for the financial year ended 30 June 2016.

Directors

The names of each person who has been a director of the Trustee Company during the year and to the date of this report are:

Mark William Sibree
Elizabeth Helen Eldridge
Gary Andrew Lennon

Directors have been in office since the company was incorporated to the date of this report unless otherwise stated.

Principal Activities

The Trust was established for charitable purposes to benefit the Aboriginal people of Victoria. The Victorian government established a Native Title Settlement Framework to reach agreements with Traditional Owners through execution of Participation Agreements.

The State reached a settlement with the Gunaikurnai people in October 2010, and the Participation Agreement was executed in October 2011. A settlement with the Dja Dja Wurrung People was reached and the participation agreement was executed on 28 March 2013. In terms of these Participation Agreements the State of Victoria has paid the settlement amounts to the Trust.

The principal activity of the Trust is to invest settlement funds received on behalf of the beneficiaries.

Report on Operations and Activities

The Trust has developed tailored long term investment strategies for each of the Traditional Owner groups.

Each investment strategy was established after meeting with the Traditional Owner Groups and understanding their long term and short term financial objectives and their tolerance for risk.

The funds have been invested with Victorian Funds Management Corporation ("VFMC") which is a public authority governed by an independent board of directors whose members are appointed by the Governor in Council of Victoria, in a mix of funds which are consistent with the targeted investment returns and asset allocations of each of these strategies.

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Report on Significant Changes and Likely developments

During the year \$375,000 was distributed to Dja Dja Wurrung representative body and \$145,000 was distributed to Gunaikurnai representative body.

The Victorian Government continues to negotiate with other traditional owner groups to agree further settlements.

Major Financial and Performance Statistics

The table below sets out a summary of the financial results for the year.

	2016 \$	2015 \$
Income	764,240	1,427,138
Other economic flows	243,817	(355,777)
Expenses	(109,685)	(117,036)
Operating Result	898,372	954,325
Total Assets	17,968,384	17,589,012
Total Liabilities	6,750	5,750
Equity of the Trust (at beginning of the year)	17,583,262	16,916,437
Distributions to beneficiaries	(520,000)	(287,500)
Equity of the Trust (at year end)	17,961,624	17,583,252
Settled Sum	10	10

Environmental Issues

The Trusts operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Workforce Data

The Trust does not employ any staff.

Consultancies

There were no consultancies entered into during the year.

Proceedings on Behalf of the Trust

No person has applied for leave of Court to bring proceedings on behalf of the Trustee of the Trust, or intervene in any proceedings to which the Trustee of the Trust is a party for the purpose of taking responsibility on behalf of the Trustee of the Trust for all or any part of those proceedings.

The Trust was not a party to any such proceedings during the year.

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Information on Directors of the Trustee

Mark William Sibree	–	Director
Qualifications	–	BSc (Hons Physics), MBA, FAICD
Experience	–	Executive Director, Mutual Strategies Pty Ltd (since 2002) Broad experience in executive and/or director roles in insurance, funds management, mergers and acquisitions. Former non-executive director (2004 – 2009) at GMBHA Limited, and Chair of Strategy committee. Former Group Managing Director at Australian Unity Limited (1993 – 2002) Past President of the Victorian Employers' Chamber of Commerce and Industry (VECCI). Non executive Director of CARE Super Pty Ltd as a nominee of VECCI and a Director of other small companies.
Special Responsibilities	–	Chairman
Elizabeth Helen Eldridge	–	Director
Qualifications	–	BA (LLM)
Experience	–	Member of Queen's College Council. Previously the Chair of Docklands Studios Melbourne Pty Ltd (retired 1 June 2016).. Elizabeth was closely involved with the early discussions with the Victorian Traditional Owners regarding an alternative approach to resolving Native Title and, subsequently, with the development of the Victorian Native Title Settlement Framework.
Special Responsibilities	–	None
Gary Andrew Lennon	–	Director
Qualifications	–	BEC (Hons) CA
Experience	–	Current role, Chief Financial Officer, National Australia Bank. Over 20 years experience in senior finance roles in the banking sector with extensive experience in accounting, treasury, investment strategies and risk management. Gary is on the National Executive of the Group of 100 (G100), an organisation of chief financial officers from Australia's largest companies. Gary is also a director of the Stronger Smarter Institute, an organisation committed to improving the educational outcomes of indigenous Australians.
Special Responsibilities	–	None

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Meetings of Directors of the Trustee

During the financial year, 9 meetings of directors of the Trustee Company were held. Attendances by each director were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Mark William Sibree	9	9
Elizabeth Helen Eldridge	9	9
Gary Andrew Lennon	9	9

Remuneration of the Board of the Trustee

The remuneration of the Directors of the Trustee Company has been set in accordance with accordance with a resolution of the Company Member in General Meeting. The remuneration is in accordance with Victorian Government guidelines for Statutory Bodies.

Victorian Traditional Owners Trust					
Chair		Member		Member	
Mark Sibree		Elizabeth Eldridge		Gary Lennon	
2016	2015	2016	2015	2016	2015
\$17,395 plus superannuation guarantee amount of \$1,653	\$17,375 plus superannuation guarantee amount of \$1,649	\$10,438 plus superannuation guarantee amount of \$992	\$10,424 plus superannuation guarantee amount of \$990	\$Nil	\$Nil

Company Secretary of the Trustee

Stephen Adrian of ShineWing Australia Pty Ltd has been appointed secretary of the Trustee Company following an open tender process.

During the year the accounting firm ShineWing Australia Pty Ltd provided administrative services and other support to the Trustee company and charged \$35,892 (2015: \$50,507) for these services. These services are recorded in The Victorian Traditional Owners Fund Limited accounts. Stephen Adrian, the company secretary, is also a director of ShineWing Australia. These services are on normal commercial terms and conditions no more favourable than those available to other persons and on the basis of a competitive tender process.

Related Party Transactions

Gary Lennon is a director of the Trustee company and a senior executive at the National Australia Bank Ltd. The Trust has invested in term deposits with the National Australia Bank Ltd on normal commercial terms and conditions no more favourable than those available to other persons.

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Other Disclosures

Insurances

The Trustee Company paid insurance premiums to insure the Directors of the company for Investment Managers Insurance, Directors and Officers Insurance Professional Indemnity and Bond/Crime insurance. The terms of the contract prohibit the disclosure of the premiums paid.

This report is made in accordance with a resolution of the directors.

Director



Mark William Sibree (Director)

Dated this 6th Day of January 2016

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Financial Report for the Year Ended 30 June 2016

Statement of Comprehensive Income for the Year Ended 30 June 2016

	2016	2015
	\$	\$
Income		
Interest income	157	364
Distributions (refer to Note 2 for a detailed explanation of this amount)	566,226	1,281,293
Franking credit refund	95,306	34,010
Resources received free of charge ¹	102,551	111,471
Total Income	764,240	1,427,138
Less Expenses		
Administrative costs	102,551	111,471
Audit fees	6,750	5,250
Bank charges	384	315
Total Expenses	109,685	117,036
Net Result From Transactions	654,555	1,310,102
Other Economic Flows		
Increase (decrease) in value of Investments (refer to Note 2 for a detailed explanation of this amount)	243,817	(355,777)
Total Economic Flows included in Net Result	243,817	(355,777)
Profit for the year	898,372	954,325
Other comprehensive income	-	-
Total Comprehensive income for the year	898,372	954,325

¹ This is the value of expenses paid for by the Victorian Traditional Owners Funds Limited (the trustee company) and funded by the Department of Justice and Regulation.

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Financial Report for the Year Ended 30 June 2016

	2016	2015
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	5,603	12,155
Investments	17,508,568	16,406,671
Distributions receivable	282,283	1,060,128
Franking credit receivable	171,354	110,058
Goods and services tax	575	-
TOTAL CURRENT ASSETS	<u>17,968,384</u>	<u>17,589,012</u>
TOTAL ASSETS	<u>17,968,384</u>	<u>17,589,012</u>
LIABILITIES		
CURRENT LIABILITIES		
Audit fees accrued	<u>6,750</u>	<u>5,750</u>
TOTAL CURRENT LIABILITIES	<u>6,750</u>	<u>5,750</u>
TOTAL LIABILITIES	<u>6,750</u>	<u>5,750</u>
NET ASSETS	<u>17,961,634</u>	<u>17,583,262</u>
EQUITY		
Settlement sum	10	10
Retained earnings	<u>17,961,624</u>	<u>17,583,252</u>
TOTAL EQUITY	<u>17,961,634</u>	<u>17,583,262</u>

The accompanying notes form part of these financial statements.

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Financial Report for the Year Ended 30 June 2016

Statement of Changes in Equity for the Year Ended 30 June 2016

	Settled Sum	Retained Earnings	Total
	\$	\$	\$
Balance at 1 July 2014	10	16,916,427	16,916,437
Profit for the period	-	954,325	954,325
Other comprehensive income	-	-	-
Total comprehensive income	-	954,325	954,325
Payments to beneficiaries	-	287,500	287,500
Balance at 30 June 2015	10	17,583,252	17,583,262
Balance at 1 July 2015	10	17,583,252	17,583,262
Profit for the year	-	898,372	898,372
Other comprehensive income	-	-	-
Total comprehensive income	-	898,372	898,372
Payments to beneficiaries	-	520,000	520,000
Balance at 30 June 2016	10	17,961,624	17,961,634

The accompanying notes form part of these financial statements.

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Financial Report for the Year Ended 30 June 2016

Statement of Cash Flows for the Year ended 30 June 2016

	Note	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		\$	\$
Refund/(Payment) of GST		-	550
Payments to suppliers and employees		(6,709)	(6,365)
Investment distributions		1,344,071	722,876
Interest received		157	364
Franking credits received		34,009	-
Payments to beneficiaries		(520,000)	(287,500)
Net cash generated from/(used in) operating activities	9	<u>851,528</u>	<u>429,925</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts for investments		509,262	287,500
Payments for investments		(1,367,342)	(722,877)
Net cash generated from/(used in) Investing activities		<u>(858,080)</u>	<u>(435,377)</u>
Net increase(decrease) in cash held		(6,552)	(5,452)
Cash at the beginning of the financial year		<u>12,155</u>	<u>17,607</u>
Cash at the end of the financial year		<u>5,603</u>	<u>12,155</u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements for the Year ended 30 June 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The directors of the trustee company (Victorian Traditional Owners Fund Limited) applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010–2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with *Australian Accounting Standards – Reduced Disclosure Requirements* of the *Australian Accounting Standards Board (AASB)* and the *Australian Charities and Not for profits Commission Act 2012 and Regulations 2013*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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 stated otherwise.

b. Basis of preparation

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the accounting period to which they relate regardless of when the cash is received or paid.

These financial statements are presented in Australian dollars and are prepared in accordance with the historical cost convention except for certain financial assets which are measured at fair value.

c. 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 borrowings in current liabilities in the statement of financial position.

d. Revenue Recognition

Revenue is measured at the value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Any settlement sum is recognised in the income statement when the entity obtains control of the sum and it is probable that the economic benefits gained from the settlement will flow to the entity and the amount of the settlement can be measured reliably.

If conditions are attached to the settlement which must be satisfied before it is eligible to receive the contribution, the recognition of the settlement as revenue will be deferred until those conditions are satisfied.

When a settlement is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the settlement is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the settlement is recognised as income on receipt.

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Notes to the Financial Statements for the Year ended 30 June 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Interest Revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

The Trustee company pays for expenses on behalf of the Victorian Traditional Owners Trust. These expenses are included as “resources free of charge” in the statement of comprehensive income and is funded by the Department of Justice and Regulation.

All revenue is stated net of the amount of goods and services tax (GST).

e. Expenses From Transactions

Expenses from transaction are recognised as they are incurred and reported in the financial year to which they relate.

f. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the trust commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified ‘at fair value through profit or loss’, in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

(i) Financial assets and liabilities at fair value through profit and loss

Financial instrument assets are designated at fair value through profit or loss on the basis that the financial assets form part of a group of financial assets that are managed by the entity concerned based on their fair values, and have their performance evaluated in accordance with documented risk management and investment strategies.

Subsequently, any changes in fair value are recognised in the net result as other economic flows. Any dividend or interest on a financial asset is recognised in the net result from transactions.

Financial assets and liabilities at fair value through profit or loss consists of all the Trusts investments.

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Notes to the Financial Statements for the Year ended 30 June 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after reporting date. (All other investments are classified as current assets.)

If during the year the company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting year. (All other financial assets will be classified as current assets.)

(iv) Financial liabilities

Financial instrument liabilities are initially recognised on the date they originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition those financial instruments are amortised at cost with any difference between initial recognised amount and the redemption value being recognised in the profit and loss over the period of the interest bearing liability using the effective interest rate method.

(v) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

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Notes to the Financial Statements for the Year ended 30 June 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

g 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 Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisitions 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 on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

i Fair Value of Assets and Liabilities

The trust measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

“Fair value” is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

The fair value of liabilities and the entity’s own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and where significant, are detailed in the respective note to the financial statements.

j. Trade and other payables:

Trade and other payables represent the liability outstanding at the end of the reporting year for goods and services received by the company during the reporting year which remains unpaid. The balance is recognised as a currently liability with the amount being normally paid with 365 days or shorter of the recognition at the liability.

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Notes to the Financial Statements for the Year ended 30 June 2016

NOTE 2: NET INVESTMENT INCOME DISCLOSED IN STATEMENT OF COMPREHENSIVE INCOME

AASB 101 requires material items of a dissimilar nature to be presented separately. As such, the trust is required to present income in the form of distributions of units separately from gains or losses resulting from changes in the value of the units. As unit distributions have the effect of decreasing the value of units, which is presented as a loss, the separate disclosure of these amounts of income may present a misleading picture of the actual investment return.

The total return from the VFMC investments for the year was:	2016	2015
	\$	\$
Distributions	566,226	1,281,293
Increase (decrease) in value of VFMC Investments	243,817	(355,777)
Net Income derived from VFMC investments	810,043	925,516

The Trust believes that this disclosure presents more information about the Trust's comprehensive income for the year.

NOTE 3: BACKGROUND

The Trust was established for charitable purposes to benefit the Aboriginal people of Victoria. The Victorian government established a Native Title Settlement Framework to reach agreements with Traditional Owners through execution of Participation Agreements.

The State reached a settlement with the Gunaikurnai people in October 2010, and the Participation Agreement was executed in October 2011. A settlement with the Dja Dja Wurrung People was reached in March 2013, and the participation agreement was executed in November 2013. In terms of these Participation Agreements the State of Victoria has paid the settlement amounts to the trust.

NOTE 4: CONTINGENT ASSETS AND COMMITMENTS

The Directors of the Trustee Company are not aware of any contingent assets or commitments of the trust which are not otherwise disclosed in these financial statements (2015: Nil).

NOTE 5: PRIOR PERIOD ERROR

During the 2013-14 and 2014-15 financial years, Victorian Traditional Owners Trust did not recognise a refund of franking credits receivable. This error had the effect of understating the franking credit refund income and therefore understated the profit for the year ended 30 June 2015 by \$34,010.

The error also had the effect of understating the franking credits receivable as at 30 June 2014 by \$76,048 and as at 30 June 2015 by \$34,010.

The error has been corrected by restating each of the affected financial statement line items for the year in which the error occurred, as described above.

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Notes to the Financial Statements for the Year ended 30 June 2016

NOTE 6: EVENTS AFTER THE REPORTING YEAR

The Directors of the Trustee Company are not aware of any significant events since the end of the reporting year which are not otherwise disclosed in these financial statements.

NOTE 7: RELATED PARTY TRANSACTIONS

Gary Lennon is a director of the Trustee Company and a senior executive at the National Australia Bank Ltd. The Trust has invested in term deposits with the National Australia Bank Ltd on normal commercial terms and conditions no more favourable than those available to other persons.

Company Secretary of the Trustee

Stephen Adrian of ShineWing Australia Pty Ltd has been appointed secretary of the Trustee Company following an open tender process.

During the year the accounting firm ShineWing Australia Pty Ltd provided administrative services and other support to the Trustee Company and charged \$35,892 (2015 \$48,498) for these services. Stephen Adrian, the company secretary, is also a director of that firm. These services are on normal commercial terms and conditions no more favourable than those available to other persons and on the basis of a competitive tender process.

Remuneration of the Board of the Trustee

The remuneration of the Directors of the Trustee Company has been set in accordance with a resolution of the Company Member in General Meeting. The remuneration is in accordance with Victorian Government guidelines for Statutory Bodies.

Victorian Traditional Owners Trust					
Chair		Member		Member	
Mark Sibree		Elizabeth Eldridge		Gary Lennon	
2016	2015	2016	2015	2016	2015
\$17,395 plus superannuation guarantee amount of \$1,653	\$17,375 plus superannuation guarantee amount of \$1,649	\$10,438 plus superannuation guarantee amount of \$992	\$10,424 plus superannuation guarantee amount of \$990	\$Nil	\$Nil

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Notes to the Financial Statements for the Year ended 30 June 2016

NOTE 8: FINANCIAL RISK MANAGEMENT

The trusts financial instruments consist solely of deposits with banks, local money market instruments, and short-term and long term investments.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Financial assets	2016 \$	2015 \$
Cash and cash equivalents	5,603	12,155
Investments	17,508,568	16,406,671
Distributions receivable	282,283	1,060,128
Other receivables	171,929	110,058
Total Financial Assets	17,968,384	17,789,012
Total Financial Liabilities	6,750	5,750

Market Risk

Markets Risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The trusts exposure to market risk is insignificant and primary through equity price risk.

Equity Price Risk

The trust is exposed to equity price risk through its management Investment schemes. The trust appointment the Victorian Funds Management Corporation to manage its investment portfolio after meetings with each Traditional Owners Group and understanding their long term and short term financial objectives, and their tolerance for risk. The fund manager closely monitors performance and management the equity price risk through diversification of its investment portfolio.

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Notes to the Financial Statements for the Year ended 30 June 2016

NOTE 9: RECONCILIATION OF NET RESULT FOR THE PERIOD

CASH FLOWS FROM OPERATING ACTIVITIES	2016	2015
	\$	\$
Net result for the period	898,372	954,325
Non Cash Movements		
Unrealised (gains)/losses in investments	(243,817)	355,777
Movement in Assets and Liabilities		
(Increase) in GST receivable	(575)	-
Decrease/(increase) in distributions receivable	777,845	(558,417)
Decrease/(increase) in franking credits receivable	(61,296)	(34,010)
Increase/(decrease) in accrued expenses	1,000	(250)
Payments to beneficiaries	(520,000)	(287,500)
Net cash from/(used in) operating activities	<u>851,528</u>	<u>429,925</u>

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Notes to the Financial Statements for the Year ended 30 June 2016

NOTE 10: TRADITIONAL OWNER ACCOUNTS – ENTITLEMENT

GUNAIKURNAI LANDS AND WATERS ABORIGINAL CORPORATION

	2016 \$	2015 \$
Equity at Beginning	12,278,040	11,709,413
add		
Investment Return	643,699	672,229
Interest Received	109	252
	<u>12,921,848</u>	<u>12,381,894</u>
less		
Audit Fees	(4,679)	(3,636)
Bank Charges	(266)	(218)
	<u>(4,945)</u>	<u>(3,854)</u>
Subtotal	12,916,903	12,378,040
less		
Distributions Made	(145,000)	(100,000)
Equity at End	<u>12,771,903</u>	<u>12,278,040</u>

DJA DJA WURRUNG CLANS ABORIGINAL CORPORATION

	2016 \$	2015 \$
Equity at Beginning	5,305,212	5,207,015
add		
Investment Return	261,650	287,296
Interest Received	48	112
	<u>5,566,910</u>	<u>5,494,423</u>
less		
Audit Fees	(2,071)	(1,614)
Bank Charges	(118)	(97)
	<u>(2,189)</u>	<u>(1,711)</u>
Subtotal	5,564,721	5,492,712
less		
Distributions Made	(375,000)	(187,500)
Equity at End	<u>5,189,721</u>	<u>5,305,212</u>

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Trustees' Declaration

The directors of the Trustee company, Victorian Traditional Owners Fund Limited, declare that:

1. the financial statements, as set out on pages 6 to 19, present fairly the Trust's financial position as at 30 June 2016 and its performance for the year ended on that date in accordance with the Australian accounting standards and accounting policies described in Note 1 to the financial statements;
2. in the directors' opinion the financial statements satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and Regulations 2013;
3. in the directors' opinion there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director



Mark William Sibree

Dated this 6th day of December 2016

INDEPENDENT AUDITOR'S REPORT

To the Trustee of the Victorian Traditional Owners Trust

The Financial Report

I have audited the accompanying financial report for the year ended 30 June 2016 of the Victorian Traditional Owners Trust which comprises the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information, and the Trustees' declaration.

The Trustee's Responsibility for the Financial Report

The Trustee of the Victorian Traditional Owners Trust is responsible for the preparation of the financial report that gives a true and fair view in accordance with the reduced disclosure requirements of the Australian Accounting Standards, and the financial reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as the Trustee determines 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.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

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

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

Independent Auditor's Report (continued)

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, I and my staff and delegates complied with all applicable independence requirements of the Australian Auditing Standards, relevant ethical pronouncements and the *Australian Charities and Not-for-profits Commission Act 2012*. I confirm that I have given to the Trustee of the Trust a written independence declaration, a copy of which is included in the Trust's annual report.

Opinion

In my opinion, the financial report of Victorian Traditional Owners Trust is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the Trust's financial position as at 30 June 2016 and of its financial performance for the year ended on that date
- b) complying with Australian Accounting Standards and the requirements of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

MELBOURNE
9 December 2016

Travis Derricott
as delegate for the Auditor-General of Victoria

AUDITOR-GENERAL'S INDEPENDENCE DECLARATION

To the Trustee of the Victorian Traditional Owners Trust

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for the Victorian Traditional Owners Trust for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit
- no contraventions of any applicable code of professional conduct in relation to the audit.

MELBOURNE
9 December 2016


Travis Derricott
as delegate for the Auditor-General of Victoria