

Signed
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**FEDERATION OF VICTORIAN TRADITIONAL
OWNER CORPORATIONS LTD
AND CONTROLLED ENTITY**

**FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2016**

DIRECTORS' REPORT

Your directors present their report on Federation of Victorian Traditional Owner Corporations Ltd ("the company") for the financial year ended 30 June 2016.

Information on Directors

The names of the directors in office at any time during the financial year are:

- **Janine Coombs - Chairperson**

Appointed: 27 June 2013

Member Corporation: Barengi Gadjin Land Council RNTBC

Experience

Board member of Barengi Gadjin Land Council RNTBC, member Victorian Traditional Owner Settlement Framework Executive Committee, member National Heritage Trust's Indigenous Advisory Committee. Janine's interests lie in community conflict and dispute resolution. Janine is a Director of Federation Enterprises Pty Ltd and Barpa Pty Ltd.

- **Jeremy Clark – Deputy Chairperson**

Appointed: 26 July 2013

Member Corporation: Eastern Maar Aboriginal Corporation

Experience

Graduate Certificate in Applied Science Environmental & Heritage Interpretation, Deakin University
Chairperson of Eastern Maar Aboriginal Corporation, CEO at Brambuk National Park & Cultural Centre, previous Director of Grampians Tourism, recipient of the 1997 Victorian Aboriginal Young Achievers Award, member of [Australian Aboriginal Network](#) and [Indigenous Australian Professionals Network](#). Mr Clark is a Tjap/Peeek Whurrong Traditional Owner from South West Victoria with over 20 years' experience in Indigenous affairs including Cultural Heritage and land management. Director, Native Title Services Victoria Ltd, Federation Enterprises Pty Ltd (Previously Federation Heritage Services Pty Ltd) and Barpa Pty Ltd.

- **Graham Atkinson**

Appointed: 9 September 2013

Member Corporation: Dja Dja Wurrung Clans Aboriginal Corporation

Experience

Master of Business Administration (RMIT University), Bachelor of Arts (University of Melbourne), Bachelor of Social Work (University of Melbourne), Graduate of Australian Institute of Company Directors' Program
A director of a consultancy firm with many years' experience in senior management roles. Director, Native Title Services Victoria Ltd, Federation Enterprises Pty Ltd (Previously Federation Heritage Services Pty Ltd), Barpa Pty Ltd, Chairman of Dja Dja Wurrung Clans Aboriginal Corporation, Board Member of the Indigenous Land Corporation, Director Dja Dja Wurrung Enterprises Pty Ltd, Chamber 2 Member, National Congress of Australia's First Peoples. Mr Atkinson is a Dja Dja Wurrung and Yorta Yorta man.

DIRECTORS' REPORT

- **Wendy Berick**

Appointed: 30 June 2014

Member Corporation: Dja Dja Wurrung Clans Aboriginal Corporation

Experience

Ms Berick is a founding member of the Dja Dja Wurung Clans Aboriginal Corporation and a proud descendant of Henry 'Harmony' Nelson of the Dja Dja Wurung people. A member of the Dja Dja Wurung negotiating team which culminated in 2013 with the signing of the Recognition and Settlement Agreement under the Traditional Owner Settlement Act 2010 (Vic) to settle the Dja Dja Wurung native title claims. Ten years' experience with Park Victoria as Aboriginal People and Culture Officer building cultural awareness across Corporate Services, Visitor Services, Corporate Strategy, Planning and Regions and Managing Aboriginal Employment and Development Programs.

- **Michael Stewart**

Appointed: 7 July 2014

Member Corporation: Barengi Gadjin Land Council RNTBC

Experience

Michael is the Executive Officer of the Barengi Gadjin Land Council RNTBC

- **Thomas Clarke**

Appointed: 26 July 2013

Member Corporation: Eastern Maar Aboriginal Corporation

Experience

Certificate II in Land Conservation and Management Board
Board Member of the Eastern Maar Aboriginal Corporation, Member Right People for Country Steering Committee. A culturally strong, proud Kirrae Whurrong man who has a background in environmental and social justice work and has spent time travelling to other Indigenous communities to live, including in Tasmania, South Australia and Western Australia. Tommy was a recent recipient of an Australian Scholarships Foundations scholarship to undertake governance training.

- **Marcus Stewart**

Appointed: 21 December 2015

Member Corporation: Taungurung Clans Aboriginal Corporation

Experience

Diverse experience and insight encompass strategic policy direction and Aboriginal program delivery and design. Marcus is the Cultural Advisor for Corrections Victoria. Department of Justice & Regulation, State Government of Victoria. Marcus is also Chairperson of the Taungurung Clans Aboriginal Corporation, and a Director of the Federation of Victorian Traditional Owner Corporations and Native Title Services Victoria Ltd. Marcus is a Taungurung Traditional Owner from Central Victoria.

DIRECTORS' REPORT

- **David Merry**
Appointed: 30 June 2016
Member Corporation: Taungurung Clans Aboriginal Corporation

Experience

- **Roderick James Mullett**
Appointed: 13 August 2015
Member Corporation: Gunaikurnai Land and Waters Aboriginal Corporation

- **Beryl Booth**
Appointed: 01 October 2015
Member Corporation: Gunaikurnai Land and Waters Aboriginal Corporation

Experience

Chairperson of Gunaikurnai Land and Waters Aboriginal Corporation. Lifelong advocate for Aboriginal people around the state and committed to areas of education to the environment. Aunty Beryl is a Gunditjmara and Gunaikurnai Elder.

- **Perry Wandin**
Appointed: 28 August 2013
Member Corporation: Wurundjeri Tribe Land and Compensation Cultural Heritage Council

Experience

Committee member of Wurundjeri Tribe Land and Compensation Cultural Heritage Council for six years. Nine years practical experience as a site officer including four years' experience in assessing Cultural Heritage Management Plans. Completed Governness Training and is undertaking Certificate IV in Cultural Heritage Management with La Trobe University.

- **Ron Jones**
Appointed: 28 August 2013
Member Corporation: Wurundjeri Tribe Land and Compensation Cultural Heritage Council

Experience

Wurundjeri Tribe Land and Compensation Cultural Heritage Council.

DIRECTORS' REPORT

- **Darren Perry**

Appointed: 30 June 2016
Member Corporation: First People of the Milawa-Mallee

Experience

Involved in the field of Cultural Heritage Management in North-West Victoria for the last 24 years with the protection of the large cemeteries of the Ngintait People being the main focus in the last 10 years.

A strong desire to maintain and transmit the culture and knowledge of the Traditional Ancestors of the North-west Victorian Aboriginal People to the younger generations of Traditional Owners is what drives Darren to engage with Native Title. He sees that Native Title benefits can provide a platform to build a stronger connection to Country and Culture as well as lifting the living standards of Traditional Owners in North-west Victoria. Director of Native Title Services Victoria Ltd.

Darren is a the Ngintait, Ngarket, Jardwajali and Gunditjmara descendent

- **Matthew Storey**

Appointed: 27 June 2013
Member Corporation: Native Title Services Victoria

Experience

BEC, LLB (Hons) (CDU), GDCP (ANU), LLM (Macquarie Uni), Grad Dip Energy Resources Law (Melb Uni) Current CEO of Native Title Services Victoria, former Associate Professor and Head of Law at Charles Darwin University in the Northern Territory. Most recently, Matthew held a senior position in the Northern Territory administration; with particular responsibility for Indigenous land tenures, encompassing native title, economic development, environmental and natural resources law. Director, Federation Enterprises Pty Ltd (Previously Federation Heritage Services Pty Ltd), National Native Title Council Ltd and NNTC Enterprises Pty Ltd.

Matthew was also President of the Law Society of the Northern Territory for two years.

- **Austin Sweeney**

Appointed: 27 June 2013
Member Corporation: Native Title Services Victoria

Experience

Bachelor of Laws (Hons) & Bachelor of Economics

Legal practitioner with experience in commercial and native title law. Austin has worked with indigenous organisations for over 20 years and is currently Principal Legal Officer at NTSV.

DIRECTORS' REPORT

- **Barry Kenny**

Appointed: 27 June 2013 Resigned: 28 July 2015
Member Corporation: Gunaikurnai Land and Waters Aboriginal Corporation

Experience

Mr Kenny is a life-long Orbost resident with strong community ties and over 30-years' experience working with his people in cultural heritage. Mr Kenny is a descendent of the George Thomas family and is a strong advocate of caring for country, cultural heritage, and protecting and preserving the rights of Aboriginal people. Mr Kenny is passionate about moving his people into more jobs and protecting their culture and looking after the younger generation for the future.

- **Robert Critch**

Appointed: 27 June 2013 Resigned: 28 July 2015
Member Corporation: Gunaikurnai Land and Waters Aboriginal Corporation

Experience

Mr Critch first came into working for the community in 1998 after the Elections for the Aboriginal Housing Board of Victoria, as Volunteer Director for the Metro East Region of Melbourne till 2002 election. Mr Critch was nominated for a second term from Early 2003 after a board member left and he stayed until the end of financial year of 2005. Mr Critch started with Gunaikurnai Land and Waters Aboriginal Corporation (GLaWAC) after the AGM of 2009 and was appointed to the Board at the 2010 AGM where he still sits now. Mr Critch was also appointed a Justice of Peace in 2004.

- **Patricia Terry**

Appointed: 1 May 2014 Resigned: 10 July 2015
Member Corporation: Taungurung Clans Aboriginal Corporation

- **Lawrence Moser**

Appointed: 26 February 2015 Resigned: 29 June 2016
Member Corporation: Taungurung Clans Aboriginal Corporation

Directors have been in office since 30 June 2016 to the date of this report unless otherwise stated.

DIRECTORS' REPORT

Meeting of Directors

During the financial year, 4 meetings of directors were held. Attendances by each director during the year were as follows:

| | Directors' Meetings | |
|------------------------|----------------------------------|------------------------|
| | Number eligible to attend | Number attended |
| Janine Coombs | 5 | 5 |
| Barry Kenny | 1 | 0 |
| Graham Atkinson | 5 | 5 |
| Patricia Terry | 0 | 0 |
| Wendy Berick | 5 | 4 |
| Jeremy Clark | 5 | 5 |
| Thomas Clarke | 5 | 1 |
| Robert Critch | 1 | 0 |
| Perry Wandin | 5 | 3 |
| Ron Jones | 5 | 0 |
| Michael Stewart | 5 | 2 |
| Lawrence Moser | 4 | 1 |
| Roderick James Mullett | 4 | 1 |
| Beryl Booth | 4 | 1 |
| David Merry | 1 | 1 |
| Marcus Stewart | 2 | 1 |
| Darren Perry | 1 | 1 |
| Matthew Storey | 5 | 4 |
| Austin Sweeney | 5 | 4 |

DIRECTORS' REPORT

Objectives and Strategies

1. The promotion of economic development and self-determination of Traditional Owner Corporations in Victoria.
2. Assisting Traditional Owner Corporations to manage their land and promote environmental and cultural protection of their country.
3. The promotion of the interests of the company, its members and aboriginal people more generally, to Government and other bodies to make representations or submissions on relevant matters of law, legislative measure or policies.
4. Support and promote mutually beneficial collaboration and partnership arrangements between Traditional Owner Corporations owned social and commercial business enterprises in Victoria.
5. Relief of poverty, sickness, suffering, distress, misfortune, destitution and helplessness amongst Traditional Owners in Victoria.

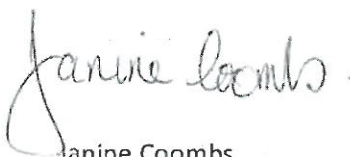
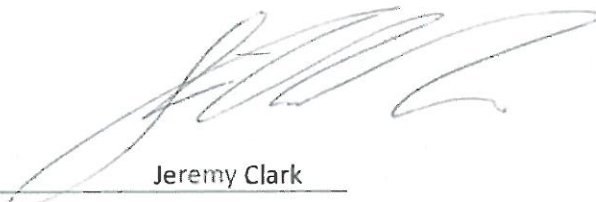
Members' Liability

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the company. As at 30 June 2016, the total amount that members of the company are liable to contribute if the company is wound up is \$15.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2016 has been received and can be found on page 8 of the financial report.

The directors' report is signed in accordance with a resolution of the Board of Directors.

| | | |
|----------|---|--|
| Director |  |  |
| | Janine Coombs | Jeremy Clark |
| | Chairperson | Deputy Chair |

Dated in Melbourne on 3 October 2016

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF FEDERATION OF VICTORIAN TRADITIONAL OWNER CORPORATIONS LTD**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.


MCLEAN DELMO BENTLEYS AUDIT PTY LTD


Martin Fensome
Partner

Hawthorn
3 October 2016

FEDERATION OF VICTORIAN TRADITIONAL OWNER CORPORATIONS LTD
ABN 40 164 514 121

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

| | 2016 | 2015 |
|--|---------------|----------------|
| | \$ | \$ |
| REVENUE | | |
| Income from grant | 49,000 | 42,000 |
| Income from YACMAC project | 12,000 | 183,000 |
| Barpa Income | 12,635 | - |
| Interest income | 126 | 174 |
| Other income | 24,953 | 20,331 |
| TOTAL REVENUE | 98,714 | 245,505 |
| EXPENSES | | |
| Accounting and audit fees | - | 1,315 |
| Advertisement & promotion | - | 1,591 |
| Consultants | 20,000 | 20,000 |
| Board meeting costs | 6,716 | 12,573 |
| Admin expenses | 1,696 | 1,276 |
| Insurance | 3,496 | 3,496 |
| Barpa costs | 8,914 | 3,720 |
| YACMAC project costs | 9,549 | 147,927 |
| Other meeting expenses | 9,228 | - |
| Other Expenses | 25,958 | - |
| TOTAL EXPENSES | 85,557 | 191,898 |
| Profit before taxation | 13,157 | 53,607 |
| Income tax expense | - | (9,120) |
| Comprehensive Result for the Year | 13,157 | 44,487 |

FEDERATION OF VICTORIAN TRADITIONAL OWNER CORPORATIONS LTD
ABN 40 164 514 121

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

| | 2016 | 2015 |
|----------------------------------|---------------|---------------|
| | \$ | \$ |
| CURRENT ASSETS | | |
| Cash and cash equivalent | 55,040 | 61,656 |
| Trade Debtors | 21,598 | - |
| TOTAL CURRENT ASSETS | 76,638 | 61,656 |
| NON-CURRENT ASSETS | | |
| Investments – Barpa Pty Ltd | 52 | 52 |
| TOTAL ASSETS | 76,690 | 61,708 |
| CURRENT LIABILITIES | | |
| Trade and other payables | 23,506 | 8,101 |
| Provision for taxation | (4,460) | 9,120 |
| TOTAL CURRENT LIABILITIES | | 17,221 |
| TOTAL LIABILITIES | 19,046 | 17,221 |
| NET ASSETS | 57,644 | 44,487 |
| EQUITY | | |
| Accumulated surplus | 57,644 | 44,487 |
| TOTAL EQUITY | 57,644 | 44,487 |

FEDERATION OF VICTORIAN TRADITIONAL OWNER CORPORATIONS LTD
ABN 40 164 514 121

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

| | Accumulated Surplus |
|-------------------------|------------------------|
| Consolidated Group | \$ |
| Balance at 01 July 2015 | 44,487 |
| Profit for the year | <u>13,157</u> |
| Balance at 30 June 2016 | <u>57,644</u> |

The accompanying notes form part of these financial statements

FEDERATION OF VICTORIAN TRADITIONAL OWNER CORPORATIONS LTD
ABN 40 164 514 121

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

| | 2016 | 2015 |
|--|----------------|---------------|
| | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from course of operations | 77,116 | 245,505 |
| Payments to suppliers | 83,732 | (183,797) |
| Net cash provided by operating activities | <u>(6,616)</u> | <u>61,708</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of investment | - | (52) |
| Net cash used in investing activities | <u>-</u> | <u>(52)</u> |
| Net increase in cash held | 61,656 | 61,656 |
| Cash and cash equivalents at the beginning of the financial period | <u>(6,616)</u> | - |
| Cash and cash equivalents at the end of the financial year | <u>55,040</u> | <u>61,656</u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Federation of Victorian Traditional Owner Corporations Ltd is company limited by guarantee, incorporated on 27 June 2013 in Australia.

The financial statements were authorised for issue on 1 October 2016 by the directors of the company.

Basis of Preparation

Federation of Victorian Traditional Owner Corporations Ltd 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 Corporations Act 2001. 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.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

(a) Principle of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent and entities controlled by Federation of Victorian Traditional Owner Corporations Ltd at the end of the reporting period. A controlled entity is any entity over which Federation of Victorian Traditional Owner Corporations Ltd has the power to govern the financial and operating policies so as to obtain benefits from its activities.

Where controlled entities have entered or left the group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

Federation Enterprises Pty Ltd (Previously Federation Heritage Services Pty Ltd), a proprietary company limited by shares, is a wholly owned subsidiary of Federation of Victorian Traditional Owner Corporations Ltd. Federation Enterprises Pty Ltd (Previously Federation Heritage Services Pty Ltd) was incorporated on 23 September 2014 in Australia.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Income Tax

No provision for income tax has been raised as the company is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

The income tax expense is in relation to tax payable on taxable income of its subsidiary, Federation Enterprises Pty Ltd (Previously Federal Heritage Services Pty Ltd). This is calculated based on the income tax rate of 30%.

(c) Revenue

Government grants are recognised as revenue when the company obtains control over the assets comprising the contributions. Control over granted assets is normally obtained upon their receipt and the timing of commencement of control depends upon the arrangements that exist between the grantor and the entity. Where the company considers the grant to be reciprocal in nature, the grant will be treated as deferred income and the grant will be progressively brought to account as revenue in the statement of comprehensive income over the period.

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

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

(d) 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 (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included in the statement of financial position.

(e) 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.

(f) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs.

Classification and subsequent measurement

Financial instruments are subsequently measured at amortised cost using the effective interest rate method or cost. Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

(i) 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.

(ii) Financial liabilities

Non-derivative financial liabilities are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence that impairment as a result of one or more events (a "loss event") has occurred, which has an impact on the estimated future cash flows of the financial asset(s). In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged or cancelled, or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately to profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(i) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled wholly within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

(j) Provisions

Provisions are recognised when the company 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. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(k) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(l) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgements incorporated into the financial statements 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 company.

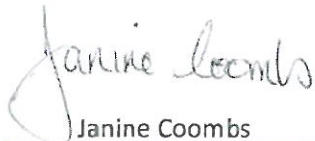
DIRECTORS' DECLARATION

In accordance with the resolution of the directors of Federation of Victorian Traditional Owner Corporations Ltd, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 8 to 16, are in accordance with the Corporations Act 2001, and:
 - (a) give a true and fair view of the financial position as at 30 June 2016 and of the performance for the period ended on that date of the consolidated group; and
 - (b) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.
2. In the directors' opinion, there are reasonable grounds to believe that the company 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



Janine Coombs

Chairperson



Jeremy Clark

Deputy Chair

Dated in Melbourne on 3 October 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FEDERATION OF VICTORIAN TRADITIONAL OWNER CORPORATIONS LTD

We were engaged to audit the financial report of Federation of Victorian Traditional Owner Corporations Ltd and Controlled Entity, which comprises the consolidated statement of financial position as at 30 June 2016 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' declaration.

Directors' Responsibility for the Financial Report

The Directors of the company 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 *Corporations Act 2001* and for such internal control as the Directors 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on conducting the audit in accordance with Australian Auditing Standards. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors Federation of Victorian Traditional Owner Corporations Ltd and Controlled Entity, would be in the same terms if given to the directors as at the time of this auditor's report.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF VICTORIAN TRADITIONAL OWNER CORPORATIONS LTD
(CONTINUED)**


Basis for Disclaimer of Opinion

The Company's controlled entity, Federation Enterprises Pty Ltd has an investment in Barpa Pty Ltd which represents a 51% equity interest in that company. The Directors of Federation of Victorian Traditional Owner Corporations Ltd and Controlled Entity (the "Group") have received unaudited management financial information from Barpa Pty Ltd as at 30 June 2016 which has not been reflected in the financial report of the Group. This unaudited management financial information reports financial data including total current assets of \$9,685,594, total assets of \$9,685,594, total current liabilities of \$9,208,752 and shareholder's funds of \$476,842 of Barpa Pty Ltd as at 30 June 2016 and revenue for the period ended 30 June 2016 of \$10,298,000. We were unable to audit this financial information. As a result, we are unable to determine the extent of any adjustments and disclosures necessary in respect of the Group's Consolidated financial report for its investment in Barpa Pty Ltd.

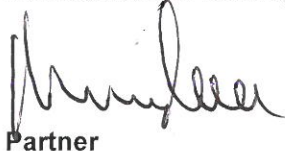
Disclaimer of Opinion

Because of the significance of the matters described in the Basis of Opinion Paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion as to whether the financial report of Federation of Victorian Traditional Owner Corporations Ltd and Controlled Entity is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the consolidated's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*



McLean Delmo Bentleys Audit Pty Ltd



Partner

Hawthorn
10 October 2016