



Australian Government
Australian Industrial Registry

Level 35, Nauru House
80 Collins Street, Melbourne, VIC 3000
GPO Box 1994S, Melbourne, VIC 3001
Telephone: (03) 8661 7799
Fax: (03) 9654 6672

Mr R Wade
Treasurer
VANA Limited
Rear 91 Bay Street
PORT MELBOURNE VIC 3207

Dear Mr Wade,

Re: VANA Limited - Financial Documents for year ended 30 June 2004
Schedule 1B Workplace Relations Act 1996 (RAO Schedule) - FR2004/631

I acknowledge receipt of the financial reports of VANA Limited for the year ended 30 June 2004. The documents were lodged in the Industrial Registry on 7 December 2004.

The documents have been filed.

Although the documents have been filed, enclosed are some comments that may assist you when you next prepare financial reports. No further action is required with respect to the financial documents already lodged.

Secretary's Certificate

It is noted that the Secretary's Certificate of 26 Oct 2004 was signed and dated prior to the presentation of the financial documents to the meeting on 23 Nov 2004. In future financial years this certificate should be completed *after* the date of the meeting to ensure that the certificate is confirming the fact that the meeting *has* occurred in accordance with s280(c) RAO Schedule.

In addition, the certificate should specify whether the documents have been presented to a general meeting of the members or a Committee of Management meeting in accordance with section 266 of the RAO Schedule.

Committee of Management Statement

Paragraphs (e)(iv), (v) and (vi) of the Committee of Management Statement each refer to section 273 of the RAO Schedule. It would appear that only one reference to s273 is required. It is also suggested that a reference to s272 should be added to the Statement.

If you have any queries regarding the above please contact me on (03) 8661 7799.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Andrew Schultz'.

Andrew Schultz
Statutory Services Branch

13 December 2004



FOUNDED 1879.

THE VICTORIAN NEWSAGENTS ASSOCIATION

VANA LTD

ABN 38 004 238 644

REAR 91 BAY STREET

PORT MELBOURNE

VICTORIA 3207

PHONE: 03 9646 0400

FAX: 03 9646 9049

EMAIL: general@vana.com.au

FR2004/631

1 December 2004

Mr Andrew O'Brien
Principal Registry
Australian Industrial Registry
Level 35, Nauru House
80 Collins Street
Melbourne Vic 3000

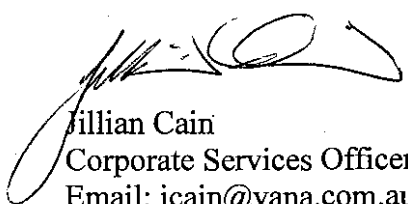
Dear Andrew

Please find attached a copy of the Financial Report for VANA Ltd (ABN 38 004 238 644) for the year ending 30 June 2004.

You will find the Secretary's Certificate on page 29.

Please contact me 03) 9644 2303 should you require any further information.

Yours sincerely



Jillian Cain
Corporate Services Officer
Email: jcain@vana.com.au

Financial Report For

VANA Ltd (ABN 38 004 238 644)

For the Year ended 30 June 2004



VANA

VANA LIMITED
ABN 38 004 238 644

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2004

VANA LIMITED
ABN 38 004 238 644

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CHAIRMAN'S REPORT

VANA MEMBERS

Looking back over the year 2003-2004 I would have to say that little has changed in that our focus continues to be dominated by circulation issues and the ANF debate. The early part of the year by later delivery of home delivery copies of newspapers and the latter part by the ANF co-existence discussions.

These two important issues have seen much improvement with delivery timings settling down and the continuing discussions with the ANF progressing to where we believe we are close to agreeing to co-exist with the national body. This would mean VANA provides services to VANA and ANF members in Victoria, and the ANF represents all members nationally.

Much has been made over recent times of the differing fees where VANA has been shown to have the higher fees. The difference in my view being that VANA receives little in extra funding from outside sources. Our non fee income comes from endorsements and rental of part of our property.

The ANF and other states receive significant funds from companies providing services to newsagents, by taking a percentage of the earnings from newsagent sales from ventures such as Western Union, Commission on newsagency sales, and Bill Express.

It is my contention that either way, the cost of resourcing services to members is always paid by members.

You will see from our financial reports that VANA is financially sound and well managed by Peter Cowley and his staff who ensure they comply with budgets set and that members are fully informed.

Bronwyn Roney, our new member services officer, has a great deal of experience in this area, and will certainly add value to members.

As Chairman of VANA I have had the pleasure of seeing Newsagents Solutions evolve from inception in 2001 to where it is today. It has been VANA's opinion that by becoming proactive and providing a catalyst for positive change within our industry would be to create an environment for benefits to flow through to our members. Even though there has been some risk associated with VANA's actions, the potential benefits far outweighed the relatively small financial risk that VANA took.

NSL has indeed provided the Industry with a valuable tool "NIFTI". Newsagents now have a communication platform to build on and NSL has managed to adapt to competition in a way that will in all probability continue to see benefits flow through to Newsagents across Australia. Already VANA's decision has been validated, and members will continue to benefit from the ongoing functionality of NIFTI.

My expectation is that the NSL principals, Frank and Simon, will continue to find ways of integrating future technologies through NIFTI. Perhaps with the recently

announced association between NSL and Bill Express, Newsagents will see the results that can be achieved when Newsagents work together with Industry providers to deliver a relevant solution for our needs.

Last year I advised that the Board had agreed at our planning conference that we had to find a way to make our members more competitive with those chains who sought to compete strongly for our core products.

We called the process our Accreditation Plan. We have been moving more slowly than we like on that due to our focus being on other important issues however, we are ramping up our efforts to at least agree with our Publishers and Distributors initially on what are the basic standards they require to progress this project.

Those suppliers we have spoken to agree it is essential that we have such a structure, which rewards those newsagents who comply with the standards set.

It is my view that membership of an association does not guarantee unity. For many years I and many others have sought a solution to how we have members act as a group within set standards to enhance existing relationships and grow others.

I believe the only way we can do that, is by rewarding those who are compliant, which demonstrates that value to those who are not, and hopefully entuses them.

I would like to offer my thanks to all those members and suppliers who give up their time to help develop initiatives. A recent example being the "Back to School" book distributed by GNS from a group of newsagents, GNS, and VANA.

I would also like to thank Directors and Group Chair persons, who also freely give up their time in an effort to benefit each of us. I believe those efforts demonstrate the real spirit of VANA.

I remain enthusiastic about our future, and I encourage all Newsagents to take on the challenges ahead and embrace changes. For it is positive change that will ensure Newsagents are leading retailers with service as their difference!

Yours truly,



Ron McKinnis
Chairman

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2004.

Directors

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

Mr R McKinnis

Mr R Richards

Mr R Wade

Mr B Thomson

Mr D Asquith

Mr F DePropertis

Mr G Tribe

Mr G Wescombe

Mr D Fitzgibbon (Appointed 23 March 2004)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Operating Results

The profit of the company for the financial year after providing for income tax amounted to \$109,851.

Review of Operations

A review of the operations of the company during the financial year and the results of those operations found that VANA has continued working to ensure the growth and financial viability of the newsagency channel through offering industry representation, advocacy, human resource assistance, political lobbying and e-commerce advice.

Over the past year we have provided support, advice and information over a wide range of industrial relations and human resource issues. We have kept members informed on key industry issues through regional meetings, bulletins, the VANA web site and numerous communications via mail, fax and emails. VANA continues to investigate and negotiate deals for newsagents in a variety of arenas and lobbying to represent newsagents interests at a state and national level.

Significant Changes in State of Affairs

No significant changes in the state of affairs of the company occurred during the financial year.

Principal Activity

The principal activity of the company during the financial year was to operate as a trade association.

No significant change in the nature of these activities occurred during the year.

DIRECTORS' REPORT (continued)

Office Structure

VANA employs 6 full-time staff members. VANA Staff Members continue to hold specific responsibilities through key portfolios. All staff report to the Executive Officer who then reports at Board level. Board discussions and issues are reported to the Membership via the News Bulletin and Regional Group Meetings. The objective of the Association remains "to ensure the growth and financial viability of the Newsagency channel".

Staff Changes since the last AGM

[REDACTED]

Membership

At 31 December 2003 VANA Ltd had 536 members.

Resignation

A Member or Associate Member of VANA may resign their respective membership by written notice addressed and delivered to the Treasurer. A notice of resignation from membership or associate membership of VANA will take effect from the day on which the notice is received by VANA or on any such later date specified in the notice.

Newsagents Solution Ltd ("NSL") Report

The VANA Board is pleased with the progress made by NSL with regard to their central communication system (NIFTI).

NSL has had a challenging year in 2003/4, however the NIFTI system has been installed into over 100 sites and has proven to be stable and robust. Participating Newsagents are enjoying the benefits of this centralised portal.

New business for Newsagents is targeted to include Subscriptions and Gift vouchers, and the VANA board are enthusiastic about the results this may achieve for Newsagents across Victoria.

Superannuation Trustees

No VANA Directors are trustees for superannuation funds offered to our membership. Contributions for employees are made to Superannuation funds, which are totally independent of VANA.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Likely Developments

The company expects to maintain the present status and level of operations and hence there are no likely developments in the company's operations.

Environmental Issues

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

Dividends Paid or Recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

DIRECTORS' REPORT (continued)

Information on Directors

The information on directors is as follows:

Mr R McKinnis	- Chairman
Experience	- Newsagent for 31 years
Mr R Richards	- Vice Chairman
Experience	- Newsagent for 45 years
Mr R Wade	- Treasurer
Experience	- LLB (Newsagent for 5 years)
Mr B Thomson	- Non-executive director
Experience	- Newsagent for 25 years
Mr D Asquith	- Non-executive director
Experience	- Newsagent for 16 years
Mr F DePropertis	- Executive director
Experience	- Newsagent for 21 years
Mr G Tribe	- Non-executive director
Experience	- Newsagent for 20 years
Mr G Wescombe	- Non-executive director
Qualifications	- B.Bus., Associate Diploma of Public Admin and management
Experience	- Newsagent for 6 years
Mr D Fitzgibbon	- Non-executive director
Qualifications	- Associate Diploma Retail Management
Experience	- Newsagent for 4 years

Meetings of Directors

DIRECTORS	DIRECTORS' MEETINGS	
	Number eligible to attend	Number attended
Mr R McKinnis	12	12
Mr R Richards	12	9
Mr R Wade	12	12
Mr B Thomson	12	12
Mr D Asquith	12	10
Mr F DePropertis	12	10
Mr G Tribe	12	12
Mr G Wescombe	12	10
Mr D Fitzgibbon (Appointed 23 March 2004)	5	5

Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the end of the financial year.

DIRECTORS' REPORT (continued)

Indemnification of Officer or Auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

Proceedings on Behalf of the Company

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

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

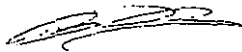
Signed in accordance with a resolution of the Board of Directors:

Director



Mr R McKinnis

Director



Mr R Richards

Dated this 26th day of October 2004

VANA LIMITED
ABN 38 004 238 644

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2004

	Notes	2004 \$	2003 \$
Revenue from ordinary activities	2	931,421	1,019,976
Employee benefits expense		(332,301)	(301,840)
Depreciation and amortisation expenses	3	(50,814)	(49,691)
Directors expenses	3	(44,871)	(32,622)
Special events expense		(83,532)	(81,054)
Occupancy expense		(38,452)	(42,693)
Communication expense		(38,300)	(44,692)
Subscriptions		(2,653)	(47,070)
Fuelcard expenses		(18,890)	(40,215)
Meeting and conferences expense		(31,360)	(34,839)
Western Union project expense		-	(35,438)
Legal expenses		(3,573)	(22,384)
Insurance expense		(22,459)	(21,579)
Computer expenses		(11,880)	(21,909)
Auditors Remuneration	3	(25,114)	(25,950)
Bad and Doubtful Debts	3	(13,000)	(13,032)
Administration expenses		(19,268)	(29,891)
Other expenses from ordinary activities		(46,012)	(81,661)
Borrowing costs expense	3	<u>(39,091)</u>	<u>(37,866)</u>
Profit from ordinary activities before income tax expense (income tax revenue)		109,851	55,550
Income tax revenue (income tax expense) relating to ordinary activities		<u>-</u>	<u>-</u>
Profit from ordinary activities after related income tax expense (income tax revenue)		109,851	55,550
Increase (decrease) in asset revaluation reserve	13	<u>(1,664,890)</u>	<u>1,419,309</u>
Total changes in equity other than those resulting from transactions with owners as owners		<u>(1,555,039)</u>	<u>1,474,859</u>

The accompanying notes form part of these financial statements.

VANA LIMITED
ABN 38 004 238 644

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2004

	Notes	2004 \$	2003 \$
CURRENT ASSETS			
Cash assets	5	325,415	219,633
Receivables	6	144,958	142,903
Other	7	<u>8,338</u>	<u>9,900</u>
TOTAL CURRENT ASSETS		<u>478,711</u>	<u>372,436</u>
NON-CURRENT ASSETS			
Other financial assets	8	2	2
Property, plant and equipment	9	<u>4,098,230</u>	<u>5,795,077</u>
TOTAL NON-CURRENT ASSETS		<u>4,098,232</u>	<u>5,795,079</u>
TOTAL ASSETS		<u>4,576,943</u>	<u>6,167,515</u>
CURRENT LIABILITIES			
Payables	10	187,437	240,213
Interest-bearing liabilities	11	211,278	210,753
Provisions	12	<u>17,910</u>	<u>11,988</u>
TOTAL CURRENT LIABILITIES		<u>416,625</u>	<u>462,954</u>
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	11	<u>294,735</u>	<u>283,939</u>
TOTAL NON-CURRENT LIABILITIES		<u>294,735</u>	<u>283,939</u>
TOTAL LIABILITIES		<u>711,360</u>	<u>746,893</u>
NET ASSETS		<u>3,865,583</u>	<u>5,420,622</u>
EQUITY			
Reserves	20		
	13	3,537,243	5,202,133
Retained profits	14	<u>328,340</u>	<u>218,489</u>
TOTAL EQUITY		<u>3,865,583</u>	<u>5,420,622</u>

The accompanying notes form part of these financial statements.

VANA LIMITED
ABN 38 004 238 644

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2004

	Notes	2004 \$	2003 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Subscriptions		414,473	533,627
Other operating receipts		474,899	631,439
Payments to suppliers and employees		(749,758)	(941,211)
Interest received		13,229	7,887
Borrowing costs		<u>(39,091)</u>	<u>(37,865)</u>
Net cash provided by operating activities	18 (b)	<u>113,752</u>	<u>193,877</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		19,199	-
Payment for property, plant and equipment		(38,490)	(13,515)
Payment for other non current assets		<u>-</u>	<u>(58,090)</u>
Net cash used in investing activities		<u>(19,291)</u>	<u>(71,605)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings		(10,543)	-
Repayment of borrowings		<u>21,864</u>	<u>(10,141)</u>
Net cash provided by/(used in) financing activities		<u>11,321</u>	<u>(10,141)</u>
Net increase in cash held		105,782	112,131
Cash at beginning of financial year		<u>219,633</u>	<u>107,502</u>
Cash at end of financial year	18 (a)	<u>325,415</u>	<u>219,633</u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report is for the entity Vana Limited as an individual entity. Vana Limited is a company limited by guarantee, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs. It does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Income Tax

No provision for income tax is required as the company is exempt from income tax under section 50-15 of the Income Tax Assessment Act (1997).

(b) Property, Plant and Equipment

Each class of property plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Property

Freehold land and buildings are measured on the fair value basis being the amount which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is the policy of the company to have an independent valuation every three years, with annual appraisals being made by the directors.

The revaluation of freehold land and buildings has not taken account of the potential tax payable on assets which are subject to capital gains tax.

Plant and equipment

Plant and equipment is measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated over their estimated useful lives to the company commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of fixed asset	Depreciation rates/useful lives	Depreciation basis
Buildings	2.5 %	Straight Line
Plant and equipment	10 - 30 %	Straight Line
Motor Vehicles	20 %	Straight Line
Office Equipment	15 - 25 %	Straight Line
Furniture Fixtures and Fittings	10 - 30 %	Straight Line

The revaluation of freehold land and buildings has taken account of the potential tax payable on assets which are subject to capital gains tax.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the company are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives received under operating leases are recognised as a liability. Lease payments received reduced the liability.

(d) Investments

Non-current investments are measured on the cost basis. The carrying amount of investments is reviewed annually by directors' to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for shares in listed companies or the underlying net assets for other non-listed corporations. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

(e) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries and annual leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other 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.

Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

(f) Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months and net of bank overdrafts.

(g) Revenue

Revenue from sale of goods is recognised upon the delivery of goods to customers.

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

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Other revenue is recognised when the right to receive the revenue has been established.

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

(h) 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 acquisition of the asset or as part of an item of expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

(i) Adoption of Australian Equivalents to International Financial Reporting Standards

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for financial years commencing 1 January 2005. This requires the production of accounting data for future comparative purposes at the beginning of the next financial year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The company's management, along with its auditors, are assessing the significance of these changes and preparing for their implementation. An IFRS committee has been established to oversee and manage the company's transition to IFRS. We will seek to keep stakeholders informed as to the impact of these new standards as they are finalised.

VANA LIMITED
ABN 38 004 238 644

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 \$	2003 \$
NOTE 2: REVENUE			
Operating activities			
- subscriptions		441,270	518,287
- management and professional fees		27,839	25,200
- commission and rebates		26,298	22,754
- interest	2(a)	13,229	7,887
- rent		188,676	154,103
- other revenue		<u>214,910</u>	<u>291,745</u>
		<u>912,222</u>	<u>1,019,976</u>
Non - operating activities			
- proceeds of sale of property, plant and equipment		<u>19,199</u>	<u>-</u>
Total Revenue		<u>931,421</u>	<u>1,019,976</u>
(a) Interest from:			
- other persons		<u>13,229</u>	<u>7,887</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 \$	2003 \$
NOTE 3: PROFIT FROM ORDINARY ACTIVITIES			
Profit (losses) from ordinary activities before income tax expenses (income tax revenue) has been determined after:			
(a) Expenses:			
Borrowing costs:			
- Finance lease charges		4,295	3,175
- other persons		<u>34,796</u>	<u>34,691</u>
Total borrowing costs		39,091	37,866
Depreciation of non-current assets			
- Buildings		7,933	-
- Leasehold improvements		1,418	1,037
- Motor vehicles		12,031	13,259
- Office Equipment		4,888	8,681
- Furniture, fixtures and fittings		6,356	6,335
- Computer Equipment		<u>18,188</u>	<u>20,379</u>
Total Depreciation		50,814	49,691
Bad and doubtful debts:			
- trade debtors		<u>13,000</u>	<u>13,032</u>
Remuneration of the auditors for:			
- audit or review services		20,714	21,550
- other services		<u>4,400</u>	<u>4,400</u>
Rental expense on operating leases			
- minimum lease payments		<u>9,588</u>	<u>9,239</u>
Rental expense on operating leases		9,588	9,239
Directors expenses			
- Directors meetings allowance for attendance at Board meetings		31,909	23,073
- Directors travel expenses		<u>12,962</u>	<u>9,549</u>
(b) Revenue and Net Gains			
Net gain on disposal of non-current assets - property, plant and equipment			
		<u>2,621</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 \$	2003 \$
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NOTE 4: REMUNERATION AND RETIREMENT BENEFITS

(a) Directors' remuneration

Number of directors whose income from the company or any related parties was within the following bands:

	No.	No.
\$0 - \$9,999	9	8

The names of directors who have held office during the financial year are:

Mr R McKinnis
 Mr R Richards
 Mr R Wade
 Mr B Thomson
 Mr D Asquith
 Mr F DePropertis
 Mr G Tribe
 Mr G Wescombe
 Mr D Fitzgibbon

NOTE 5: CASH ASSETS

Cash on hand	1,050	686
Cash at bank	<u>324,365</u>	<u>218,947</u>
	<u>325,415</u>	<u>219,633</u>

NOTE 6: RECEIVABLES

CURRENT

Trade debtors	112,250	93,672
Less provision for doubtful debts	<u>(13,000)</u>	<u>(13,032)</u>
	<u>99,250</u>	<u>80,640</u>
Other debtors	102	2,512
Amounts receivable from:		
- director-related parties	<u>45,606</u>	<u>59,751</u>
	<u>45,708</u>	<u>62,263</u>
	<u>144,958</u>	<u>142,903</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 \$	2003 \$
NOTE 6: RECEIVABLES (Continued)			
(a) Loans to directors			
Loans advanced during the financial year			
Director-related parties:			
NSL trade debtor	6(b)	45,606	53,751
Loan to NSL - secured	6(c)	-	6,000
		<u>45,606</u>	<u>59,751</u>
Loans repaid during the financial year			
director-related parties:			
NSL trade debtors		10,183	3,081
Loan to NSL - secured		6,000	10,000
		<u>16,183</u>	<u>13,081</u>

6(b) Expenses paid on behalf of NSL by VANA Ltd during the development. Frank De Propertis is a director of NSL.

6(c) Loan made to NSL to fund further development. Secured under personal guarantee of its directors Frank De Propertis and Simon Richards.

NOTE 7: OTHER ASSETS

CURRENT

Prepayments		<u>8,338</u>	<u>9,900</u>
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NOTE 8: OTHER FINANCIAL ASSETS

NON-CURRENT

Shares in other corporations			
- at cost		<u>2</u>	<u>2</u>

(a) The company holds two fully paid shares in Newpower (Australia) Pty Ltd, a related party.

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

LAND

Freehold land:			
At directors' valuation as at 30/6/2004		2,278,865	-
At directors' valuation as at 30/6/2003		-	3,231,900
Total freehold land		<u>2,278,865</u>	<u>3,231,900</u>

BUILDINGS

At directors' valuation as at 30/6/2004		1,721,135	-
At directors' valuation as at 30/6/2003		-	2,440,924
		<u>1,721,135</u>	<u>2,440,924</u>
Total land and buildings		<u>4,000,000</u>	<u>5,672,824</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 \$	2003 \$
NOTE 9: PROPERTY, PLANT AND EQUIPMENT (Continued)			
PLANT AND EQUIPMENT			
(a) Plant and equipment			
At cost		303,416	301,871
Less accumulated depreciation		<u>(277,273)</u>	<u>(247,842)</u>
		<u>26,143</u>	<u>54,029</u>
(b) Improvements			
At cost		29,923	29,923
Less accumulated depreciation		<u>(4,165)</u>	<u>(2,747)</u>
		<u>25,758</u>	<u>27,176</u>
(c) Motor vehicles			
At cost		63,090	62,479
Less accumulated depreciation		<u>(16,761)</u>	<u>(21,431)</u>
		<u>46,329</u>	<u>41,048</u>
Total plant and equipment		<u>98,230</u>	<u>122,253</u>
Total property, plant and equipment		<u>4,098,230</u>	<u>5,795,077</u>

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

	Freehold land \$	Buildings \$	Plant & equipment \$	Motor vehicles \$	Improvements \$
2004					
Balance at the beginning of the year	3,231,900	2,440,924	54,029	41,048	27,176
Additions	-	-	1,546	36,945	-
Disposals	-	-	-	(19,633)	-
Revaluations	(953,035)	(711,856)	-	-	-
Depreciation expense	-	(7,933)	(29,432)	(12,031)	(1,418)
Carrying amount at end of year	<u>2,278,865</u>	<u>1,721,135</u>	<u>26,143</u>	<u>46,329</u>	<u>25,758</u>

The land and buildings at 87 - 91 Bay Street, Port Melbourne were revalued by the directors as at 30 June 2004. The revaluation amount was \$4,000,000 and was based on recent sales and the land tax assessment.

NOTE 10: PAYABLES

CURRENT

Unsecured liabilities		
Trade creditors	9,109	29,350
Sundry creditors and accruals	143,305	149,043
Subscriptions in advance	<u>35,023</u>	<u>61,820</u>
	<u>187,437</u>	<u>240,213</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 \$	2003 \$
NOTE 11: INTEREST BEARING LIABILITIES			
CURRENT			
Secured liabilities			
Bills of exchange and promissory notes		200,000	200,000
Hire purchase liability	15	<u>11,278</u>	<u>10,753</u>
		<u>211,278</u>	<u>210,753</u>
NON-CURRENT			
Secured liabilities			
Bills of exchange and promissory notes		250,000	250,000
Hire purchase liability	15	<u>44,735</u>	<u>33,939</u>
		<u>294,735</u>	<u>283,939</u>

The National Australia Bank provides an ongoing Bank Bill Facility (\$450,000) to the company secured by a registered mortgage over Certificate of Title Volume 9887 Folio 082 being the property located at 87 - 93 Bay Street, Port Melbourne.

The \$200,000 bank bill facility expires on 30 November 2004 and the \$250,000 bank bill facility expires on 30 June 2005. Both facilities are subject to annual review.

The carrying amounts of non-current assets pledged as security are:

Freehold land and buildings	<u>4,000,000</u>	<u>5,672,824</u>
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NOTE 12: PROVISIONS

CURRENT

Employee benefits	12(a)	<u>17,910</u>	<u>11,988</u>
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(a) Aggregate employee benefits liability	<u>17,910</u>	<u>11,988</u>
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(b) Number of employees at year end	<u>6</u>	<u>6</u>
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NOTE 13: RESERVES

Asset revaluation reserve	(a)	2,424,943	4,089,833
General reserve	(b)	<u>1,112,300</u>	<u>1,112,300</u>
		<u>3,537,243</u>	<u>5,202,133</u>

(a) Asset Revaluation Reserve

Movements during the financial year:

Opening balance	4,089,833	2,670,524
Revaluation increment (decrement) on freehold land and buildings	<u>(1,664,890)</u>	<u>1,419,309</u>
Closing balance	<u>2,424,943</u>	<u>4,089,833</u>

The asset revaluation reserve records revaluations of non-current assets

(b) General reserve

The general reserve was used in prior years to record amounts set aside to fund the future expansion of the company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 \$	2003 \$
NOTE 14: RETAINED PROFITS			
Retained profits at the beginning of the financial year		218,489	162,939
Net profit (loss) attributable to members of the entity		<u>109,851</u>	<u>55,550</u>
Retained profits at the end of the financial year		<u>328,340</u>	<u>218,489</u>
NOTE 15: CAPITAL AND LEASING COMMITMENTS			
(a) Hire purchase commitments			
Payable			
- not later than one year		15,145	13,937
- later than one year and not later than five years		<u>49,272</u>	<u>37,299</u>
Minimum hire purchase payments		64,417	51,236
Less future finance charges		<u>(8,404)</u>	<u>(6,544)</u>
Total hire purchase liability		<u>56,013</u>	<u>44,692</u>
Represented by:			
Current liability	11	11,278	10,753
Non-current liability	11	<u>44,735</u>	<u>33,939</u>
		<u>56,013</u>	<u>44,692</u>
(b) Operating lease commitments			
Non-cancellable operating leases contracted for but not capitalised in the financial statements:			
Payable			
- not later than one year		<u>799</u>	<u>-</u>
		<u>799</u>	<u>-</u>
The operating lease is for office equipment entered into in 2000 with a five year term. Rentals are payable monthly in advance at an agreed fixed amount.			
NOTE 16: RELATED PARTY TRANSACTIONS			
(a) Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated			
(b) Director related entities			
Expenses paid on behalf of Newsagents Solutions Limited ("NSL") by VANA Ltd during its start-up. Frank De Propertis is a director of NSL. No interest is payable			
		4,368	55,171
Advances made to NSL during start-up. Under loan agreement and personal guarantees by NSL directors. The loan is interest free.			
		-	16,000
		<u>4,368</u>	<u>71,171</u>
(c) Other Related Parties			
Management and rental reimbursement received from Newspaper (Australia) Pty Ltd on normal terms and conditions.			
		45,440	43,340
		<u>45,440</u>	<u>43,340</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 \$	2003 \$
NOTE 16: RELATED PARTY TRANSACTIONS (Continued)			
NOTE 17: SEGMENT REPORTING			
The company operates in one business and geographical segment being a Trade Association for the authorised newsagents within Victoria, Australia.			
NOTE 18: CASH FLOW INFORMATION			
(a) Reconciliation of cash			
Cash at the end of the financial year as shown in the statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:			
Cash on hand		1,050	686
Cash at bank		<u>324,365</u>	<u>218,947</u>
		<u>325,415</u>	<u>219,633</u>
(b) Reconciliation of cash flow from operations with profit from ordinary activities after income tax			
Profit from ordinary activities after income tax		109,851	55,550
Non-cash flows in profit from ordinary activities			
Depreciation		50,814	49,691
Charges to provisions		(32)	13,032
Net (gain) / loss on disposal of property, plant and equipment		(2,621)	-
Changes in assets and liabilities			
(Increase)/decrease in receivables		(2,023)	102,170
Decrease in other assets		1,562	3,109
Decrease in payables		(49,721)	(29,235)
increase/(decrease) in provisions		<u>5,922</u>	<u>(440)</u>
Cash flows from operations		<u>113,752</u>	<u>193,877</u>

NOTE 19: FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

NOTE 19: FINANCIAL INSTRUMENTS (Continued)

	Weighted Average Effective Interest Rate		Fixed Interest Rate Maturing				Floating Interest Rate		Non Interest Bearing		Total	
	2004	2003	Within 1 Year		1 to 5 Years		2004	2003	2004	2003	2004	2003
	%	%	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Financial Assets:												
Cash	3.00	3.00	-	-	-	-	324,365	219,633	-	-	325,415	219,633
Receivables	-	-	-	-	-	-	-	-	144,958	100,518	144,958	100,518
Total Financial Assets			-	-	-	-	324,365	219,633	144,958	100,518	470,373	320,151
Financial Liabilities:												
Bills of exchange and promissory notes	6.85	6.02	200,000	200,000	250,000	250,000	-	-	-	-	450,000	450,000
Trade and sundry creditors	-	-	-	-	-	-	-	-	-	-	374,874	240,213
Amounts payable related parties	-	-	-	-	-	-	-	-	152,414	136,009	-	-
Lease liabilities	7.02	7.83	11,278	10,753	44,735	33,939	-	-	-	-	-	-
Hire purchase liabilities	-	-	-	-	-	-	-	-	-	-	56,013	44,692
Total Financial Liabilities			211,278	210,753	294,735	283,939	-	-	152,414	136,009	880,887	734,905

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial report.

The company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

NOTE 19: FINANCIAL INSTRUMENTS (Continued)

(c) Net Fair Values

The net fair values of are determined by discounting the cash flows, at the market interest rates of similar securities, to their present value. The net fair value of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For unlisted investments where there is no organised financial market the net fair value has been based on a reasonable estimation of the underlying net assets or discounted cash flows of the investment.

Bills of exchange and promissory notes which are traded on organised financial markets, the net fair value is based on the quoted market offer price at balance date adjusted for transaction costs expected to be incurred.

The net fair value of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments, forward exchange contracts and interest rate swaps. Financial assets where the carrying amount exceeds net fair values have not been written down as the company intends to hold these assets to maturity.

The aggregate net fair values and carrying amount of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

NOTE 20: MEMBERS' GUARANTEE

The company is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of ten dollars in the event of the company being wound up. At 30 June 2004 the number of members was 536 (2003; 568).

In accordance with the requirement of the Workplace Relations Act 1996, the attention of members is drawn to the provision of subsections (1), (2) and (3) of section 264 which read as follows:

- (1) A member of an organisation, or a Registrar, may apply to the organisation for prescribed information in relation to the organisation
- (2) An organisation shall, on application made under subsection (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner, within such time, as is prescribed.
- (3) A Registrar may only make an application under subsection (1) at the request of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

NOTE 21: COMPANY DETAILS

The registered office of the company is:

Vana Limited

Rear 91

Bay Street

Port Melbourne Victoria 3207

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 7 to 22 are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2004 and of the performance for the financial year ended on that date of the company.
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.

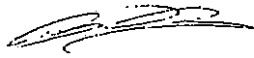
This declaration is made in accordance with a resolution of the directors.

Director



Mr R McKinnis

Director



Mr R Richards

Dated this 26th day of October 2004

VANA LTD
ABN 38 004 238 644

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
VANA LIMITED**

Scope

The financial report and directors responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements and the directors' declaration for the company, for the year ended 30 June 2004.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report, in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001*, including compliance with Accounting Standards in Australia, and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

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HLB Mann Judd (MC Partnership)

HLB Mann Judd (MC Partnership) is a member of  International. A world-wide organisation of accounting firms and business advisers

Audit Opinion

In our opinion, the financial report of Vana Limited is in accordance with:

- (a) the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2004 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001;
- (b) other mandatory financial reporting requirements in Australia.
- (c) the *Workplace Relations Act 1996*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2004 and of its performance for the year ended on that date; and
 - (ii) complying with schedule 1(b) of the *Workplace Relations Act 1996*.

HLB Mann Judd



David Nairn FCA
Registered Company Auditor
Partner
26 October 2004

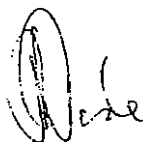
VANA LIMITED
ABN 38 004 238 644

COMMITTEE OF MANAGEMENT STATEMENT

On 26th October 2004 the Committee of Management of VANA Ltd passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2004:

The Committee of Management declares in relation of the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of Management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO schedule and the RAO Regulations; and
 - (iv) no orders have been made by the Commission under section 273 of the RAO Schedule during the period; and
 - (v) no orders have been made by the Commission under section 273 of the RAO Schedule during the period; and
 - (vi) no orders have been made by the Commission under section 273 of the RAO Schedule during the period.



Mr R Wade
Finance Director and Company Secretary

Dated this 26th day of October 2004

**VANA LIMITED
ABN 38 004 238 644**

OPERATING REPORT

Membership

At 31 December 2003 VANA Ltd had 536 members.

Office Structure

VANA employs 6 full-time staff members. VANA Staff Members continue to hold specific responsibilities through key portfolios. All staff report to the Executive Officer who then reports at Board level. Board discussions and issues are reported to the Membership via the News Bulletin and Regional Group Meetings. The objective of the Association remains "to ensure the growth and financial viability of the Newsagency channel".

Staff Changes since the last AGM



Review of Operations

A review of the operations of the company during the financial year and the results of those operations found that VANA has continued working to ensure the growth and financial viability of the newsagency channel through offering industry representation, advocacy, human resource assistance, political lobbying and e-commerce advice. Over the past year we have provided support, advice and information over a wide range of industrial relations and human resource issues. We have kept members informed on key industry issues through regional meetings, bulletins, the VANA web site and numerous communications via mail, fax and emails. VANA continues to investigate and negotiate deals for newsagents in a variety of arenas and lobbying to represent newsagents interests at a state and national level.

Significant Changes in State of Affairs

No significant changes in the state of affairs of the company occurred during the financial year.

Resignation

A Member or Associate Member of VANA may resign their respective membership by written notice addressed and delivered to the Treasurer. A notice of resignation from membership or associate membership of VANA will take effect from the day on which the notice is received by VANA or on any such later date specified in the notice.

Superannuation Trustees

No VANA Directors are trustees for superannuation funds offered to our membership. Contributions for employees are made to Superannuation funds which are totally independent of VANA.

VANA LIMITED
ABN 38 004 238 644

OPERATING REPORT (Continued)

Directors

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

Mr R McKinnis

Mr R Richards

Mr R Wade

Mr B Thomson

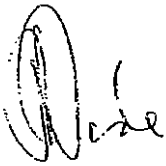
Mr D Asquith

Mr F DePropertis

Mr G Tribe

Mr G Wescombe

Mr D Fitzgibbon (Appointed 23 March 2004)

A handwritten signature in black ink, appearing to read 'R Wade', is written over a circular stamp or seal.

Mr R Wade

Finance Director and Company Secretary

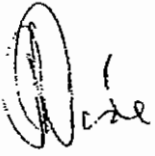
Dated this 26th day of October 2004

VANA LIMITED
ABN 38 004 238 644

CERTIFICATE BY SECRETARY OR PRESCRIBED OFFICER

I, Robert Wade, being the prescribed Officer of VANA Ltd, do hereby state the attached documents are copies of the reports and audited accounts and financial statements for the year ended 30 June 2004 that are to be:

- (i) supplied to members free of charge through a mail out on approximately 29 October 2004,
- (ii) presented to a meeting of VANA Limited on the 23rd November 2004.



Mr R Wade
Finance Director and Company Secretary

Dated this 26th day of October 2004