



Australian Government
Australian Industrial Registry

Level 5
11 Exhibition Street
Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7989
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Mr Peter Cowley
Chief Executive Officer
VANA Limited
806 – 810 Nicholson Street
FITZROY NORTH VIC 3068

By E-mail: general@vana.com.au

Dear Mr Cowley

**Re: Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)
Financial reports for year ended 30 June 2006 - FR 2006/245**

I have received the financial reports of VANA Limited for the year ended 30 June 2006 and the amended Auditor's Report and newly signed Committee of Management Statement. The documents were lodged in the Industrial Registry on 8 May and 20 July 2007 respectively.

The documents have been filed.

We have noted that Mr Trevor Barnett is no longer with VANA Limited and we have made the necessary amendments to our database.

Please note, due to the WorkChoice legislative changes which commenced on 27 March 2006, the RAO Schedule previously referred to as Schedule 1B is now Schedule 1.

If you wish to discuss any matters raised in this letter, or if you require further information on the financial reporting requirements of Schedule 1 of the *Workplace Relations Act 1996*, I may be contacted on (03) 8661 7989 on Wednesdays and Thursdays or by email at Cynthia.lobooth@air.gov.au

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Cynthia Lo-Booth'.

Cynthia Lo-Booth
Statutory Services Branch

25 July 2007

July 18th, 2007

Australian Industrial Registry
Cynthia Lo-Booth
Statutory Service Branch
GPO Box 1994
Melbourne VIC 3001

Dear Ms Lo-Booth,

**Re – Scheduled 1 of the Workplace Relations Act 1996 (RAO Schedule)
Financial reports for year ended 30 June 2006 – FR 2006/245**

Further to your letter dated 14 June 2007, please find attached the information as requested:

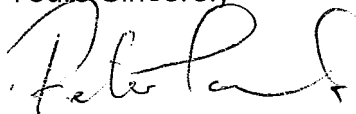
- The amended auditor's report
- The committee of Management Statement signed by a designated officer

We are taking note of the Timescale Requirements and will endeavour to submit the next financial report within 14 days of the next General Meeting.

We trust that the information supplied is satisfactory.

Please note that Mr Trevor Barnett has left the company. Could you please ensure that all correspondence is forward to the signatory, Mr Peter Cowley, Chief Executive Officer.

Yours Sincerely



Peter Cowley
Chief Executive Officer
VANA Ltd

VANA LIMITED
ABN 38 004 238 644

COMMITTEE OF MANAGEMENT STATEMENT

On 24 October 2006 the board of directors of VANA Limited, being the committee of management of the organisation, adopted the following resolution in relation to the general purpose financial report of the Association for the financial year ended 30 June 2006:

1. The directors, having been advised accordingly by the chief executive officer in a letter dated 24 October 2006, declare in relation to the general purpose financial report 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 general purpose financial report relates and since the end of the year:
 - i. meetings of the committee of management were held in accordance with the rules of the organisation; and
 - ii. the financial affairs of the reporting unit have been held in accordance with the rules of the organisation; and
 - iii. the financial records of the reporting unit have been managed in accordance with the RAO Schedule and the RAO Regulations; and
 - iv. the organisation has consisted of a single reporting unit; and
 - v. the information sought in any request of a member of the reporting unit or a Registrar duly made under Section 272 of the RAO Schedule has been furnished to a member or Registrar; and
 - vi. there has been compliance with any order for inspection of financial records made by the Commission under Section 272 of the RAO Schedule.
 - (f) the organisation has not undertaken any recovery of wages activity.

DESIGNATED OFFICER: Mr R. McKinnis

POSITION OF OFFICER: Chairman

SIGNATURE:.....

Dated this 24 day of October 2006



INDEPENDENT AUDIT REPORT TO THE MEMBERS OF VANA LIMITED

Scope

The financial report and directors' responsibility

The financial report comprises the balance sheet, income statement, cash flow statement, accompanying notes to the financial statements, the directors' declaration and committee of management statement for VANA Limited ("the company"), for the year ended 30 June 2006.

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* and the requirements imposed by Part 3 of Chapter 8 of Schedule 1B of the *Workplace Relations Act 1996*. 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* and the *Workplace Relations Act 1996*, 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 their 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 (VIC Partnership)

HLB Mann Judd (VIC Partnership) is a member of  HLB 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 2006 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) the *Workplace Relations Act 1996*, including:
 - (i) presenting fairly the company's financial position as at 30 June 2006 and of its performance for the year ended on that date; and
 - (ii) the requirements of Part 3 of Chapter 8 of Schedule 1B of the *Workplace Relations Act 1996*; and
- (c) other mandatory financial reporting requirements in Australia.

HLB Mann Judd

HLB Mann Judd

A handwritten signature in black ink, appearing to read 'D Nairn', with a horizontal line underneath.

David Nairn
Partner

24 October 2006
Melbourne

Member of the Institute of Chartered Accountants in Australia
Holder of a Public Practice Certificate



Mr Trevor Barnett
Corporate Services
VANA Limited
806 – 810 Nicholson Street
FITZROY NORTH VIC 3068

By E-mail: general@vana.com.au

Dear Mr Barnett

**Re: Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)
Financial reports for year ended 30 June 2006 - FR 2006/245**

I acknowledge receipt of the financial reports of VANA Limited for the year ended 30 June 2006. The documents were lodged in the Industrial Registry on 8 May 2007.

The financial reports have not been filed.

An examination of the financial reports shows some areas of non-compliance with the financial reporting obligations under the RAO Schedule. I have detailed the matters of concern. Please ensure that the requests for further information in items 1 and 2 are attended to as this will facilitate the filing of VANA Limited's financial reports for year ended 30 June 2006. The remaining items are matters to take into account when preparing for future financial reports.

1. Auditor's Report

(a) Auditor's Opinion

The term "true and fair view" was used in the superseded legislation and is no longer relevant in the auditor's opinion for the purposes of the RAO Schedule. Subsection 257(5) of the RAO Schedule sets out the matters upon which an auditor is required to make an opinion on whether the general purpose financial report is *presented fairly* in accordance with applicable Australian Accounting Standards and other requirements of the RAO Schedule. The following wording in the auditor's opinion would satisfy the requirements:

"In our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the RAO Schedule of the Workplace Relations Act 1996".

(b) Approved Auditor

It is not clear from the report whether or not the auditor is an approved auditor. In this regard I draw your attention to the definition of an *approved auditor* in regulation 4 of the [RAO Regulations](#). In all likelihood the auditor is such a person however, it is our preference that this is made explicit in the report.

Please lodge a new auditor's report with the above-mentioned amendments as soon as practicable.

2. Committee of Management Statement

(a) Designated Officer

The Chief Executive Officer is unable to sign the Committee of Management Statement. Item 26 of the Industrial Registrar's Reporting Guidelines require the statement be signed by a *designated officer* within the meaning of section 243 of the RAO Schedule. Section 243 should be read in conjunction with ss.6 and 9 of the RAO Schedule which provide the definitions of "officer" and "office".

Generally, a designated officer means a person who holds an *office* in the reporting unit and under the rules of the reporting unit, is responsible (whether alone or with others) for undertaking the functions necessary to enable the reporting unit to comply with the RAO Schedule.

Under the rules of your organisation it appears that the Directors elected to the Board of VANA Limited are the designated officers within the meaning of the RAO Schedule.

Please forward a fresh Committee of Management Statement signed by a designated officer.

3. Operating Report

(a) Details of superannuation trustees

Subsection 254(2)(d) of the RAO Schedule requires details of any officer or member of the reporting unit who is a trustee or a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

Presently, the Operating Report lodged only address the directors (or officers) of VANA Limited. The subsection specifically seeks details of "any officer or member" of the organisation. In future operating reports, please ensure this is complied with.

If no officer or member is a trustee as described in subsection 254(2)(d), then the acceptable wording would be as follows:

"No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation".

4. Notes to General Purpose Financial Reports

(a) Notice to members

It should be included in the full set of financial documents a notice drawing attention to provisions of the RAO Schedule that prescribed information is available to members on request. Subsection 272(5) of the RAO Schedule requires the notes to reproduce a copy of subsections 272(1), (2) and (3). Presently, the notes in the lodged the financial reports do not contain any such information.

Please ensure this is included in the notes of your organisation's future general purpose financial reports.

5. Director's Declaration

Please note there is no requirement under the RAO Schedule to lodge a Director's Declaration. The Committee of Management Statement signed by a designated officer (such as a Director) is similar to the Director's Declaration except that it is more comprehensive.

6. Timescale Requirements

Section 268 of the RAO Schedule require that the full report and the Designated Officer's Certificate be lodged within 14 days after the general meeting where the full report is presented to the members of the reporting unit. I note that the meeting of members to present the full report took place on the 28 November 2006, but the Designated Officer's Certificate and the financial documents were not lodged with our office until May 2007.

This is well outside the 14 day requirement. The time requirement of s268 should be strictly adhered to in future lodgments of financial reports.

It should be noted that the Industrial Registrar attaches importance to reporting units both fully satisfying the obligations under the RAO Schedule and to those obligations being discharged within the requisite timeframes. Your reporting unit should therefore ensure that future financial returns fully satisfy the above obligations

If you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7989 on Wednesdays and Thursdays or by email at Cynthia.lobooth@air.gov.au

Yours sincerely,



Cynthia Lo-Booth
Statutory Services Branch

14 June 2007

3 May 2007

Ms Dimitra Doukas
Australian Industrial Registry
11 Exhibition Street
Melbourne Vic 3000

Dear Dimitra

Re VANA Limited Annual Return for the Year 2007

Please find enclosed Annual Return of Information for the year of 2007, in accordance. This has been duly declared by the Secretary of VANA Ltd, according to reporting requirements.

I rang your office and spoke with Larry Powell on Monday 30 April 2007 to ascertain what documentation was required to be lodged and was advised to furnish a copy of the full financial report along with the Certificate by the secretary.

Should you require any further information please do not hesitate to contact me.

Yours sincerely



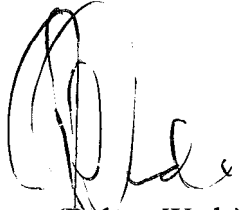
Trevor Barnett
Corporate Services

Certificate by Secretary or Prescribed Officer

I, Robert Wade, being the prescribed officer of VANA Ltd, do hereby state the copy of the VANA Limited Financial Report for the year ended 30 June 2006 provides copies of the financial report, audited accounts and financial statement for the year ended 30 June 2006, and has been

- (i) supplied to all members free of charge though a mail out on 31 October 2006; and
- (ii) presented to an Annual General meeting of members on Tuesday 28 November 2006.

Company Secretary:
(Elected Director)



(Robert Wade)

Dated this ^{2nd} day of May 2007

Financial Report For

VANA Ltd (ABN 38 004 238 644)

For the Year ended 30 June 2006



CHAIRMAN'S REPORT

Dear Members,

This year we have continued to grow our relationship with the ANF and for those who attended the briefing with the ANF CEO Rayma Creswell, you would have gained an insight into the future she proposes.

You would also have heard Rayma say she wanted the ANF Board to adopt the VANA Strategic Plan identified this year, and that she thought the ANF should adopt and develop our Accreditation Plan as a National Project.

A summit meeting of all States with the ANFis being held to develop understandings and agreement across a whole range of issues and formulate priorities and identify resources to action them. Not neglecting a reporting process on progress.

Your Board has identified that we need to demonstrate more value in being part of the Accreditation Plan in addition to the Government sponsored training and mentoring process.

To that end we are finalising the hiring of an Accreditation Manager to work with newsagents and suppliers to provide opportunities for those who have reached and maintain the necessary compliance levels.

Suppliers will be invited to work with VANA to provide new products as well as competitive deals and advertise those opportunities through the VANA website

It is essential to ensure our levels of service and presentation of our retail outlets match and improve upon our competitors.

It was really pleasing at the ANF Conference held recently to see our newsagents recognised for their excellence, as was the quality of the finalists in our State Awards in the three categories. You would have also been pleased to see Gary and Heather Tribe awarded the platinum award at the ACP Connections Awards Night.

Our Victorian Winners for 2005 were in the retail category, Beechworth Newsagency, Bendigo Distribution Services for the distribution category and Chris Collier, the Victorian Employee of the Year from North Ringwood Newsagency.

Two of the Victorian winners were amongst the three national winners. They were Beechworth Newsagency for Retail and Chris Collier for employee of the year. What an outstanding success!

The 2006 newsagents of the Year and Employee of the Year are Beechworth Newsagency for the retail category, South Eastern Distribution Services for Distribution and Matthew Dwyer from Mill Park Newsagency as the Victorian employee of the year. We wish them all the best at the National contest!

On your behalf I would like to congratulate Peter Cowley and his staff on their efforts again this year. Our Group Meetings have never been better attended, undoubtedly because of the presented subjects, and invited member discussion.

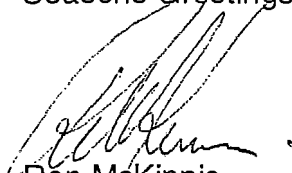
Personally I would also like to thank our Directors, Group Chairman, members and suppliers who contribute to our various Committees that provide us newsagents with invaluable information and guidance.

I must also recognise the efforts of StrategyCo who guide us in our endeavours for better outcomes. Their contacts and experience have been invaluable.

Some suppliers have identified their recognition of the value of the space in this Industry newsagents occupy and have been greatly supportive. For those who have been lukewarm or indifferent, I would advise them to get on board, help and share in the benefits.

We are like a sleeping Giant that has been awoken and are hungry.

Seasons Greetings to all, and I look forward to seeing you during the Year.



Ron McKinnis
Chairman

VANA LIMITED
ABN 38 004 238 644

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2006

VANA LIMITED
ABN 38 004 238 644

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DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2006.

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 (resigned 22 November 2005)
Mr R Wade
Mr B Thomson
Mr G Tribe
Mr G Wescombe
Mr D Fitzgibbon (resigned 15 October 2005)
Mr P Kennedy
Ms K McDonald (appointed 26 July 2005)

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 amounted to \$1,138,210 which included a profit of \$1,160,085 on sale of the Bay Street land and buildings.

Review of Operations

A review of the operations of the company during the financial year and the results of those operations found that during the year, 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 VANA has 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

Significant changes in the state of affairs of the company that occurred during the financial year, other than those referred to elsewhere in this report, are as follows:

As a result of the introduction of Australian equivalents to International Financial Reporting Standards (AIFRS), the company's financial report has been prepared in accordance with those standards. A reconciliation of adjustments arising on the transition to AIFRS is included in Note 24 to this financial report.

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.

Office Structure

VANA Limited employed 6 (2005: 6) full-time staff members during the year ended 30 June 2006. VANA Limited staff members continue to hold specific responsibilities through key portfolios. 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, Hotline and Region Group Meetings. The objectives of the Association remains "to ensure the growth and financial viability of the Newsagency channel".

VANA LIMITED
ABN 38 004 238 644

DIRECTORS' REPORT (continued)

Staff Changes

Since the last AGM VANA Limited has had the following changes in staff:

- The financial officer resigned and left in July 2006 and has been replaced.

Membership

At 30 June 2006 VANA Limited had 489 (2005: 499) members.

Resignation

A member or Associate Member of VANA Limited 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 Limited will take effect from the day on which the notice is received by VANA Limited or any such later date specified in the notice.

Superannuation Trustees

No directors of VANA Limited are trustees for superannuation funds offered to its membership. Contributions for employees are made to superannuation funds, which are totally independent of VANA Limited.

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

The payment of dividends is prohibited by the company's constitution.

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

Information on Directors

The information on directors is as follows:

Mr R McKinnis	- Chairman
Experience	- Newsagent for 33 years
Mr R Richards	- Non-executive director
Experience	- Newsagent for 47 years
Mr R Wade	- Treasurer
Qualifications	- LLB
Experience	- Newsagent for 5 years
Mr B Thomson	- Vice chairman
Experience	- Newsagent for 27 years
Mr G Tribe	- Non-executive director
Experience	- Newsagent for 22 years

DIRECTORS' REPORT (continued)

- Mr G Wescombe – Non-executive director
 Qualifications – B Bus, Assoc Dip of Public Administration and Management
 Experience – Newsagent for 8 years
- Mr D Fitzgibbon – Executive director
 Experience – Newsagent for 6 years
- Mr P Kennedy – Executive director
 Experience – Newsagent for 13 years
- Ms K McDonald – Non-executive director
 Experience – Newsagent for 8 years

Meetings of Directors

DIRECTORS	DIRECTORS' MEETINGS	
	Number eligible to attend	Number attended
Mr R McKinnis	11	11
Mr R Richards (resigned 22 November 2005)	5	3
Mr R Wade	11	9
Mr B Thomson	11	11
Mr G Tribe	11	9
Mr G Wescombe	11	11
Mr D Fitzgibbon (resigned 15 October 2005)	4	4
Mr P Kennedy	11	9
Ms K McDonald (appointed 26 July 2005)	11	10

Options

No options over issues 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.

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

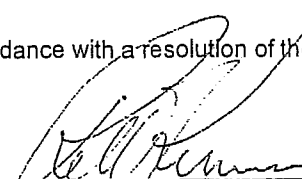
No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.


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

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4.

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

Director 
 Mr R McKinnis

Director 
 Mr B Thomson

Dated this 24 day of October 2006

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001*
TO THE DIRECTORS OF VANA LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2006 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.

HLB Mann Judd
HLB Mann Judd

David Nairn
David Nairn
Partner

24 October 2006
Melbourne

VANA LIMITED
 ABN 38 004 238 644

INCOME STATEMENT
 FOR THE YEAR ENDED 30 JUNE 2006

	Notes	2006 \$	2005 \$
Revenue from continuing operations	4	2,033,119	814,294
Employee benefits expense		(380,442)	(353,164)
Depreciation and amortisation expense	5	(59,543)	(36,368)
Lease expenses		(9,588)	(9,594)
Administration expense		(17,751)	(18,566)
Communication expense		(48,383)	(55,399)
Directors expenses		(56,349)	(47,626)
Insurance expense		(20,484)	(22,110)
Meeting and conference expense		(50,386)	(36,785)
Motor vehicle and travel expense		(11,569)	(11,585)
Occupancy expense		(15,143)	(9,056)
Professional fees expense		(62,670)	(42,680)
Special events expense		(72,979)	(75,623)
Subscriptions expense		(5,409)	(4,807)
Other expenses from ordinary activities		(65,784)	(106,811)
Borrowing costs expense	5	(18,429)	(44,139)
Profit (loss) for the year	15	<u>1,138,210</u>	<u>(60,019)</u>

The accompanying notes form part of these financial statements.

VANA LIMITED
ABN 38 004 238 644

BALANCE SHEET
AS AT 30 JUNE 2006

	Notes	2006 \$	2005 \$
CURRENT ASSETS			
Cash and cash equivalents	6	2,314,422	316,349
Trade and other receivables	7	76,436	112,280
Non current assets classified as for sale	8	-	4,026,092
Other assets	9	<u>14,296</u>	<u>314,826</u>
TOTAL CURRENT ASSETS		<u>2,405,154</u>	<u>4,769,547</u>
NON-CURRENT ASSETS			
Other financial assets		2	2
Property, plant and equipment	10	<u>2,792,133</u>	<u>68,769</u>
TOTAL NON-CURRENT ASSETS		<u>2,792,135</u>	<u>68,771</u>
TOTAL ASSETS		<u>5,197,289</u>	<u>4,838,318</u>
CURRENT LIABILITIES			
Trade and other payables	11	155,114	222,628
Interest-bearing loans and borrowings	12	13,137	462,173
Provisions	13	31,716	20,698
Other	21	-	<u>265,000</u>
TOTAL CURRENT LIABILITIES		<u>199,967</u>	<u>970,499</u>
NON-CURRENT LIABILITIES			
Interest-bearing borrowings	12	37,646	50,255
Provisions	13	<u>15,902</u>	<u>12,000</u>
TOTAL NON-CURRENT LIABILITIES		<u>53,548</u>	<u>62,255</u>
TOTAL LIABILITIES		<u>253,515</u>	<u>1,032,754</u>
NET ASSETS		<u>4,943,774</u>	<u>3,805,564</u>
EQUITY			
Reserves	14	1,112,300	3,537,243
Retained earnings	15	<u>3,831,474</u>	<u>268,321</u>
TOTAL EQUITY	19	<u>4,943,774</u>	<u>3,805,564</u>

The accompanying notes form part of these financial statements.

VANA LIMITED
ABN 38 004 238 644

STATEMENT OF RECOGNISED INCOME AND EXPENSE
FOR THE YEAR ENDED 30 JUNE 2006

	Notes	2006 \$	2005 \$
Profit (loss) for the year	15	<u>1,138,210</u>	<u>(60,019)</u>
Total recognised income and expense for the year		<u>1,138,210</u>	<u>(60,019)</u>

The accompanying notes form part of these financial statements.

VANA LIMITED
 ABN 38 004 238 644

CASH FLOW STATEMENT
 FOR THE YEAR ENDED 30 JUNE 2006

	Notes	2006 \$	2005 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from subscriptions		433,856	415,541
Other operating receipts		399,676	429,923
Payments to suppliers and employees		(1,283,037)	(769,760)
Interest received		75,346	17,563
Borrowing costs		<u>(18,429)</u>	<u>(44,139)</u>
Net cash (used in) provided by operating activities	16(b)	<u>(392,588)</u>	<u>49,128</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		5,186,177	17,000
Deposit received on sale of property		-	265,000
Payment for property, plant and equipment		(2,782,907)	(46,609)
Deposit paid on purchase of property		<u>-</u>	<u>(300,000)</u>
Net cash provided by/(used in) investing activities		<u>2,403,270</u>	<u>(64,609)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	37,214
Repayment of borrowings		<u>(12,609)</u>	<u>(30,799)</u>
Net cash provided by/(used in) financing activities		<u>(12,609)</u>	<u>6,415</u>
Net increase/(decrease) in cash held		1,998,073	(9,066)
Cash and cash equivalents at beginning of financial year		<u>316,349</u>	<u>325,415</u>
Cash and cash equivalents at end of financial year	16 (a)	<u><u>2,314,422</u></u>	<u><u>316,349</u></u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 1: CORPORATE INFORMATION

The financial report of VANA Limited for the year ended 30 June 2006 was authorised for issue in accordance with a resolution of the directors on 24 October 2006.

VANA Limited is a company incorporated and domiciled in Victoria, Australia. It is a company limited by guarantee as described in note 23.

The nature of the operations and principal activities of the company are described in note 3.

(a) Basis for Preparation

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Workplace Relations Act 1996.

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards. Compliance with AIFRS ensures that the financial statements and notes of VANA Limited comply with International Financial Reporting Standards (IFRS). A statement of compliance cannot be made due to VANA Limited applying the not for profit sector requirements contained in A-IFRS.

Application of AASB 1 First Time Adoption of AIFRS

These financial statements are the first VANA Limited financial statements to be prepared in accordance with AIFRSs. AASB 1 First Time Adoption of AIFRSs has been applied in preparing these financial statements.

Financial statements of VANA Limited until 30 June 2005 had been prepared in accordance with previous Australian Generally Accepted Accounting Principles (AGAAP). AGAAP differs in certain respects from AIFRS. When preparing 30 June 2006 VANA Limited financial statements, management did not need to amend any accounting and valuation methods applied in the AGAAP financial statements to comply with AIFRS as management did not identify any difference between AGAAP and AIFRS in respect of balances disclosed in the financial report. The company has taken the exemption available under AASB 1 to only apply AASB 132 and AASB 139 from 1 July 2005.

Early adoption of standard

The company has elected to apply AASB 119 Employee Benefits (issued in December 2004) to the annual reporting period beginning 1 July 2005. This includes applying AASB 119 to the comparatives in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment.

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report.

(a) Income Tax

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 and impairment.

Property

Land and buildings are measured at the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction.

Revaluation

Assets other than those that are carried at cost are revalued with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its fair value. This revaluation process normally occurs every three to four years. Revaluation increments or decrements arise from differences between an asset's depreciated cost or deemed cost and fair value.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in net result, the increment is recognised as revenue in the net result.

Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

Revaluation increments and revaluation decreases relating to individual assets within a class of property, plant and equipment are offset against one another within that class but are not offset in respect of assets in different classes. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Revaluation reserves are transferred to retained earnings on de-recognition of the relevant asset.

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 for indicators of impairment.

Depreciation

The depreciable amount of all property, plant and equipment are depreciated, less any estimated residual value over their estimated useful lives to the company commencing from the time the asset is held ready for use.

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

Class of fixed asset	Depreciation rates	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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Intangibles

Intangible assets represent identifiable non-monetary assets without physical substance.

Intangible assets are recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the company.

Intangible assets with finite useful lives are amortised on a straight-line basis over the asset's useful life. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each annual reporting period. In addition, an assessment is made at each reporting date to determine whether there are indicators that the intangible asset concerned is impaired. If so, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount.

Software and software licenses

Software and software licenses are amortised on a straight-line at a rate of 40% per annum.

(d) Impairment of Assets

All of VANA Limited's assets are assessed annually for indications of impairment except for financial assets (refer to note 2(e)).

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off by a charge to the income statement.

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell. It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made.

(e) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

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 stated at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

At each reporting date, the company assess whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Employee Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the company in respect of services provided by employees up to reporting date.

Classification of employee benefits as current and non-current liabilities

Employee benefits provisions are reported as current where VANA Limited does not have an unconditional right to defer settlement for at least 12 months. Consequently, the current portion of the employee benefit provision can include both short-term benefits, that are measured at nominal values, and long-term benefits, that are measured at present values. Employee benefits provisions that are reported as non-current liabilities also include long-term benefits such as non-vested long service leave (that is, where the employee does not have a present entitlement to the benefit) that do not qualify for recognition as a current liability, and are measured at present values.

Contributions to defined contribution superannuation plans are expensed when incurred.

(g) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

(h) Revenue

Revenue from the 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.

The net gain/(loss) on sale of non-current assets is included as revenue/(expense) at the date control passes to the buyer. The gain/(loss) is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) New accounting standards and UIG interpretations

Certain new accounting standards and UIG interpretations have been published that are not mandatory for 30 June, 2006 reporting period. VANA Limited's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 2005-9 Amendments to Australian Accounting Standards [AASB 4, AASB 1023, AASB 139 and AASB 132] AASB 2005-9 is applicable to annual reporting periods beginning on or after 1 January, 2006. The amendments relate to amongst other things the accounting for financial guarantee contracts. VANA Limited has not elected to adopt the amendments early. It will apply the revised standards in its 30 June, 2007 financial statements. Application of the revised rules may result in the recognition of additional financial liabilities in the financial statements of VANA Limited.

(ii) AASB 7 Financial Instruments: Disclosures and AASB 2005-10 Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 and AASB 1038] AASB 7 and AASB 2005-10 are applicable to annual reporting periods beginning on or after 1 January, 2007. VANA Limited has not adopted the standards early. Application of the standards will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to VANA Limited's financial statements.

(j) 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 balance sheet are shown inclusive of GST.

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

(k) Comparative Figures

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

(l) 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.

(m) Unearned Revenue

Unearned revenue shown in the accounts will be brought to account over the life of the contract to which it relates.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2006

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report 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.

Key estimates - impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

NOTE 3: SEGMENT REPORTING

The company operates in one business and geographical segment being a trade association for newsagents within Victoria, Australia.

	Notes	2006 \$	2005 \$
NOTE 4: REVENUE			
Continuing operations			
- sale of goods (net)		433,856	415,542
- rendering of services		48,435	37,090
- interest	4(a)	76,038	17,563
- rent		139,976	155,363
- other revenue		<u>174,729</u>	<u>188,736</u>
		<u>873,034</u>	<u>814,294</u>
Non - operating activities			
- profit on sale of property, plant and equipment		<u>1,160,085</u>	-
Total Revenue		<u>2,033,119</u>	<u>814,294</u>
(a) Interest from:			
- other persons		<u>76,038</u>	<u>17,563</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

	Note	2006 \$	2005 \$
NOTE 5: PROFIT FROM ORDINARY ACTIVITIES			
Profit from continuing operations has been determined after:			
(a) Expenses			
Borrowing costs:			
- other persons		<u>18,429</u>	<u>44,139</u>
Depreciation of non-current assets			
- Buildings		37,798	5,594
- Leasehold improvements		5,729	2,498
- Motor vehicles		10,013	15,083
- Office equipment		246	2,444
- Furniture, fixtures and fittings		2,779	4,404
- Computer equipment		<u>2,978</u>	<u>6,344</u>
Total Depreciation		<u>59,543</u>	<u>36,368</u>
Legal fees		<u>9,382</u>	<u>19,425</u>
Bad and doubtful debts:			
- trade debtors		<u>6,973</u>	<u>4,461</u>
Remuneration of the auditors for:			
- audit or review services		<u>13,637</u>	<u>16,810</u>
Rental expense on operating leases		<u>9,588</u>	<u>9,594</u>
Net loss on disposal of non-current assets			
- Property, plant and equipment		26,095	-
(b) Revenue and Net Gains			
Net gain on disposal of non-current assets			
- property, plant and equipment		<u>1,160,326</u>	<u>17,000</u>
NOTE 6: CASH AND CASH EQUIVALENTS			
Cash on hand		1,050	1,050
Cash at bank		340,004	315,299
Deposits at call		<u>1,973,368</u>	<u>-</u>
		<u>2,314,422</u>	<u>316,349</u>
NOTE 7: TRADE AND OTHER RECEIVABLES			
CURRENT			
Trade debtors		81,222	113,185
Less provision for doubtful debts		<u>(4,888)</u>	<u>(1,007)</u>
		76,334	112,178
Other debtors		<u>102</u>	<u>102</u>
		<u>76,436</u>	<u>112,280</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

	Note	2006 \$	2005 \$
NOTE 8: NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE			
Land and buildings held for sale		<u>-</u>	<u>4,026,093</u>
		<u>-</u>	<u>4,026,093</u>
<p>In May 2005, the Board of Directors passed a resolution to sell the land and building located at 87-93 Bay Street, Port Melbourne with settlement to take place in December 2005. Effective that date, the company ceased depreciating the building and the land and building at Bay Street were classified as Non current assets held for sale as at 30 June 2005.</p>			
NOTE 9: OTHER ASSETS			
CURRENT			
Prepayments		14,296	14,826
Deposits		<u>-</u>	<u>300,000</u>
		<u>14,296</u>	<u>314,826</u>
NOTE 10: PROPERTY, PLANT AND EQUIPMENT			
LAND			
Freehold land:			
At cost		<u>1,026,000</u>	<u>-</u>
BUILDINGS			
At cost		1,753,837	-
Less accumulated depreciation		<u>(39,279)</u>	<u>-</u>
		<u>1,714,558</u>	<u>-</u>
Total land and buildings		<u>2,740,558</u>	<u>-</u>
PLANT AND EQUIPMENT			
(a) Plant and equipment			
At cost		162,587	312,271
Less accumulated depreciation		<u>(150,144)</u>	<u>(290,516)</u>
		<u>12,443</u>	<u>21,755</u>
(b) Motor vehicles			
At cost		36,945	36,945
Less accumulated depreciation		<u>(17,407)</u>	<u>(14,422)</u>
		<u>19,538</u>	<u>22,523</u>
Under lease		29,391	29,391
Less accumulated depreciation		<u>(9,797)</u>	<u>(4,900)</u>
		<u>19,594</u>	<u>24,491</u>
Total plant and equipment		<u>51,575</u>	<u>68,769</u>
Total property, plant and equipment		<u>2,792,133</u>	<u>68,769</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 10: PROPERTY, PLANT AND EQUIPMENT (Continued)

(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	Total	
	\$	\$	\$	\$	\$	
2006						
Carrying amount at the beginning of the year	-	-	21,755	47,014	68,769	
Additions	1,026,000	1,753,837	-	-	2,779,837	
Depreciation expense	-	(39,279)	(9,312)	(7,882)	(56,473)	
Carrying amount at the end of year	<u>1,026,000</u>	<u>1,714,558</u>	<u>12,443</u>	<u>39,132</u>	<u>2,792,133</u>	
	Freehold land	Buildings	Plant & equipment	Motor vehicles	Improvements	Total
	\$	\$	\$	\$	\$	\$
2005						
Carrying amount at the beginning of the year	2,278,865	1,721,135	26,143	46,329	25,758	4,098,230
Additions	-	-	8,855	29,391	8,363	46,609
Disposals	-	-	-	(13,623)	-	(13,623)
Depreciation expense	-	(5,594)	(13,243)	(15,083)	(2,435)	(36,355)
Transfers	(2,278,865)	(1,715,541)	-	-	(31,686)	(4,026,092)
Carrying amount at the end of year	<u>-</u>	<u>-</u>	<u>21,755</u>	<u>47,014</u>	<u>-</u>	<u>68,769</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

	Notes	2006 \$	2005 \$
NOTE 11: TRADE AND OTHER PAYABLES			
CURRENT			
<i>Unsecured liabilities</i>			
Trade creditors		19,664	19,298
Sundry creditors and accruals		<u>135,450</u>	<u>203,330</u>
		<u>155,114</u>	<u>222,628</u>
NOTE 12: INTEREST-BEARING LOANS AND BORROWINGS			
CURRENT			
<i>Secured liabilities</i>			
Bills of exchange and promissory notes		-	450,000
Finance lease liability	18	5,170	4,762
Hire purchase liability	18	<u>7,967</u>	<u>7,411</u>
		<u>13,137</u>	<u>462,173</u>
NON-CURRENT			
<i>Secured liabilities</i>			
Finance lease liability	18	24,426	29,596
Hire purchase liability	18	<u>13,220</u>	<u>20,659</u>
		<u>37,646</u>	<u>50,255</u>
<p>Up to December 2005, the company's bank provided an on-going facility bank bill facility of \$450,000 to the company secured by a registered mortgage over the company's Bay Street property. The facility was settled on settlement of the sale of the property in December 2005. The carrying value of the Bay Street was \$4.026 million at 30 June 2005.</p> <p>The hire purchase and finance lease liabilities are secured by the motor vehicles to which they relate. The carrying value of the motor vehicles are disclosed in the financial statements.</p>			
NOTE 13: PROVISIONS			
CURRENT			
Employee benefits - annual leave	13(a)	<u>31,716</u>	<u>20,698</u>
NON-CURRENT			
Employee benefits - long service leave	13(a)	<u>15,902</u>	<u>12,000</u>
(a) Aggregate employee benefits liability		<u>47,618</u>	<u>32,698</u>
(b) Number of employees at year end		<u>6</u>	<u>6</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

	Notes	2006 \$	2005 \$
NOTE 14: RESERVES			
Asset revaluation reserve	(a)	-	2,424,943
General reserve	(b)	<u>1,112,300</u>	<u>1,112,300</u>
		<u>1,112,300</u>	<u>3,537,243</u>
 (a) Asset Revaluation Reserve			
Movements during the financial year:			
Opening balance		2,424,943	2,424,943
Transfer to retained profits		<u>(2,424,943)</u>	-
Closing balance		<u>-</u>	<u>2,424,943</u>
The asset revaluation reserve records revaluations of non-current assets.			
 (b) General reserve			
The general reserve is used to record amounts set aside to fund the future expansion of the company.			
 NOTE 15: RETAINED EARNINGS			
Retained profits at the beginning of the financial year		268,321	328,340
Net profit (loss) attributable to members of the entity		1,138,210	(60,019)
Transfers from reserves		<u>2,424,943</u>	-
Retained profits at the end of the financial year		<u>3,831,474</u>	<u>268,321</u>
 NOTE 16: CASH FLOW INFORMATION			
(a) Reconciliation of cash and cash equivalents			
Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:			
Cash on hand		1,050	1,050
Cash at bank		340,004	315,299
At call deposits with financial institutions		<u>1,973,368</u>	-
		<u>2,314,422</u>	<u>316,349</u>
 (b) Reconciliation of cash flow from operations with profit after income tax			
Profit (Loss) after income tax		1,138,210	(60,019)
Non-cash flows in profit from ordinary activities			
Depreciation		59,543	36,367
Charges to provisions		14,920	14,788
(Profit) / loss on disposal of property, plant and equipment		<u>(1,160,085)</u>	<u>(3,377)</u>
Changes in assets and liabilities			
Decrease in receivables		35,844	30,256
(Increase)/decrease in other assets		300,530	(4,078)
Increase/(decrease) in payables		<u>(332,514)</u>	35,191
Decrease in interest-bearing liabilities		<u>(449,036)</u>	-
Cash flows from operations		<u>(392,588)</u>	<u>49,128</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 17: FINANCIAL INSTRUMENTS

Risk management policies

VANA Limited's principal financial instruments comprise cash and short-term deposits. It is, and has been throughout the period under review, VANA Limited's policy that no trading in financial instruments shall be undertaken.

VANA Limited has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. The main risks arising from VANA Limited's financial instruments are interest rate risk, liquidity risk and credit risk. The board reviews and agrees policies for managing each of these risks. VANA Limited undertakes regular monitoring of the performance of its financial assets and liabilities.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

(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:

	Weighted Average Effective		Fixed Interest Rate Maturing				Floating Interest Rate	
	Interest Rate		Within 1 Year		1 to 5 Years			
	2006 %	2005 %	2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$
Financial Assets:								
Cash	5.20	3.37	1,973,368	-	-	-	340,004	315,299
Receivables	-	-	-	-	-	-	-	-
Total Financial Assets			<u>1,973,368</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>340,004</u>	<u>315,299</u>
Financial Liabilities:								
Bills of exchange and promissory notes	-	6.66	-	450,000	-	-	-	-
Trade and sundry creditors	-	-	-	-	-	-	-	-
Lease liabilities	8.23	8.23	5,170	4,762	24,426	29,596	-	-
Hire purchase liabilities	6.40	6.40	7,967	7,411	13,220	20,659	-	-
Total Financial Liabilities			<u>13,137</u>	<u>462,173</u>	<u>37,646</u>	<u>50,255</u>	<u>-</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 17: FINANCIAL INSTRUMENTS (Continued)

	Non Interest Bearing		Total	
	2006	2005	2006	2005
	\$	\$	\$	\$
Financial Assets:				
Cash	1,050	1,050	2,314,422	316,349
Receivables	<u>81,222</u>	<u>113,185</u>	<u>81,222</u>	<u>113,185</u>
Total Financial Assets	<u>82,272</u>	<u>114,235</u>	<u>2,395,644</u>	<u>429,534</u>
Financial Liabilities:				
Bills of exchange and promissory notes	-	-	-	450,000
Trade and sundry creditors	155,114	222,628	155,114	222,628
Lease liabilities	-	-	29,596	34,358
Hire purchase liabilities	-	-	21,187	28,070
Total Financial Liabilities	<u>155,114</u>	<u>222,628</u>	<u>205,897</u>	<u>735,056</u>

(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 balance sheet 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.

(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.

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 balance sheet and in the notes to the financial statements.

VANA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

	Note	2006 \$	2005 \$
NOTE 18: CAPITAL AND LEASING COMMITMENTS			
(a) Finance leasing commitments			
Payable			
Minimum lease payments		35,437	42,853
Less future finance charges		<u>(5,841)</u>	<u>(8,495)</u>
Total finance lease liability		<u>29,596</u>	<u>34,358</u>
Represented by:			
Current liability	12	5,170	4,762
Non-current liability	12	<u>24,426</u>	<u>29,596</u>
		<u>29,596</u>	<u>34,358</u>
(b) Hire purchase commitments			
Payable			
Minimum hire purchase payments		22,446	31,603
Less future finance charges		<u>(1,259)</u>	<u>(3,533)</u>
Total hire purchase liability		<u>21,187</u>	<u>28,070</u>
Represented by:			
Current liability	12	7,967	7,411
Non-current liability	12	<u>13,220</u>	<u>20,659</u>
		<u>21,187</u>	<u>28,070</u>
General description of hire purchase arrangements:			
Both the finance lease and the hire purchase agreement relate to motor vehicles. The hire purchase agreement commenced in August 2003 while the finance lease agreement commenced in December 2004. Monthly payments are made by the company.			
NOTE 19: EQUITY			
Total equity at the beginning of the financial year		3,805,564	6,290,526
Total changes in equity recognised in the income statement		<u>1,138,210</u>	<u>(2,484,962)</u>
Total equity at the reporting date		<u>4,943,774</u>	<u>3,805,564</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

	Note	2006 \$	2005 \$
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NOTE 20: 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	11

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

- Mr R McKinnis
- Mr R Richards (resigned 22 November 2005)
- Mr R Wade
- Mr B Thomson
- Mr G Tribe
- Mr G Wescombe
- Mr D Fitzgibbon (resigned 15 October 2005)
- Mr P Kennedy
- Ms K McDonald (appointed 26 July 2005)

NOTE 21: OTHER LIABILITIES

CURRENT

Other current liabilities - deposit re: Bay Street	-	265,000
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NOTE 22: RELATED PARTY TRANSACTIONS

(a) Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the VANA Limited, directly or indirectly, including any director (whether executive or otherwise) of the VANA Limited.

The following persons were directors during the financial year: Mr R McKinnis, Mr R Richards (resigned 22 November 2005), Mr R Wade, Mr B Thomson, Mr G Tribe, Mr G Wescombe, Mr D Fitzgibbon (resigned 15 October 2005), Mr P Kennedy and Ms K McDonald (appointed 26 July 2005).

Other key management personnel identified as meeting the definition of Key Management Personnel during the year included: Mr P Cowley (Chief Executive Officer), Ms Bronwyn Roney, Ms Jillan Cain and Mrs Corinne Ioannou. All of the above were key management personnel during the year ended 30 June 2006.

(b) Directors were paid a monthly allowance and they are reimbursed for costs incurred in discharging their duties as directors. The aggregate amount paid is disclosed in the income statement.

(c) Compensation of Key Management personnel

Short term	301,319	289,070
Post employment	31,512	22,845
	332,831	311,915

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

	Note	2006 \$	2005 \$
NOTE 23: MEMBERS' GUARANTEE			
<p>The company is limited by guarantee. If the company is wound up, the articles of association state that each member required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the company. At 30 June 2006 the number of members was 489 (2005: 499).</p>			
NOTE 24: FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS			
<p>For all periods up to and including the year ended 30 June 2005, the company prepared its financial statements in accordance with Australian generally accepted accounting principles (AGAAP). These financial statements for the year ended 30 June 2006 are the first the company is required to prepare in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS).</p> <p>Accordingly, the company has prepared financial statements that comply with AIFRS applicable for periods beginning on or after 1 January 2005 and the significant accounting policies meeting those requirements are described in note 2. In preparing these financial statements, the company has started from an opening balance sheet as at 1 July 2004, the company's date of transition to AIFRS, and made those changes in accounting policies and other restatements required by AASB 1 First-time adoption of AIFRS.</p> <p>This note explains the principal adjustments made by the company in restating its AGAAP balance sheet as at 1 July 2004 and its previously published AGAAP financial statements for the year ended 30 June 2005.</p> <p><i>Exemptions applied</i></p> <p>Comparative information for financial instruments is prepared in accordance with AGAAP and the company and group have adopted AASB 139 Financial Instruments: Recognition and Measurement from 1 July 2005.</p> <p><i>Effect of AIFRS on the balance sheet as at 1 July 2004</i></p> <p>There are no material differences between the Balance Sheet presented under AIFRS and the Statement of Financial Position presented under the superseded policies.</p> <p><i>Effect of AIFRS on the balance sheet as at 30 June 2005</i></p> <p>There are no material differences between the Balance Sheet presented under AIFRS and the Statement of Financial Position presented under the superseded policies, with the exception of having to disclose the Bay Street Property which was previously disclosed as a non-current asset as a current asset called "Non Current Assets Classified as Held for Sale". This had the effect of increasing current assets by \$4.026 million and decreasing non-current assets by the same amount.</p> <p><i>Effect of AIFRS on the statement of financial performance for the financial year ended 30 June 2005</i></p> <p>There are no material differences between the Income Statements presented under AIFRS and the Statement of Financial Performance presented under the superseded policies.</p> <p><i>Effect of AIFRS on the Cash Flow Statement for the financial year ended 30 June 2005</i></p> <p>There are no material differences between the Cash Flow Statement presented under AIFRS and the Statement of Cash Flows presented under the superseded policies.</p>			
NOTE 25: COMPANY DETAILS			
<p>The registered office of the company is: VANA Limited 806 - 810 Nicholson Street North Fitzroy Victoria 3068</p>			

VANA LIMITED
ABN 38 004 238 644

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 24 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 2006 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.

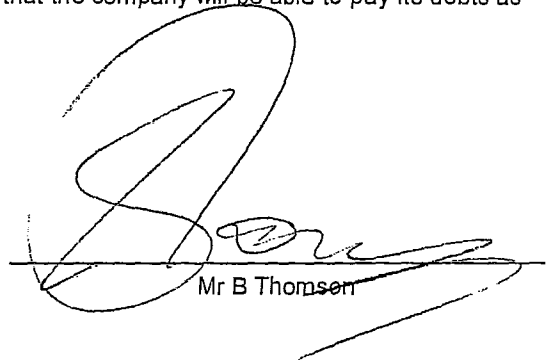
This declaration is made in accordance with a resolution of the directors.

Director



Mr R McKinnis

Director



Mr B Thomson

Dated this 24 day of October 2006

COMMITTEE OF MANAGEMENT STATEMENT

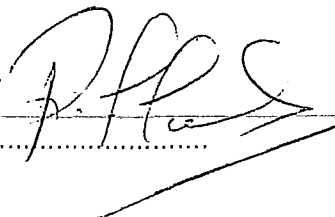
On 24 October 2006 the board of directors of VANA Limited, being the committee of management of the organisation adopted the following resolution in relation to the general purpose financial report of the Association for the financial year ended 30 June 2006:

1. The directors, having been advised accordingly by the chief executive officer in a letter dated 24 October 2006 declare in relation to the general purpose financial report 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 general purpose financial report relates and since the end of the year:
 - i. meetings of the committee of management were held in accordance with the rules of the organisation; and
 - ii. the financial affairs of the reporting unit have been held in accordance with the rules of the organisation; and
 - iii. the financial records of the reporting unit have been managed in accordance with the RAO Schedule and the RAO Regulations; and
 - iv. the organisation has consisted of a single reporting unit; and
 - v. the information sought in any request of a member of the reporting unit or a Registrar duly made under Section 272 of the RAO Schedule has been furnished to a member or Registrar and
 - vi. there has been compliance with any order for inspection of financial records made by the Commission under Section 272 of the RAO Schedule.
 - (f) the organisation has not undertaken any recovery of wages activity.

DESIGNATED OFFICER: Mr P Cowley

POSITION OF OFFICER: Chief Executive Officer

SIGNATURE:.....



Dated this 24 day of October 2006

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF VANA LIMITED

Scope

The financial report and directors' responsibility

The financial report comprises the balance sheet, income statement, cash flow statement, accompanying notes to the financial statements, the directors' declaration and committee of management statement for VANA Limited, for the year ended 30 June 2006.

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 and the requirements imposed by Part 3 of Chapter 8 of Schedule 1B of the Workplace Relations Act 1996. 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 and the Workplace Relations Act 1996, 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 their 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*.

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 2006 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001;
- (b) the *Workplace Relations Act 1996*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2006 and of its performance for the year ended on that date; and
 - (ii) Part 3 of Chapter 8 of Schedule 1B of the *Workplace Relations Act 1996*; and
- (c) other mandatory financial reporting requirements in Australia.

HLB Mann Judd
HLB Mann Judd


David Nairn
Partner

24 October 2006
Melbourne

VANA LIMITED
ABN 38 004 238 644
OPERATING REPORT

The directors present their Operating Report on the company for the financial year ended 30 June 2006.

Membership

At 30 June 2006 VANA Limited had 489 (2005: 499) members.

Office Structure

VANA Limited employed 6 (2005: 6) full-time staff members during the year ended 30 June 2006. VANA Limited staff members continue to hold specific responsibilities through key portfolios. 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 Hotline and Region Group Meetings. The objectives of the Association remains "to ensure the growth and financial viability of the Newsagency channel".

Staff Changes since last annual general meeting ("AGM")

Since the last AGM VANA Limited has had the following changes in staff:

- The financial officer resigned and left in July 2006 and was replaced.

Review of Operations

A review of the operations of the company during the financial year and the results of those operations found that during the year, 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 VANA has 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 Limited 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 Limited will take effect from the day on which the notice is received by VANA Limited or any such later date specified in the notice.

Superannuation Trustees


No directors of VANA Limited are trustees for superannuation funds offered to its membership. Contributions for employees are made to superannuation funds, which are totally independents of VANA Limited.

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 Wade
- Mr G Tribe
- Mr D Fitzgibbon (resigned 15 October 2005)
- Ms K McDonald (appointed 26 July 2005)
- Mr R Richards (resigned 22 November 2005)
- Mr B Thomson
- Mr G Wescombe
- Mr P Kennedy

Finance Director and Company Secretary



Robert Wade

Dated this 24 day of October 2006