



Australian Government
Australian Industrial Registry

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Melbourne, VIC 3000
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Fax: (03) 9655 0410
Email: kevin.donnellan@airc.gov.au

Mr Ron McKinnis
Chairman
VANA Limited

email: general@vana.com.au

Dear Mr McKinnis

Re: Financial Report for VANA Limited for year ended 30 June 2007 – FR2007/294

I acknowledge receipt of the revised financial report for VANA Limited for the year ended 30 June 2007. The report was lodged with the Registry on 28 November 2008.

The financial report has now been filed.

I note the 2008 report has been filed and make the following comments to assist you when preparing future financial reports. You are not required to take any further action in respect of the report lodged.

Committee of Management Statement

Compliance with any order for inspection of financial records

The reference to “*Section 272*” contained in item 1.(e)vi. of the Committee of Management Statement should properly refer to “*section 273*”.

Recovery of Wages Activity

Please note there is no requirement for the VANA Limited to report on recovery of wages activity as contained in item 1.(f) of the above statement.

Income Statement

The reference to “Other expenses from ordinary activities” appearing on page 5 and the figure of “\$112,086” exceeds the material limit (AASB 1031) where “*When items of income and expense are material, their nature and amount shall be disclosed separately*” (AASB 101 86.). For future reports could you provide a breakdown of the figure where it exceeds the material limit.

Presentation of the full report to a general meeting within six months

If the full report is to be presented to a general meeting of members it must be held within six months after the end of the financial year as provided for in ss.266(1) of Schedule 1 of the Workplace Relations Act 1996. The Registry has produced a fact sheet which sets out in diagrammatic form (fact sheet 9). This document can be accessed at:

http://www.airc.gov.au/legislation/fact_sheets/09_fact_sheet.pdf

If you wish to discuss this, or any related matter, I can be contacted on (03) 8661 7764.

Yours sincerely

A handwritten signature in black ink, appearing to read 'K Donnellan', with a long horizontal flourish extending to the right.

Kevin Donnellan
Statutory Services Branch

10 December 2008



FOUNDED 1879.
THE VICTORIAN NEWSAGENTS ASSOCIATION

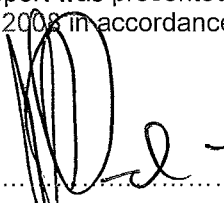
VANA LTD
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ABN 38 004 238 644
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Certificate of Secretary or other Authorised Officer

s268 of Schedule 1 *Workplace Relations Act 1996*

I Robert Wade being the Secretary of VANA Limited certify:

- that the documents lodged herewith are copies of the full report referred to in s268 of the RAO Schedule; and
- that the full report was provided to members on the 23rd of October 2008 and
- that the full report was presented to a general meeting of members of the reporting unit on the 25th of November 2008 in accordance with section 266 of the RAO Schedule.

Signature: 

Date: 25th of November 2008

VANA LIMITED
ABN 38 004 238 644

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007

VANA LIMITED
ABN 38 004 238 644

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VANA LIMITED
ABN 38 004 238 644

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2007.

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 B Thomson

Mr G Tribe

Mr G Wescombe (retired 28 November 2006)

Mr P Kennedy

Ms K McDonald

Mr C Lawlor (appointed 28 November 2006)

Mr D Negri (appointed 28 November 2006)

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 \$68,572.

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. VANA has 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. During the year VANA released eVANA, an online purchasing website allowing newsagents to purchase stock at preferential rates.

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.

Office Structure

VANA Limited employed 7 (2006: 6) full-time staff members during the year ended 30 June 2007. VANA Limited staff members continue to hold specific responsibilities through key portfolios. Staff report to the Chief Executive Officer who then reports at Board level. Board discussions and issues are reported to the Membership via the News Bulletin, Hotline and Regional Group Meetings. The objectives of the Association remains "to ensure the growth and financial viability of the Newsagency channel".

DIRECTORS' REPORT (continued)

Staff Changes

Since the last AGM of VANA Limited there has been the following changes in staff:

- The corporate services officer resigned and left in July 2007.

Membership

At 30 June 2007 VANA Limited had 493 (2006: 489) 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.

Information on Directors

The information on directors is as follows:

Mr R McKinnis	- Chairman
Experience	- Newsagent for 34 years
Mr R Wade	- Treasurer
Experience	- Newsagent for 5 years
Mr B Thomson	- Vice chairman
Experience	- Newsagent for 28 years
Mr G Tribe	- Non-executive director
Experience	- Newsagent for 23 years
Mr G Wescombe	- Non-executive director
Qualifications	- B Bus, Assoc Dip of Public Administration and Management
Experience	- Newsagent for 9 years
Mr P Kennedy	- Executive director
Experience	- Newsagent for 14 years

DIRECTORS' REPORT (continued)

Information on Directors (Continued)

- Ms K McDonald** – Non-executive director
 Experience – Newsagent for 9 years
- Mr C Lawlor** – Non-executive director
 Experience – Newsagent for 8 years
- Mr D Negri** – Non-executive director
 Experience – Newsagent for 2 years

Meetings of Directors

DIRECTORS	DIRECTORS' MEETINGS	
	Number eligible to attend	Number attended
Mr R McKinnis	11	11
Mr R Wade	11	9
Mr B Thomson	11	11
Mr G Tribe	11	11
Mr G Wescombe (retired 28 November 2006)	5	3
Mr P Kennedy	11	9
Ms K McDonald	11	10
Mr C Lawlor (appointed 28 November 2006)	6	6
Mr D Negri (appointed 28 November 2006)	6	5

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

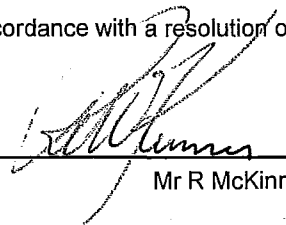
No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

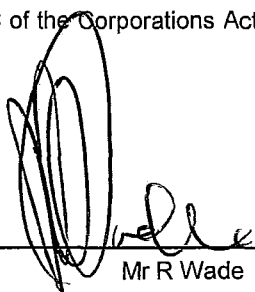
The company was not a party to any such proceedings during the year.

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 R Wade

Dated this 26th day of August 2008

**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 2007 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



Jude Lau
Partner

26 August 2008
Melbourne

HLB Mann Judd (VIC Partnership)

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Liability limited by a scheme approved under Professional Standards Legislation

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

VANA LIMITED
ABN 38 004 238 644

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007

	Notes	2007 \$	2006 \$
Revenue from continuing operations	4	1,015,386	2,033,119
Employee benefits expense		(420,852)	(380,442)
Depreciation and amortisation expense	5	(69,129)	(59,543)
Lease expenses		-	(9,588)
Administration expense		(12,575)	(17,751)
Communication and Computer expense		(60,139)	(48,383)
Directors expenses		(55,237)	(56,349)
Insurance expense		(17,548)	(20,484)
Meeting and conference expense		(40,392)	(50,386)
Motor vehicle and travel expense		(14,181)	(11,569)
Occupancy expense		(19,111)	(15,143)
Professional fees expense		(35,057)	(62,670)
Special events expense		(72,872)	(72,979)
Subscriptions expense		(8,699)	(5,409)
Other expenses from ordinary activities		(112,086)	(65,784)
Borrowing costs expense	5	(8,936)	(18,429)
Profit (loss) for the year	15	<u><u>68,572</u></u>	<u><u>1,138,210</u></u>

The accompanying notes form part of these financial statements.

VANA LIMITED
ABN 38 004 238 644

BALANCE SHEET
AS AT 30 JUNE 2007

	Notes	2007 \$	2006 \$
CURRENT ASSETS			
Cash and cash equivalents	6	460,777	2,314,422
Trade and other receivables	7	224,144	76,436
Non current assets classified as held-for-sale	9	1,969,382	-
Other assets	8	<u>20,802</u>	<u>14,296</u>
TOTAL CURRENT ASSETS		<u>2,675,105</u>	<u>2,405,154</u>
NON-CURRENT ASSETS			
Other financial assets	9	2	2
Property, plant and equipment	10	<u>2,785,159</u>	<u>2,792,133</u>
TOTAL NON-CURRENT ASSETS		<u>2,785,161</u>	<u>2,792,135</u>
TOTAL ASSETS		<u>5,460,266</u>	<u>5,197,289</u>
CURRENT LIABILITIES			
Trade and other payables	11	126,914	155,114
Interest-bearing loans and borrowings	12	19,314	13,137
Provisions	13	<u>32,764</u>	<u>31,716</u>
TOTAL CURRENT LIABILITIES		<u>178,992</u>	<u>199,967</u>
NON-CURRENT LIABILITIES			
Interest-bearing borrowings	12	82,141	37,646
Provisions	13	<u>17,405</u>	<u>15,902</u>
TOTAL NON-CURRENT LIABILITIES		<u>99,546</u>	<u>53,548</u>
TOTAL LIABILITIES		<u>278,538</u>	<u>253,515</u>
NET ASSETS		<u>5,181,728</u>	<u>4,943,774</u>
EQUITY			
Reserves	14	1,281,682	1,112,300
Retained earnings	15	<u>3,900,046</u>	<u>3,831,474</u>
TOTAL EQUITY	19	<u>5,181,728</u>	<u>4,943,774</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 2007

	Notes	2007 \$	2006 \$
Profit (loss) for the year	15	<u>68,572</u>	<u>1,138,210</u>
Total recognised income and expense for the year		<u>68,572</u>	<u>1,138,210</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 2007

	Notes	2007 \$	2006 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from subscriptions		422,808	433,856
Other operating receipts		140,096	399,676
Payments to suppliers and employees		(895,693)	(1,283,037)
Interest received		307,312	75,346
Borrowing costs		<u>(8,936)</u>	<u>(18,429)</u>
Net cash (used in) provided by operating activities	16(b)	<u>(34,413)</u>	<u>(392,588)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		15,181	5,186,177
Payment for property, plant and equipment		(81,690)	(2,782,907)
Payment for investment		<u>(1,800,000)</u>	<u>-</u>
Net cash provided by/(used in) investing activities		<u>(1,866,509)</u>	<u>2,403,270</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings		<u>47,277</u>	<u>(12,609)</u>
Net cash provided by/(used in) financing activities		<u>47,277</u>	<u>(12,609)</u>
Net increase/(decrease) in cash held		(1,853,645)	1,998,073
Cash and cash equivalents at beginning of financial year		<u>2,314,422</u>	<u>316,349</u>
Cash and cash equivalents at end of financial year	16 (a)	<u><u>460,777</u></u>	<u><u>2,314,422</u></u>

The accompanying notes form part of these financial statements.

VANA LIMITED
ABN 38 004 238 644

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

NOTE 1: CORPORATE INFORMATION

The financial report of VANA Limited for the year ended 30 June 2007 was authorised for issue in accordance with a resolution of the directors on 23 October 2007.

VANA Limited is a company incorporated and domiciled in Victoria, Australia. It is a company limited by guarantee as described in note 22.

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

(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 AIFRS.

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, at fair value. The policies have been consistently applied throughout the period.

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.

(b) Property, Plant and Equipment

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 property, plant and equipment are depreciated over their estimated useful lives to the company commencing from the time the asset is held ready for use.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

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 other 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.

Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

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 assesses 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 2007

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

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(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 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.

(i) 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.

(j) 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.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2007

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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) 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).

(m) New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2007 reporting periods. The foundation's assessment of the impact of these new standards and interpretations is set out below.

Amendment	Summary	Impact	Application date of standard*	Application date for company
AASB 7: Financial Instrument Disclosures	New standard replacing disclosure requirements of AASB 132	No Impact	1 January 2007	30 June 2008
AASB 2005-10, Amendments to Australian Accounting Standards (AASB's 101, 132, 114, 117, 133, 139, 1, 4, 1023 & 1038)	Amendments arising from the release in Aug 05 of AASB 7 Financial Instruments: Disclosures	No Impact	1 January 2007	30 June 2008
AASB 101 Presentation of Financial Statements (revised)	Removes Australian specific requirements from AASB 101, including the Australian illustrative formats of the income statement, balance sheet, and the statement of changes in equity.	No impact	1 January 2007	30 June 2008
AASB 2007-1 Amendments to Australia Accounting Standards arising from AASB Interpretation 22 (AASB 2)	Additional paragraphs added underneath transitional payments.	No impact	1 March 2007	30 June 2008

* Application date is for the annual reporting periods beginning on or after the date shown in the above table.

NOTE 3: SEGMENT REPORTING

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

VANA LIMITED
ABN 38 004 238 644

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
NOTE 4: REVENUE			
Continuing operations			
- sale of goods (net)		422,808	433,856
- rendering of services		47,581	48,435
- interest	4(a)	307,312	76,038
- rent		60,861	139,976
- other revenue		<u>161,696</u>	<u>174,729</u>
		<u>1,000,258</u>	<u>873,034</u>
Non - operating activities			
- proceeds of sale of property, plant and equipment		<u>15,128</u>	<u>1,160,085</u>
Total Revenue		<u>1,015,386</u>	<u>2,033,119</u>
(a) Interest from:			
- other persons		<u>307,312</u>	<u>76,038</u>

VANA LIMITED
ABN 38 004 238 644

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
NOTE 5: PROFIT FROM ORDINARY ACTIVITIES			
Profit from continuing operations has been determined after:			
(a) Expenses			
Borrowing costs:			
- other persons		<u>8,936</u>	<u>18,429</u>
Depreciation of non-current assets			
- Buildings		43,846	37,798
- Leasehold improvements		-	5,729
- Motor vehicles		18,377	10,013
- Office Equipment		327	246
- Furniture, fixtures and fittings		2,493	2,779
- Computer Equipment		<u>4,086</u>	<u>2,978</u>
Total Depreciation		<u>69,129</u>	<u>59,543</u>
Legal fees		<u>(1,663)</u>	<u>9,382</u>
Bad and doubtful debts:			
- trade debtors		<u>-</u>	<u>6,973</u>
Remuneration of the auditors for:			
- audit or review services		<u>36,720</u>	<u>13,637</u>
paid re: 30 June 2005		-	13,637
paid re: 30 June 2006		19,228	
paid re: 30 June 2007		6,490	
accrued re: 30 June 2007		11,002	
- other services		<u>5,501</u>	<u>-</u>
Rental expense on operating leases		<u>8,760</u>	<u>9,588</u>
Net loss on disposal of non-current assets			
- Property, plant and equipment		4,892	26,095
(b) Revenue and Net Gains			
Net gain on disposal of non-current assets			
- property, plant and equipment		<u>-</u>	<u>1,160,326</u>
NOTE 6: CASH AND CASH EQUIVALENTS			
Cash on hand		1,050	1,050
Cash at bank		254,326	340,004
Deposits at call		<u>205,401</u>	<u>1,973,368</u>
		<u>460,777</u>	<u>2,314,422</u>

VANA LIMITED
ABN 38 004 238 644

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
NOTE 7: TRADE AND OTHER RECEIVABLES			
CURRENT			
Trade debtors		44,849	81,222
Less provision for doubtful debts		<u>(4,888)</u>	<u>(4,888)</u>
		39,961	76,334
Other debtors		<u>184,183</u>	<u>102</u>
		<u><u>224,144</u></u>	<u><u>76,436</u></u>
NOTE 8: OTHER ASSETS			
CURRENT			
Prepayments		10,077	14,296
Security deposits		<u>10,725</u>	<u>-</u>
		<u><u>20,802</u></u>	<u><u>14,296</u></u>
NOTE 9: ASSETS CLASSIFIED AS HELD FOR SALE			
CURRENT			
Managed Investments		<u>1,969,382</u>	<u>-</u>
NON-CURRENT			
Shares in other corporations			
- at cost		<u><u>2</u></u>	<u><u>2</u></u>
The company holds 2 (2006: 2) fully paid shares in Newpower (Australia) Pty Ltd.			
NOTE 10: PROPERTY, PLANT AND EQUIPMENT			
LAND			
Freehold land:			
At cost		<u>1,026,000</u>	<u>1,026,000</u>
BUILDINGS			
At cost		1,753,837	1,753,837
Less accumulated depreciation		<u>(83,125)</u>	<u>(39,279)</u>
		<u>1,670,712</u>	<u>1,714,558</u>
Total land and buildings		<u><u>2,696,712</u></u>	<u><u>2,740,558</u></u>
PLANT AND EQUIPMENT			
(a) Plant and equipment			
At cost		38,672	162,587
Less accumulated depreciation		<u>(28,205)</u>	<u>(150,144)</u>
		<u><u>10,467</u></u>	<u><u>12,443</u></u>

VANA LIMITED
ABN 38 004 238 644

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
NOTE 10: PROPERTY, PLANT AND EQUIPMENT (Continued)			
(b) Motor vehicles			
At cost		-	36,945
Less accumulated depreciation		-	(17,407)
		<u>-</u>	<u>19,538</u>
Under lease		106,152	29,391
Less accumulated depreciation		(28,172)	(9,797)
		<u>77,980</u>	<u>19,594</u>
Total plant and equipment		<u>88,447</u>	<u>51,575</u>
Total property, plant and equipment		<u>2,785,159</u>	<u>2,792,133</u>

VANA LIMITED
ABN 38 004 238 644

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

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
	\$	\$	\$	\$	\$
2007					
Carrying amount at the beginning of the year	1,026,000	1,714,558	12,443	39,132	2,792,133
Additions	-	-	4,930	76,763	81,693
Disposals	-	-	-	(19,538)	(19,538)
Depreciation expense	-	(43,846)	(6,906)	(18,377)	(69,129)
Carrying amount at the end of year	<u>1,026,000</u>	<u>1,670,712</u>	<u>10,467</u>	<u>77,980</u>	<u>2,785,159</u>

	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
Disposals	-	-	3,070	-	3,070
Depreciation expense	-	(39,279)	(12,382)	(7,882)	(59,543)
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>

VANA LIMITED
ABN 38 004 238 644

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

NOTE 11: TRADE AND OTHER PAYABLES

CURRENT

Unsecured liabilities

Trade creditors		32,143	19,664
Sundry creditors and accruals		<u>94,771</u>	<u>135,450</u>
		<u>126,914</u>	<u>155,114</u>

NOTE 12: INTEREST-BEARING LOANS AND BORROWINGS

CURRENT

Secured liabilities

Finance lease liability	18	19,314	5,170
Hire purchase liability	18	<u>-</u>	<u>7,967</u>
		<u>19,314</u>	<u>13,137</u>

NON-CURRENT

Secured liabilities

Finance lease liability	18	82,142	24,426
Hire purchase liability	18	<u>-</u>	<u>13,220</u>
		<u>82,142</u>	<u>37,646</u>

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.

NOTE 13: PROVISIONS

CURRENT

Employee benefits - annual leave	13(a)	<u>32,764</u>	<u>31,716</u>
----------------------------------	-------	---------------	---------------

NON-CURRENT

Employee benefits - long service leave	13(a)	<u>17,403</u>	<u>15,902</u>
--	-------	---------------	---------------

(a) Aggregate employee benefits liability		<u>50,167</u>	<u>47,618</u>
(b) Number of employees at year end		<u>7</u>	<u>6</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

NOTE 14: RESERVES

Asset revaluation reserve	(a)	169,382	-
General reserve	(b)	<u>1,112,300</u>	<u>1,112,300</u>
		<u>1,281,682</u>	<u>1,112,300</u>

(a) Asset Revaluation Reserve

Movements during the financial year:

Opening balance	-	2,424,943
Revaluation of available-for-sale assets	169,382	-
Transfer to retained profits	<u>-</u>	<u>(2,424,943)</u>
Closing balance	<u>169,382</u>	<u>-</u>

The asset revaluation reserve records revaluations of non-current assets and the movements in available-for-sale 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.

NOTE 15: RETAINED EARNINGS

Retained profits at the beginning of the financial year	3,831,474	268,321
Net profit (loss) attributable to members of the entity	68,572	1,138,210
Transfers from reserves	<u>-</u>	<u>2,424,943</u>
Retained profits at the end of the financial year	<u>3,900,046</u>	<u>3,831,474</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	254,326	340,004
At call deposits with financial institutions	<u>205,401</u>	<u>1,973,368</u>
	<u>460,777</u>	<u>2,314,422</u>

(b) Reconciliation of cash flow from operations with profit after income tax

Profit (Loss) after income tax	68,572	1,138,210
Non-cash flows in profit from ordinary activities		
Depreciation	69,129	59,543
Charges to provisions	1,139	14,920
(Profit) / loss on disposal of property, plant and equipment	4,356	(1,160,085)
Changes in assets and liabilities		
(Increase)/decrease in receivables	(146,298)	35,844
(Increase)/decrease in other assets	(6,503)	300,530
Other non cash expenses	3,392	-
Decrease in payables	(28,200)	(332,514)
Decrease in interest-bearing liabilities	<u>-</u>	<u>(449,036)</u>
Cash flows from operations	<u>(34,413)</u>	<u>(392,588)</u>

VANA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

NOTE 17: FINANCIAL INSTRUMENTS

Risk management policies

VANA Limited's principal financial instruments comprise cash and short-term deposits. During the year the company invested \$1,800,000 in managed trusts through Portfolio Care. These funds are managed by third parties to achieve the growth targets set by the board. Portfolio Care reports quarterly to the Board.

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 Interest Rate		Fixed Interest Rate Maturing				Floating Interest Rate	
			Within 1 Year		1 to 5 Years			
	2007	2006	2007	2006	2007	2006	2007	2006
	%	%	\$	\$	\$	\$	\$	\$
Financial Assets:								
Cash	5.50	5.20	205,401	1,973,368	-	-	254,326	340,004
Receivables	-	-	-	-	-	-	-	-
Available-for-sale assets	15.49	-	-	-	-	-	1,969,382	-
Total Financial Assets			205,401	1,973,368	-	-	2,223,708	340,004
Financial Liabilities:								
Trade and sundry creditors	-	-	-	-	-	-	-	-
Lease liabilities	8.23	8.23	82,642	5,170	18,814	24,426	-	-
Hire purchase liabilities	6.40	6.40	-	7,967	-	13,220	-	-
Total Financial Liabilities			82,642	13,137	18,814	37,646	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

NOTE 17: FINANCIAL INSTRUMENTS (Continued)

	Non Interest Bearing		Total	
	2007	2006	2007	2006
	\$	\$	\$	\$
Financial Assets:				
Cash	1,050	1,050	460,777	2,314,422
Receivables	44,849	81,222	44,849	81,222
Available-for-sale assets	-	-	1,969,382	-
Total Financial Assets	45,899	82,272	2,475,008	2,395,644
Financial Liabilities:				
Trade and sundry creditors	126,914	155,114	126,914	155,114
Lease liabilities	-	-	101,456	29,596
Hire purchase liabilities	-	-	-	21,187
Total Financial Liabilities	126,914	155,114	228,370	205,897

(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 financial instruments 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 2007

	Note	2007 \$	2006 \$
NOTE 18: CAPITAL AND LEASING COMMITMENTS			
(a) Finance leasing commitments			
Payable			
- not later than one year		27,795	35,437
- later than one year and not later than five years		<u>94,246</u>	<u>-</u>
Minimum lease payments		122,041	35,437
Less future finance charges		<u>(20,585)</u>	<u>(5,841)</u>
Total finance lease liability		<u><u>101,456</u></u>	<u><u>29,596</u></u>
Represented by:			
Current liability	12	19,314	5,170
Non-current liability	12	<u>82,142</u>	<u>24,426</u>
		<u><u>101,456</u></u>	<u><u>29,596</u></u>
 (b) Hire purchase commitments			
Payable			
- not later than one year		<u>-</u>	<u>22,446</u>
Minimum hire purchase payments		-	22,446
Less future finance charges		<u>-</u>	<u>(1,259)</u>
Total hire purchase liability		<u><u>-</u></u>	<u><u>21,187</u></u>
Represented by:			
Current liability	12	-	7,967
Non-current liability	12	<u>-</u>	<u>13,220</u>
		<u><u>-</u></u>	<u><u>21,187</u></u>
 NOTE 19: EQUITY			
Total equity at the beginning of the financial year		4,943,774	3,805,564
Total changes in equity recognised in the income statement		68,572	1,138,210
Total changes in equity resulting from asset revaluation reserve		<u>169,382</u>	<u>-</u>
Total equity at the reporting date		<u><u>5,181,728</u></u>	<u><u>4,943,774</u></u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
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	9

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

- Mr R McKinnis
- Mr R Wade
- Mr B Thomson
- Mr G Tribe
- Mr G Wescombe (resigned 28 November 2006)
- Mr P Kennedy
- Ms K McDonald
- Mr C Lawlor (appointed 28 November 2006)
- Ms K McDonald
- Mr D Negri (appointed 28 November 2006)

NOTE 21: 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 Wade, Mr B Thomson, Mr G Tribe, Mr G Wescombe (resigned 28 November 2006), Mr P Kennedy, Ms K McDonald, Mr C Lawlor (appointed 28 November 2006) and Mr D Negri (appointed 28 November 2006).

Other key management personnel identified as meeting the definition of Key Management Personnel during the year included: Mr P Cowley (Chief Executive Officer), Ms Browyn Roney, Ms Jillian Cain (resigned 18 August 2006), Mr Trevor Barnett and Mrs Corinne Ioannou. All of the above were key management personnel during the year ended 30 June 2007.

(b) Directors are not paid any remuneration, rather they are reimbursed for costs incurred in discharging their duties as directors. The aggregate paid are disclosed in the Income Statement.

(c) Compensation of Key Management personnel

Short term	242,048	301,319
Post employment	48,327	31,512
	<u>290,375</u>	<u>332,831</u>

NOTE 22: MEMBERS' GUARANTEE

The company is limited by guarantee. If the company is wound up, the articles of association state that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the company. At 30 June 2007 the number of members was 493 (2006: 489).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

NOTE 23: COMPANY DETAILS

The registered office of the company is:

VANA Limited
806 - 810 Nicholson Street
North Fitzroy
Melbourne Victoria 3068

NOTE 24: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of Section 272(5) of the RAO schedule:

- (1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

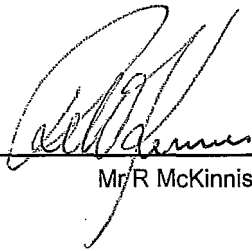
DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 25 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 2007 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.

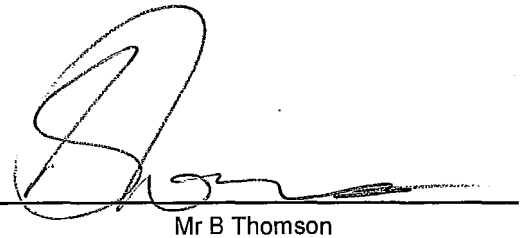
This declaration is made in accordance with a resolution of the directors.

Director



Mr R McKinnis

Director



Mr B Thomson

Dated this 26th day of August 2008

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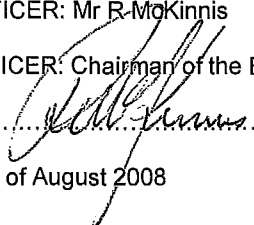
COMMITTEE OF MANAGEMENT STATEMENT

On 23 October 2007 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 2007:

1. The board of directors 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; and
 - (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 organization 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 organization 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. 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 of the Board of Directors

SIGNATURE:..........

Dated this 26th day of August 2008



**Independent auditor's report to the members of
VANA Limited**

Report on the financial report

We have audited the accompanying financial report of VANA Limited which comprises the balance sheet as at 30 June 2007, and the operating statement, statement of recognised income and expenses and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the committee of management statement.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Corporations Act 2001* and the requirements imposed by Part 3 of Chapter 8 of Schedule 1 of the *Workplace Relations Act 1996*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards and the *Workplace Relations Act 1996*. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.


We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

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HLB Mann Judd (VIC Partnership)

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

Auditor's opinion on the financial report

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 2007 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 2007 and of its performance for the year ended on that date; and
 - (ii) the requirements of Part 3 of Chapter 8 of Schedule 1 of the *Workplace Relations Act 1996*; and
- (c) other mandatory financial reporting requirements in Australia.

HLB Mann Judd

HLB Mann Judd



Jude Lau
Partner

26 August 2008
Melbourne

Member of the Australian Society of Certified Practicing Accountants
Holder of a Public Practice Certificate

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 2007.

Membership

At 30 June 2007 VANA Limited had 493 (2006: 489) members.

Office Structure

VANA Limited employed 7 (2006: 6) full-time staff members during the year ended 30 June 2007.

Staff Changes

Since the last AGM of VANA Limited there has been the following changes in staff:

- The corporate services officer resigned and left in July 2007.

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

As outlined in Section 11 of Registered Rules of VANA Limited, 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.

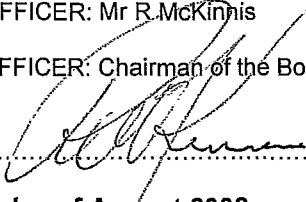
Directors

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 B Thomson
- Mr G Tribe
- Mr G Wescombe (retired 28 November 2006)
- Mr P Kennedy
- Ms K McDonald
- Mr C Lawlor (appointed 28 November 2006)
- Mr D Negri (appointed 28 November 2006)

DESIGNATED OFFICER: Mr R. McKinnis

POSITION OF OFFICER: Chairman of the Board of Directors

SIGNATURE: 

Dated this 26th day of August 2008

DONNELLAN, Kevin

From: Anna Sierkiewicz [Anna@vana.com.au]
Sent: Wednesday, 24 September 2008 9:32 AM
To: DONNELLAN, Kevin
Cc: Corinne Ioannou; Peter Cowley
Subject: RE: FR2007/294 - Financial year ended 30 June 2007 - VANA Limited

Hello Kevin Donnellan,

Firstly could you please update your email address that you forward correspondence too VANA LTD. In future could you please email to;

To... Anna Sierkiewicz – anna@vana.com.au
Cc... Peter Cowley – pcowley@vana.com.au
Cc... VANA LTD – general@vana.com.au

Re the FR2007/294 - Financial year ended 30 June 2007 - VANA Limited

The adjustments have been made to pages 24, 26, 27, 28 and 29 in the Financial year ended 30 June 2007 and they were acknowledged and signed off at yesterday's Board Meeting (23 September 2008) along with Financial year ended 30 June 2008 Report. Today we will be uploading the adjusted pages to the VANA website for all members to view.

The changes have been noted in The Agenda for the 2008 AGM, which will be sent out with the Financial year ended 30 June 2008 Report by the end of this week.

The AGM is being held at the VANA offices on 25 November 2008 where members will have the opportunity to ask questions. During the AGM, the Certificate of Secretary or other Authorised Officer will be signed off by the VANA Chairman. After the AGM I will post a copy to the AIR
Attn: Kevin Donnellan.

If you have any further questions please don't hesitate to call me on 03 9482 2911.

Regards,

Anna Sierkiewicz
(Finance Officer/Admin)



www.vana.com.au
806 - 810 Nicholson Street
North Fitzroy Vic 3068
t (03) 9482 - 2911
f (03) 9482 - 1799

From: Corinne Ioannou
Sent: Tuesday, 23 September 2008 3:30 PM
To: Anna Sierkiewicz; Peter Cowley
Subject: FW: FR2007/294 - Financial year ended 30 June 2007 - VANA Limited

Anna, Peter,
This was in the reception Outlook.
FYI

10/12/2008

Corinne Ioannou
VANA Ltd
Phone: 03 9482 2911
Fax: 03 9482 1799

From: Veronica Shewan
Sent: Tuesday, 23 September 2008 3:29 PM
To: Corinne Ioannou
Subject: FW: FR2007/294 - Financial year ended 30 June 2007 - VANA Limited

From: DONNELLAN, Kevin [mailto:Kevin.Donnellan@airc.gov.au]
Sent: Tue 9/23/2008 2:50 PM
To: Veronica Shewan
Subject: FR2007/294 - Financial year ended 30 June 2007 - VANA Limited

Peter Crowley, Chief Executive Director, further to the above correspondence, could you provide me with an update as to the current progress of the above report.

Regards

KEVIN DONNELLAN
Statutory Services Branch

Australian Industrial Relations Commission
11 Exhibition St, Melbourne Victoria 3000
GPO Box 1994, Melbourne Victoria 3001

Telephone: (03) 8661 7764
International: (613) 86617 764
Facsimile: (03) 9655 0410
Email: kevin.donnellan@airc.gov.au

From: DONNELLAN, Kevin
Sent: Thursday, 14 August 2008 4:49 PM
To: 'general@vana.com.au'
Subject: FR2007/294 - Financial year ended 30 June 2007 - VANA Limited

Ron McKinnis, Chairman, attached is correspondence in relation to the above matter.

Regards

Kevin Donnellan
Statutory Services Officer, Team 3
Statutory Services Branch
Australian Industrial Registry

(03) 8661 7764
kevin.donnellan@air.gov.au

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Australian Government
Australian Industrial Registry

Level 5, 11 Exhibition Street
Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7764
Fax: (03) 9655 0410
Email: kevin.donnellan@air.gov.au

Mr Ron McKinnis
Chairman
VANA Limited

email: general@vana.com.au

Dear Mr McKinnis

Re: Financial Report for VANA Limited for year ended 30 June 2007 – FR2007/294

I acknowledge receipt of the financial report for VANA Limited for the year ended 30 June 2007. The report was lodged with the Registry on 6 August 2008.

I have examined the financial report and I have identified a number of matters that require your attention before the report could be filed. In order to assist you in that respect I have set out in Attachment B the steps the organisation will need to take.

Also, I have set out my comments in relation to deficiencies in the existing documentation in Attachment A. Ordinarily I would draw these matters to your attention to assist you prepare future documentation, however, given the organisation is being asked to repeat some steps in the reporting process, I am asking you to correct the current documents before you take the nominated steps required to facilitate the ultimate filing of the report.

I think it is important to note that many of the matters causing concern have been drawn to the attention of the organisation previously, for example in response to the lodgment of the financial report for the year ended 30 June 2006.

To assist you in the preparation of the abovementioned documentation I have included links to:

- the RAO legislation, fact sheets and sample documents
<http://www.airc.gov.au/legislation/rao.htm>,
- the reporting guidelines of the Registrar
http://www.airc.gov.au/registered/rao/rao_253.pdf,
- the AIR, Organisations, VANA Limited website <http://www.e-airc.gov.au/235w/>.

If you wish to discuss this, or any related matter, I can be contacted on (03) 8661 7764.

Yours sincerely

A handwritten signature in black ink, appearing to be 'K Donnellan', written over a horizontal line.

Kevin Donnellan
Statutory Services Branch
14 August 2008

Attachment A

Committee of Management Statement

The Committee of Management Statement is signed by Mr P Crowley, Chief Executive Officer. Item 26 of the Industrial Registrar's Reporting Guidelines require the statement be signed by a *designated officer* (see 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". It is apparent from the rules the Chief Executive Officer is not an officer as contemplated in Schedule 1. Accordingly, the organisation will need to provide a further statement and then have it signed by an officer. I note this matter was brought to the organisation's attention in relation to last year's financial report leading to the submission of a further committee of management statement signed by Mr McKinnis, an elected officer. As you will need to prepare a further statement, the organisation should take account of the following points:

- Item 25 of the Industrial Registrar's Reporting Guidelines must include declarations by the committee of management based on its opinion. I am concerned the statement in the preamble of point 1 "having been advised accordingly by the Chief Executive Officer in a letter dated 23rd October 2007", is, or is likely to be misinterpreted as, a qualification to the opinion.
- It is my view the words of item 25 should be reflected, were relevant in the Committee of Management Statement. For example, in e(iii) the words should read:

"the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations;"

Notes to the financial statements

Notice under Section 272(5) of the RAO Schedule

The notes to the GPFR are required to include a notice drawing attention to the fact that information that is prescribed by the RAO Regulations is available to members on request - section 272(5).

The notes are to include this extract of the RAO Schedule, word for word:

"272 Information to be provided to members or Registrar

(1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) A reporting unit must comply with an application made under subsection (1).

Note: This subsection is a civil penalty provision (see section 305)."

Audit Report

References to Schedule 1B

Reference to Schedule 1B should refer to Schedule 1.

Auditor's Opinion

The Auditor's Opinion refers to the opinion for "30 June 2006", this should properly refer to "30 June 2007".

Operating Report

Office Structure/Staff Changes

The Operating Report requires the membership and employee numbers of the organisation to be included in the Report. It is not necessary to include reference to the office structure or staff changes.

Right of members to resign

Subsection 254(2)(c) requires the operating report to "give details" of the right of members to resign from the reporting unit under section 174 of the RAO Schedule. This requirement may be met by the inclusion of a statement that a member has the right to resign and a reference to the relevant rule, which makes such provision. Alternatively, the complete text of the relevant resignation rule may be reproduced in the report. It would appear in this case that rule 11 of the organisation's Rules is applicable.

The Operating Report should identify the name of the person signing the report.

Designated Officer's Certificate

Section 268(c) requires that "*a certificate by a prescribed designated officer that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with section 266.*" Since the financial report did not include a Designated Officer's certificate could the organisation provide an appropriate certificate as required. I have attached a document that can be used for this purpose.

Attachment B

1. The organisation should prepare a fresh Committee of Management Statement signed by an officer which addresses the relevant points in Attachment A.
2. The Committee of Management Statement should be provided to the auditor who should prepare a fresh auditor's report addressing the relevant points in Attachment A.
3. The financial report should then be provided to members.
4. The financial report should be presented to an appropriate meeting as required by section 266 of the RAO Schedule.
5. The financial report as presented to the appropriate meeting should be lodged in the Registry with a Designated Officer's Certificate.

Certificate of Secretary or other Authorised Officer¹

s268 of Schedule 1 *Workplace Relations Act 1996*

I *[name]* being the *[title of office]* of the *[name of the organisation]* certify:

- that the documents lodged herewith are copies of the full report, *[and the concise report]²*, referred to in s268 of the RAO Schedule; and
- that the *[full report **OR** concise report]³*, was provided to members on *[insert date]*; and
- that the full report was presented to *[a general meeting of members **OR** the last of a series of general meetings of members **OR** a meeting of the committee of management]³* of the reporting unit on *[insert date]*; in accordance with section 266 of the RAO Schedule.

Signature

Date:

¹*RAO regulation 162 prescribes the designated officer for the purpose of RAO schedule s268 as:*

(a) the secretary; or

(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

²*Only applicable where a concise report is provided to members*

³*Insert whichever is applicable*

Financial Report For

VANA Ltd (ABN 38 004 238 644)

For the Year ended 30 June 2007

VANA

VANA LTD
ABN 38 004 238 644

CHAIRMAN'S REPORT

Dear Members,

Our policy this year, as in the past, is to better educate members firstly in the range and quality of services newsagents provide, and demonstrate to our suppliers, the valuable services we make available to them.

In regard to members, we continue to develop the Accreditation Program with the Victorian Government to offer a better quality of service to our communities.

One Project "Supply chain management" working with Melbourne University Undergraduates with a view that our Industry better manage products from manufacturer to store.

Another is "Future needs of our Industry to meet our customer requirements" We have a committee of Board Members, suppliers, Rayma Creswell, and Retail Professionals. Our aim is to gather data from customers as to their expectations, and then present that data to a range of suppliers to work with us to achieve our goal of relevance into the future.

We have made a number of our major suppliers aware of the project, and have received offers of help with data that will save us a great deal in time and money, we really appreciate that help.

Our E-VANA project has been well received by members, with over half of all members participating, and an ever growing list of suppliers seeking to offer their products to members. The prices offered and the rebates earned have been of benefit to those who participated.

I have been sharing with members at Group Meetings the need for us to become involved in "On line" business, where we are really poorly represented. We are encouraging members to have their own web site, and at the same time, we are investigating the value of VANA providing a gateway for members to grow the offerings they have on any site they have.

We believe this is a must have for newsagents. We will be discussing the way forward with our software providers and other experts in how we should structure such a venture.

We have an ever growing band of members who help us with knowledge and planning, as well as ideas over many subjects. I wish to thank them for their great support and enthusiasm to help get us to where we want to be.

One event I look forward to each year is the AGM, when I have the opportunity to meet those who attend, and at the same time, meet and recognise our long serving members of VANA. A big thank you to them for their long term support.

Something that has always disappointed me is the lack of respect in which we newsagents have been held by our major suppliers.

I believe our efforts to improve ourselves, in future planning, product offering, and service standards, coupled with a strong expectation of a fair return, is gaining recognition.

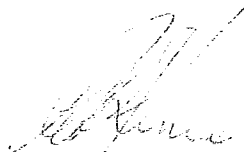
These efforts come not just from VANA and the ANF, but from our Marketing Groups, and software suppliers who have clearly recognised the challenges, and are helping us meet them. We thank them for that support.

If you need help in your business, call VANA. That is what we are here for. Do not put off calling until you are beyond helping.

I must thank our Directors for giving up their time and their expertise to help us. As I must thank Peter and his great staff in all those things they do.

We have had a number of sad losses from our ranks again this year, among them some dear friends. We will miss them, and know they we will be looking down and telling us to get off our ends and do more.

I wish you all a better year ahead, and guarantee we will be doing our utmost to help you achieve that.



Ron McKinnis
Chairman

VANA LIMITED
ABN 38 004 238 644

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007

VANA LIMITED
ABN 38 004 238 644

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VANA LIMITED
ABN 38 004 238 644

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2007.

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 B Thomson

Mr G Tribe

Mr G Wescombe (retired 28 November 2006)

Mr P Kennedy

Ms K McDonald

Mr C Lawlor (appointed 28 November 2006)

Mr D Negri (appointed 28 November 2006)

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 \$68,572.

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. VANA has 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. During the year VANA released eVANA, an online purchasing website allowing newsagents to purchase stock at preferential rates.

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.

Office Structure

VANA Limited employed 7 (2006: 6) full-time staff members during the year ended 30 June 2007. VANA Limited staff members continue to hold specific responsibilities through key portfolios. Staff report to the Chief Executive Officer who then reports at Board level. Board discussions and issues are reported to the Membership via the News Bulletin, Hotline and Regional 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 of VANA Limited there has been the following changes in staff:

- The corporate services officer resigned and left in July 2007.

Membership

At 30 June 2007 VANA Limited had 493 (2006: 489) 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.

Information on Directors

The information on directors is as follows:

Mr R McKinnis	- Chairman
Experience	- Newsagent for 34 years
Mr R Wade	- Treasurer
Experience	- Newsagent for 5 years
Mr B Thomson	- Vice chairman
Experience	- Newsagent for 28 years
Mr G Tribe	- Non-executive director
Experience	- Newsagent for 23 years
Mr G Wescombe	- Non-executive director
Qualifications	- B Bus, Assoc Dip of Public Administration and Management
Experience	- Newsagent for 9 years
Mr P Kennedy	- Executive director
Experience	- Newsagent for 14 years

VANA LIMITED
 ABN 38 004 238 644

DIRECTORS' REPORT (continued)

Information on Directors (Continued)

- Ms K McDonald – Non-executive director
 Experience – Newsagent for 9 years
- Mr C Lawlor – Non-executive director
 Experience – Newsagent for 8 years
- Mr D Negri – Non-executive director
 Experience – Newsagent for 2 years

Meetings of Directors

DIRECTORS	DIRECTORS' MEETINGS	
	Number eligible to attend	Number attended
Mr R McKinnis	11	11
Mr R Wade	11	9
Mr B Thomson	11	11
Mr G Tribe	11	11
Mr G Wescombe (retired 28 November 2006)	5	3
Mr P Kennedy	11	9
Ms K McDonald	11	10
Mr C Lawlor (appointed 28 November 2006)	6	6
Mr D Negri (appointed 28 November 2006)	6	5

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.

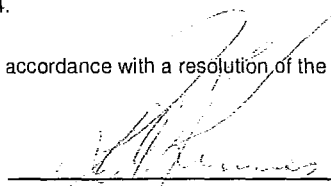
The company was not a party to any such proceedings during the year.

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.

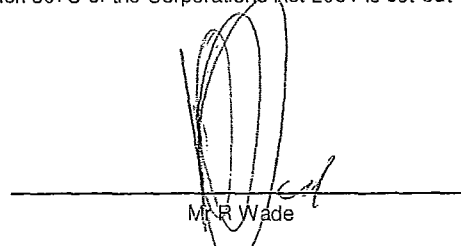
Signed in accordance with a resolution of the Board of Directors:

Director



 Mr R McKinnis

Director



 Mr R Wade

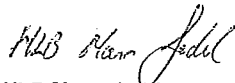
Dated this 23rd day of October 2007



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 2007 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




Jude Lau
Partner

23 October 2007
Melbourne

Level 1 160 Queen Street Melbourne VIC 3000 GPO Box 2850 Melbourne VIC 3001 DX 154 Melbourne Tel: +61 3 9606 3888 Fax: +61 3 9606 3800
Email: mailbox@hlbvic.com.au Website: www.hlbvic.com.au
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HLB Mann Judd (VIC Partnership)

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

VANA LIMITED
ABN 38 004 238 644

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007

	Notes	2007 \$	2006 \$
Revenue from continuing operations	4	1,015,386	2,033,119
Employee benefits expense		(420,852)	(380,442)
Depreciation and amortisation expense	5	(69,129)	(59,543)
Lease expenses		-	(9,588)
Administration expense		(12,575)	(17,751)
Communication and Computer expense		(60,139)	(48,383)
Directors expenses		(55,237)	(56,349)
Insurance expense		(17,548)	(20,484)
Meeting and conference expense		(40,392)	(50,386)
Motor vehicle and travel expense		(14,181)	(11,569)
Occupancy expense		(19,111)	(15,143)
Professional fees expense		(35,057)	(62,670)
Special events expense		(72,872)	(72,979)
Subscriptions expense		(8,699)	(5,409)
Other expenses from ordinary activities		(112,086)	(65,784)
Borrowing costs expense	5	<u>(8,936)</u>	<u>(18,429)</u>
Profit (loss) for the year	15	<u><u>68,572</u></u>	<u><u>1,138,210</u></u>

The accompanying notes form part of these financial statements.

VANA LIMITED
ABN 38 004 238 644

BALANCE SHEET
AS AT 30 JUNE 2007

	Notes	2007 \$	2006 \$
CURRENT ASSETS			
Cash and cash equivalents	6	460,777	2,314,422
Trade and other receivables	7	224,144	76,436
Non current assets classified as held-for-sale	9	1,969,382	-
Other assets	8	<u>20,802</u>	<u>14,296</u>
TOTAL CURRENT ASSETS		<u>2,675,105</u>	<u>2,405,154</u>
NON-CURRENT ASSETS			
Other financial assets	9	2	2
Property, plant and equipment	10	<u>2,785,159</u>	<u>2,792,133</u>
TOTAL NON-CURRENT ASSETS		<u>2,785,161</u>	<u>2,792,135</u>
TOTAL ASSETS		<u>5,460,266</u>	<u>5,197,289</u>
CURRENT LIABILITIES			
Trade and other payables	11	126,914	155,114
Interest-bearing loans and borrowings	12	19,314	13,137
Provisions	13	<u>32,764</u>	<u>31,716</u>
TOTAL CURRENT LIABILITIES		<u>178,992</u>	<u>199,967</u>
NON-CURRENT LIABILITIES			
Interest-bearing borrowings	12	82,141	37,646
Provisions	13	<u>17,405</u>	<u>15,902</u>
TOTAL NON-CURRENT LIABILITIES		<u>99,546</u>	<u>53,548</u>
TOTAL LIABILITIES		<u>278,538</u>	<u>253,515</u>
NET ASSETS		<u>5,181,728</u>	<u>4,943,774</u>
EQUITY			
Reserves	14	1,281,682	1,112,300
Retained earnings	15	<u>3,900,046</u>	<u>3,831,474</u>
TOTAL EQUITY	19	<u>5,181,728</u>	<u>4,943,774</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 2007

	Notes	2007 \$	2006 \$
Profit (loss) for the year	15	<u>68,572</u>	<u>1,138,210</u>
Total recognised income and expense for the year		<u>68,572</u>	<u>1,138,210</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 2007

	Notes	2007 \$	2006 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from subscriptions		422,808	433,856
Other operating receipts		140,096	399,676
Payments to suppliers and employees		(895,693)	(1,283,037)
Interest received		307,312	75,346
Borrowing costs		<u>(8,936)</u>	<u>(18,429)</u>
Net cash (used in) provided by operating activities	16(b)	<u>(34,413)</u>	<u>(392,588)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		15,181	5,186,177
Payment for property, plant and equipment		(81,690)	(2,782,907)
Payment for investment		<u>(1,800,000)</u>	<u>-</u>
Net cash provided by/(used in) investing activities		<u>(1,866,509)</u>	<u>2,403,270</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings		<u>47,277</u>	<u>(12,609)</u>
Net cash provided by/(used in) financing activities		<u>47,277</u>	<u>(12,609)</u>
Net increase/(decrease) in cash held		(1,853,645)	1,998,073
Cash and cash equivalents at beginning of financial year		<u>2,314,422</u>	<u>316,349</u>
Cash and cash equivalents at end of financial year	16 (a)	<u><u>460,777</u></u>	<u><u>2,314,422</u></u>

The accompanying notes form part of these financial statements.

VANA LIMITED
ABN 38 004 238 644

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

NOTE 1: CORPORATE INFORMATION

The financial report of VANA Limited for the year ended 30 June 2007 was authorised for issue in accordance with a resolution of the directors on 23 October 2007.

VANA Limited is a company incorporated and domiciled in Victoria, Australia. It is a company limited by guarantee as described in note 22.

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

(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 AIFRS.

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, at fair value. The policies have been consistently applied throughout the period.

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.

(b) Property, Plant and Equipment

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 property, plant and equipment are depreciated over their estimated useful lives to the company commencing from the time the asset is held ready for use.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

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 other 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.

Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

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 assesses 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 2007

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

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(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 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.

(i) 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.

(j) 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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) 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).

(m) New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2007 reporting periods. The foundation's assessment of the impact of these new standards and interpretations is set out below.

Amendment	Summary	Impact	Application date of standard*	Application date for company
AASB 7: Financial Instrument Disclosures	New standard replacing disclosure requirements of AASB 132	No Impact	1 January 2007	30 June 2008
AASB 2005-10, Amendments to Australian Accounting Standards (AASB's 101, 132, 114, 117, 133, 139, 1, 4, 1023 & 1038)	Amendments arising from the release in Aug 05 of AASB 7 Financial Instruments: Disclosures	No Impact	1 January 2007	30 June 2008
AASB 101 Presentation of Financial Statements (revised)	Removes Australian specific requirements from AASB 101, including the Australian illustrative formats of the income statement, balance sheet, and the statement of changes in equity.	No impact	1 January 2007	30 June 2008
AASB 2007-1 Amendments to Australia Accounting Standards arising from AASB Interpretation 22 (AASB 2)	Additional paragraphs added underneath transitional payments.	No impact	1 March 2007	30 June 2008

* Application date is for the annual reporting periods beginning on or after the date shown in the above table.

NOTE 3: SEGMENT REPORTING

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

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NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
NOTE 4: REVENUE			
Continuing operations			
- sale of goods (net)		422,808	433,856
- rendering of services		47,581	48,435
- interest	4(a)	307,312	76,038
- rent		60,861	139,976
- other revenue		<u>161,696</u>	<u>174,729</u>
		<u>1,000,258</u>	<u>873,034</u>
Non - operating activities			
- proceeds of sale of property, plant and equipment		<u>15,128</u>	<u>1,160,085</u>
Total Revenue		<u>1,015,386</u>	<u>2,033,119</u>
(a) Interest from:			
- other persons		<u>307,312</u>	<u>76,038</u>

VANA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
NOTE 5: PROFIT FROM ORDINARY ACTIVITIES			
Profit from continuing operations has been determined after:			
(a) Expenses			
Borrowing costs:			
- other persons		<u>8,936</u>	<u>18,429</u>
Depreciation of non-current assets			
- Buildings		43,846	37,798
- Leasehold improvements		-	5,729
- Motor vehicles		18,377	10,013
- Office Equipment		327	246
- Furniture, fixtures and fittings		2,493	2,779
- Computer Equipment		<u>4,086</u>	<u>2,978</u>
Total Depreciation		<u>69,129</u>	<u>59,543</u>
Legal fees		<u>(1,663)</u>	<u>9,382</u>
Bad and doubtful debts:			
- trade debtors		<u>-</u>	<u>6,973</u>
Remuneration of the auditors for:			
- audit or review services		<u>36,720</u>	<u>13,637</u>
paid re: 30 June 2005		-	13,637
paid re: 30 June 2006		19,228	
paid re: 30 June 2007		6,490	
accrued re: 30 June 2007		11,002	
- other services		<u>5,501</u>	<u>-</u>
Rental expense on operating leases		<u>8,760</u>	<u>9,588</u>
Net loss on disposal of non-current assets			
- Property, plant and equipment		4,892	26,095
(b) Revenue and Net Gains			
Net gain on disposal of non-current assets			
- property, plant and equipment		<u>-</u>	<u>1,160,326</u>
NOTE 6: CASH AND CASH EQUIVALENTS			
Cash on hand		1,050	1,050
Cash at bank		254,326	340,004
Deposits at call		<u>205,401</u>	<u>1,973,368</u>
		<u>460,777</u>	<u>2,314,422</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
NOTE 7: TRADE AND OTHER RECEIVABLES			
CURRENT			
Trade debtors		44,849	81,222
Less provision for doubtful debts		<u>(4,888)</u>	<u>(4,888)</u>
		39,961	76,334
Other debtors		<u>184,183</u>	<u>102</u>
		<u>224,144</u>	<u>76,436</u>
NOTE 8: OTHER ASSETS			
CURRENT			
Prepayments		10,077	14,296
Security deposits		<u>10,725</u>	<u>-</u>
		<u>20,802</u>	<u>14,296</u>
NOTE 9: ASSETS CLASSIFIED AS HELD FOR SALE			
CURRENT			
Managed Investments		<u>1,969,382</u>	<u>-</u>
NON-CURRENT			
Shares in other corporations - at cost		<u>2</u>	<u>2</u>
The company holds 2 (2006: 2) fully paid shares in Newspower (Australia) Pty Ltd.			
NOTE 10: PROPERTY, PLANT AND EQUIPMENT			
LAND			
Freehold land:			
At cost		<u>1,026,000</u>	<u>1,026,000</u>
BUILDINGS			
At cost		1,753,837	1,753,837
Less accumulated depreciation		<u>(83,125)</u>	<u>(39,279)</u>
		<u>1,670,712</u>	<u>1,714,558</u>
Total land and buildings		<u>2,696,712</u>	<u>2,740,558</u>
PLANT AND EQUIPMENT			
(a) Plant and equipment			
At cost		38,672	162,587
Less accumulated depreciation		<u>(28,205)</u>	<u>(150,144)</u>
		<u>10,467</u>	<u>12,443</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
NOTE 10: PROPERTY, PLANT AND EQUIPMENT (Continued)			
(b) Motor vehicles			
At cost		-	36,945
Less accumulated depreciation		-	(17,407)
		<u>-</u>	<u>19,538</u>
Under lease		106,152	29,391
Less accumulated depreciation		(28,172)	(9,797)
		<u>77,980</u>	<u>19,594</u>
Total plant and equipment		<u>88,447</u>	<u>51,575</u>
Total property, plant and equipment		<u>2,785,159</u>	<u>2,792,133</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

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
	\$	\$	\$	\$	\$
2007					
Carrying amount at the beginning of the year	1,026,000	1,714,558	12,443	39,132	2,792,133
Additions	-	-	4,930	76,763	81,693
Disposals	-	-	-	(19,538)	(19,538)
Depreciation expense	-	(43,846)	(6,906)	(18,377)	(69,129)
Carrying amount at the end of year	<u>1,026,000</u>	<u>1,670,712</u>	<u>10,467</u>	<u>77,980</u>	<u>2,785,159</u>

	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
Disposals	-	-	3,070	-	3,070
Depreciation expense	-	(39,279)	(12,382)	(7,882)	(59,543)
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>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

NOTE 11: TRADE AND OTHER PAYABLES

CURRENT

Unsecured liabilities

Trade creditors		32,143	19,664
Sundry creditors and accruals		<u>94,771</u>	<u>135,450</u>
		<u><u>126,914</u></u>	<u><u>155,114</u></u>

NOTE 12: INTEREST-BEARING LOANS AND BORROWINGS

CURRENT

Secured liabilities

Finance lease liability	18	19,314	5,170
Hire purchase liability	18	<u>-</u>	<u>7,967</u>
		<u><u>19,314</u></u>	<u><u>13,137</u></u>

NON-CURRENT

Secured liabilities

Finance lease liability	18	82,142	24,426
Hire purchase liability	18	<u>-</u>	<u>13,220</u>
		<u><u>82,142</u></u>	<u><u>37,646</u></u>

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.

NOTE 13: PROVISIONS

CURRENT

Employee benefits - annual leave	13(a)	<u>32,764</u>	<u>31,716</u>
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NON-CURRENT

Employee benefits - long service leave	13(a)	<u>17,403</u>	<u>15,902</u>
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(a) Aggregate employee benefits liability		<u><u>50,167</u></u>	<u><u>47,618</u></u>
(b) Number of employees at year end		<u><u>7</u></u>	<u><u>6</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

NOTE 14: RESERVES

Asset revaluation reserve	(a)	169,382	-
General reserve	(b)	<u>1,112,300</u>	<u>1,112,300</u>
		<u>1,281,682</u>	<u>1,112,300</u>

(a) Asset Revaluation Reserve

Movements during the financial year:

Opening balance	-	2,424,943
Revaluation of available-for-sale assets	169,382	-
Transfer to retained profits	<u>-</u>	<u>(2,424,943)</u>
Closing balance	<u>169,382</u>	<u>-</u>

The asset revaluation reserve records revaluations of non-current assets and the movements in available-for-sale 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.

NOTE 15: RETAINED EARNINGS

Retained profits at the beginning of the financial year	3,831,474	268,321
Net profit (loss) attributable to members of the entity	68,572	1,138,210
Transfers from reserves	<u>-</u>	<u>2,424,943</u>
Retained profits at the end of the financial year	<u>3,900,046</u>	<u>3,831,474</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	254,326	340,004
At call deposits with financial institutions	<u>205,401</u>	<u>1,973,368</u>
	<u>460,777</u>	<u>2,314,422</u>

(b) Reconciliation of cash flow from operations with profit after income tax

Profit (Loss) after income tax	68,572	1,138,210
Non-cash flows in profit from ordinary activities		
Depreciation	69,129	59,543
Charges to provisions	1,139	14,920
(Profit) / loss on disposal of property, plant and equipment	4,356	(1,160,085)
Changes in assets and liabilities		
(Increase)/decrease in receivables	(146,298)	35,844
(Increase)/decrease in other assets	(6,503)	300,530
Other non cash expenses	3,392	-
Decrease in payables	(28,200)	(332,514)
Decrease in interest-bearing liabilities	<u>-</u>	<u>(449,036)</u>
Cash flows from operations	<u>(34,413)</u>	<u>(392,588)</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

NOTE 17: FINANCIAL INSTRUMENTS

Risk management policies

VANA Limited's principal financial instruments comprise cash and short-term deposits. During the year the company invested \$1,800,000 in managed trusts through Portfolio Care. These funds are managed by third parties to achieve the growth targets set by the board. Portfolio Care reports quarterly to the Board.

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 Interest Rate		Fixed Interest Rate Maturing				Floating Interest Rate	
	2007	2006	Within 1 Year		1 to 5 Years		2007	2006
	%	%	\$	\$	\$	\$	\$	\$
Financial Assets:								
Cash	5.50	5.20	205,401	1,973,368	-	-	254,326	340,004
Receivables	-	-	-	-	-	-	-	-
Available-for-sale assets	15.49	-	-	-	-	-	1,969,382	-
Total Financial Assets			<u>205,401</u>	<u>1,973,368</u>	<u>-</u>	<u>-</u>	<u>2,223,708</u>	<u>340,004</u>
Financial Liabilities:								
Trade and sundry creditors	-	-	-	-	-	-	-	-
Lease liabilities	8.23	8.23	82,642	5,170	18,814	24,426	-	-
Hire purchase liabilities	6.40	6.40	-	7,967	-	13,220	-	-
Total Financial Liabilities			<u>82,642</u>	<u>13,137</u>	<u>18,814</u>	<u>37,646</u>	<u>-</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

NOTE 17: FINANCIAL INSTRUMENTS (Continued)

	Non Interest Bearing		Total	
	2007	2006	2007	2006
	\$	\$	\$	\$
Financial Assets:				
Cash	1,050	1,050	460,777	2,314,422
Receivables	44,849	81,222	44,849	81,222
Available-for-sale assets	-	-	1,969,382	-
Total Financial Assets	45,899	82,272	2,475,008	2,395,644
Financial Liabilities:				
Trade and sundry creditors	126,914	155,114	126,914	155,114
Lease liabilities	-	-	101,456	29,596
Hire purchase liabilities	-	-	-	21,187
Total Financial Liabilities	126,914	155,114	228,370	205,897

(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 financial instruments 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
NOTE 18: CAPITAL AND LEASING COMMITMENTS			
(a) Finance leasing commitments			
Payable			
- not later than one year		27,795	35,437
- later than one year and not later than five years		<u>94,246</u>	<u>-</u>
Minimum lease payments		122,041	35,437
Less future finance charges		<u>(20,585)</u>	<u>(5,841)</u>
Total finance lease liability		<u><u>101,456</u></u>	<u><u>29,596</u></u>
Represented by:			
Current liability	12	19,314	5,170
Non-current liability	12	<u>82,142</u>	<u>24,426</u>
		<u><u>101,456</u></u>	<u><u>29,596</u></u>
(b) Hire purchase commitments			
Payable			
- not later than one year		<u>-</u>	<u>22,446</u>
Minimum hire purchase payments		-	22,446
Less future finance charges		<u>-</u>	<u>(1,259)</u>
Total hire purchase liability		<u><u>-</u></u>	<u><u>21,187</u></u>
Represented by:			
Current liability	12	-	7,967
Non-current liability	12	<u>-</u>	<u>13,220</u>
		<u><u>-</u></u>	<u><u>21,187</u></u>
NOTE 19: EQUITY			
Total equity at the beginning of the financial year		4,943,774	3,805,564
Total changes in equity recognised in the income statement		68,572	1,138,210
Total changes in equity resulting from asset revaluation reserve		<u>169,382</u>	<u>-</u>
Total equity at the reporting date		<u><u>5,181,728</u></u>	<u><u>4,943,774</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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	Note	2007 \$	2006 \$
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:			
\$0 - \$9,999		No. 9	No. 9

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

Mr R McKinnis
 Mr R Wade
 Mr B Thomson
 Mr G Tribe
 Mr G Wescombe (resigned 28 November 2006)
 Mr P Kennedy
 Ms K McDonald
 Mr C Lawlor (appointed 28 November 2006)
 Ms K McDonald
 Mr D Negri (appointed 28 November 2006)

NOTE 21: 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 Wade, Mr B Thomson, Mr G Tribe, Mr G Wescombe (resigned 28 November 2006), Mr P Kennedy, Ms K McDonald, Mr C Lawlor (appointed 28 November 2006) and Mr D Negri (appointed 28 November 2006).

Other key management personnel identified as meeting the definition of Key Management Personnel during the year included: Mr P Cowley (Chief Executive Officer), Ms Browyn Roney, Ms Jillian Cain (resigned 18 August 2006), Mr Trevor Barnett and Mrs Corinne Ioannou. All of the above were key management personnel during the year ended 30 June 2007.

(b) Directors are not paid any remuneration, rather they are reimbursed for costs incurred in discharging their duties as directors. The aggregate paid are disclosed in the Income Statement.

(c) Compensation of Key Management personnel

Short term	242,048	301,319
Post employment	<u>48,327</u>	<u>31,512</u>
	<u><u>290,375</u></u>	<u><u>332,831</u></u>

NOTE 22: MEMBERS' GUARANTEE

The company is limited by guarantee. If the company is wound up, the articles of association state that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the company. At 30 June 2007 the number of members was 493 (2006: 489).

VANA LIMITED
ABN 38 004 238 644

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

NOTE 23: COMPANY DETAILS

The registered office of the company is:

VANA Limited
806 - 810 Nicholson Street
North Fitzroy
Melbourne Victoria 3068

VANA LIMITED
ABN 38 004 238 644

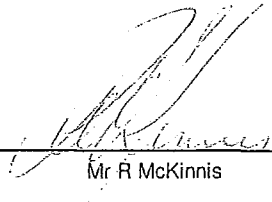
DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 25 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 2007 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.

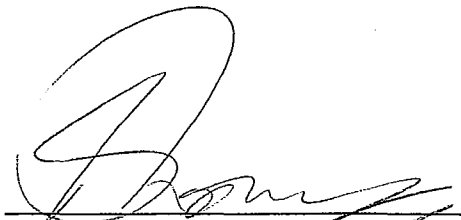
This declaration is made in accordance with a resolution of the directors.

Director



Mr R McKinnis

Director



Mr B Thomson

Dated this 23 day of October 2007

VANA LIMITED
ABN 38 004 238 644

COMMITTEE OF MANAGEMENT STATEMENT

On 23 October 2007 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 2007:

1. The directors, having been advised accordingly by the Chief Executive Officer in a letter dated 23rd October 2007, 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 23 day of October 2007



**Independent auditor's report to the members of
VANA Limited**

Report on the financial report

We have audited the accompanying financial report of VANA Limited which comprises the balance sheet as at 30 June 2007, and the operating statement, statement of recognised income and expenses and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the committee of management statement.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Corporations Act 2001* and the requirements imposed by Part 3 of Chapter 8 of Schedule 1B of the *Workplace Relations Act 1996*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards and the *Workplace Relations Act 1996*. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.


We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Level 1 160 Queen Street Melbourne VIC 3000 GPO Box 2950 Melbourne VIC 3001 DX 154 Melbourne Tel: +61 3 9606 3888 Fax: +61 3 9606 3800
Email: mailbox@hlbvic.com.au Website: www.hlbvic.com.au

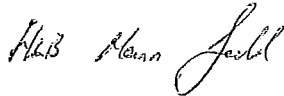
HLB Mann Judd (VIC Partnership)

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

Auditor's opinion on the financial report

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



Jude Lau
Partner

23 October 2007
Melbourne

Member of the Australian Society of Certified Practising Accountants
Holder of a Public Practice Certificate

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 2007.

Membership

At 30 June 2007 VANA Limited had 493 (2006: 489) members.

Office Structure

VANA Limited employed 7 (2006: 6) full-time staff members during the year ended 30 June 2007. VANA Limited staff members continue to hold specific responsibilities through key portfolios. Staff report to the Chief 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 the last AGM of VANA Limited there has been the following changes in staff:

- The corporate services officer resigned and left in July 2007.

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

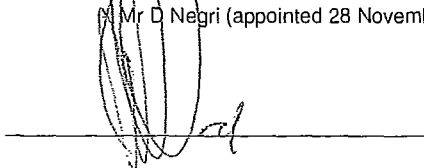
No directors of VANA Limited are trustees for superannuation funds offered to its membership. Contributions for employees are made to superannuation funds, which are totally independent of VANA Limited.

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 B Thomson
- Mr G Tribe
- Mr G Wescombe (retired 28 November 2006)
- Mr P Kennedy
- Ms K McDonald
- Mr C Lawlor (appointed 28 November 2006)
- Mr D Negri (appointed 28 November 2006)

Finance Director and Company Secretary



Dated this 23 day of October 2007

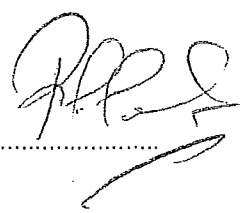
VANA LIMITED
ABN 38 004 238 644

COMMITTEE OF MANAGEMENT STATEMENT

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- 1. The directors, having been advised accordingly by the Chief Executive Officer in a letter dated 23rd October 2007, 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 23 day of October 2007

**Independent auditor's report to the members of
VANA Limited**

Report on the financial report

We have audited the accompanying financial report of VANA Limited which comprises the balance sheet as at 30 June 2007, and the operating statement, statement of recognised income and expenses and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the committee of management statement.

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Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards and the *Workplace Relations Act 1996*. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion on the financial report

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



Jude Lau
Partner

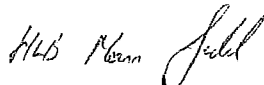
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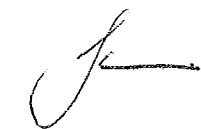
**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001*
TO THE DIRECTORS OF VANA LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2007 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



Jude Lau
Partner

23 October 2007
Melbourne