11 February 2021

Mr Ron Thorpe
Treasurer
VANA Limited

By e-mail: General@vana.com.au

Dear Mr Thorpe

VANA Limited
Financial Report for the year ended 30 June 2020 - FR2020/88

I acknowledge receipt of the financial report for the year ended 30 June 2020 for VANA Limited (**the reporting unit**). The financial report was lodged with the Registered Organisations Commission (**ROC**) on 6 January 2021.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

Whilst the 2020 report has been filed the following should be addressed in the preparation of the next financial report.

1. Timescale requirements

As you are aware, an organisation is required under the RO Act to undertake certain steps in accordance with specified timelines. Information about these timelines can be found on the ROC website. In particular, I draw your attention to the fact sheet titled 'Financial reporting process' which explains the timeline requirements, and the fact sheet titled 'Summary of financial reporting timelines' which sets out the timelines in diagrammatical format.

I note that the following timescale requirements were not met:

<u>Documents must be lodged with ROC within 14 days after general meeting of members</u>

Section 268 of the RO Act requires a copy of the full report and the designated officer's certificate to be lodged with the ROC within 14 days after the general meeting of members referred to in section 266.

The designated officer's certificate indicates that this meeting occurred on 16 December 2020. If this is correct the documents should have been lodged with the ROC by 30 December 2020.

The full report was not lodged until 6 January 2021.

If this date is correct, the organisation/branch should have applied to the Commissioner for an extension of time to allow a longer period to lodge the required documents.

Please note that section 268 is a civil penalty provision.

2. General Purpose Financial Report (GPFR)

Investment property disclosures

Australian Accounting Standard AASB 101 *Presentation of Financial Statements* paragraph 117 states:

> An entity shall disclose in the summary of significant accounting policies:
>
> (a) the measurement basis (or bases) used in preparing the financial statements; and
>
> (b) the other accounting policies used that are relevant to an understanding of the financial statements.

The lease of the investment policy is considered to be a significant item for the reporting entity. Therefore, in accordance with AASB 101, the accounting policy in respect to leases should be reflected in Note 1 ‘Summary of Significant Accounting Policies’.

Furthermore Australian Accounting Standard AASB 16 *Leases* paragraph 97 requires the following disclosure:

> A lessor shall disclose a maturity analysis of lease payments, showing the undiscounted lease payments to be received on an annual basis for a minimum of each of the first five years and a total of the amounts for the remaining years.

AASB 15 - Separate disclosure of revenue from contracts with customers

Australian Accounting Standard AASB 15 *Revenue from Contracts with Customers* paragraph 113(a) requires an entity to disclose revenue from contracts with customers separately unless already disclosed separately in the statement of comprehensive income.

It appears that no such disclosure has been made.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 9603 0707 or by email at ken.morgan@roc.gov.au

Yours faithfully

K. Morgan

KEN MORGAN
Financial Reporting Specialist
Registered Organisations Commission

VANA Ltd

s.268 *Fair Work (Registered Organisations) Act 2009*

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER[1]

Certificate for the period ended 30th June 2020

I Ron Thorpe being the Treasurer of the VANA Ltd certify:

- that the documents lodged herewith are copies of the full report for the *VANA Ltd* for the period ended 30th June 2020 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and

- that the *full report*[2] was provided to members of the reporting unit on 24th November 2020 and

- that the full report was presented to *a general meeting of members* of the reporting unit on the 16th December 2020 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:

Name of prescribed designated officer: RON THORPE

Title of prescribed designated officer: TREASURER

Dated: 6th January 2021

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1 Regulation 162 of the Fair Work (Registered Organisations) Regulations 2009 defines a 'prescribed designated officer' of a reporting unit for the purposes of s.268(c) 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 Adjust certificate as appropriate to reflect the facts.

Vana Ltd and Controlled Entities

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Financial Report

For the Year Ended 30 June 2020

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Financial Report

For the Year Ended 30 June 2020

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Directors' and Operating Report

30 June 2020

The directors present their report, together with the financial statements of the Group, being the Vana Ltd and its controlled entities, for the year ended 30 June 2020.

(a) General Information

Information on directors

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

Mr Chris Percora

Experience	Newsagent for 34 years - Chairperson from November 2016
Special responsibilities	Chairperson

Mrs K McDonald

Experience	Newsagent for 22 years
Special responsibilities	Vice Chairperson

Mr L Liu

Experience	Newsagent for 17 years
Special responsibilities	Non-Executive Director

Mr I Casagranda

Experience	Newsagent for 24 years
Special responsibilities	Non-Executive Director

Mr Gerard Attwood

	Newsagent for 17 years
Special Responsibilities	Non-Executive Director

Mr B McKay

Experience	Newsagent for 10 years
Special responsibilities	Non-Executive Director Resigned 31/3/2020

Mr R Thorpe

Experience	Retired 15 years ago from Hallmark after 42 years, remains involved in the industry on a consulting basis.
Special responsibilities	Non-Executive Director, Company Secretary, Treasurer

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

The principal activity of the Group during the financial year was to operate as an industry member association. A review of the operations of the Group during the financial year and the results of those operations found that during the year, VANA Limited 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 Limited has provided support, advice, and information over a wide range of membership services. We have kept members informed on key industry issues via information bulletins, the VANA Limited website and multiple communications via various forms of electronic media. The virtual "How to Improve your income" meetings continue to be well attended by members. The Company continues to investigate and negotiate partnerships for newsagents in a variety of arenas and lobbying to represent newsagents' interests at a state and national level. Some large-scale commercial arrangements have been put in place, along with business growth in and around the Digital Screen Network and the Nparcel network.

(a) General Information

The continuance of significant partnerships with Nine (FairFax) and Ladbrokes continues to ensure our financial stability. New fresh partnerships with Tabcorp and Newscorp and an exciting new arrangement with Amazon were also were brokered by VANA.

Along with the growth of the Nparcel platform, VANA Ltd continues to drive significant commercial opportunities for its members and the wider industry. During the year, VANA Ltd continued delivering opportunities through Nadvert for the channel in the advertising space. Our expectations are that this platform will continue to grow in the 2020/21 financial year.

Short term objectives

The Group's short-term objective is to continue servicing its members' needs to ensure their viability and operational requirements and their relevance to the consumer.

Long term objectives

The Group's long-term objectives are to ensure the future and enhancement of the newsagency channel and protection of members' business and goodwill through government lobbying, supplier negotiations, member training and engagement. Extensive consultation is being conducted with the publishers regarding the proposed changes to distribution. Adding to this, the commercial growth of Nparcel & Nadvert continues to provide new revenue streams to the Group's members and the wider industry.

All this being achieved in a financially responsible manner.

Strategy for achieving the objectives

VANA continues to engage with News Limited, Nine executives, Are, Ovato and Blueshyft to further develop increased revenue and promotional activity. Nparcel and Amazon is a leading parcel services network, focused on delivering exceptional customer experience. It is continuing to grow rapidly as it includes a greater variety of services from courier transport to e-leisure services.

We continue to concentrate on member issues providing valuable assistance and mentoring where required. With VANA exploring new opportunities in the advertising space, Nadvert has been created to take advantage of the burgeoning out of home advertising market bringing new revenue streams to the newsagency channel throughout Australia.

Performance measures

During the year specific efforts were directed towards VANA members via improved electronic communications in a focused approach to work with members providing advice, coaching and mentoring. This will continue with an increased focus in the coming years. Additional resources were provided to improve VANA office support services as well.

Vana Ltd and Controlled Entities

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Directors' and Operating Report

30 June 2020

(a) General Information

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

To the best of the Directors' knowledge, no directors or members of VANA Limited acted as trustee of a superannuation entity or an exempt public sector superannuation scheme; or are directors of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme. Contributions for employees are made to superannuation funds, which are totally independent of VANA Limited.

Office Structure

Total number of full-time equivalent employees employed with VANA Limited at the end of the financial year was 3.65

Membership

At 30 June 2020, VANA Limited had 372 members

Members guarantee

Vana Ltd is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each members and any person or association who ceased to be a member in the year prior to the winding up, is limited to $ 10 for members that are corporations and $ 10 for all other members, subject to the provisions of the company's constitution.

At 30 June 2020 the collective liability of members was $ 3,720.

(b) Operating results and review of operations for the year

Operating results

The consolidated loss of the Group amounted to $ (51,533)

Review of operations

A review of the operations of the Group during the financial year and the results of those operations found that during the year, the Group continued to engage in its principal activity, the results of which are discussed in the attached financial statements.

(c) Other items

Significant changes in state of affairs

A National Body was formed during the year, of which Vana is its sole member.

Company secretary

The following person held the position of Group secretary at the end of the financial year:

Ron Thorpe has been the company secretary since 14 December 2011.

Matters or circumstances arising after the end of the year

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

Current Year Development

NLNA was established on 25/2/2020 of which VANA is its sole member. NLNA was established to represent newsagents at a national level, with partners and governments to provide leadership and industry partnerships and a greater voice for members.

Environmental matters

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

Meetings of directors

During the financial year, 11 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Mr Chris Percora	11	9
Mrs K McDonald	11	11
Mr L Liu	11	8
Mr I Casagranda	11	9
Mr R Thorpe	11	8
Mr G Attwood	11	11
Mr B McKay	6	5

Vana Ltd and Controlled Entities

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Directors' and Operating Report

30 June 2020

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2020 has been received and can be found on page 6 of the financial report.

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

Director: .... Director: ....

Dated this ....23.............. day of ....November.............. 2020

SAWARD DAWSON

Vana Ltd and Controlled Entities

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Auditor's Independence Declaration to the Directors of Vana Ltd and Controlled Entities

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020, 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.

Saward Dawson

Saward Dawson Chartered Accountants

Peter Shields

Peter Shields
Partner
Blackburn

Dated: 23 November 2020

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T +61 3 9894 2500 F +61 3 9894 1622
contact@sawarddawson.com.au
sawarddawson.com.au

Vana Ltd and Controlled Entities

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Expenditure Report Required under Subsection 255(2A)

For the Year Ended 30 June 2020

The Board of Directors presents the expenditure report as required under subsection 255(2A) on the Group for the year ended 30 June 2020.

Categories of expenditure	**2020 $**	**2019 $**
Remuneration and other employment-related costs and expenses - employees	547,596	426,179
Advertising	-	-
Operating costs*	532,174	548,456
Donations to political parties	-	-
Legal costs	21,900	5,375

*Operating costs equate to the total expenses for the year less finance cost, doubtful debts and depreciation.

Signed in accordance with a resolution of the directors

Director: ....

Dated: 23 November 2020

Vana Ltd and Controlled Entities

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2020

	Note	2020 $	2019 $
Revenue	2	**1,050,841**	982,009
Other income	2	**177,796**	700,000
Employee benefits expense	3	**(547,596)**	(426,179)
Commissions to Newsagent		**(212,102)**	(186,139)
Event expenses		**(43,693)**	(85,569)
Professional services expenses		**(55,533)**	(37,246)
Occupancy expenses		**(12,718)**	(63,245)
Motor vehicle expenses		**(22,957)**	(14,286)
Insurance expenses		**(5,277)**	(9,237)
Conference and meeting expenses		**(13,002)**	(6,718)
Finance costs	3(c)	**(37,325)**	(33,503)
Depreciation and amortisation expense		**(132,613)**	(128,764)
Bad and Doubtful debt expense	5(a)	**(8,880)**	(19,712)
Donation expense	3(e)	**(115)**	(47)
Legal expense	3(b)	**(21,900)**	(5,375)
Other operating expenses		**(166,459)**	(145,969)
Surplus/(Deficit) for the year		**(51,533)**	520,020
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss		**-**	-
Total comprehensive income for the year		**(51,533)**	520,020

The accompanying notes form part of these financial statements.

Vana Ltd and Controlled Entities

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Statement of Financial Position

As at 30 June 2020

	Note	2020 $	2019 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	**6,967**	19,481
Trade and other receivables	5	**141,078**	160,555
Other assets	9	**57,227**	44,208
TOTAL CURRENT ASSETS		**205,272**	224,244
NON-CURRENT ASSETS			
Financial assets	10	**2**	2
Property, plant and equipment	6	**1,159,107**	1,282,840
Investment property	8	**3,600,000**	3,600,000
Intangible assets	7	**5,221**	6,845
TOTAL NON-CURRENT ASSETS		**4,764,330**	4,889,687
TOTAL ASSETS		**4,969,602**	5,113,931
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	**312,811**	296,882
Borrowings	12	**593,609**	618,701
Employee benefits	13	**16,611**	10,654
Other liabilities	14	**115,762**	129,114
TOTAL CURRENT LIABILITIES		**1,038,793**	1,055,351
NON-CURRENT LIABILITIES			
Borrowings	12	**-**	86,212
Employee benefits	13	**9,974**	-
TOTAL NON-CURRENT LIABILITIES		**9,974**	86,212
TOTAL LIABILITIES		**1,048,767**	1,141,563
NET ASSETS		**3,920,835**	3,972,368
EQUITY			
Reserves	20	**1,271,637**	1,271,637
Retained Earnings		**2,649,198**	2,700,731
TOTAL EQUITY		**3,920,835**	3,972,368

The accompanying notes form part of these financial statements.

Vana Ltd and Controlled Entities

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Statement of Changes in Equity

For the Year Ended 30 June 2020

2020

	Retained Earnings	Asset Revaluation Surplus	General Reserve	Total
	$	$	$	$
Balance at 1 July 2019	**2,700,731**	**159,337**	**1,112,300**	**3,972,368**
Deficit for the year	**(51,533)**	**-**	**-**	**(51,533)**
Balance at 30 June 2020	**2,649,198**	**159,337**	**1,112,300**	**3,920,835**

2019

	Retained Earnings	Asset Revaluation Surplus	General Reserve	Total
	$	$	$	$
Balance at 1 July 2018	2,180,711	159,337	1,112,300	3,452,348
Surplus for the year	520,020	-	-	520,020
Balance at 30 June 2019	2,700,731	159,337	1,112,300	3,972,368

The accompanying notes form part of these financial statements.

Vana Ltd and Controlled Entities

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Statement of Cash Flows

For the Year Ended 30 June 2020

	Note	2020 $	2019 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from member subscriptions & other operating receipts		**1,360,575**	1,086,727
Payments to suppliers and employees		**(1,291,855)**	(1,099,028)
Interest received		**-**	871
Borrowing costs		**37,325**	(33,503)
Net cash provided by/(used in) operating activities	19	**106,045**	(44,933)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payment for property, plant, equipment and intangibles		**(7,255)**	(345,993)
Net cash used by investing activities		**(7,255)**	(345,993)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net proceeds from/(repayments of) borrowings		**(60,828)**	282,988
Net cash used by financing activities		**(60,828)**	282,988
Net increase/(decrease) in cash and cash equivalents held		**37,962**	(107,938)
Cash and cash equivalents at beginning of year		**(31,012)**	76,926
Cash and cash equivalents at end of financial year	4	**6,950**	(31,012)

The accompanying notes form part of these financial statements.

The financial report include the consolidated financial statements and notes of VANA Limited ("The Company") and controlled entities ('the Group') and the separate financial statements and notes of VANA Limited as an individual parent entity ("Parent"), incorporated and domiciled in Australia. VANA Limited is a not-for-profit Group limited by guarantee.

The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

1 Summary of Significant Accounting Policies

(a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, the *Corporations Act 2001* and the *Fair Work (Registered Organisation) Act 2009*.

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

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting period unless otherwise stated.

(b) Comparative figures

When required by Australian Accounting Standards and the Fair Work (Registered Organisation) Act 2009, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(c) Principles of consolidation

The consolidated financial statements include the financial position and performance of its controlled entities from the date on which control is obtained until the date that control is lost. The parent entity controls an entity where it is exposed to, or has rights to variable returns from its investment with the entity and has the ability to affect those returns through its power over the entity.

VANA Limited obtained controls of its controlled entities since incorporation and they are not branches of VANA Limited. Hence the controlled entities are not classified as a reporting units under the definition of s.242 of the Fair Work (Registered Organisation) Act 2009.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities of the group have been eliminated in full for the purpose of these consolidated financial statements.

Appropriate adjustments have been made to a controlled entity's financial statements, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

A list of controlled entities is contained in Note 18 to the financial statements.

1 Summary of Significant Accounting Policies

(d) Revenue

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer

2. Identify the performance obligations

3. Determine the transaction price

4. Allocate the transaction price to the performance obligations

5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Group have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

When the Group received operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the Group:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Group:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9, AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Group recognises income in profit or loss when or as it satisfies its obligations under the contract.

1 Summary of Significant Accounting Policies

(d) Revenue

The key changes to the Group's accounting policies and the impact on these financial statements from applying AASB 15 and AASB 1058 are described below.

Conference registration and CPD events income

The Group recognises revenue at the conclusion of the conference and CPD events, when the event has been delivered to the participants.

Government grant

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Interest revenue

Interest is recognised using the effective interest method.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Rental income

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the subscription period which is based on the financial year. Any amounts received for future subscription years are recognised as unearned income.

1 Summary of Significant Accounting Policies

(d) Revenue

Commission and management fees

Commission and management fees are recognised when the right to receive the revenue has been established.

Other revenue

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

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

(e) Property, plant and equipment

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

Cost includes purchase price, other than directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in most cases, the straight-line method of depreciation. However, motor vehicles are depreciated on diminishing balance method as it reflects the asset's future economic benefits are expected to be consumed by the group.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

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

Fixed asset class	Depreciation Rate
Buildings	2.5%
Plant and Equipment	10% - 30%
Motor Vehicles	20%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

1 Summary of Significant Accounting Policies

(f) Investment property

Investment property, comprising freehold land and buildings, is held to generate long-term rental yields and capital growth. All tenant leases are on an arm's length basis.

Investment property is carried at fair value, determined by an independent valuer who has recognised and appropriate professional qualifications and recent experience in the location and category of investment property being valued. Fair values are determined by the valuer using market information, including prices for similar properties in comparable locations. The fair value of an investment property is the amount for which the asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

No depreciation charged on investment property.

Changes to fair value are recorded in the consolidated statement of profit or loss as other income/expenses, in the period in which they occur.

(g) Impairment of non-financial assets

At the end of each reporting period the Group determines whether there is an evidence of an impairment indicator for non-financial assets. Where this indicator exists, the recoverable amount of the asset is estimated and an impairment adjustment is made in all cases where the recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset.

Where the future economic benefit of an asset is not primarily dependent on the ability of the asset to generate future cash flows and the assets would be replaced if the Group were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

(h) Financial instruments

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (**SPPI**) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

1 Summary of Significant Accounting Policies

(h) Financial instruments

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the [*reporting unit*] commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income
- Financial assets at fair value through profit or loss
- Financial assets designated at fair value through profit or loss

Financial assets at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables and loans to related parties.

De-recognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either:
  - (a) the Group has transferred substantially all the risks and rewards of the asset, or
  - (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

1 Summary of Significant Accounting Policies

(h) Financial instruments

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment of financial assets - *Trade receivables*

For trade receivables that do not have a significant financing component, the Group applies a simplified approach in calculating expected credit losses (**ECLs**) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(i) Intangibles

Trademarks

Trademarks are recognised at cost of acquisition. Trademarks have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Trademarks are amortised over their useful lives of 10 years.

Software

Software is recorded at cost. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between three and five years.

Amortisation

Amortisation is based on the cost of an asset less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

1 Summary of Significant Accounting Policies

(j) Employee benefits

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

Liabilities for short-term employee benefits (as defined in AASB 119 Employee Benefits) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

(k) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within short-term borrowing in current liabilities on the consolidated statement of financial position.

(l) Financial assets

Non-current investments held in Newspower (Australia) Pty Ltd are measured using 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 based on the underlying net assets of the investment company.

(m) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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

Cash flows in the consolidated statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows included in receipts from members or payments to suppliers.

(n) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

1 Summary of Significant Accounting Policies

(o) Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

(p) Finance costs

Finance cost includes all interest-related expenses, other than those arising from financial assets at fair value through profit or loss.

(q) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of the future events and are based on current trends and economic data, obtained both externally and within the Group.

(i) Key Estimates - Impairment of plant and equipment

The Group assesses impairment at the end of each reporting period by evaluating conditions specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

(ii) Key Judgment - provision for impairment of receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date and is estimated by considering the ageing of receivables, communication with the debtors and prior history.

(iii) Key Estimates - Change in accounting estimates

The Group changed its accounting estimates relating to depreciation method for motor vehicles from 1 July 2019 onwards. The depreciable amount of motor vehicles have changed its depreciation method from straight-line to diminishing balance as this better reflects the group's expected pattern of consumption of the asset’s future economic benefits.

1 Summary of Significant Accounting Policies

(r) Adoption of new Australian Accounting Standard requirements

The Group has adopted all standards which became effective for the first time at 30 June 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group

AASB 15: Revenue from Contracts with Customers

AASB 15 Revenue from Contracts with Customers supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. AASB 15 also includes implementation guidance to assist not-for-profit entities to determine whether particular transactions, or components thereof, are contracts with customers. If a transaction is outside the scope of AASB 15, the recognition and measurement of income arising from the transaction may instead be specified by another Standard, for example AASB 1058 Income of Not-for-Profit Entities.

AASB 1058 replaces the income recognition requirements in AASB 1004 Contributions that had previously applied to the Group. AASB 1058 provides a more comprehensive model for accounting for income of not-for-profit entities and specifies that:

- the timing of revenue or income recognition will depend on whether a performance obligation is identified or a liability is recognised;
- not-for-profit lessees can elect to recognise assets, including leases provided at significantly less than fair value, at their fair value; and
- all not-for-profit entities can elect to recognise volunteer services at fair value if the fair value of those services can be reliably measured.

The adoption of AASB 15 and AASB 1058 did not have a material impact on the Group's financial statements

AASB 16: Leases

AASB 16: Leases has come into effect at 1 July 2019 and has no impact on the Group.

In the prior year, the chattel and goods mortgages were reported as finance leases. The Group has reclassified chattel and goods mortgages from finance leases to borrowings as these mortgages do not meet the definition of lease contract under AASB 16.

2 Revenue and Other income

	2020	2019
	$	$
Revenue		
- Member subscriptions	**245,395**	248,509
- License fee received	**25,000**	50,000
- Commission income	**147,638**	126,403
- Reversal of income over-recognised in prior year	**(21,350)**	-
- Special events revenue	**113,790**	81,857
- Rental revenue	**216,873**	214,154
- Advertising revenue	**316,980**	254,012
- Interest revenue	**-**	871
- Other revenue	**6,515**	6,203
- Capitation fees	**-**	-
- Levy fee	**-**	-
- Donations and grants revenue	**-**	-
- Financial support income	**-**	-
- Revenue from recovery of wages activity	**-**	-
Total revenue	**1,050,841**	982,009
Other income		
- Land tax refund	**71,505**	-
- Gain on revaluation of investment property	**-**	700,000
- Government funding	**106,291**	-
Total other income	**177,796**	700,000
Total Revenue	**1,228,637**	1,682,009

3 Results from Ordinary Activities

(a) Employee Expense

	2020	2019
	$	$
Office holders		
Wages and Salaries	**187,630**	153,104
Superannuation	**17,081**	14,406
Leave entitlements	**15,357**	7,405
Separation and redundancies	**-**	-
Other employee expenses	**4,289**	6,091
Subtotal employee expenses- holders of office	**224,357**	181,006
Employees (including contract staff) other than office holders:		
Wages and salaries	**253,863**	197,134
Superannuation	**26,138**	20,303
Leave entitlements	**33,614**	18,355
Separation and redundancies	**-**	-
Fringe benefit tax	**6,744**	5,586
Other employee expenses	**2,880**	3,795
Subtotal employee expenses- employees other than office holders	**323,239**	245,173
Total employee benefit expenses	**547,596**	426,179

(b) Legal expense

	2020	2019
Litigation fees	**-**	-
Other legal matters	**21,900**	5,375
Total legal expense	**21,900**	5,375

(c) Finance cost

	2020	2019
Chattel and goods mortgage interest	**8,460**	13,744
Overdrafts/loans	**28,865**	19,759
Total finance costs	**37,325**	33,503

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Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Results from Ordinary Activities

(d) Remuneration of auditors

	2020	2019
	$	$
Audit services	**19,800**	18,300
Other services	**4,800**	4,500
	24,600	22,800

(e) Donations and grants expense

	2020	2019
Grants		
Total paid that were $1,000 or less	-	-
Total paid that exceeded $1,000	-	-
Total grants	-	-
Donations		
Total paid that were $1,000 or less	**115**	47
Total paid that exceeded $1,000	-	-
Total donations	**115**	47

(f) Other expenses disclosure

	2020	2019
Commission charged on collection of subscriptions	-	-
Levy expenses	-	-
Affiliation fees	-	-
Capitation fees	-	-
Consideration to employers for payroll deductions	-	-
Fees/allowances - meetings and conferences	-	-
Penalties- via RO Act or RO Regulations	-	-

4 Cash and Cash Equivalents

		2020 $	2019 $
Cash at bank and in hand		**6,967**	19,481
		6,967	19,481

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

		2020 $	2019 $
Cash and cash equivalents		**6,967**	19,481
Bank overdrafts	12	**(17)**	(50,493)
Balance as per statement of cash flows		**6,950**	(31,012)

5 Trade and other receivables

		2020 $	2019 $
CURRENT			
Trade receivables		**184,550**	204,147
Provision for impairment	(a)	**(52,472)**	(43,592)
Other receivables		**9,000**	-
		141,078	160,555

(a) Impairment of receivables

The movement in the allowance of expected credit losses of trade and other receivable is as follows:

	2020 $	2019 $
Balance at beginning of the year	**(43,592)**	(39,102)
Provision for expected credit loss	**(8,880)**	(19,712)
Write-offs	**-**	15,222
Balance at end of the year	**(52,472)**	(43,592)

(b) Collateral held as security

The Group does not hold any collateral over any receivables balances.

6 Property, plant and equipment

	2020	2019
	$	$
LAND AND BUILDINGS		
At valuation	**729,000**	729,000
Less accumulated depreciation	**(44,136)**	(29,923)
Total land and buildings	**684,864**	699,077
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	**811,671**	804,416
Less accumulated depreciation	**(352,615)**	(239,636)
Total plant and equipment	**459,056**	564,780
Motor vehicles - mortgage		
At cost	**81,359**	81,359
Less accumulated amortisation	**(66,172)**	(62,376)
Total motor vehicles	**15,187**	18,983
Total plant and equipment	**474,243**	583,763
Total property, plant and equipment	**1,159,107**	1,282,840

6 Property, plant and equipment

Movements in carrying amounts of property, plant and equipment

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

Consolidated	Land and Buildings $	Plant and Equipment $	Motor Vehicles $	Total $
Year ended 30 June 2020				
Balance at the beginning of the year	**699,077**	**564,780**	**18,983**	**1,282,840**
Additions	**-**	**7,255**	**-**	**7,255**
Depreciation expense	**(14,213)**	**(112,979)**	**(3,796)**	**(130,988)**
Balance at the end of the year	**684,864**	**459,056**	**15,187**	**1,159,107**

Consolidated	Buildings $	Plant and Equipment $	Motor Vehicles $	Total $
Year ended 30 June 2019				
Balance at the beginning of the year	714,038	314,695	35,255	1,063,988
Additions	-	345,993	-	345,993
Depreciation expense	(14,961)	(95,908)	(16,272)	(127,141)
Balance at the end of the year	699,077	564,780	18,983	1,282,840

The Directors assessed the carrying value of the Group's land and buildings against its market value as at 30 June 2020 and 2019 and concluded that the value of the land and buildings were not materially different to the latest valuation undertaken by Knight Frank on 23 May 2017.

7 Intangible Assets

	2020	2019
	$	$
Patents, trademarks and other rights		
Cost	**16,233**	16,233
Accumulated amortisation and impairment	**(11,012)**	(9,388)
Net carrying value	**5,221**	6,845
Computer software, other		
Cost	**73,785**	73,785
Accumulated amortisation and impairment	**(73,785)**	(73,785)
Net carrying value	**-**	-
Total Intangibles	**5,221**	6,845

(a) Movements in carrying amounts of intangible assets

	Patents, trademarks and other rights	Total
	$	$
Year ended 30 June 2020		
Balance at the beginning of the year	**6,845**	**6,845**
Amortisation	**(1,624)**	**(1,624)**
Closing value at 30 June 2020	**5,221**	**5,221**

	Patents, trademarks and other rights	Total
Year ended 30 June 2019		
Balance at the beginning of the year	8,468	8,468
Amortisation	(1,623)	(1,623)
Closing value at 30 June 2019	6,845	6,845

8 Investment Property

	2020	2019
	$	$
Balance at beginning of year	**3,600,000**	2,900,000
Revaluation	**-**	700,000
Balance at end of the period	**3,600,000**	3,600,000

The property at Brunswick is under an operating lease contract.

The Group carries its investment property at fair value, with movements taken to the Statement of Profit or Loss.

In the 2019 year, the directors' have performed an assessment on the valuation of the investment property, taking into consideration relevant variables and concluded a $700,000 revaluation upwards on the investment property.

9 Other Assets

	2020	2019
CURRENT		
Prepayments	**21,064**	8,695
Security deposit	**36,163**	35,513
	57,227	44,208

10 Other Financial Assets

		2020	2019
NON-CURRENT			
Investment in unlisted shares	10(a)	**2**	2
Total non-current assets		**2**	2

(a) The company holds 2 (2019: 2) fully paid shares in Newspower (Australia) Pty Ltd.

11 Trade and other payables

	Note	2020 $	2019 $
CURRENT			
Trade payables		**221,749**	268,147
Accrued expenses		**91,062**	28,735
Legal fee payable - Litigation		**-**	-
Legal fee payable - Other legal matters		**-**	-
Payable to employers for payroll deductions		**-**	-
		312,811	296,882

12 Borrowings

	Note	2020 $	2019 $
CURRENT			
Secured liabilities:			
Bank loans	(a)	**504,411**	481,111
Bank overdrafts		**17**	50,493
Chattel and goods liabilities	(b)	**89,181**	87,097
Total current borrowings		**593,609**	618,701
NON-CURRENT			
Secured liabilities:			
Chattel and goods liabilities	(b)	**-**	86,212
Total non-current borrowings		**-**	86,212

(a) Mortgage loan

The mortgage facility is secured over the Group's premises as outlined in Note 8 and the carrying value of the secured asset is disclosed in the same note. The total available facility as at 30 June 2020 was $582,500 and the facility is due to expire on 31 August 2021.

(b) Chattel and goods mortgage

The chattel and goods mortgage liabilities are secured by the motor vehicle and equipments to which they relate. The carrying value of the motor vehicles and plant and equipments are disclosed in Note 6 of the financial statements.

(c) Defaults and breaches

During the current and prior year, there were no default or breaches on any of the loans.

13 Provisions

Employee Provisions

	2020	2019
	$	$
Office holders		
Annual leave	7,948	2,913
Long service leave	3,926	-
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions - office holders	11,874	2,913
Employees other than office holders		
Annual leave	8,663	7,741
Long service leave	6,048	-
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—employees other than office holders	14,711	7,741
Total provisions	26,585	10,654

14 Other Liabilities

CURRENT		
Security Deposit	36,163	29,782
Deferred income	79,599	99,332
	115,762	129,114

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Notes to the Financial Statements

For the Year Ended 30 June 2020

15 Financial Risk Management

The Group is exposed to a variety of financial risks through its use of financial instruments.

The Group's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Group is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk - cash flow interest risk

Financial instruments used

The principal categories of financial instrument used by the Group are:

- Trade receivables
- Cash at bank
- Bank overdraft
- Trade and other payables
- Floating rate bank loans
- Equipment loans

Objectives, policies and processes

The board of directors has responsibility for the establishment and oversight of the risk management framework to identify and analyse the risks faced by the Group. The Board reviews and agrees policies for managing each of these risks and undertakes regular monitoring of the performance of its financial assets and liabilities.

Specific information regarding the mitigation of each financial risks to which Group is exposed is provided below.

15 Financial Risk Management

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure is continuously monitored and limits reviewed annually.

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 5. The main source of credit risk to the Group is considered to relate to the class of assets described as "trade and other receivables".

Trade receivables are concentrated in Australia. 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 consolidated statement of financial position and notes to the financial statements.

(b) Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The Group maintains cash and marketable securities to meet its liquidity requirements. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

15 Financial Risk Management

Financial liability maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	$	$	$	$	$	$	$	$
Financial liabilities due for payment								
Trade and other payables (excluding estimated annual leave)	**312,811**	296,882	**-**	-	**-**	-	**312,811**	296,882
Borrowings	**593,609**	618,701	**-**	86,212	**-**	-	**593,609**	704,913
Total contractual outflows	**906,420**	915,583	**-**	86,212	**-**	-	**906,420**	1,001,795

The timing of expected outflows is not expected to be materially different from contracted cash flows.

15 Financial Risk Management

(c) Market risk

Cash flow interest rate sensitivity

The Group is exposed to interest rate risk as funds are borrowed at floating and fixed rates. Borrowings issued at floating rates expose the Group to fair value interest rate risk.

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. At the reporting date, the Group is exposed to changes in market interest rates through its bank borrowings, which are subject to variable interest rates.

Interest rate risk sensitivity analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	2020 $	2019 $
Change in surplus		
- +/- 1% in interest rate	**(4,682)**	(4,456)
Change in equity		
- +/- 1% in interest rate	**(4,682)**	(4,456)

(d) Capital Management

Management controls the capital of the Group to ensure that adequate cash flows are generated to fund its operations and that returns from Investments are maximised. The Board ensures that the overall risk management strategy is in line with this objective. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements. The Group's capital consists of financial liabilities, supported by financial assets.

Management effectively manages the Group's capital by assessing its financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels. There have been no changes to the strategy adopted by management to control the capital of the Group since the previous year. The strategy of the Group is to maintain a gearing ratio to as low as possible.

16 Key Management Personnel Compensation

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, is considered key management personnel. The totals of remuneration paid to key management personnel of the entity and the Group during the year are as follows:

	2020 $	2019 $
Key management personnel compensation:		
- Short-term benefits	**203,350**	166,600
- Post-employment benefits	**17,081**	14,406
- Other long term benefits	**3,926**	-
- Termination benefits	**-**	-
Total	**224,357**	181,006

17 Contingencies

In the opinion of the Directors, the Group did not have any contingencies as at 30 June 2020 (30 June 2019: None)

18 Related Party Transactions

Controlled entities of VANA Ltd:

NParcel Trust - The trust is a discretionary trust and the trustee of the trust is NParcel Pty Ltd. VANA Ltd has ultimate control over the trust and the trustee as VANA Ltd is the appointer of the trust and also owns 100% of the trustee company. Under the trust deed, the sole beneficiary of the trust are the members of VANA Ltd.

NAdvert Trust - The trust is a discretionary trust and the trustee of the trust is NAdvert Pty Ltd. The company is a proprietary company limited by shares. VANA Ltd has ultimate control over the trust and the trustee as VANA Ltd is the appointer of the trust and also owns 100% of the trustee company. Under the trust deed, the sole beneficiary of the trust are the members of VANA Ltd.

National Lotteries News Association - VANA Ltd has ultimate control over the association and VANA Ltd is the sole member of the association.

Transaction with related party

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. The following transactions occurred with related parties:

	2020	2019
	$	$
Management Fees		
Nadvert Pty Ltd	15,680	19,920
Nparcel Pty Ltd	86,320	117,480
National Lotteries News Association	-	-
Receivable at year end		
Nadvert Pty Ltd	469,386	410,016
Nparcel Pty Ltd	206,888	282,678
National Lotteries News Association	51,301	-

Former related party

The Group did not make any payments to a former related party in the current year.

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Notes to the Financial Statements

For the Year Ended 30 June 2020

19 Cash Flow Information

(a) Reconciliation of cash flow from operations with result for the year

	2020	2019
	$	$
Surplus/(Deficit) for the year	**(51,533)**	520,020
Non-cash flows in result		
Depreciation and amortisation	**130,988**	127,141
Amortisation of trademark	**1,624**	1,623
Provision for doubtful debts	**8,880**	19,712
Gains from revaluation of investment property	**-**	(700,000)
Changes in assets and liabilities		
(Increase)/decrease in trade and term receivables	**10,597**	(33,853)
(Increase)/decrease in other assets	**(13,019)**	14,148
Increase/(decrease) in trade payables and accruals	**15,929**	30,043
Increase/(decrease) in provisions	**15,931**	(8,941)
Increase/(decrease) in other liabilities	**(13,352)**	(14,826)
	106,045	(44,933)

(b) Cash flow information

	2020	2019
Cash inflows:		
Nadvert Trust	**20,106**	89,064
Nparcel Trust	**90,855**	138,301
National Lotteries News Association	**9,000**	-
Total cash inflows	**119,961**	227,365
Cash outflows:		
Nadvert Trust	**90,552**	361,839
Nparcel Trust	**53,268**	21,290
National Lotteries News Association	**-**	-
Total cash outflows	**143,820**	383,129

20 Reserves

	2020	2019
	$	$
Asset Revaluation Reserve	**159,337**	159,337
General Reserve	**1,112,300**	1,112,300
Total reserves	**1,271,637**	1,271,637

Asset revaluation reserve

The asset revaluation reserve records realised gains on revaluation of property, plant and equipment recorded at fair value

General reserve

The general reserve records funds set aside for future expansion of the Group.

21 Fair Value Measurement

The Group measures the following assets and liabilities at fair value on a recurring basis:

- Investment property
- Land and buildings

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

	Other
Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

21 Fair Value Measurement

The table below shows the assigned level for each asset and liability held at fair value by the Group:

30 June 2020	Level 1 $	Level 2 $	Level 3 $	Total $
Non- financial assets				
Investment property	-	3,600,000	-	3,600,000
Land and Buildings	-	684,864	-	684,864
Total non-financial assets recognised at fair value	**-**	**4,284,864**	**-**	**4,284,864**

30 June 2019	Level 1 $	Level 2 $	Level 3 $	Total $
Non-financial assets				
Investment property	-	3,600,000	-	3,600,000
Land and buildings	-	699,077	-	699,077
Total non-financial assets recognised at fair value	**-**	**4,299,077**	**-**	**4,299,077**

There were no transfers between Level 1 and Level 2 for assets measured at fair value on a recurring basis during the reporting period (2019: no transfers).

(a) Valuation techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measure. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

21 Fair Value Measurement

(a) Valuation techniques

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

(b) Valuation Techniques and Inputs Used to Measure Level 2 Fair Values

Description	Fair Value at 30 June 2020 $	Valuation technique	Input used
Non-financial assets			
Investment property	3,600,000	Market approach using recent observable market data for similar properties; income approach using discounted cash flow methodology	Price per square metre; market yield rate
Land and buildings	684,864	Market approach using recent observable market data for similar properties; income approach using discounted cash flow methodology	Price per square metre; market yield rate

The fair value of freehold land and buildings is determined at least every three years based on valuations by an independent valuer. At the end of each intervening period, the directors review the independent valuation and, when appropriate, update the fair value measurement to reflect current market conditions using a range of valuation techniques, including recent observable market data and discounted cash flow methodologies.

There were no changes during the period in the valuation techniques used by the Group to determine Level 2 fair values.

22 Events after the end of the Reporting Period

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the Group is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the Group.

Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial periods.

23 Parent Entity

Information relating to the parent entity, VANA Ltd are as follows:

	2020 $	2019 $
Statement of Financial Position		
Assets		
Current assets	**541,282**	542,666
Non-current assets	**4,312,830**	4,326,225
Total Assets	**4,854,112**	4,868,891
Liabilities		
Current liabilities	**818,326**	822,384
Non-current liabilities	**9,974**	29,567
Total Liabilities	**828,300**	851,951
Equity		
Retained earnings	**2,754,175**	2,745,303
Asset revaluation reserve	**159,337**	159,337
General reserve	**1,112,300**	1,112,300
Total Equity	**4,025,812**	4,016,940
Statement of Profit or Loss and Other Comprehensive Income		
Surplus/(Deficit) for the year	**8,874**	541,302
Other comprehensive income	**-**	-
Total comprehensive income	**8,874**	541,302

24 Company Details

The registered office and principal place of business of the company is:

Vana Ltd
Suite 4/202 Ferntree Gully Road
Clayton
Victoria 3158

25 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of $ 10 each towards meeting any outstanding and obligations of the Company. At 30 June 2020 the number of members was 372 (2019: 377).

26 Information to be Supplied to Members or Commissioner

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

- A member of the VANA Ltd and Consolidated Entities (Group), or the Commissioner, may apply to the Group for specified prescribed information in relation to the Group to be made available to the person making the application.
- 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 be not less than 14 days after the application has been given to the Group.
- The Group must comply with an application made under subsection (1).

27 Acquisition of Assets and Liabilities

There were no acquisitions of any asset or liability during the financial year as a result of:

(c) an amalgamation under Part 2 of Chapter 3, of the RO Act in which the organisation (of which the reporting unit form part) was the amalgamated organisation; or

(d) a restructure of the branches of the organisation; or

(e) a determination by the Commissioner under subsection 245(1) of the RO Act of an alternative reporting structure for the organisation; or

(f) a revocation by the Commissioner under subsection 249(1) of the RO Act of a certificate issued to an organisation under subsection 245(1)

28 Other information

NAdvert Pty Ltd, NAdvert Trust, NParcel Pty Ltd and NParcel Trust are not branches of VANA Ltd and hence do not satisfy the definition of a reporting unit under s.242 of the *Fair Work (Registered Organisations) Act 2009*. As such, non-applicable disclosure requirements under s255 of the *Fair Work (Registered Organisations) Act 2009* are as follows:

(a) Going Concern

VANA Ltd's ability to continue as a going concern is not reliant on the agreed financial support of any other reporting unit.

(b) Financial Support

No financial support has been provided to other reporting units to ensure that they continue as a going concern.

28 Other information

(c) Other Disclosure Requirements

Other than the disclosures made in this financial report, no activity occurred during the year (nor in the previous year) in relation to the following specific items required to be disclosed under the Reporting Guidelines issued under s.253 of the *Fair Work (Registered Organisations) Act 2009*:

- Receivables nor payables from another reporting unit;
- Administration of financial affairs by another entity;
- Acquisition of assets and liabilities as part of a business combination;
- Acquisition of assets and liabilities under specific sections;
- Incurring fees as consideration for employees making payroll deductions of membership subscriptions;
- Having a fund or account for compulsory levies, voluntary contributions or required by the rules of the company;

(d) Acquisition of assets and liability as part of a business combination

No assets or liabilities were acquired during the year as part of a business combination.

(e) Administration of financial affairs by a third party

The Group did not have another entity administer the financial affairs of the reporting unit.

Vana Ltd and Controlled Entities

38 004 238 644

Committee of Management Statement

For the Year Ended 30 June 2020

On 23/11/2020 the Board of Directors of VANA Limited, being the committee of management of the organisation, passed the following resolution in relation to the general purpose financial report of the Group for the year ended 30 June 2020:

The directors declare that in their opinion:

1. the financial statements and notes comply with the Australian Accounting Standards;
2. the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fairwork (Registered Organisations) Act 2009* (the RO Act);
3. 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;
4. 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
5. During the financial year to which the GPFR relates and since the end of that year:
   a. meetings of the Directors were held in accordance with the rules of the organisation, including the rules of a branch concerned;
   b. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned;
   c. the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009;
   d. the organisation has only a single reporting unit;
   e. where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
   f. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

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

Director ....

Director .... R.S. Sharpe

Dated 23/11/2020

Vana Ltd and Controlled Entities

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Independent Audit Report to the members of Vana Ltd and Controlled Entities

Report on the Audit of the Financial Report

We have audited the accompanying general purpose financial report of Vana Ltd and Controlled Entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, subsection 255(2A) report and the committee of management statement for the Group.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Vana Ltd and Controlled Entities as at 30 June 2020, and its financial performance and its cash flows for the year ended on that date in accordance with:

(g) Australian Accounting Standards; and

(h) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act).

We declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of VANA Limited in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

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Independent Audit Report to the members of Vana Ltd and Controlled Entities

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards (including Australian Accounting Interpretations) and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 VANA Limited's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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Independent Audit Report to the members of Vana Ltd and Controlled Entities

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on VANA Limited's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause VANA Limited to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We declare that Peter Shields is a registered auditor under the RO Act.

Saward Dawson

Saward Dawson Chartered Accountants

Peter Shields

Peter Shields
Principal

Dated: 23 November 2020
Registration number: A2017/112