

VAN EYK THREE PILLARS LIMITED

ABN 91 106 854 175

APPENDIX 4E

**PRELIMINARY FINAL REPORT
YEAR ENDED 30 JUNE 2007**

VAN EYK THREE PILLARS LIMITED
ABN 91 106 854 175

RESULTS FOR ANNOUNCEMENT TO THE MARKET
YEAR ENDED 30 JUNE 2007

	June 2007 \$'000	June 2006 \$'000	% change prior year	Up / Down
Revenues from ordinary activities	30,656	19,717	55%	Up
Profit from ordinary activities after tax attributable to members	21,416	13,994	53%	Up
Net profit before tax for the period attributable to members	29,281	18,680	57%	Up
Net Tangible Assets per share after tax	\$1.35	\$1.20	13%	Up

In both absolute and relative terms, the performance of the portfolio has been strong:

	VTP	ASX300	Out /(Under) performance
12 month Returns (Net of all Expenses and before all Taxes) to 30 June 2007	29.46%	29.21%	0.25%

In 2007, the Board established targeted annual dividend payments of 9 cents per share fully franked.

DIVIDENDS

The following dividends were paid/declared during the year:

	Dividend Rate	Total Amount \$'000	Date Paid/Payable	Percentage Franked
Ordinary dividend	4.0 cps	\$2,641	10/07/2006	100%
Ordinary dividend	4.0 cps	\$3,176	20/12/2006	100%
Ordinary dividend	6.0 cps	\$4,792	10/07/2007	100%

No additional dividends are proposed in respect of the year ended 30 June 2007.

VAN EYK THREE PILLARS LIMITED
ABN 91 106 854 175

COMMENTARY ON THE RESULTS FOR THE PERIOD

The company listed on 28 January 2004, with a net tangible asset (NTA) backing of 97 cents per share, while as at 30 June 2007 net asset backing after tax had increased to \$1.35 per share, with net asset backing before tax on unrealized gains per share at \$1.52 (not including dividend payments to date of 25 cents per share fully franked).

The NTA per share after tax has increased by 15 cents since 30 June 2006 from \$1.20 to \$1.35 at 30 June 2007. The 12 month after fees and before tax performance for the company was 29.46%.

The future of van Eyk Three Pillars Limited (VTP) is very positive. The positioning of the Three Pillars portfolio shows a strong bias to our 'growth' and 'quality' classifications, in line with our investment philosophy and process. The aggregate portfolio valuation and key ratios show the portfolio is positioned favorably, relative to the market. In terms of the major industry sectors, over the last few months we have shifted the sector allocation to suit a more cautious outlook, with a reduction in our resources exposure and greater allocation to more defensive stocks and sectors such as banks and healthcare.

Since 30 June 2007 the ASX 300 Accumulation Index has decreased by 4.06% as at 22 August 2007 on the back of heightened risk aversion based on adverse developments in world debt markets flowing on from problems in the US housing and mortgage markets. While this correction has brought the Australian market back to around fair value, significant pockets of value in specific areas appear to be opening up, as some selling appears quite indiscriminate in nature. Volatility is expected to continue in the short term, particularly into the traditionally weak periods of September/October, nonetheless world economies are growing at robust rates and provide a constructive backdrop for equity markets.

It is this type of environment that should provide excellent opportunities to add value through stock specific selection, paying attention to quality in terms of solid growth prospects, favourable industry dynamics and strong balance sheets, with valuation as a key underpinning discipline.

This report is based on the audited financial statements for the year ended 30 June 2007.

All the documents comprise the information required by listing rule 4.3A.

For any queries please contact:

Peter Roberts

Company Secretary

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Email: pr@whiteoutsourcing.com.au

van Eyk Three Pillars Limited

ABN 91 106 854 175

**Financial Report
For the year ended 30 June 2007**

van Eyk Three Pillars Limited

Contents
For the year ended 30 June 2007

	Page
Directory	1
Directors' Review	2
Corporate Governance Statement	4
Portfolio Shareholdings at 10 August 2007	8
Directors' Report	9
Auditors' Independence Declaration	12
Income Statement	13
Balance Sheet	14
Cash Flow Statement	15
Statement of Changes in Equity	16
Notes to the Financial Statements	17
Directors' Declaration	27
Independent Audit Report to the Members	28
Members Information	30

van Eyk Three Pillars Limited
Directory

Investment Manager

Three Pillars Portfolio Managers Pty Limited (formerly a division of van Eyk Research Pty Limited)
Level 10
9 Castlereagh Street
Sydney NSW 2000
Telephone: (02) 9225 6000

Directors

David J Iliffe (Chairman)
David G Davis
Cameron S McCullagh
Mark Thomas

Company Secretary

Peter Roberts

Registered Office

Level 7
20 Hunter Street
Sydney NSW 2000
Telephone: (02) 8236 7701
Fax: (02) 9221 1194

Accounting & Administration

VTP Management Pty Limited (formerly White Funds Administration Pty Limited)
Level 7
20 Hunter Street
Sydney NSW 2000
Telephone: (02) 8236 7701
Fax: (02) 9221 1194

Postal Address:

GPO Box 5482
Sydney NSW 2001

Auditors

Grosvenor Schilliro Chartered Accountants
Level 2
333 George Street
Sydney NSW 2000
Telephone: (02) 9299 7399

Share Registrar

Registries Limited
Level 2
28 Margaret Street
Sydney NSW 2000

Shareholder enquiries

Telephone: (02) 9290 9600

Company secretarial & all other enquiries

Telephone: (02) 8236 7701

van Eyk Three Pillars Limited

Directors' Review

Operating Results

The company listed on 28 January 2004, with a net asset backing of 97 cents per share, while as at 30 June 2007 it had increased to \$1.35 per share, with gross asset backing per share at \$1.52 (not including dividend payments to date of 25 cents per share fully franked).

The annualised return on the portfolio (before tax and after expenses) from inception to 30 June 2007 was 23.72%.

Dividends

On 6 December 2006 the Directors declared a fully franked dividend of 4.0 cents per share payable on 20 December 2006. A further dividend of 6.0 cents per share was declared on 18 May 2007 paid on 10 July 2007.

This is in line with the Company's dividend policy of seeking to pay dividends above the underlying portfolios dividend yield (net of expenses) by distributing a portion of realized gains on investment.

Portfolio Performance

In both absolute and relative terms the performance of the portfolio has been very solid, achieving 30.98% gross return for the year to 30 June 2007, as compared to the ASX 300 Accumulation index return of 29.21%. The net return before tax and after expenses for the year was 29.46%.

Some of the key investment themes incorporated into the portfolio over the medium term have started to add considerable value. The portfolio has maintained strong exposure to not only resources and energy based on ongoing demand / supply imbalances but also many companies that leverage off the miners in terms of not only essential supply but also the large expenditures in project development and construction. Furthermore, the underinvestment over the last decade in Australian essential infrastructure assets has seen a resurgence in spending on port, road, rail, water and power, such that companies exposed to this area have not only seen very strong growth, but also have a solid outlook for the next few years.

Areas the portfolio remains underexposed include property, financials, listed infrastructure vehicles and utilities, based on the view that inflation and therefore bond yields will rise over time, restricting the supply of cheap debt and raising both the cost of funding and discount rates thus detracting from the valuations of longer duration assets. While underexposure to these sectors contributed to some relative underperformance of the portfolio in the first half, this has strongly contributed to relative returns in the second half and in our view looks set to continue for the balance of the year.

Other areas the portfolio retains overweight exposure includes high quality growth franchises, energy and healthcare.

Investment Process and Portfolio Construction

The Three Pillars portfolio results from a disciplined process that incorporates quality assessment, classification, and valuation.

Three sub portfolios of distinct style, namely the Blue Chip, Growth and Special Situations comprise the overall portfolio, giving a diversified outcome. The sub portfolios are blended with consideration given to the appropriate weightings between large and small companies and industry sectors.

- ❑ *Blue Chip* – Selected from the Top 100, using a free cash flow valuation methodology. The aim is to construct a diversified 12 stock portfolio of quality companies at a reasonable price. The 'Blue Chip' is the most conservative of the three sub portfolios, and aims for low turnover.
- ❑ *Growth* – The 'Growth' selection is taken from the 'Dynamic Growth' and 'Stalwart' classifications, which are at the high end of quality scale. The aim is to select up to 12 high quality growth companies at reasonable prices, whilst maintaining diversification across sectors.
- ❑ *Special Situations* – The 'Special Situations' portfolio is comprised of up to 12 'value' stocks, which have the potential for market re-rating, turnaround or takeover. The selection is taken from the lower end of the quality scale and as such has a contrarian flavour. This selection is the most volatile of the sub portfolios.

Investment Process and Portfolio Construction (continued)

The allocation between the three sub-portfolios, or 'pillars' as at 30 June 2007 was;

• Blue Chip	46.0%
• Growth	22.8%
• Special Situations	23.3%
• Cash	7.9%

Due to the nature of the sub-portfolio universe, the 'Growth' and 'Special Situations' components will often have a bias to small and mid caps. This may cause short term periods of relative underperformance, however, over the longer term, it is these under researched areas where the most significant value add opportunities can be found.

Investment Outlook

This year global growth is expected to be firm at around 4.5% to 5% despite the US slowing to around 2%. This better balance in the composition of the global economy is evident in most regions, particularly Europe where economic growth is above 3%. At this stage, the global growth outlook for 2008 is solid (also at around 4.5%). However, oil is above the critical level (US\$70/bbl) that is negative for financial markets and industrial commodity prices are rising along with demand.

The ongoing problems in the US subprime market has highlighted the risks from leverage in the global credit derivatives market but with corporate balance sheets in generally good shape and only modest increases in corporate defaults expected from a very low base, the flow on effects to global stockmarkets are likely to be modest although volatility is likely to trend higher.

Australian economic growth in 2007 now appears likely to be strong at 3.8% with the resources sector underpinned by the global economy (Chinese growth was 11.9% in the June quarter). Australian consumers are spending their income gains, making mortgage withdrawals and increasing borrowings. Tax cuts provide further support. Higher infrastructure spending is boosting business investment and dwelling investment has rebounded.

Corporate profit levels (as a percent of GDP) remain at record levels and have been strong across most industry sectors. In this environment, the Reserve Bank is likely to raise interest rates further which is likely to slow growth in 2008 to around 3%. Given high consumer debt levels and debt service ratios, the economy is vulnerable to shocks. A Federal election is expected to be called later in 2007 and this could have implications for markets if there is a change of government as current polls suggest.

Since 30 June 2007 the ASX 300 Accumulation Index has decreased by 4.06% as at 22 August 2007 on the back of heightened risk aversion based on adverse developments in world debt markets flowing on from problems in the US housing and mortgage markets. While this correction has brought the Australian market back to around fair value, significant pockets of value in specific areas appear to be opening up, as some selling appears quite indiscriminate in nature. Volatility is expected to continue in the short term, particularly into the traditionally weak periods of September and October, nonetheless world economies are growing at robust rates and provide a constructive backdrop for equity markets.

It is this type of environment that should provide excellent opportunities to add value through stock specific selection, paying attention to quality in terms of solid growth prospects, favourable industry dynamics and strong balance sheets, with valuation as a key underpinning discipline.

The positioning of the 'Three Pillars' portfolio continues to show a strong bias to 'growth and quality', and in line with our investment philosophy and process, the portfolio aggregate valuations and key ratios show the portfolio is positioned favorably relative to market.

Dated this 27th day of August, 2007



Mark Thomas
Director

van Eyk Three Pillars Limited

Corporate Governance Statement

This statement outlines the main corporate governance practices adopted by the Company, which comply with the ASX Corporate Governance Council recommendations unless otherwise stated.

Board of Directors and Its Committees

Structure of the Board

The skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report is included in the Director's Report on page 10. Directors of van Eyk Three Pillars Limited are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the exercise of their unfettered and independent judgment.

In the context of director independence, "materiality" is considered from both the company and individual directors perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be quantitatively immaterial if it is equal or less than 5% of the appropriate base amount. It is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount. Qualitative factors considered include whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and other factors which point to the actual ability of the directors in question to shape the direction of the company's loyalty.

In accordance with the definition of independence above, and the materiality thresholds set, the following directors of van Eyk Three Pillars Limited are considered to be independent:

Name	Position
David J Iliffe	Chairman, Non-Executive Director
David Davis	Non-Executive Director

There are procedures in place, agreed by the board, to enable directors, in furtherance of their duties, to seek independent professional advice at the company's expense.

The term in office held by each director in office at the date of this report is as follows:

Name	Term in office
David J Iliffe	3.5 years
David Davis	3.5 years
Cameron S McCullagh	3.5 years
Mark Thomas	1.5 years

Role of the Board

The Board's primary role is the protection and enhancement of long-term shareholder value. To fulfill this role the Board seeks to address:

- the prudential control of the Company's operations;
- the resourcing, review and monitoring of executive management;
- the timeliness and accuracy of reporting to shareholders; and
- the determination of the Company's broad objectives.

Board Processes

The Board has established a number of Board Committees including a Nomination Committee, a Remuneration Committee and an Audit Committee. These committees have written mandates and operating procedures which are reviewed on a regular basis. The Board has also established a range of policies which govern its operation.

The Board will hold four scheduled meetings each year plus any other strategic meetings as and when necessitated by the Company's operations. The agenda for meetings is prepared through the input of the Chairman, the Administration Manager (VTP Management Pty Limited) and the Company Secretary. Standing items include matters of Compliance and Reporting, Financials, Shareholder Communications and Investment Strategy and Outcomes. Submissions are circulated in advance.

Composition of the Board

The skills, experience and expertise relevant to the position of each director who is in office at the date of the annual report and their term of office are detailed in the directors' report.

The names of the directors of the Company in office at the date of this Statement are set out in the Directors' Report.

The composition of the Board is determined using the following principles:

- A minimum of three directors;
- An independent, non-executive director as Chairman;
- A majority of independent non-executive directors

van Eyk Three Pillars Limited

Corporate Governance Statement (continued)

Composition of the Board (continued)

An independent director is considered to be a director:

- (a) who is not a member of management;
- (b) who has not within the last three years been employed in an executive capacity by the Company or been a principal of a professional adviser or consultant to the Company;
- (c) is not a significant supplier to the Company;
- (d) has no material contractual relationship with the Company other than as a director; and
- (e) is free from any interest or business or other relationship which could materially interfere with the director's ability to act in the best interests of the Company.

Directors have a usual term of two years, and a maximum term of 3 years.

Performance Evaluation of Directors

The Nomination Committee is responsible for the review of the Board's performance as a whole. This review is conducted annually. Individual directors are subject to continuous review by the Chairman.

Nomination Committee

The Nomination Committee oversees the selection and appointment process for directors. The Committee annually reviews the composition of the Board and makes recommendations on the appropriate skill mix, personal qualities, expertise and diversity required. Where a vacancy exists the Committee develops a selection criteria and generates a list of potential candidates, for review, determination of an order of preference and ultimate selection by the Board or shareholders.

The Nomination Committee meets annually unless otherwise required.

The Nomination Committee comprised the following members during the year:

- David Davis (Chairman) - Independent Non-Executive
- David Iliffe - Independent Non-Executive
- Cameron McCullagh - Executive

The terms and conditions of the appointment and retirement of non-executive directors are set out in a letter of appointment. The performance of all directors is reviewed annually by the Nomination Committee. Directors whose performance is unsatisfactory are asked to retire.

For details on the number of meetings of the nomination committee held during the year and the attendees at those meetings, refer to page 11 of the Director's Report.

Director Dealing in Company Shares

The company encourages directors to have a significant personal financial interest in van Eyk Three Pillars Limited, by acquiring and holding shares on a long-term basis.

Short term trading in van Eyk Three Pillars Limited's shares by directors is not permitted.

The Board has adopted the following policy concerning dealing in van Eyk Three Pillars Limited's shares by directors.

- Insider trading laws prohibit Directors and their associates from dealing in the Company's shares whilst in possession of price sensitive information that is not generally available.
- As a matter of practice, Directors and their associates will generally only be able to deal in the Company's shares:
 - In the period of two weeks following the release of the Company's monthly NTA results;
 - In the period of two weeks following the release of the Company's annual results;
 - In the period of two weeks following the release of the Company's half yearly results;
 - In the period of two weeks following the Annual General Meeting of the Company; and
 - Following the release of a prospectus by the Company relating to an issue of shares.

Independent Professional Advice and Access to Company Information

Each director has the right of access to all relevant Company information and to the Company's executives and subject to prior consultation with the Chairman, may seek independent professional advice at the company's expense. A copy of advice received by the director is made available to all other members of the board.

Remuneration Committee

The Remuneration Committee reviews and makes recommendations to the Board on remuneration of the directors themselves. The Remuneration Committee meets once every full calendar year. Full details on Directors' remuneration are provided in the Directors' Report.

The members of the Remuneration Committee during the year were:

- David Iliffe (Chairman)
- David Davis
- Cameron McCullagh

van Eyk Three Pillars Limited

Corporate Governance Statement (continued)

Remuneration Committee (continued)

As previously noted, the executive function of the Company has been outsourced to VTP Management Pty Limited (accounting and administration) and Three Pillars Portfolio Managers Pty Limited (funds management). The responsibility of considering and recommending appropriate remuneration of the non-executive directors' packages for the Board lies with the Remuneration Committee. Non-executive directors are remunerated by way of cash and superannuation contributions.

van Eyk Three Pillars Limited has a contractual agreement with VTP Management Pty Limited, where VTP Management Pty Limited provides back office and managerial services for a fee charged as a percentage of the portfolio value on a monthly basis. Mr Cameron McCullagh received no fees as an individual, but is a director and shareholder of VTP Management Pty Limited which received management fees during the financial year for the management of the Company.

ASX Principles of Good Corporate Governance & Best Practice Recommendation 9.4 states that the Company should "ensure that payment of equity-based executive remuneration is made in accordance with thresholds set in plans approved by shareholders". The Company does not comply with this recommendation as there are no equity-based remuneration plans.

For details on the number of meetings of the remuneration committee held during the year and the attendees at those meetings, refer to page 11 of the Director's Report.

Audit Committee

The Audit Committee has a documented Charter, approved by the Board. All members must be non-executive directors. The Chairman is not the Chairman of the Board. The Committee is responsible for considering the effectiveness of the systems of internal control and financial reporting.

Their qualifications and attendance at meetings of the committee are included in the director's report. The Audit Committee meets at least two times per year.

The Audit Committee may have in attendance at their meeting such members of management as may be deemed necessary to provide information and explanations. The external auditors attend meetings by invitation to report to the Committee.

The members of the Audit Committee during the year were:

- David Davis (Chairman)
- David Iliffe

The responsibilities of the Audit Committee are to ensure that:

1. Relevant, reliable and timely information is available to the Board to monitor the performance of the Company;
2. External reporting is consistent with committee members' information and knowledge and is adequate for shareholder needs;
3. Management process support external reporting in a format which facilitates ease of understanding by shareholders and institutions;
4. The external audit arrangements are adequate to ensure the maintenance of an effective and efficient external audit. This involves:
 - (a) reviewing the terms of engagement, scope and auditor's independence;
 - (b) recommendations as to the appointment, removal and remuneration of an auditor and
 - (c) reviewing the provision of non-audit services provided by the external auditor ensuring they do not adversely impact on audit independence.
5. Review the Company's risk profile and assess the operation of the Company's internal control system.

The Auditor of the Company is always notified of the Annual General Meeting each financial year and is invited to attend the meeting each year. The Company intends to continue this practice for all future Annual General Meetings.

For details on the number of meeting of the audit committee held during the year and the attendees at those meetings, refer to page 10 of the Director's Report.

Risk Management Policy

The Board acknowledges that it is responsible for the overall system of internal control but recognises that no cost effective internal control system will preclude all errors and irregularities. The Board has delegated responsibility for reviewing the risk profile and reporting on the operation of the internal control system to the Audit Committee.

The Company notes that it does not strictly comply with the recommendation that the chief executive officer and the chief financial officer provide a written statement to the Board in relation to the company's risk management and internal compliance. The Company is a Listed Investment Company and as such has outsourced its accounting and administration functions to VTP Management Pty Limited, hence, there is no CEO or CFO of the Company. However Peter Roberts, representing VTP Management Pty Limited, as a person who performs the Chief Executive Functions provides this written statement to the Board on a half yearly basis.

van Eyk Three Pillars Limited

Corporate Governance Statement (continued)

Risk Management Policy (continued)

The Audit Committee:

- (a) requires the administrator VTP Management Pty Limited to report annually on the operation of internal controls,
- (b) reviews the external audit of internal controls and liaises with the external auditor and
- (c) conducts any other investigations and obtains any other information it requires in order to report to the Board on the effectiveness of the internal control system.

ANZ as custodian is responsible for preparing and reporting on the Company's risk profile and developing appropriate systems to minimize risk. The effectiveness of these systems and controls are reported to the audit committee at least annually.

VTP Management Pty Limited will confirm annually in writing to the Board that the integrity of the financial statements are founded on a sound system of risk management and internal compliance and controls which implement the policies adopted by the Board.

Executive Management

The companies operations are conducted through Three Pillars Portfolio Managers Pty Limited (Investment Manager) and VTP Management Pty Limited (Administration Manager). These entities incorporate the specialist wholesale investment and administration personnel who have undertaken the Company's executive operations since inception. The Company has contracted with Three Pillars Portfolio Managers Pty Limited and VTP Management Pty Limited to provide all investment management and administration services.

The Company's executive management arrangements have been structured to provide investors with an extremely cost efficient investment vehicle and access to a significant depth of professional resources.

Ethical Standards

The Board expects all executive and non-executive directors to act professionally in their conduct and with the utmost integrity and objectivity. All executive and non-executive directors must comply with the Company's Code of Conduct and Ethics.

Shareholder Communications

The Board informs shareholders of all major developments affecting the Company's state of affairs as follows:

- All information lodged with the ASX is available on the Company's website at www.threepillars.vaneyk.com.au
- Quarterly reports will be sent via email to shareholders who register their interest and by surface mail to all other shareholders unless they elect not to receive any reports;
- An Annual Report will be mailed to shareholders at the close of the financial year;
- Net asset backing per share is released to the ASX by the 14th day following each month-end.

The Company Secretary is responsible for ensuring van Eyk Three Pillars Limited complies with its continuous disclosure obligations.

All staff of Three Pillars Portfolio Managers Pty Limited and VTP Management Pty Limited are made aware of these obligations and are required to report any price sensitive information to the Company Secretary immediately they become aware of it. The Company Secretary will decide whether the information should be disclosed to the ASX.

Where possible, all continuous disclosure releases to the ASX are approved by the Board, except the monthly net asset backing per share which is approved by Three Pillars Portfolio Managers Pty Limited in consultation with VTP Management Pty Limited. Where time does not permit approval by the Board, the Chairman of directors must approve the release.

Any information of a material nature affecting the Company is disclosed to the market through release to the ASX as soon as the Company becomes aware of such information, in accordance with the ASX Continuous Disclosure requirement.

All ASX releases are available on the Company's website (www.threepillars.vaneyk.com.au).

van Eyk Three Pillars Limited

**Portfolio Shareholdings
As at 10 August 2007**

Security	Value \$	% of portfolio
Blue Chip		
Asciano Group	2,104,500	1.63%
Australia & New Zealand Banking Group Ltd.	5,305,360	4.11%
BHP Billiton Ltd.	13,344,100	10.34%
Commonwealth Bank of Australia	6,935,500	5.37%
National Australia Bank Ltd.	6,497,400	5.03%
QBE Insurance Group Ltd.	4,914,700	3.81%
Rio Tinto Ltd.	5,425,280	4.20%
Suncorp-Metway Ltd.	2,450,500	1.90%
TABCorp Holdings Ltd.	2,395,500	1.86%
Westpac Banking Corp.	5,211,600	4.04%
Woolworths Ltd.	<u>2,636,000</u>	<u>2.04%</u>
	<u>57,220,440</u>	<u>44.33%</u>
Growth		
Cabcharge Australia Ltd.	2,611,635	2.02%
Coffey International Ltd.	2,304,498	1.79%
HPAL Ltd.	2,200,000	1.70%
IBA Health Ltd.	1,980,000	1.53%
Leighton Holdings Ltd.	1,987,500	1.54%
Origin Energy Ltd.	3,339,750	2.59%
Ramsay Health Care Ltd.	2,755,000	2.13%
Sigma Pharmaceuticals Ltd.	1,524,600	1.18%
Sonic Healthcare Ltd.	1,982,400	1.54%
Technology One Ltd.	1,920,000	1.49%
Toll Holdings Ltd.	3,220,000	2.49%
UXC Ltd.	<u>2,570,000</u>	<u>2.00%</u>
	<u>28,395,383</u>	<u>22.00%</u>
Special Situations		
Alumina Ltd.	1,408,000	1.09%
Austal Ltd.	2,338,000	1.81%
Beach Petroleum Ltd.	2,398,500	1.86%
Coates Hire Ltd.	2,576,000	2.00%
Downer EDI Ltd.	2,116,000	1.64%
Emeco Holdings Ltd.	2,567,000	1.99%
Independence Group N.L.	2,020,000	1.57%
Lend Lease Corp. Ltd.	2,730,000	2.12%
Perilya Ltd.	1,741,500	1.35%
Transfield Services Ltd.	3,285,000	2.55%
United Group Ltd.	3,975,750	3.08%
WorleyParsons Ltd.	<u>4,407,000</u>	<u>3.40%</u>
	<u>31,562,750</u>	<u>24.46%</u>
Cash (excludes operating accounts)	11,820,555	9.16%
Accrued dividends	62,814	0.05%
TOTAL	<u>129,061,942</u>	<u>100.00%</u>

van Eyk Three Pillars Limited

Directors' report

For the year ended 30 June 2007

The directors present their report on the Company for the financial year ended 30 June 2007.

Directors

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

David Iliffe (Chairman, Non-Executive Director)
Cameron McCullagh (Director)
David Davis (Non-Executive Director)
Mark Thomas (Managing Director)

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

Company Secretary

Peter Roberts

Principal Activities

The principal activity of the Company during the year was investment in securities listed on the Australian Stock Exchange.

There were no changes in the nature of the Company's principal activity during the financial year.

Operating Results

The profit of the Company after providing for income tax is \$21,415,928 (2006:\$13,994,287).

Dividends Paid or Recommended

Dividends paid or declared for payment are as follows:

	2007	2006
	\$	\$
Ordinary dividend of 6 cents per share paid on 10 July 2007	4,791,994	-
Ordinary dividend of 4 cents per share paid on 20 December 2006	3,176,328	-
Ordinary dividend of 4 cents per share paid on 10 July 2006	-	2,641,350
Ordinary dividend of 4 cents per share paid on 16 December 2005	-	2,625,182
	<u>7,968,322</u>	<u>5,266,532</u>

Review of operations

	2007	2006
	\$	\$
Profit from ordinary activities before income tax expense	29,281,463	18,679,925
Income tax expense	<u>(7,865,535)</u>	<u>(4,685,638)</u>
Profit from ordinary activities after income tax expense	<u>21,415,928</u>	<u>13,994,287</u>

Financial Position

The net assets of the company have increased by \$28,743,309 from 30 June 2006 to \$108,459,844 in 2007. This increase has largely resulted from the following factors:

- Share issues:
 - Share Purchase Plan in August 2006 raising \$2,896,727.
 - Placement of shares to professional and sophisticated investors in August 2006 raising \$11,448,633.
 - DRP in July 2006 and December 2006 raising \$994,744; and
- Appreciation in the trading portfolio (after paying or providing for dividends of 10 cents per share)

The net tangible asset backing of the Company as at 30 June 2007 was \$1.35 per share (after tax) . This is an improvement from \$1.20 per share (after tax) in 2006.

The directors believe that the company is in a strong and stable financial position to expand and grow its current operations.

Earnings per share

	2007	2006
Basic earnings per share	<u>27.6 cents</u>	<u>21.3 cents</u>

Significant changes in the state of affairs

The Company raised additional capital throughout the year via:

- Share Purchase Plan in August 2006 raising \$2,896,727.
- Placement of shares to professional and sophisticated investors in August 2006 raising \$11,448,633.

Other than the above no significant changes in the Company's state of affairs occurred during the financial year.

After Balance Date Events

Subsequent to the end of the financial year, the company raised \$15,061,356 by way of placement of 12,073,909 shares to professional and sophisticated investors on 16 July 2007. The Company is also conducting a renounceable 1 for 4 rights issue to all shareholders.

Other than the above no matter or circumstance has arisen since the end of the financial year which has significantly affected or may significantly affect:

- the Company's operations in future financial years; or
- the results of those operations in future financial years; or
- the Company's state of affairs in future financial years.

van Eyk Three Pillars Limited

Directors' report (continued)
For the year ended 30 June 2007

Environmental Issues

The Company's operations are not subject to any significant environmental regulations under the law of the Commonwealth and State.

To the extent that any environmental regulations may have an incidental impact on the Company's operations, the Directors of the Company are not aware of any breach by the Company of those regulations.

Future Developments, Prospects and Business Strategies

The Company will continue to pursue its investment objectives for the long term benefit of the members. This will require continual review of the investment strategies that are currently in place and may require changes to these strategies to maximise returns.

Directors' Benefits

No Director of the Company has received or become entitled to receive a benefit, other than a remuneration benefit as disclosed in note 12(b) to the financial statements, by reason of a contract made by the Company or a related entity with the director or with a firm of which he is a member, or with a Company in which he has a substantial interest.

Information on Directors

Director	Experience, Qualifications and Special Responsibilities	Particulars of directors' interest	Particulars of directors' interest
		in shares of the Company Direct Holdings (Shares)	in shares of the Company Indirect Holdings (Shares)
David Iliffe (Chairman, Non - Executive, Independent Director)	Fellow of Institute of Chartered Accountants Fellow of Taxation Institute of Australia Member of Institute of Company Directors Chartered Accountant in Public Practice 1972-2000 Chairman Whitefield Limited and Director since 1990 Chairman Sylvastate Limited and Director since 1990 Director - Employers Mutual Limited Member of Nomination and Audit Committees Chairman of Remuneration Committee Non-executive director	NIL	874,523
David Davis (Non - Executive, Independent Director)	Qualified Solicitor (Retired) Associate, Executor & Trustee Institute (AETI) Non Executive Director - Spotless Group Limited, Foundation for National Parks & Wildlife. Former Managing Director - Permanent Trustee Company Limited Past President & State President NSW - Trustee Corporations Association Member of Remuneration Committee Chairman of Audit and Nomination Committees Non-executive director	44,523	NIL
Cameron McCullagh (Executive Director)	Associate of Institute of Chartered Accountants Gained professional qualifications with KPMG prior to working for Ernst & Young in Italy and Macquarie Bank Limited CEO of Employers Mutual Limited Director - VTP Management Pty Limited Member of Nomination Committee and Remuneration Committee Executive director Company Secretary	NIL	2,839,376
Mark Thomas (Managing Director)	Director of van Eyk Research Ltd since 1994 Has over eighteen years' experience in the industry as an investment analyst Began as a research analyst with a dealer group in 1988 and joined van Eyk Research Ltd in 1990. Bachelor of Business in Finance and Economics from the University of Technology, Sydney Director of Three Pillars Portfolio Managers Pty Limited Managing Director	NIL	83,588

Meetings of Directors of the Company

The following table sets out the number of meetings of the Company's directors held during the year ended 30 June 2007, and the numbers of meetings attended by each director of the Company:

	Full meetings		Audit Committee	
	Number of meetings held	Meetings attended	Number of meetings held	Meetings attended
David Iliffe	5	5	2	2
David Davis	5	5	2	2
Cameron McCullagh	5	5	-	-
Mark Thomas	5	5	-	-

Directors' report (continued)
For the year ended 30 June 2007

Meetings of Directors of the Company (continued)

	Remuneration Committee		Nomination Committee	
	Number of meetings held	Meetings attended	Number of meetings held	Meetings attended

David Ifffe	1	1	1	1
David Davis	1	1	1	1
Cameron McCullagh	1	1	1	1
Mark Thomas	-	-	-	-

Remuneration Report and Policy

The Board determines the remuneration structure of the Managing Director and Non-Executive Directors having regard to the scope of the Company's operations and other relevant factors including the frequency of Board meetings as well as directors' length of service, particular experience and qualifications. The Board makes a recommendation to shareholders as to the level of Directors remuneration which is then put to shareholders at the Annual General Meeting for approval.

As the company does not pay performance fees, nor provide share or option schemes to Directors and executives, remuneration of Executives and Non-executives is not explicitly linked to the Company's performance. Notwithstanding this, Board members and Company executives are subject to ongoing performance monitoring and regular performance reviews.

The remuneration of the Chairman, Managing Director and non-executive director was \$20,000 per annum. The remuneration is inclusive of superannuation where applicable.

Details of the nature and amount of each director and senior executives' emoluments from the Company in respect of the year to 30 June 2007 were:

Name of directors	Base fee	Superannuation	Total
	\$	\$	\$
David Ifffe	18,349	1,651	20,000
David Davis	18,349	1,651	20,000
Mark Thomas	20,000	-	20,000
Cameron McCullagh	-	-	-
	66,698	3,302	70,000

Insurance of directors

During the financial year the Company has given indemnity and paid insurance premiums to insure directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. Total premium paid was \$24,084 (2006: \$34,230).

The directors & officers liability of the Company insures any past, present or future director, secretary, executive officer or employee of van Eyk Three Pillars Limited.

Proceedings on behalf of the Company

No person has applied to the Court to bring proceedings on behalf of the Company, or to 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 part of those proceedings.

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

Non-Audit Services

The Directors of the Company are satisfied that the general standard of independence for auditors imposed by the Corporations Act 2001 has been met as there has been no provision of non-audit services by the external auditor.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2007 has been received and can be found on page 12.

This report is made in accordance with a resolution of the Directors of the Company.



Mark Thomas
Director

Sydney 27th August 2007



van Eyk Three Pillars Limited

**Auditor's Independence Declaration
under section 307C of the Corporations Act 2001
to the Directors of van Eyk Three Pillars 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.

Grosvenor Schiliro

Mark Schiliro
Partner

Sydney 27th August 2007

van Eyk Three Pillars Limited

Income Statement

For the year ended 30 June 2007

	Notes	2007 \$	2006 \$
Revenue from trading portfolio			
Dividends		3,336,610	3,224,876
Interest		437,902	378,069
Net unrealised gains		22,079,391	15,017,380
Realised gain on sale of trading portfolio		<u>4,802,463</u>	<u>1,096,809</u>
Total income from trading portfolio		30,656,366	19,717,134
Expenses			
Management fees		(999,350)	(783,776)
Audit fees	10	(17,600)	(16,500)
Brokerage		(71,841)	(37,894)
Share registry fees		(58,845)	(38,660)
Directors fees		(60,000)	(48,542)
Insurance		(24,084)	(34,230)
ASX listing fees		(60,769)	(25,444)
Other		<u>(82,414)</u>	<u>(52,163)</u>
Total expenses		(1,374,903)	(1,037,209)
Profit before income tax expense		29,281,463	18,679,925
Income tax expense	11(a)	<u>(7,865,535)</u>	<u>(4,685,638)</u>
Profit from ordinary activities after income tax expense attributable to members of the company		<u>21,415,928</u>	<u>13,994,287</u>
Basic earnings per share	18	<u>27.6 cents</u>	<u>21.3 cents</u>
Diluted earnings per share	18	<u>27.6 cents</u>	<u>21.2 cents</u>

The above income statement should be read in conjunction with the accompanying notes to the financial statements.

van Eyk Three Pillars Limited

Balance Sheet
As at 30 June 2007

	Notes	2007 \$	2006 \$
Assets			
Cash assets		10,373,178	5,459,188
Trade and other receivables	3	808,502	784,077
Trading Portfolio (held for trading)	4	116,568,052	82,667,332
Prepayments		17,799	14,176
Deferred tax assets	5	94,102	225,290
Total assets		<u>127,861,633</u>	<u>89,150,063</u>
Liabilities			
Trade and other payables	6	1,235,074	222,381
Provision for Dividend		4,791,994	2,641,350
Tax Liabilities	7(a)	370,875	161,092
Deferred tax liabilities	7(b)	13,003,846	6,408,705
Total liabilities		<u>19,401,789</u>	<u>9,433,528</u>
Net assets		<u>108,459,844</u>	<u>79,716,535</u>
Equity			
Contributed equity	8	80,267,357	64,971,654
Retained earnings	9	28,192,487	14,744,881
Total equity		<u>108,459,844</u>	<u>79,716,535</u>

The above balance sheet should be read in conjunction with the accompanying notes to the financial statements.

van Eyk Three Pillars Limited

Cash Flow Statement
For the year ended 30 June 2007

	Notes	2007 \$	2006 \$
Cash flows from operating activities			
Proceeds from sale of trading portfolio		31,101,138	16,757,840
Payment for purchase of trading portfolio		(37,218,560)	(18,647,520)
Dividends received		3,348,240	3,064,026
Interest received		417,610	404,489
Management fees paid		(971,788)	(773,528)
Other expenses paid		(311,250)	(189,457)
Income tax paid		(973,825)	(1,062,267)
Net Cash (Outflow) From Operating Activities	15(a)	<u>(4,608,435)</u>	<u>(446,417)</u>
Cash flows from financing activities			
Share issue, listing costs and other capital costs	8	14,345,360	(6,518)
Dividends Paid		(4,822,935)	(5,228,569)
Net Cash (Outflow) / Inflow From Financing Activities		<u>9,522,425</u>	<u>(5,235,087)</u>
Net (Decrease) / Increase in Cash Held		4,913,990	(5,681,504)
Cash at the beginning of the financial year		<u>5,459,188</u>	<u>11,140,692</u>
Cash at the end of the financial year		<u>10,373,178</u>	<u>5,459,188</u>
Non-Cash financial activities			
Dividends paid by DRP	8	<u>994,744</u>	<u>974,070</u>

The above cash flow statement should be read in conjunction with the accompanying notes to the financial statements.

van Eyk Three Pillars Limited

**Statement of Changes in Equity
For the year ended 30 June 2007**

	Contributed Equity \$	Retained Earnings \$	Total \$
As at 1 July 2005	63,959,713	6,017,126	69,976,839
DRP shares issued for dividend payment	974,070		974,070
Cost of initial public offer/ issue	(6,518)		(6,518)
Reduction in share issue costs by the total tax benefit of their deductibility	44,389	-	44,389
<i>Total Direct Equity Adjustments</i>	<u>1,011,941</u>	<u>-</u>	<u>1,011,941</u>
Profit for the year		13,994,287	13,994,287
Dividends paid or provided for		(5,266,532)	(5,266,532)
As at 30 June 2006	64,971,654	14,744,881	79,716,535
DRP shares issued for dividend payment	994,744		994,744
Share Purchase Plan	2,896,727		2,896,727
Share Placement	11,448,633		11,448,633
Reduction in share issue costs by the total tax benefit of their deductibility	(44,401)		(44,401)
<i>Total Direct Equity Adjustments</i>	<u>15,295,703</u>	<u>-</u>	<u>15,295,703</u>
Profit for the year		21,415,928	21,415,928
Dividends paid or provided for		(7,968,322)	(7,968,322)
As at 30 June 2007	80,267,357	28,192,487	108,459,844

The above statement of changes in equity should be read in conjunction with the notes to the financial statements.

van Eyk Three Pillars Limited

Notes to the financial statements

For the year ended 30 June 2007

1 Reporting Entity

van Eyk Three Pillars Limited is a company domiciled in Australia. The address of van Eyk Three Pillars Limited registered office is Level 7, 20 Hunter, Sydney NSW, 2000. The financial statements of van Eyk Three Pillars Limited as at and for the year ended 30 June 2007 follow. The company is primarily involved in the operations of the financial sector of Australia, making investments and deriving revenue and investment income in securities listed on the Australian Stock Exchange.

2 Statement of Significant Accounting Policies

(a) Basis of accounting

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

The financial report covers van Eyk Three Pillars Limited which is a listed public Company, incorporated and domiciled in Australia. The financial report has been prepared on an accruals basis, with the exception of valuation of investments as described in 2(b) (ii) below.

The Statements are prepared from the records of the Company based on historical costs modified by the revaluation of financial assets and financial liabilities for which the fair value basis of accounting has applied.

The financial report of the company complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

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

The Balance Sheet is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current, additional information regarding this are included in the relevant notes.

Australian equivalents to International Financial Reporting Standards

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards ("AIFRS"). Compliance with AIFRS ensures that the financial report of the Company complied with International Financial Reporting Standards.

(b) Trading Portfolio

(i) Classification

The trading portfolio comprises securities held for short term trading purposes. The purchase and the sale of securities are accounted for at the date of trade.

Securities in the trading portfolio are classified as "assets measured at fair value through the income statement."

(ii) Valuation and Recognition of Trading Portfolio

Securities including listed shares are initially brought to account at cost, which excludes transaction costs, where the related contractual rights or obligations exist.

All securities in the trading portfolio are revalued to market values continuously.

Increments and decrements on the value of the securities in the trading portfolio are taken directly through the income statement in the period in which they arise.

(iii) Income from holdings of securities

Distributions relating to listed securities are recognised as income when those securities are quoted in the market on an ex-distribution basis unless the distributions are capital returns on ordinary shares in which case the amount of the distribution is treated as an adjustment to the carrying value of the shares.

Notes to the financial statements
For the year ended 30 June 2007

2 Statement of Significant Accounting Policies (cont.)

(b) Trading Portfolio (continued)

(iv) Determination of Fair Value

AIFRS defines fair value for the purpose of valuing holdings of securities that are listed or traded on an exchange to be based on quoted "bid" prices for securities prevailing at the close of business on the balance date.

(v) 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.

(c) Taxation

Income tax expense comprises current and deferred tax. The income tax expense or revenue for the period is the tax payable on the current period's taxable income, based on the company tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements and to any unused tax losses. Deferred tax assets and deferred tax liabilities are offset where they are expected to reverse in the same period.

A tax provision is made for the unrealised gain or loss on securities valued at fair value through the Income Statement.

The expected tax on disposal of securities in the trading portfolio is included in the income statement as income tax expense. Where the Company disposes of such securities, tax is calculated on gains made according to the particular parcels allocated to the sale for tax purposes offset against any losses carried forward.

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(d) Revenue from ordinary activities

Revenue from ordinary activities consists of dividends, interest, trust distributions, other income and gross proceeds from the sale of the trading portfolio.

(e) Investment income

The change in the net fair value of the trading portfolio as mentioned in note 2b(ii) above is recognised as income in determining the profit and loss for the year.

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

Dividend revenue is recognised when the right to receive a dividend has been established.

The realised gains or losses on the sale of the trading portfolio represent the difference between the net proceeds and the net fair value of the investments at the prior year end or cost if acquired during the year.

Notes to the financial statements
For the year ended 30 June 2007

2 Statement of Significant Accounting Policies (continued)

(f) Cash

Cash and cash equivalents include cash on hand, deposits held at call with bank, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

For the purposes of the cash flow statement, cash includes deposits held at call with financial institutions net of bank overdrafts.

(g) Receivables

Receivables may include amounts for dividends, interest and securities sold. Dividends are receivable when they have been declared and are legally payable. Interest is accrued at the year end from the time of last payment. Amounts received for securities sold are recorded when a sale has occurred. Amounts are generally received within 30 days of being recorded as a receivable.

(h) Payables

Payables represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid at the reporting date. Payables are unsecured and are usually paid within 30 days of recognition.

(i) 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 Tax 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 the 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.

(j) Earnings per share

Basic earnings per share is determined by dividing the operating result after income tax by the weighted average number of ordinary shares on issue during the financial year.

(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) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from the proceeds.

(m) Adoption of New and Revised Accounting Standards

In the current year, van Eyk Three Pillars Limited has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in any changes to the Company's accounting policies that have affected the amounts reported for the current or prior year.

The following standards, amendments to standards and interpretations were on issue but not yet effective

- AASB 101: Presentation of Financial Statements (October 2006) has deleted the Australian specific Illustrative Financial Report Structure and reinstated the current IASB 1 guidance on Illustrative Financial Statement Structure. The revised AASB 101 is applicable for annual reporting periods beginning on or after 1 January 2007.

- AASB 7: Financial Instruments: Disclosures (August 2005) replaces the presentation requirements of financial instruments in AASB 132. AASB 7 is applicable for annual reporting periods beginning on or after 1 January 2007, and will require extensive additional disclosures with respect to the Company's financial instruments and share capital.

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the Financial Statements of the Company.

The application of AASB 101 (revised) and AASB 7 will not affect any of the amounts recognised in the Financial Statements, but will change the disclosure presently made in relation to the Company's financial instruments and the objectives, policies and procedures for managing capital, and segment reporting.

These Standards and Interpretations will be first applied in the financial report of the Company that relates to the annual reporting period beginning after the effective date of each pronouncement, which will be the Company's annual reporting period beginning on July 1 2007.

(n) Functional and presentation currency

The functional and presentation currency of the Company is Australian Dollars.

(o) Operating segments

The company operated in Australia only and the principal activity is investment.

van Eyk Three Pillars Limited

Notes to the financial statements
For the year ended 30 June 2007

	Note	2007 \$	2006 \$
3 Trade and other receivables			
Accrued interest and dividends		424,062	415,400
GST receivable		29,717	23,828
Unsettled Trades		354,723	344,849
		<u>808,502</u>	<u>784,077</u>
4 Trading Portfolio - held for trading			
Listed securities- at net fair value	2(b)(ii)	<u>116,568,052</u>	<u>82,667,332</u>
5 Deferred Tax assets			
Deferred tax assets comprises the estimated expense at current income tax rates on the following items:			
- Tax Benefit on listing costs		89,152	222,320
- Accrued Audit fees		4,950	2,970
		<u>94,102</u>	<u>225,290</u>
6 Trade and Other Payables			
Unsettled Trades		1,095,154	111,996
Trade creditors		39,096	33,343
PAYG withheld		-	3,780
Management & performance fees		100,824	73,262
		<u>1,235,074</u>	<u>222,381</u>
7 Tax liabilities			
(a) Income Tax Payable		<u>370,875</u>	<u>161,092</u>
(b) Deferred Tax Liabilities			
Provision for deferred income tax comprises the estimated expense at current income tax rates of 30% on the following items:			
- Provision for income tax on trading portfolio		12,984,522	6,382,257
- Accrued dividends		4,176	17,388
- Interest Accrued		15,148	9,060
		<u>13,003,846</u>	<u>6,408,705</u>
(c) The overall movement in the net deferred tax asset and liability account is as follows			
Opening balance		6,183,415	1,649,000
(Charge)/credit to income statement		6,770,730	4,490,403
Charge to equity		(44,401)	44,012
Closing Balance		<u>12,909,744</u>	<u>6,183,415</u>

	2007 No.	2007 \$	2006 No.	2006 \$
8 Contributed Equity				
Ordinary shares	<u>79,866,564</u>	<u>80,267,357</u>	<u>66,033,757</u>	<u>64,971,654</u>
	No.	\$	No.	\$
Opening Balance	66,033,757	64,971,654	65,044,640	63,959,713
Cost of initial public offer/issue	-	-	-	(6,518)
DRP shares issued for dividend payment	855,278	994,744	989,117	974,070
Share Purchase Plan	2,620,524	2,896,727	-	-
Share Placement	10,357,005	11,448,633	-	-
Reduction in share issue costs by the total tax benefit of their deductibility	-	(44,401)	-	44,389
Closing balance	<u>79,866,564</u>	<u>80,267,357</u>	<u>66,033,757</u>	<u>64,971,654</u>

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Contributed Equity

During 2006/2007, the Company issued 855,277 shares under dividend reinvestment plans.

Terms and conditions

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders meetings.

van Eyk Three Pillars Limited

Notes to the financial statements
For the year ended 30 June 2007

	2007	2006
	\$	\$
9 Retained earnings		
Opening balance	14,744,881	6,017,126
Net profit for the current year	21,415,928	13,994,287
Dividends paid or provided for	<u>(7,968,322)</u>	<u>(5,266,532)</u>
Balance at the end of the financial year	<u>28,192,487</u>	<u>14,744,881</u>
10 Auditors remuneration		
Amounts received and receivable, by the auditor of the Company for:		
Auditing and reviewing the accounts	<u>17,600</u>	<u>16,500</u>
	<u>17,600</u>	<u>16,500</u>
11 Income tax expense		
(a) The income tax from the financial year differs from the amount calculated on the profit. The differences are reconciled as follows:		
Profit from ordinary activities before income tax expense	29,281,463	18,679,925
Prima facie tax expense at 30%	8,784,439	5,603,977
Over provided in prior years	-	(65,134)
Timing differences	(9,723)	-
Tax effect of permanent difference:		
- franking credits on dividends received	(1,298,830)	(1,219,707)
- imputation gross-up on dividends received	<u>389,649</u>	<u>366,502</u>
Income tax expense attributable to profit from ordinary activities	<u>7,865,535</u>	<u>4,685,638</u>
The applicable weighted average effective tax rates are as follows:	<u>26.86%</u>	<u>25.08%</u>
The increase in the weighted average effective tax rate for 2007 is a result of there being no overprovision of tax this financial year.		
(b) Income Tax Expense recognised in the Income Statement		
- Current Income expense	1,194,776	165,755
- Deferred income tax relating to the origination and reversal of temporary differences	<u>6,670,759</u>	<u>4,519,883</u>
	<u>7,865,535</u>	<u>4,685,638</u>
(c) Income tax recognised directly in Equity		
The following current amounts were charged directly to equity during the year		
<i>Current Tax</i>		
Share - issue expenses	<u>(44,401)</u>	<u>44,389</u>

Notes to the financial statements
For the year ended 30 June 2007

12 Related party information

(a) Key management personnel

The names of the persons who were key management personnel of the Company during the financial year were:

David Iliffe (Chairman, Director)
 David Davis (Non-executive Director)
 Cameron McCullagh (Director)
 Mark Thomas (Managing Director)

Key management personnel remuneration has been included in the remuneration report section of the Directors Report.

(b) Key management personnel remuneration

Income paid to key management personnel by the Company and related parties in connection with the management of affairs of the Company were:

2007

Name of directors	Short-term Employee Benefit	Post-Employment Benefit	Total
	Cash salary & Fees	Superannuation	
	\$	\$	\$
David Iliffe	18,349	1,651	20,000
David Davis	18,349	1,651	20,000
Mark Thomas	20,000	-	20,000
	<u>56,698</u>	<u>3,302</u>	<u>60,000</u>

2006

Name of directors	Short-term Employee Benefit	Post-Employment Benefit	Total
	Cash salary & Fees	Superannuation	
	\$	\$	\$
David Iliffe	18,349	1,651	20,000
David Davis	18,349	1,651	20,000
Mark Thomas	8,542	-	8,542
	<u>45,240</u>	<u>3,302</u>	<u>48,542</u>

The directors' remuneration excludes insurance premiums paid and payable by the Company in respect of directors' liability insurance.

The Remuneration Committee of the Board of Directors of van Eyk Three Pillars Ltd is responsible for determining and reviewing compensation arrangements for the directors. The Remuneration Committee assesses the appropriateness of the nature and amount of emoluments of each director on a periodic basis by reference to workload and market conditions. The overall objective is to ensure maximum stakeholder benefit from the retention of a high quality board whilst constraining costs.

Apart from the details disclosed in this note, no director has entered into a material contract with the Company during the financial year.

There were no shares granted during the reporting period as compensation.

van Eyk Three Pillars Limited

Notes to the financial statements
For the year ended 30 June 2007

12 Related party information

(b) Key management personnel remuneration (Continued)

Management Agreements

van Eyk Three Pillars Limited has a contractual agreement with VTP Management Pty Limited, where VTP Management Pty Limited provides back office and managerial services for a fee charged as a percentage of the portfolio value on a monthly basis.

Mr Cameron McCullagh received no fees as an individual, but is a director and shareholder of VTP Management Pty Limited which received management fees during the financial year for the administration management of the Company.

VTP Management Pty Limited	2007	2006
	\$	\$
Fees paid during the year	403,982	318,038
Fees payable at year end	42,135	30,344
	<u>446,117</u>	<u>348,382</u>

In addition to the remuneration disclosed in Note 12 (b), Mr Mark Thomas is also a director and shareholder of Three Pillars Portfolio Managers Pty Ltd (formerly a division of van Eyk Research Pty Limited) which received management fees during the financial year for the investment management of the Company.

Three Pillars Portfolio Managers Pty Ltd (formerly a division of van Eyk Research Pty Lin	2007	2006
	\$	\$
Fees paid during the year	501,418	397,471
Fees payable at year end	51,815	37,923
	<u>553,233</u>	<u>435,394</u>

(c) Shareholdings of Key Management Personnel (and their related entities)

Directors' transactions concerning dividends and ordinary shares are on the same terms and conditions applicable to ordinary members.

2007

Equity Instruments and Directors

Holdings - Ordinary Shares

Name of Director	Balance at 1 July 2006	Acquired	Sold	Balance at 30 June 2007
David Illiffe	870,000	4,523	-	874,523
David Davis	40,000	4,523	-	44,523
Cameron McCullagh	2,858,631	31,662	(50,917)	2,839,376
Mark Thomas	78,094	5,494	-	83,588
	<u>3,846,725</u>	<u>46,202</u>	<u>(50,917)</u>	<u>3,842,010</u>

2006

Equity Instruments and Directors

Holdings - Ordinary Shares

Name of Director	Balance at 1 July 2005	Acquired	Sold	Balance at 30 June 2006
David Illiffe	850,000	20,000	-	870,000
David Davis	40,000	-	-	40,000
Cameron McCullagh	2,815,938	42,693	-	2,858,631
Mark Thomas (as at 2 February 2006)	78,094	-	-	78,094
	<u>3,784,032</u>	<u>62,693</u>	<u>-</u>	<u>3,846,725</u>

13 Segment information

The Company was engaged in investment activities conducted in Australia and derived revenue from dividend, interest income and from the sale of investments.

Notes to the financial statements
For the year ended 30 June 2007

14 Financial Risk Management Objectives and Policies

The Company's principal financial instruments comprise equity securities, cash and short-term deposits. The main purpose of these financial instruments is to generate a return on the investment made by shareholders.

The Company also has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations.

The main risks arising from the Company's financial instruments are interest rate risk, credit risk, and market price risk. The Investment Manager reviews and agrees policies for managing each of these risks and they are summarised below. The Investment Manager also monitors the market price risk arising from all financial instruments.

(a) Credit risk

Credit risk is the risk that a counterpart will fail to perform contractual obligations (i.e. default in either whole or part) under a contract.

Market prices generally incorporate credit assessments into valuations and risk of loss is implicitly provided for in the carrying value of items in the balance sheet as they are marked to market at year end. The total credit risk for items in the balance sheet is therefore limited to the amount carried in the balance sheet.

The Company is not exposed to any individually material credit risk.

(b) 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 the changes in market interest rates and the effective weighted average interest rates on classes of financial assets and liabilities, is as follows:

As at 30 June 2007, the Company's exposure to interest rate risk and the effective weighted average interest rate for each class of financial asset and financial liability is set out in the table below:

	Weighted average interest rate (% pa)	Floating interest rate \$	Non- interest bearing \$	Total \$
Financial assets				
Cash assets	5.91%	10,373,178	-	10,373,178
Trade and other receivables		-	808,502	808,502
Trading Portfolio		-	116,568,052	116,568,052
		<u>10,373,178</u>	<u>117,376,554</u>	<u>127,749,732</u>
Financial liabilities				
Trade and other payables		-	1,235,074	1,235,074
		-	<u>1,235,074</u>	<u>1,235,074</u>
Net financial assets		<u>10,373,178</u>	<u>116,141,480</u>	<u>126,514,658</u>

As at 30 June 2006, the Company's exposure to interest rate risk and the effective weighted average interest rate for each class of financial asset and financial liability is set out in the table below:

	Weighted average interest rate (% pa)	Floating interest rate \$	Non- interest bearing \$	Total \$
Financial assets				
Cash assets	5.55%	5,459,188	-	5,459,188
Trade and other receivables		-	784,077	784,077
Trading Portfolio		-	82,667,332	82,667,332
		<u>5,459,188</u>	<u>83,451,409</u>	<u>88,910,597</u>
Financial liabilities				
Trade and other payables		-	2,863,731	2,863,731
		-	<u>2,863,731</u>	<u>2,863,731</u>
Net financial assets		<u>5,459,188</u>	<u>80,587,678</u>	<u>86,046,866</u>

(c) Net fair value of financial assets and liabilities

The net fair value of financial assets and financial liabilities included in the balance sheet approximates their carrying amount.

van Eyk Three Pillars Limited

Notes to the financial statements

For the year ended 30 June 2007

	2007	2006
	\$	\$
15 Cash flow statement		
(a) Reconciliation of net profit from ordinary activities after income tax to net cash utilised in operating activities		
Profit from ordinary activities after income tax expense	21,415,928	13,994,287
Adjustments for:		
Unrealised changes in the net fair value of trading portfolio	(22,079,391)	(15,017,380)
Change in operating assets and liabilities:		
Increase in trade and other receivables	(18,536)	(481,511)
Decrease / (increase) in prepayments	(3,623)	11,764
Decrease / (increase) in trading portfolio	(11,740,430)	(1,771,703)
Increase / (decrease) in trade and other payables	1,012,693	(805,245)
Increase in tax liabilities	6,804,924	3,623,371
Net cash outflow from operating activities	<u>(4,608,435)</u>	<u>(446,417)</u>

(b) Reconciliation of Cash

Cash 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	1
Cash at bank	10,373,177	5,459,187
	<u>10,373,178</u>	<u>5,459,188</u>

16 Dividends

Dividends Paid or Recommended

Dividends paid or declared for payment are as follows:

	2007	2006
	\$	\$
Ordinary dividend of 6 cents per share paid on 10 July 2007	4,791,994	-
Ordinary dividend of 4 cents per share paid on 20 December 2006	3,176,328	-
Ordinary dividend of 4 cents per share paid on 10 July 2006	-	2,641,350
Ordinary dividend of 4 cents per share paid on 16 December 2005	-	2,625,182
	<u>7,968,322</u>	<u>5,266,532</u>

Franking Account

Franking account balance at the end of the financial year *

Adjusted for:

- Franking credits / (debits) that will arise from the payment / (refund) of income tax payable / (receivable) as at the end of the financial year

- Franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

183,810	457,999
830,907	160,092
154,136	140,246
<u>1,168,853</u>	<u>758,337</u>

Adjusted franking account balance

Impact on the franking account of dividends proposed or declared before the financial report is authorised for issue but not recognised as a distribution to equity holders during the year

(2,053,712)	(1,132,007)
<u>(884,859)</u>	<u>(373,670)</u>

17 Events occurring after reporting date

Subsequent to the end of the financial year, the company raised \$15,061,356 by way of placement of 12,073,909 shares to professional and sophisticated investors on 16 July 2007. The Company is also conducting a renounceable 1 for 4 rights issue to all shareholders.

The financial report was authorised for issue on 27 August 2007 by the Board of Directors.

van Eyk Three Pillars Limited

Notes to the financial statements
For the year ended 30 June 2007

18 Earnings per share

	2007	2006
Basic earnings per share	27.6 cents	21.3 cents
Weighted average number of ordinary shares outstanding used in the calculation of basic earnings per share	<u>77,665,181</u>	<u>66,842,905</u>

	2007	2006
Diluted earnings per share	27.6 cents	21.2 cents
Weighted average number of ordinary shares outstanding used in the calculation of diluted earnings per share	<u>77,665,181</u>	<u>66,150,800</u>

No adjustments are made to the profit from ordinary activities after income tax expense shown on the income statement in deriving earnings used in the calculation of basic earnings per share.

19 Contingent liabilities

The Investment Management Agreement entered into by the company with Three Pillars Portfolio Managers Limited (formerly a division of van Eyk Research Limited) is for an initial period of twenty five years, commencing from the date of listing.

The Management Agreement entered into by the company with VTP Management Pty Limited is for an initial period of twenty five years commencing from the date of listing.

20 Company Details

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

Level 7
20 Hunter Street
Sydney NSW 2000
Telephone: (02) 8236 7701
Fax: (02) 9221 1194

Directors' Declaration
For the year ended 30 June 2007

The directors of the Company declare that:

- 1 The financial statements and notes, as set out on page 13 to page 26, are in accordance with the Corporations Act 2001 and:
 - (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 year ended on that date of the Company.
- 2 On behalf of VTP Management Pty Limited, Peter Roberts, as a person who performs the Chief Executive Functions for the purposes of the Act declared that:
 - (a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - (c) the financial statements and notes for the financial year give a true and fair view.
- 3 In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Mark Thomas
Director

Dated 21 August 2007



**Independent audit report to the members of
van Eyk Three Pillars Limited**

Report on the Financial Report

We have audited the accompanying financial report of van Eyk Three Pillars Limited, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration for van Eyk Three Pillars Limited.

We have also audited the remuneration disclosures contained in the directors' report. As permitted by the Corporations Regulations 2001, the company has disclosed information about the remuneration of directors and executives (remuneration disclosures), required by Accounting Standard AASB 124: Related Party Disclosures, under the heading 'Remuneration Report' on page 11 of the directors' report.

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) and the Corporations Act 2001. This responsibility includes establishing 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. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (AIFRS) ensures that the financial report, comprising the financial statements and notes, complies with AIFRS.

The directors of the company also are responsible for preparation and presentation of the remuneration disclosures contained in the directors' report in accordance with the Corporations Regulations 2001.

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. 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 and that the remuneration disclosures in the directors' report comply with Accounting Standard AASB 124.

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 judgment, 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 and the remuneration disclosures in the directors' report.

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

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

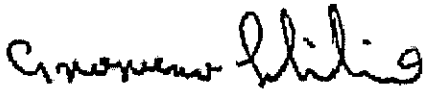
Independence

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

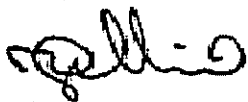
Auditor's Opinion

In our opinion:

- a. the financial report of van Eyk Three Pillars Limited is in accordance with 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 Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
- b. the financial report also complies with International financial Reporting Standards as disclosed in Note 2, and
- c. the remuneration disclosures that are contained on page 11 of the directors' report comply with Accounting Standard AASB 124.



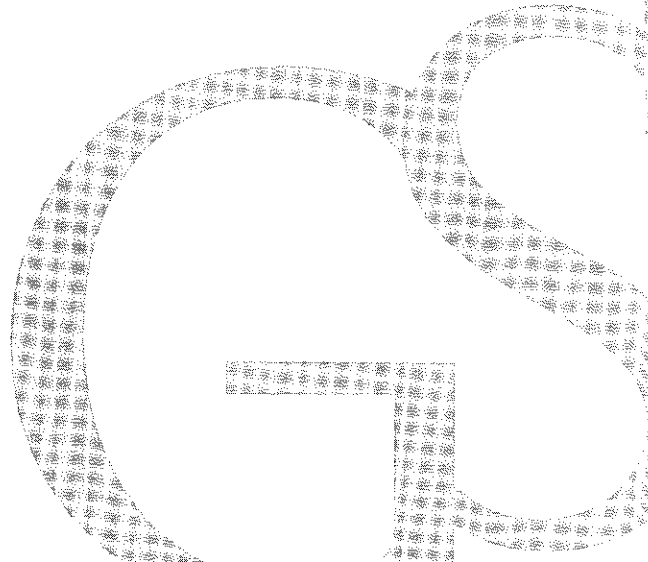
Grosvenor Schiliro



Mark Schiliro
Partner

Sydney

Dated this 27th day of August 2007



van Eyk Three Pillars Limited

Members Information as at 13 August 2007

1. Shareholding

(a) Distribution of securities as at 13/08/2007

Category (size of holding)

	Number of shareholders	Number of Shares
1 - 1,000	92	47,052
1,001 - 5,000	610	2,157,058
5,001 - 10,000	767	6,156,211
10,001 - 100,000	1,941	55,350,301
100,001 and over	92	28,856,012
	3,502	92,566,634

(b) The number of shareholdings comprising less than a marketable parcel is 32.

(c) Substantial holders

Name	Number of shares held
ANZ Nominees Limited	8,055,272

(d) Twenty largest holders

The names of the 20 largest holders as at 13 August 2007 are listed below:

Name	Number of shares held	%
ANZ Nominees Limited <Cash Income A/C>	8,055,272	8.70%
CSM Investment Pty Ltd	1,263,569	1.37%
Count Financial Limited	1,074,099	1.16%
Mr. Barry Lambert & Mrs Joy Lambert <Lambert Super Fund A/C>	1,000,000	1.08%
Citicorp Nominees Pty Limited	891,499	0.96%
Mrs Margaret Rose Aiken	690,000	0.75%
Mr John Austin Bennett	574,197	0.62%
DBP Custodians Pty Ltd <DBP Master Super Plan A/C>	564,696	0.61%
Lift Capital NomineesNo 1 Pty Limited	518,873	0.56%
Neville Ward Super Pty Limited <The NW Ward Super Fund A/C>	483,260	0.52%
Aswig Management Pty Ltd	380,000	0.41%
Mr John David Hatcher & Mrs Joan Helen Hatcher <J D & J H Hatcher S/F A/C>	371,660	0.40%
Gegm Investments Pty	358,154	0.39%
Lucuna Pty Ltd	300,000	0.32%
Mr Peter Donald McKenna	280,000	0.30%
Dr Anthony Frumar & Mrs Ruth Frumer <Frumer Super Fund>	256,860	0.28%
Mr Gary Bruce Pennefather <The Pennefather Family A/C>	254,523	0.27%
Mr Stephen Curtis Crawford	250,000	0.27%
Inconsultare Pty Ltd <Morrison Family S/F A/C>	250,000	0.27%
Mr Geoffrey Heeley & Mrs Dorothy Heeley <Heeley Personal S/F A/C>	250,000	0.27%
	18,066,662	19.51%

(e) Voting rights

At a general meeting, on the show of hands, every ordinary member present in person shall have one vote for every share held. Proxies present at the meeting are not entitled to vote on a show of hands, but on a poll have one vote for every share held.

van Eyk Three Pillars Limited

Members Information (Continued)

2. The name of the Company secretary is Mr Peter Roberts.
3. The registered office and principal place of business of the Company is:
Level 7
20 Hunter Street
Sydney NSW 2000
Telephone: (02) 8236 7701
Fax: (02) 9221 1194

Postal Address:
GPO Box 5482
Sydney NSW 2001
4. **Registry**
Share registry functions are maintained by Registries Limited and their details are as follows:

Level 2
28 Margaret Street
Sydney NSW 2000
Shareholder enquiries telephone: (02) 9290 9600
5. **Stock Exchange Listing**
Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Stock Exchange Limited.
6. The Company has followed all applicable best practice recommendations set by ASX Corporate Governance Council during the reporting period, unless otherwise stated.
7. There is no on-market buy-back at the date of this report.
8. The Company has used cash and assets in a form readily convertible to cash that it had at the time of admission consistent with its business objectives.
9. The company conducted 142 security transactions during the financial year. Brokerage paid during the year net of RITC claimable was \$129,771.
10. The management agreement with Three Pillars Portfolio Management Pty Limited (formerly a division of van Eyk Research Limited) and VTP Management Pty Limited provides for combined management fees of 0.9% p.a. of the value of the portfolio up to \$100M. For funds in excess of \$100M, management fees will be 0.75% p.a. of the portion of the portfolio greater than \$100M. In addition a performance fee of 15% of the positive excess performance of the portfolio above the ASX 300 Accumulation Index applies, payable annually and subject to a highwater mark. Any underperformance needs to be recouped by positive performance before a performance fee becomes payable.