

Brian Austin
BA BBus MBA FCPA
212 Cape Street, Tuart Hill, Western Australia 6060

6 March 2008

The Secretary
Australian Rogaining Association Inc
PO Box 39
Briar Hill, Vic 3088

Dear Sir,

**Report on the Financial Report of Australian Rogaining Association Incorporated
for Period Ended 31 December 2007**

I have audited the accompanying financial report of the Australian Rogaining Association Incorporated (ARA), which comprises the balance sheet as at 31 December 2007 and the income statement for the year then ended and other explanatory notes.

The Responsibility of the ARA Committee for the Financial Report

The ARA Committee is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, (or "gives a true and fair view of") the financial position of Australian Rogaining Association Incorporated as of 31 December 2007, and of its financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations).

Yours faithfully,

B. Austin
Hon. Auditor

Australian Rogaining Association Incorporated

INCOME STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2007

Expenditure	2007	2006	Revenue	2007	2006
Insurance	23,323.98	39,468.00	Insurance Levies	23,325.37	39,468.00
Promotion	99.25	2,018.70	Capitation Fees	5,667.00	5,980.00
State Grants	2,741.00	5,880.00	Interest	147.88	147.94
Exec Admin Costs	-	90.60	NAYlottMSF Funding	12,600.00	-
NAYlottMSF Disbursements	11,300.00	-	Loan from ARC 2007	5,000.00	-
Other Admin	143.95	83.40			
Sub-Total	37,608.18	47,540.70	Sub-Total	46,740.25	45,595.94
Profit	9,132.07		Loss		1,944.76
Total	\$46,740.25	\$47,540.70	Total	\$46,740.25	\$47,540.70

BALANCE SHEET AS AT 31 DECEMBER 2007

	2007	2006
Current assets	\$	\$
Bank	22,342.93	24,287.69
Total Assets as at 1 Jan 2007	22,342.93	24,287.69
Less Liabilities	-	-
Balance as at 1 Jan 2007	22,342.93	24,287.69
Plus Income	46,740.25	45,595.94
Less Expenditure	- 37,608.18	- 47,540.70
Balance as at 31 December 2007	\$31,475.00	\$22,342.93

Represented by:

Current Assets

Balance at bank as at 31 Dec 2007	31,475.00	22,342.93
less O/s cheques	- 31,475.00	- 22,342.93
Total Current Assets	31,475.00	22,342.93
TOTAL ASSETS	31,475.00	22,342.93
Less Liabilities		
Reimbursement due from NAMSF (note1)	-	-
TOTAL LIABILITIES	-	-
TOTAL MEMBER'S EQUITY total	\$31,475.00	\$22,342.93

Note:

A reimbursement is due from the N.Aylott MSF of \$1,300.00. This is noted but has not been accrued in the 2007 statements.

R.Robinson
Hon. Treasurer

B.Austin
Hon. Auditor