

INDEPENDENT AUDIT REPORT

To the members of the Australian Sports Foundation Limited

Scope

The financial report and Directors' responsibility

The financial report comprises:

- Directors' Declaration;
- Income Statement, Balance Sheet, Statements of Cash Flows and Changes in Equity; and
- Notes to and forming part of the Financial Statements

of the Australian Sports Foundation Limited for the year ended 30 June 2006.

The Australian Sports Foundation Limited's Directors are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the company, and that complies with the *Corporations Act 2001* and Accounting Standards and other mandatory financial reporting requirements in Australia. The Australian Sports Foundation's Directors are also responsible for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

I have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Australian Sports Foundation Limited. My audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing and Assurance Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive, rather than conclusive, evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

While the effectiveness of management's internal controls over financial reporting was considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

I have performed procedures to assess whether, in all material respects, the financial report presents fairly, in accordance with the *Corporations Act 2001* and Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with my understanding of the Australian Sports Foundation Limited's financial position, and of its financial performance and cash flows.

The audit opinion is formed on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by management.

Independence

In conducting my audit, I have complied with the independence requirements of the *Corporations Act 2001*. I have given to the Directors of the Australian Sports Foundation Limited a written Auditor's Independence Declaration.

Audit Opinion

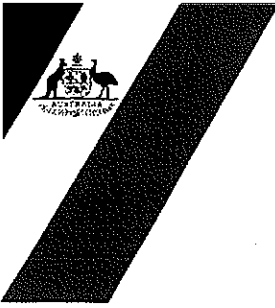
In my opinion, the financial report of the Australian Sports Foundation Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Australian Sports Foundation Limited's financial position as at 30 June 2006 and of its performance for the year ended on that date; and
- (b) complying with Accounting Standards and other mandatory financial reporting requirements in Australia and the Corporations Regulations 2001.

Australian National Audit Office



Rebecca Reilly
Executive Director
For the Auditor-General
Canberra
22 September 2006



Auditor's Independence Declaration to the Directors of the Australian Sports Foundation Limited

In relation to our audit of the financial report of the Australian Sports Foundation Limited for the year ended 30 June 2006, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contravention of any applicable code of professional conduct.

Australian National Audit Office

Rebecca Reilly
Executive Director

Delegate of the Auditor-General

Canberra
22 September 2006