

AUDITOR'S REPORT

Scope

We have audited the accounts comprising of the Profit and Loss Statement, Balance Sheet, Consolidated Profit and Loss Statement, Consolidated Balance Sheet, Statement of Consolidated Cashflows and notes to and forming part of the financial statements for Belrec Incorporated for the year ended 30th June 2007.

Management is responsible for the preparation and presentation of the accounts and the information they contain. We have performed an audit of these accounts in order to express an opinion on them to the members.

Our audit has been planned and performed to provide a reasonable level of assurance as to whether the accounts are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the accounts and the evaluation of accounting policies and significant accounting estimates.

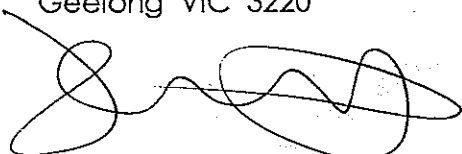
These procedures have been undertaken to form an opinion whether, in all material respects, the accounts are presented fairly in accordance with the accounting policies outlined in Note 1 to the accounts, so as to present a view which is consistent with our understanding of the operations.

The accounts have not been prepared as a general purpose financial report in accordance with Statements of Accounting Concepts and Accounting Standards.

Audit Opinion

In our opinion, the financial statements attached, of Belrec Incorporated, present fairly the financial position at 30th June 2007 and the results of its operations for the year ended, in accordance with the basis of preparation outlined in Note 1 of the Accounts.

SCC Chartered Accountants
72-76 Ryrie Street
Geelong VIC 3220



John B Cleary CPA
Partner

Dated this 6th day of September 2007