

ACTION LEARNING, ACTION RESEARCH ASSOCIATION INC
ABN 41 587 420 128

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ACTION LEARNING, ACTION RESEARCH ASSOCIATION INC**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Action Learning, Action Research Association Inc (the company), which comprises the statement of financial position as at 31 March 2017, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Action Learning, Action Research Association Inc is in accordance with the *Corporations Act 2001*, including

- (i) giving a true and fair view of the company's financial position as at 31 March 2017 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1, and the *Corporations Regulations 2001*.

Basis for Opinion

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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

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

Chris Sammut - FCA
Partner



Brisbane QLD

Date 8/8/2017

**ACTION LEARNING, ACTION RESEARCH ASSOCIATION INC.
ABN 41 587 420 126**

**FINANCIAL REPORT
FOR THE PERIOD ENDED 31ST MARCH 2017**


Statement by Management Committee

The Committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the Associations Incorporation Act (Queensland) 1981.

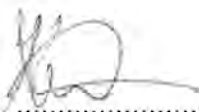
In the opinion of the Committee the financial report as set out on pages 3 to 5:-

1. Presents fairly the financial position of Action Learning, Action Research Association Inc. as at 31ST March 2017 and its performance for the period ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Action Learning, Action Research Association Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:-


.....
Colin Bradley (President)

Dated this *fourth* day of *August* 2017.


.....
John Molineux (Treasurer)

Dated this *4th* day of *August* 2017.

ACTION LEARNING, ACTION RESEARCH ASSOCIATION INC.
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INCOME AND EXPENDITURE STATEMENT
FOR THE PERIOD ENDED 31ST MARCH 2017

	2017	2016
INCOME		
Advertising	0.00	0.00
Copyright Income	248.08	255.44
Conferences	1164.93	00
World Congress	-480.30	12,346.77
Interest	890.69	1,417.45
Local Events	326.70	251.99
Membership Fees	7,048.91	8,177.65
Publications	0.00	540.56
	-----	-----
TOTAL INCOME	9,199.01	22,989.86
	-----	-----
EXPENDITURES		
Administration Services	10,218.98	12,579.10
Advertising	0.00	186.00
ALARA Journal	1,310.77	1,456.34
Audit Fees	960.00	940.00
Bank and PayPal Fees	183.51	278.58
Email/internet account	397.98	370.70
Group Spaces Fee	242.88	256.63
Insurance	1,768.65	1,763.65
Licence & Registration	51.70	48.25
PO Box	112.73	251.75
Printing, Postage and Stationery	135.45	94.10
Sponsorship	1,130.67	0.00
Web Maintenance	200.00	890.97
Web Design/Development	5,575.00	4,000.00
2016 GCWAL Conference loss	7,721.03	00
	-----	-----
TOTAL EXPENDITURE	30,009.35	23,116.07
	-----	-----
NET SURPLUS/DEFICIT	-20,810.34	-126.21
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The accompanying notes form part of this financial report.

ACTION LEARNING, ACTION RESEARCH ASSOCIATION INC.
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BALANCE SHEET
AS AT 31st MARCH 2017

	2017	2016
ASSETS		
Current Assets		
Cash at Bank (1)	5,037.74	9,623.32
Cash at Bank (2)	176.43	451.44
WC 2017 Bank Account	19.40	15,850.09
Term Deposit - Alara	40,535.76	34,697.87
GST Paid	67.11	141.83
BAS Receivable	0.00	140.00
WC 2017 Seed Fund Acc	0.00	10,000.00
Accounts Receivable	0.00	0.00
	-----	-----
Total Current Assets	45,836.44	70,904.55
Non Current Assets		
	-----	-----
Total Non-Current Assets	0.00	0.00
	-----	-----
TOTAL ASSETS	45,836.44	70,904.55
	-----	-----
LIABILITIES		
Trade Creditors	1,499.97	3,553.34
Sundry Creditor – WC Africa Trust	11,785.43	0.00
BAS Payable	21.87	1.87
World Congress Cost Provision	0.00	12,846.77
Conference- Team SA Profit Share	0.00	1,164.93
Prepayments-Membership in Adv	0.00	0.00
	-----	-----
TOTAL LIABILITIES	13,307.27	17,565.04
	-----	-----
NET ASSETS	32,529.17	53,339.51
	-----	-----
MEMBERS FUNDS		
Opening Accumulated Funds	53,339.51	53,465.72
Add Surplus/Deficit	-20,810.34	-126.21
	-----	-----
TOTAL MEMBERS FUNDS	32,529.17	53,339.51
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The accompanying notes form part of this financial report.

ACTION LEARNING, ACTION RESEARCH ASSOCIATION INC.
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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD ENDED 31ST MARCH 2017

1. This special purpose financial report has been prepared for distribution to the members to fulfil the Management Committee's financial reporting requirements under the Association's constitution. The Committee has determined that the Association is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the Associations Incorporation Act (Queensland) 1981.

2. There are no mortgages, charges or securities affecting the assets of the Association.

3. There are no other known liabilities.

4. Term Deposits held

1	\$15,287.34
2	\$10,248.42
3	\$5,000.00
4	\$10,000.00

Total \$40,535.76

5. World Congress Africa Trust profit share funds held on behalf of WC Africa Trust \$11,785.43 (reduction of original share funds due to Administrative services provided post EOFY 2016. 50% share cost \$561.34)

6. Exceptional expenses 2017:

2016 GCWAL conference net loss	\$7,721.03
Sponsorship of ARNA Cartagena Conference	\$1,130.67
New website Development	\$5,575

7. Membership Renewal Income – membership income down in 2017

Membership Income History

2009	2010	2011	2012	2013	2014	2015	2016	2017
\$9,986	\$10,451	\$24,510	\$13,398	\$9,134	\$7,738	\$11,424	\$8,177	\$7,048

8. The South Australian Group has not requested use of the past Conference surplus to fund local activities for more than ten years. ALARA has held \$1,164.93 to be used for future SA events, but due to the limited number of members in that State and the lack of a request over an extended period, ALARA decided to absorb the amount into general funds.

Mr CL Sammut
Bennett Partners Accountants
GPO Box 2561
BRISBANE QLD 4001

Dear Mr Sammut,

This representation letter is provided in connection with your audit of the financial report of Action Learning, Action Research Association Inc. for the year ended 31 March 2017, for the purpose of expressing an opinion as to whether the financial report is presented fairly, in all material respects, in accordance with the relevant Australian accounting standards.

We confirm, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves, the following representations made to you during your audit:

Financial report

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement brochure provided previously, for the preparation of the financial report in accordance with Australian accounting standards and the Constitution; in particular the financial report is fairly presented (or gives a true and fair view) in accordance therewith.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Any related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Australian accounting standards.
- All events subsequent to the date of the financial report and for which Australian Accounting Standards require adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial report as a whole. A list of the uncorrected misstatements is attached to the representation letter.

Information provided

We have provided you with:

- a. access to all information of which we are aware that is relevant to the preparation of the financial report such as records, documentation and other matters.
- b. all requested information, explanations and assistance for the purposes of the audit.
- c. unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- d. minutes of all meetings of committees.

General

- There are no material transactions that have not been properly recorded in the accounting records underlying the financial report.
- We confirm that there have been no changes to the accounting policies applied in the previous annual financial report or the methods used in applying them.
- We have no plans or intentions that may materially affect the carrying values or classification of assets and liabilities.
- We confirm the appropriateness of the measurement of accounting estimates, including related assumptions, used in the preparation of the financial report and the consistency in application of the processes.

- The following have been properly recorded or disclosed in the financial report:
 - a. arrangements involving restrictions on cash balances, compensating balances, and line-of-credit or similar arrangements and
 - b. agreements to repurchase assets previously sold.
- The entity has satisfactory title to all assets, and there are no liens or encumbrances on such assets nor have any assets been pledged as collateral that have not been disclosed in the financial report.
- We confirm the reasonableness of significant assumptions, including whether they appropriately reflect management's intent and ability to carry out specific courses of action on behalf of the entity, where relevant to the fair value measurement or disclosures.

Laws and regulations

- Other than as disclosed to you, there have been no:
 - a. irregularities involving management or employees who have significant roles in the system of internal control structure
 - b. irregularities involving other employees, that could have a material effect on the financial report
 - c. communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statements or
 - d. known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered in preparing the financial report.
- We have complied with all aspects of contractual agreements that would have a material effect on the financial report in the event of non-compliance.

Fraud

- We acknowledge our responsibility for the design and implementation of internal controls to prevent and detect fraud and error and confirm we have disclosed to you:
 - a. the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.
 - b. all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - i. management
 - ii. employees who have significant roles in internal controls or
 - iii. others where the fraud could have a material effect in the financial report and
 - c. all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial report communicated to us by employees, former employees, analysts, regulators or others.
 - d. the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Internal control

- We have established and maintained an adequate internal control structure to facilitate the preparation of a reliable financial report, and adequate financial records have been maintained. There are no material transactions that have not been properly recorded in the accounting records underlying the financial report.

Uncorrected misstatements

- We acknowledge that:
 - a. uncorrected misstatements have been brought to our attention by the auditor.
 - b. we have considered the effect of any uncorrected misstatements, aggregated during and pertaining to the latest period, on the financial report and consider the misstatements are immaterial individually and in aggregate to the financial report taken as a whole and
 - c. a summary of uncorrected misstatements has been attached to this letter.

Commitments

- There were no material commitments for goods or services at year end, other than those disclosed in the financial report.

Subsequent events

- No events, other than those disclosed in the financial report, have occurred subsequent to the balance sheet date that would require adjustment to, or disclosure in, the financial report or amendments to significant assumptions used in the preparation of the accounting estimates.

Going concern

- Nothing has come to our attention that would indicate that Action Learning, Action Research Association Inc will not be able to continue as a going concern.

Contingencies

- We are not aware of any pending litigation involving this association, other than the matters disclosed in the financial report.
- All contingent liabilities have been provided for or noted in the financial report.

Receivables

- Adequate allowance has been made for adjustments and losses in relation to receivables.
- Provision has been made for any material loss to be sustained in the fulfilment of, or from inability to fulfil, any sale commitments.
- Accounts receivable at balance date was \$Nil
- WC 2017 Seed Fund Account \$Nil

Liabilities

- All known liabilities of the Association at balance date were recorded in the Final Report as at that date.

These include the following:

- Trade Creditors \$1,499.97
- Sundry Creditors- WC Africa Trust \$11,785.43
- Conference Team SA Profit Share \$Nil
- We have disclosed the existence of any loans approved but not drawn down at the reporting date.
- No asset of the association has been pledged as security for any liability, except as disclosed in the financial report.
- All amounts of capital repayment and interest due to be paid to lenders during the reporting period were made on time, in accordance with provisions of the loan agreement, except as disclosed in the financial report.

- There are no financial guarantee contracts in place to third parties which could be called upon in the event of a default, other than those disclosed in the financial report.

Covenants

- We have complied with all covenants in contractual agreements that could have a material effect on the financial report in the event of non-compliance.
- All covenants in loan agreements have been complied with during the reporting period / any non-compliance with loan covenants has been disclosed in the financial report.

Inventory

- We have no plans to abandon lines of product or other plans or intentions that will result in any excess or obsolete inventory, and no inventory is stated at an amount in excess of net realisable value.
- Provision has been made for material losses arising from the fulfilment of, or an inability to fulfil, any sale commitments or as a result of purchase commitments for inventory quantities in excess of normal requirements or at prices in excess of prevailing market prices.

Property, plant and equipment

- Rates of depreciation, applied to reduce book values of individual assets to their estimated residual values, reflect the probable useful lives of those assets to the association.
- Allowances for depreciation have been adjusted for all significant items of property, plant and equipment that have been abandoned or are otherwise unusable.
- The association has no 'make good' obligations in respect of its property, plant and equipment for which it would be required to make a restorative provision under AASB 137 Provisions, contingent liabilities and contingent assets which have not been included in the financial report.


Electronic presentation of financial report

- With respect to presentation of the financial report on our website, we acknowledge that:
 - a. we are responsible for the electronic presentation of the financial report
 - b. we will ensure that the electronic version of the audited financial report and the auditor's report on the website will be identical to the final signed hard copy version
 - c. we will clearly differentiate between audited and unaudited information in the construction of the entity's website as we understand the risk of potential misrepresentation
 - d. we have assessed the controls over the security and integrity of the data on the website and confirmed that adequate procedures are in place to ensure the integrity of the information presented and
 - e. we will not present the auditor's report on the full financial report with extracts only of the full financial report.

Yours sincerely,



 President



 Treasurer