

bennett partners
chartered accountants

CLS:LM

20 July 2016

The Treasurer
Action Learning, Action Research Association Inc
PO Box 162
GREENSLOPES QLD 4120

Dear Sir,

We enclose the audited financial accounts for Action Learning, Action Research Association Inc for the year ended 31 March 2016.

Would you arrange for the President and Treasurer to sign the Statement by Members of the Committee and the Management Representation Letter and then return the accounts to our office so that the writer can sign off the Audit Report.

We also enclose an Audit Engagement Brochure for your records.

Records which were used during the course of our audit are available for collection at our office.

Should you have any queries in relation to any matter, please do not hesitate to contact us at our Brisbane Office.

Yours faithfully,
BENNETT PARTNERS

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Liability limited by a scheme approved under professional standards legislation

BENNETT PARTNERS – CHARTERED ACCOUNTANTS
AUDIT ENGAGEMENT AGREEMENT BROCHURE

AUDIT - SCOPE & OBJECTIVE

This brochure is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide.

We will audit the balance sheet of your entity each year as requested by you and the related statements of operations, retained earnings, and cash flows (if required) for the year then ended. The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in Australia. Our audit will be conducted in accordance with auditing standards generally accepted in Australia and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and where we consider necessary, tests of the physical existence of inventories, confirmation procedures of receivables and payables and certain other assets and liabilities. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Consequently, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Also, we will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

AUDIT - ENGAGEMENT LIMITATIONS

Because an audit is designed to provide reasonable, but not absolute, assurance and because we will not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or illegal acts, may exist and not be detected by us.

In addition, an audit is not designed to detect immaterial errors, fraud, or other illegal acts or illegal acts that do not have a direct effect on the financial statements. Our engagement cannot, therefore, be relied upon to disclose errors, fraud, or other illegal acts that may exist. However, we will inform you of any material errors that come to our attention and any fraud that comes to our attention. We will also inform you of any other illegal acts that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods of which we are not engaged as auditors.

Our audit will include obtaining an understanding of your internal controls sufficient to plan the audit and to determine the nature, timing, and extent of audit procedures to be performed. An audit is not designed to provide assurance on internal controls or to identify reportable conditions, that is, significant deficiencies or material weaknesses in the design or operation of internal control. Accordingly, we have no responsibility to identify and communicate significant deficiencies or material weaknesses in your internal controls as part of this engagement, and our engagement cannot be relied upon to disclose the same. However, during the audit, if we become aware of such reportable conditions, we will communicate them to you.

CLIENT RESPONSIBILITIES

You are responsible for adopting sound accounting policies, for maintaining an adequate and efficient accounting system, for safeguarding assets, for authorizing transactions, for retaining supporting documentation for those transactions, and for devising a system of internal controls that will, among other things, help assure the preparation of proper financial statements. You are also responsible for adjusting the financial statements to correct material misstatements.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting your entity involving (a) management (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. You are also responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting your entity received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

If we have agreed to prepare your entity's financial statements, you are responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. If you have agreed to prepare your financial statements, we will advise you about appropriate accounting principles and

your application and will assist in the preparation of your financial statements, but the responsibility for the financial statements remains with you. As part of our engagement, we may propose standard, adjusting, or correcting journal entries to your financial statements. You are responsible for reviewing the entries and understanding the nature of any proposed entries and the impact they have on the financial statements.

ACCESS TO RECORDS

In order for us to complete this engagement, and to do so efficiently, we require unrestricted access to the following documents: Bank Statements, Asset Registers, Accounting Records, Business & Installment Activity Statements, Cheque Books, Deposit Books, Receipt Books, Invoices and Supplier statements.

AUDIT FEES

Our fees for this engagement will be based on our standard hourly rates, (between \$80-\$220 dependant upon the level of staff assigned for the engagement) with a minimum fee of \$450 to apply. In addition, you agree to reimburse us for any of our out-of-pocket costs incurred in connection with the performance of our services. If we have audited your entity in the prior year, we estimate that our fee for these services will be similar to that of the prior year but not limited by the prior year fee for these services. However, in the event that we encounter unusual circumstances that would require us to expand the scope of the engagement, and/or if we anticipate our fees significantly exceeding the prior year's fees, we will obtain your prior approval before continuing with the engagement.

COMMUNICATIONS

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

You are responsible to notify us in advance of your intent to reproduce our report for any reason, in whole or in part, and to give us the opportunity to review any printed material containing our report before its issuance. Such notification does not constitute an acknowledgement on our part of any third party's intent to rely on the financial statements. With regard to financial statements published electronically on your internet website, you understand that electronic sites are a means to reproduce and distribute information. We are not required to read the information contained in your sites, or to consider the consistency of other information in the electronic site with the original document.

LIMITATION OF LIABILITY

Our liability is limited by a scheme approved under Professional Standards Legislation. Further information on the scheme is available from the Professional Standards Councils' website: <http://www.professionalstandardscouncil.gov.au>.

RETENTION AND OWNERSHIP OF DOCUMENTATION

It is our policy to retain engagement documentation for a period of seven years, after which time we will commence the process of destroying the contents of our engagement files. To the extent we accumulate any of your original records during the engagement, those documents will be returned to you promptly upon completion of the engagement, and you will provide us with a receipt for the return of such records. The balance of our engagement file, other than the compiled financial statement, which we will provide to you at the conclusion of the engagement, is our property, and we will provide copies of such documents at our discretion and if compensated for any time and costs associated with the effort.

CONFIRMATION OF TERMS

Your use of our audit services in conjunction with this information brochure represents your understanding and acceptance these terms and conditions. This engagement agreement will be effective for future engagements unless we advise you of any change.

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 2016, 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 2016 Seed Fund Account \$10,000.00

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 \$3,553.34
 - Conference Team SA Profit Share \$1,164.93
- 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

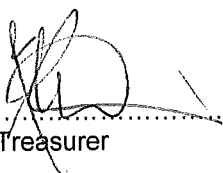
- Rates of depreciation, applied to reduce book values of individual assets to their estimated residual values, reflect the probable useful lives of those assets to the association.
- Allowances for depreciation have been adjusted for all significant items of property, plant and equipment that have been 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

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

**FINANCIAL REPORT
FOR THE PERIOD ENDED 31ST MARCH 2016**

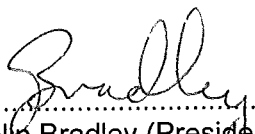
Statement by Management Committee

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.

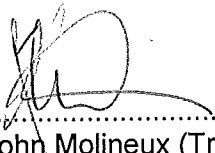
In the opinion of the Committee the financial report as set out on pages 3 to 5:-

1. Presents fairly the financial position of Action Learning, Action Research Association Inc. as at 31ST March 2016 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 18th day of August 2016.


.....
John Molineux (Treasurer)

Dated this 18th day of August 2016.

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

INCOME AND EXPENDITURE STATEMENT
FOR THE PERIOD ENDED 31ST MARCH 2016

	2016	2015
INCOME		
Advertising	0.00	0.00
Copyright Income	255.44	188.24
Conferences	0.00	-770.99
World Congress	12,346.77	
Interest	1,417.45	1,951.33
Local Events	251.99	697.10
Membership Fees	8,177.65	11,424.04
Publications	540.56	11.82
	-----	-----
TOTAL INCOME	22 989.86	13 501.54
	-----	-----
EXPENDITURES		
Administration Services	12,579.10	12,968.44
Advertising	186.00	414.32
ALARA Journal	1,456.34	2,261.46
Audit Fees	940.00	910.00
Bank and PayPal Fees	278.58	286.57
Courier		49.20
Equipment < \$6500		85.45
Email/internet account	370.70	242.74
Group Spaces Fee	256.63	241.45
Insurance	1,763.65	1,763.65
Licence & Registration	48.25	48.25
Management Committee Meeting Costs		0.00
Monograph Series		0.00
PO Box/Mail Forwarding	251.75	199.05
Printing, Postage and Stationery	94.10	7.09
Web Maintenance	890.97	275.00
World Congress Journal		0.00
Wed Design/Development	4,000.00	0.0
	-----	-----
TOTAL EXPENDITURE	23,116.07	19,752.67
	-----	-----
NET SURPLUS/DEFICIT	-126.21	-6,251.13
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The accompanying notes form part of this financial report.

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

BALANCE SHEET
AS AT 31st MARCH 2016

	2016	2015
ASSETS		
Current Assets		
Cash at Bank (1)	9,623.32	3,210.48
Cash at Bank (2)	451.44	1,523.33
WC 2016 Bank Account	15,850.09	0.00
Term Deposit	34,697.87	54,041.34
GST Paid	141.83	252.08
BAS Receivable	140.00	0.00
WC 2015 (Venue deposit)	0.00	2,314.69
WC 2015 Admin Fees	0.00	15.75
WC 2016 Seed Fund Acc	10,000.00	0.00
Accounts Receivable	0.00	0.00
	-----	-----
Total Current Assets	70,904.55	61,357.67
Non Current Assets		
	-----	-----
Total Non-Current Assets	0.00	0.00
	-----	-----
TOTAL ASSETS	70,904.55	61,357.67
	-----	-----
LIABILITIES		
Trade Creditors	3,553.34	4,933.02
BAS Payable	0.00	249.00
World Congress Cost Provision	12,846.77	0.00
Conference- Team SA Profit Share	1,164.93	1,164.93
Prepayments-Membership in Adv	0.00	1,545.00
	-----	-----
TOTAL LIABILITIES	17,565.04	7,891.95
	-----	-----
NET ASSETS	53,339.51	53,465.72
	-----	-----
MEMBERS FUNDS		
Opening Accumulated Funds	53,465.72	59,716.85
Add Surplus/Deficit	-126.21	-6,251.13
	-----	-----
TOTAL MEMBERS FUNDS	53,339.51	53,465.72
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The accompanying notes form part of this financial report.

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD ENDED 31ST MARCH 2016**

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.

5. Costs have remained fairly constant as compared to 2015.

5. Event Income: 2016 World Congress- separate audit completed

Income	\$85,831.19
Interest	\$236.29
Sponsorship	\$5,587.57
Total Income	\$91,655.05
less Conference Expenses	
Administration	(\$7,333.14)
Audit Fee	(\$500.00)
Book Publishing Costs	(\$8,456.00)
Merchant Fees (Conference)	(\$903.23)
Travel Costs	(\$2,861.97)
Venue Hire	(\$46,907.17)
Total Conference Expenditure	(\$66,961.51)
Profit	\$24,693.54
Conference Profit Share/Loss 50:50 split	\$12,346.77
ALARA Profit	\$12,346.77

6. Membership Renewal Income – membership income down in 2016

Membership Income History

2009	2010	2011	2012	2013	2014	2015	2016
\$9 986	\$10 451	\$24 510	\$13 398	\$9 134	\$7 738	\$11 424	\$8177

7. The South Australian Group has not requested use of the past Conference surplus to fund local activities. ALARA holds \$1164.93 to be used for future SA events.