

13th March 2015

Australia Council on Open Distance and E-Learning

Building 1 - C26

University Of Canberra ACT 2601

Dear Members,

Annual Audit for year ended 31st December 2014

We advise that we have recently completed an assurance review of the organizations records and financial statements for the year ended 31st December 2014.

The purpose of our audit was to form an opinion as to whether the financial statements of the Australian Council of Distance and E-Learning were free of material misstatement and presented fairly in accordance with accounting standards and reporting requirements.

Our audit procedures were designed to achieve these objectives and focused on areas of materiality and risk.

Whilst satisfied that the audit could proceed without any qualification of the opinion the following issues have been identified for management attention.

General Comments

The overall presentation of records and the management of the financial and taxation obligations of the organizations accounting records is adequately completed.

There were some minor reporting errors in regard to the amounts recorded as receivable and the MYOB accounts receivable on an individual account basis. There was an incorrect process in recording the write off of an invoiced amount, causing the amounts in the ledger to not reconcile with the amounts per individual account.

We have advised the correct procedures in this regard and measures have already been undertaken to complete the required corrections.

All issues noted in our management letter of 2013 were addressed, the above observations as explained are not material in respect of our audit.

We would like to place on record our appreciation of the open and friendly access we have had to the organizations records and to any requests for information we have made were promptly met.

If you have any questions on the above please don't hesitate to contact our office.

Yours Faithfully

Joe Tonkin

Tonkin Accountants

Tonkin Accountants
PO Box 421
HIGHFIELDS QLD 4352

Dear Mr Joseph Tonkin,

This representation letter is provided in connection with your audit of the financial report of The Australasian Council on Open Distance & E-Learning for the year ended 31 December 2014 for the purpose of you expressing an opinion as to whether the financial report is, in all material respects, presented fairly in accordance with the applicable Accounting Standards.

We acknowledge our responsibility for ensuring that the financial report is in accordance with the applicable Accounting standards, and confirm that the financial report is free of material misstatements, including omissions.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

1. We have made available to you:
 - (a) all financial records and related data, other information, explanations and assistance necessary for the conduct of the audit; and
 - (b) minutes of all meetings of committee
2. There have been no:
 - (a) irregularities involving management or employees who have a significant role in the internal control structure;
 - (b) irregularities 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 report.
3. 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.
4. We have no plans or intentions that may materially effect the carrying values, or classification, of assets and liabilities.
5. We have considered the requirements of AASB 1010 "Accounting for the Revaluation of Non-Current Assets" when assessing the carrying value of non-current assets and in ensuring that no non-current assets are stated in excess of their recoverable amount.
6. 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;
 - (b) agreements to repurchase assets previously sold;

- (c) material liabilities or contingent liabilities or assets including those arising under derivative financial instruments;
 - (d) unasserted claims or assessments that our lawyer has advised us are probable of assertion;
 - (e) losses arising from the fulfillment 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.
 - (f) known creditors and debtors at year end
7. There are no violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial report or as a basis for recording an expense.
 8. The entity has satisfactory title to all assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral. Allowances for depreciation have been adjusted for all important items of property, plant and equipment that have been abandoned or are otherwise unusable.
 9. The entity has complied with all aspects of contractual agreements that would have a material effect on the financial report in the event of non-compliance.
 10. There were no material commitments for construction or acquisition of property, plant and equipment or to acquire other non-current assets, such as investments or intangibles, other than those disclosed in the financial report.
 11. We have no plans or intentions that will result in any excess or obsolete inventory.
 12. No events have occurred subsequent to the balance sheet date that would require adjustment to, or disclosure in, the financial report.
 13. No events have occurred subsequent to the balance sheet date that would require adjustment to, or disclosure in, the financial report.

We understand that your examination was made in accordance with Australian Auditing Standards and was, therefore, designed primarily for the purpose of expressing an opinion on the financial report of the entity taken as a whole, and that your tests of the financial records and other auditing procedures were limited to those which you considered necessary for that purpose.

Yours faithfully



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Karen Halley - Executive Officer

Australasian Council on Open Education and E-Learning

Australasian Council of Open

Distance & E-Learning

Financial Reports

For the year ended 31st December 2014

Australiasian Council on Open Education and E-Learning

Annual Report for the Year Ended 31 December 2014

<i>Contents</i>	<i>Page</i>
Income and Expenditure Statement	1
Balance Sheet	2
Notes to the Accounts	3
Fixed Asset and Depreciation Schedule	7
Statement by Members of the Committee	8
Independent Auditor's Report	9

Australasian Council on Open Education and E-Learning
Income and Expenditure Statement
For the Year ended 31 December 2014

	2014	2013
	\$	\$
Revenue		
Learning Technologies Leadership Institute	12,000.00	102,003.27
ACODE Membership Fees	97,374.90	120,926.00
Interest		
- Bendigo Bank Cheque Account	887.34	1,070.71
- Bendigo Bank Institution Account	308.47	633.61
- Bendigo Bank Term Deposit 007	2,777.43	-
Reimbursements Received	-	29,067.95
	113,348.14	253,701.54
Expenditure		
Advertising	-	6,972.69
Auditor's Remuneration		
- Audit & review of financial reports	2,600.00	2,600.00
Bank Charges	162.00	188.05
Computer Expenses	1,655.93	5,483.59
Conference Fees	14,659.65	28,401.12
Depreciation	201.00	335.00
Gifts in lieu of payment	-	919.71
Honorariums	-	9,142.73
Insurance	1,981.82	2,009.09
Printing, Postage & Stationery	791.48	3,660.93
Salaries	-	15,000.00
Service Fees - Executive Officer	96,000.00	96,000.00
Travelling Expenses	22,129.61	57,206.05
Web Site Maintenance	159.82	24.00
	140,341.31	227,942.96
Loss before Income Tax	(26,993.17)	25,758.58

*The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached.*

Australasian Council on Open Education and E-Learning
Balance Sheet
As at 31 December 2014

	2014 \$	2013 \$
Equity		
Retained Profits	254,095.50	281,256.99
Total Equity	<u>254,095.50</u>	<u>281,256.99</u>
Represented by:		
Current Assets		
Bendigo Bank - Cheque Account	148,872.09	98,441.25
Bendigo Bank - Institute Account	-	60,830.52
Bendigo Bank - Term Deposit 149314007	52,777.43	50,000.00
Bendigo Bank - Term Deposit 152589495	30,000.00	-
Trade Debtors	24,141.98	69,635.22
Provision for GST	-	1,848.00
	<u>255,791.50</u>	<u>280,754.99</u>
Non-Current Assets		
Plant & Equipment	1,561.00	1,561.00
Less Accumulated Depreciation	<u>1,260.00</u>	<u>1,059.00</u>
	301.00	502.00
	<u>301.00</u>	<u>502.00</u>
Total Assets	<u>256,092.50</u>	<u>281,256.99</u>
Current Liabilities		
Provision for GST	<u>1,997.00</u>	-
	1,997.00	-
Total Liabilities	<u>1,997.00</u>	-
Net Assets	<u>254,095.50</u>	<u>281,256.99</u>

The accompanying notes form part of these financial statements.

Australasian Council on Open Education and E-Learning
Notes to the Financial Statements
For the Year ended 31 December 2014

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act (NSW). The committee has determined that the association is not a reporting entity.

The financial statements have been prepared on an accruals basis and are based on historic costs and do not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of the financial statements.

(a) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

(b) Property, Plant and Equipment

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all fixed assets are depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Leasehold Improvements	20 %
Leased Plant and Equipment	40 %
Office Equipment	40 %

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

(c) Revenue and Other Income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

All revenue is stated net of the amount of goods and services tax (GST).

Sale of Goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Australiasian Council on Open Education and E-Learning
Notes to the Financial Statements
For the Year ended 31 December 2014

Dividend Revenue

Dividends are recognised when the entity's right to receive payment is established.

Rendering of Services

Revenue in relation to rendering of services is recognised depends on whether the outcome of the services can be measured reliably. If this is the case then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably measured then revenue is recognised to the extent of expenses recognised that are recoverable.

(d) **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Australiasian Council on Open Education and E-Learning
Notes to the Financial Statements
For the Year ended 31 December 2014

	2014	2013
	\$	\$
2. Profit		
Expenses		
Employee Benefits Expense	-	15,000.00
Depreciation and Amortisation Expenses	201.00	335.00
Advertising	-	6,972.69
Bank Charges	162.00	188.05
Insurance	1,981.82	2,009.09
Printing, Postage & Stationery	791.48	3,660.93
Other Expenses	<u>137,205.01</u>	<u>199,777.20</u>
	<u>140,341.31</u>	<u>227,942.96</u>
3. Profit for the Year		
Profit before income tax expense from continuing operations includes the following specific expenses:		
Charging as Expense		
Movements in Provisions		
Depreciation		
- Depreciation of Property, Plant and Equipment	201.00	335.00
Other Provisions:-		
- Employee Benefits	-	9,142.73
Net Expenses Resulting from Movement in Provisions	<u>201.00</u>	<u>9,477.73</u>
Remuneration of the Auditor:-		
- Audit & review of financial reports	<u>2,600.00</u>	<u>2,600.00</u>
	<u>2,600.00</u>	<u>2,600.00</u>
4. Cash and Cash Equivalents		
Bendigo Bank - Cheque Account	148,872.09	98,441.25
Bendigo Bank - Institute Account	-	60,830.52
Bendigo Bank - Term Deposit 149314007	52,777.43	50,000.00
Bendigo Bank - Term Deposit 152589495	<u>30,000.00</u>	<u>-</u>
	<u>231,649.52</u>	<u>209,271.77</u>

These notes should be read in conjunction with the attached Compilation Report.

Australiasian Council on Open Education and E-Learning
Notes to the Financial Statements
For the Year ended 31 December 2014

	2014	2013
	\$	\$
Reconciliation of Cash		
Cash and Cash Equivalents	<u>231,649.52</u>	<u>209,271.77</u>
	<u><u>231,649.52</u></u>	<u><u>209,271.77</u></u>
5. Trade and Other Receivables		
Current		
Trade Debtors	24,141.98	69,635.22
Provision for GST	<u>-</u>	<u>1,848.00</u>
	<u>24,141.98</u>	<u>71,483.22</u>
Total Trade and Other Receivables	<u><u>24,141.98</u></u>	<u><u>71,483.22</u></u>
6. Property, Plant and Equipment		
Plant and Equipment		
Plant & Equipment	1,561.00	1,561.00
Less Accumulated Depreciation	<u>1,260.00</u>	<u>1,059.00</u>
	301.00	502.00
Total Plant and Equipment	<u><u>301.00</u></u>	<u><u>502.00</u></u>
Total Property, Plant and Equipment	<u><u>301.00</u></u>	<u><u>502.00</u></u>
7. Trade and Other Payables		
Current		
Provision for GST	<u>1,997.00</u>	<u>-</u>
	1,997.00	-
Total Trade and Other Payables	<u><u>1,997.00</u></u>	<u><u>-</u></u>

These notes should be read in conjunction with the attached Compilation Report.

Australasian Council on Open Education and E-Learning
Fixed Asset and Depreciation Schedule
For the Year Ended 31 December 2014

Asset	Private Use	Cost Price	Cost Limit	Opening W.D.V 01/01/2014	Additions Disposals	Gain/Loss on Disposal	Capital Gains	---- Depreciation Rate	---- Depreciation \$	Accum Deprec 31/12/2014	Closing W.D.V 31/12/2014
<u>Plant & Equipment</u>											
Laptop		1,561		502				40.0% DV	201	1,260	301
Total		<u>1,561</u>		<u>502</u>					<u>201</u>	<u>1,260</u>	<u>301</u>

Australiasian Council on Open Education and E-Learning Statement by Members of the 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 accounting policies outlined in Note 1 to the financial statements.

In the opinion of the committee the financial statements:

1. Presents fairly the financial position of Australiasian Council on Open Education and E-Learning as at 31 December 2014 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Australiasian Council on Open Education and E-Learning 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:

.....
President: Helen Carter

.....
Treasurer: Ric Canale

Dated

**Australasian Council on Open Education and E-Learning
Independent Auditor's Report
to the Members of
Australasian Council on Open Education and E-Learning**

Report on the Financial Report

We have audited the accompanying financial report of Australasian Council on Open Education and E-Learning (the association), which comprises the committee's report, the assets and liabilities statement as at 31 December 2014, the income and expenditure statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by members of the committee.

Committee's Responsibility for the Financial Report

The committee of Australasian Council on Open Education and E-Learning is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Associations Incorporation Act (NSW) and for such internal control as the committee determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In Note 1, the committee also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 judgment, 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 association's preparation of the financial report that gives a true and fair view, 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 association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.