

Autism Spectrum Australia (Aspect)

(A company limited by guarantee)

ABN 12 000 637 267

Financial report for the year ended 31 December 2014

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Directors' report

The Directors present their report together with the financial report of Autism Spectrum Australia (Aspect) for the year ended 31 December 2014 and the auditors' report thereon.

As defined in section 205-30 of the *Australian Charities and Not-for-profits Commission Act 2012* the Directors referred to in these financial statements are Aspect's Responsible Entities for the purposes of that Act.

Directors

The names of the Directors in office at any time during the year or since the end of the year are:

Jeanie Young
(known as Jenny)
Qualifications

- **Chair of the Board**

- B.Bus., GAICD, is a Partner at Ernst and Young's Advisory practice and is the Oceania Customer leader. Jenny has held senior marketing positions for Unilever, Lion Nathan, Pepsi and Telstra, and has worked in New Zealand, the United Kingdom and Australia. Jenny has a son on the autism spectrum. She joined the Board in March 2010 and is a member of the Strategy Group, Nominations and Remuneration Committee and the Finance and Audit Committee. Jenny is a Member-elected Director.

Julie Hamblin
Qualifications

- **Deputy Chair of the Board**

- Julie Hamblin B.A., LL.B (Hons) LL.M has more than 30 years experience as a lawyer, specialising in the health and disability sectors. Her professional expertise includes clinical risk, health professional disciplinary work, regulatory issues in health, medical ethics, public health and privacy. After 21 years as a health law partner with HWL Ebsworth, she now consults to a range of organisations in the areas of health, disability and pro bono legal services. She has served on numerous government and non-government advisory bodies including international work with the UN on HIV policy. Julie is also a director of Plan International Australia. She joined the Board in April 2010 and is a member of the Finance and Audit Committee, the Nominations & Remunerations Committee and the Strategy Group. Julie, who is a Member-elected Director, was until March 2015 the Board's representative on the Corporate Risk Management Committee.

Henry Capra
Qualifications

- **Honorary Treasurer**

- B.Ec., ACA, is Head of Custody & Fund Services, Australia & New Zealand at J. P. Morgan. He has held senior positions at Blackrock, AMP Capital, Colonial First State Investments, BNP Paribas Asset Management and Barclays Global Investors after commencing his career with chartered accountants KPMG. Henry joined the Board in December 2010 and is the Chair of the Finance and Audit Committee. Henry is a Member-elected Director.

- | | |
|---|--|
| <p>Robert J. Brown</p> <p>Qualifications</p> | <p>- Director</p> <p>- B.Sc., M.A., Grad, Dip. Applied Finance, and is the founder of Alford Brown and Associates. Rob has previously held senior executive roles with HSBC, Westpac, the Commonwealth Bank and State Street Bank and Trust. He is experienced in the governance of not-for-profit organisations, and has a personal interest in special education and the needs of children with learning difficulties. Rob joined the Board in June 2008, formerly held the position of Honorary Treasurer, and remains a member of the Finance and Audit Committee. Rob is a Member-elected Director.</p> |
| <p>Annette Gallard</p> <p>Qualifications</p> | <p>- Director</p> <p>- PSM, B. Soc. Stud., M. Comm, has more than 20 years' experience as a senior executive in the NSW Public Service in both the Housing and Community Services Portfolios. She retired from the position of Chief Executive of the NSW Department of Community Services in 2011 and has since focused on assisting the not-for-profit sector as a Board Member. She was awarded the Public Service Medal in 2012 for services to disadvantaged communities particularly Aboriginal people. Annette joined the board in March 2014 and is a member of the Strategy Group. Annette is a Member-elected Director.</p> |
| <p>Laurie Horin</p> <p>Qualifications</p> | <p>- Director</p> <p>- B.Bus., FCA, F Fin, is an executive director of Carlisle Partners, a corporate advisory firm specialising in mergers and acquisitions, debt and equity funding for mid-market companies. He has in excess of 25 years' experience in professional accounting, corporate and investment management, and investment banking. Laurie has worked extensively in Australia, USA and South East Asia. He is also a board member of a number of client companies. Laurie joined the Board in September 2012, co-chairs the Strategy Group and became a member of the Finance and Audit Committee in February, 2015.. Laurie is a Member-elected Director.</p> |
| <p>Ian Joseph</p> <p>Qualifications</p> | <p>- Director</p> <p>- B.Bus., Grad Dip Ed, FAMI, AFAIM, is a private banking and finance industry consultant and Chair of the Agribusiness Council of Australia. He was formerly Head of Strategy – Service and Sales with Regional and Agribusiness Banking at the Commonwealth Bank. Ian and his family care for his sister who has autism. Ian joined the Board in March 2011 and is a member of the Strategy Group. Ian is a Member-elected Director.</p> |
| <p>Malcolm McEwen</p> <p>Qualifications</p> | <p>- Director</p> <p>- B.Bus., M.Bus., is an executive search and selection consultant with Carmichael Fisher. Malcolm is the father of a son with autism. He joined the Board in 2004 and is a member of the Nominations & Remuneration Committee.. Malcolm is a Member-elected Director.</p> |
| <p>Keith Perkin</p> <p>Qualifications</p> | <p>- Director</p> <p>- B.Bus., CPA, is a consultant. Keith has an extensive commercial background primarily in the fields of management and marketing, having held senior positions at BP, Dymocks and Retravisio as well as having held senior positions in the not-for-profit sector at Big Brothers Big Sisters Australia and</p> |

the Starlight Foundation. He joined the Board in 2004 and is a member of the Finance and Audit Committee. Keith is a Life Member of Aspect, a former Chair and Deputy Chair of the Board and a Member-elected Director.

Dr. David Starte - **Director** (resigned 28 May 2014)
Qualifications - M.B.B.S., M.R.C.P.(UK), F.R.A.C.P., is the Service Director of the Royal North Shore Hospital's Child Development Service, and a Clinical Associate Lecturer in the Department of Paediatrics and Child Health, School of Medicine, University of Sydney. David joined the Board in 2004. David was a Member-elected Director.

Peter Werner - **Director**
Qualifications - B.Comm., is a Director of PW Executive. He has previously worked in the banking industry with BT Australia and Citibank. Peter is the father of a young man on the autism spectrum. He joined the Board in 2001 and chairs the Nominations and Remuneration Committee. Peter is a Life Governor of Aspect, a former Chair of the Board and is a Member-elected Director.

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Meetings of the Directors in 2014

	Directors' Meetings		Finance and Audit Committee		Strategy Group		Nominations and Remuneration Committee	
	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held
Ms J Young	9	9	9	10	3	5	2	2
Mr K Perkin	9	9	8	10			1	2
Mr R Brown	6	9	7	10				
Mr H Capra	9	9	10	10				
Ms A Gallard	8	8						
Ms J Hamblin	8	9	9	10	4	5		
Mr L Horin	7	9			5	5		
Mr I Joseph	8	9			4	5		
Mr M McEwen	8	9					2	2
Dr D Starte	2	3						
Mr P Werner	8	9					2	2

The following person held the position of company secretary at the end of the financial year:

Company secretary

Name and Qualifications
Mr Adrian Ford FAICD, B. Soc.Stud

Appointment date:
2000

Principal activities

The principal activities of Autism Spectrum Australia (Aspect) are to provide a range of flexible, responsive and evidence-informed services to children, young people and adults with autism and other disabilities. These include information services, diagnostic and assessment services for people with autism, early intervention for young children on the autism spectrum and with other disabilities, educational services for school-aged children with autism to prepare them for transition to environments that are not autism-specific, community participation programs for adults living with autism and other disabilities and behaviour support programs for people on the autism spectrum and with other disabilities of all ages. A range of support services are provided to families of people living with autism. The provision of training and consultation to other professionals and parents in ways of working with people with autism also continues as does Aspect's research program. There were no significant changes in the nature of its activities during the year.

Short- and long-term objectives

Aspect's long-term objective or vision is the best opportunities for people with autism or other disabilities. It does this by delivering person-centred solutions using flexible, responsive and evidence-informed services.

Its short-term objectives are to have piercing clarity about its purpose, to put people at the centre of everything it does, to safeguard its relationship with the autism community during this period of transition for the sector and to succeed in this competitive environment as the sector trends to government providing individualised funding packages to people with a disability who then choose service or services that fit their needs or wants rather than governments funding organisations to provide services.

Strategies for achieving those objectives

Aspect's strategies for achieving these objectives include:

- increasing Aspect's client base by offering services that are flexible, responsive and evidence-informed and that deliver outcomes to people with autism and other disabilities;
- working with governments to ensure that Aspect remains recognised as a quality organisation that is outcome-focused, a valuable partner, and a specialist autism service provider;
- growing our relationship with donors and supporters; and
- attracting the best people to work at Aspect, ensuring high levels of engagement and staff retention.

The Board continuously reviews the entity's performance against these strategic objectives using a set of key performance indicators which include indicators on service performance, funding from government and fundraising, media awareness, human resource management and financial performance.

Operating result

The operating result for 2014 was a surplus of \$2,536,232 (2013: surplus \$1,158,174).

Review of operations

Government grants continued to provide the major operational income for Aspect, supported by fundraising and a contribution by clients' families for some of the services through a fee for service charge. Income from these three sources increased in 2014 to \$68,490,254 compared with \$60,616,193 in 2013. Government grants of \$124,000 (2013: \$375,000) for capital purposes are included in the statement of profit or loss and other comprehensive income.

Contribution on winding up

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$20 towards meeting any outstanding obligations of the entity. At 31 December 2014, the total amount that members of the company would have been liable to contribute if the company were wound up is \$4,980 (2013: \$5,560).

Significant changes in state of affairs

On 30 November 2014 Aspect acquired the operations and net assets of Alpha Autism Incorporated for \$nil consideration. Alpha Autism Incorporated provided day services and other services to adults with autism in Victoria.

Other than this, in the opinion of the directors, there were no significant changes in the state of affairs of Aspect that occurred during the financial year under review not otherwise disclosed in the report or the financial statements.

Events after the reporting date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of Aspect to affect significantly the operations of Aspect, the results of the operations, or the state of affairs of Aspect, in subsequent financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* for the year ended 31 December 2014 has been received and can be found on page 6 of the financial report.

Signed in accordance with a resolution of the Board of Directors:



Jenny Young
Chair of the Board

Dated this 9th day of April 2015 at Sydney



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Auditor's Independence Declaration To the Directors of Autism Spectrum Australia

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of Autism Spectrum Australia for the year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

C F Farley
Partner - Audit & Assurance

Sydney, 9 April 2015

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Statement of profit or loss and other comprehensive income

For the year ended 31 December 2014

	Notes	2014 \$	2013 \$
Revenue from rendering of services		7,935,111	6,847,002
Federal/state grants and salary subsidies		57,925,751	51,450,184
Fundraising		2,629,392	2,319,007
Other revenue		893,587	566,112
Total revenue	3	69,383,841	61,182,305
Contribution on acquisition	14	945,196	-
Total income		70,329,037	61,182,305
Employee expenses		(54,457,697)	(48,765,776)
Transportation costs		(2,098,407)	(1,687,491)
Insurance expense		(686,055)	(960,485)
Depreciation and amortisation expenses	4	(1,179,178)	(1,180,234)
Finance costs	4	(75,362)	(83,215)
Services		(3,660,197)	(2,496,951)
Other expenses from ordinary activities		(5,635,909)	(4,849,979)
Total expenses		(67,792,805)	(60,024,131)
Surplus for the year		2,536,232	1,158,174
Other comprehensive income			
Net gain on revaluation of investments		8,795	325,105
Net gain on sale of investments		49,770	18,759
Other comprehensive income for the year		58,565	343,864
Total comprehensive income for the year		2,594,797	1,502,038

These financial statements should be read in conjunction with the accompanying notes.

Statement of financial position

As at 31 December 2014

	Notes	2014 \$	2013 \$
Current assets			
Cash and cash equivalents	6	16,644,964	10,306,044
Trade and other receivables	7	1,759,639	3,088,327
Other financial assets	8	225,301	205,736
Other assets	9	825,608	929,559
Total current assets		19,455,512	14,529,666
Non-current assets			
Other financial assets	8	3,263,066	3,061,775
Property, plant and equipment	10	18,288,557	17,859,852
Total non-current assets		21,551,623	20,921,627
Total assets		41,007,135	35,451,293
Current liabilities			
Trade and other payables	11	11,281,466	9,340,553
Short term borrowings	12	72,346	69,824
Short term provisions	13	5,008,917	4,196,202
Total current liabilities		16,362,729	13,606,579
Non-current liabilities			
Long term borrowings	12	1,267,825	1,339,385
Long term provisions	13	1,064,059	787,604
Total non-current liabilities		2,331,884	2,126,989
Total liabilities		18,694,613	15,733,568
Net assets		22,312,522	19,717,725
Equity			
Asset revaluation reserve	15	(1,841)	(10,636)
Asset realisation reserve	15	(930,048)	(979,818)
Accumulated surplus		23,244,411	20,708,179
Total equity		22,312,522	19,717,725

These financial statements should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the year ended 31 December 2014

	Asset Revaluation Reserve \$	Asset Realisation Reserve \$	Retained Earnings \$	Total \$
Balance at 1 January 2013	(335,741)	(998,577)	19,550,005	18,215,687
Surplus for the year	-	-	1,158,174	1,158,174
Total other comprehensive income for the year	325,105	18,759	-	343,864
Balance at 31 December 2013	(10,636)	(979,818)	20,708,179	19,717,725
Surplus for the year	-	-	2,536,232	2,536,232
Total other comprehensive income for the year	8,795	49,770	-	58,565
Balance at 31 December 2014	(1,841)	(930,048)	23,244,411	22,312,522

These financial statements should be read in conjunction with the accompanying notes.

Statement of cash flows

For the year ended 31 December 2014

	Notes	2014 \$	2013 \$
Cash flows from operating activities			
Receipts from customers and grants		71,597,749	61,852,887
Payments to suppliers and employees		(65,356,833)	(59,462,351)
Interest received		449,602	371,567
Dividend received		159,217	126,189
Interest paid		(75,362)	(83,215)
Net cash provided by operating activities		6,774,373	2,805,077
Cash flows from investing activities			
Proceeds on disposal of investments		775,421	658,773
Payments for investments		(469,076)	(1,407,601)
Purchase of property, plant and equipment		(653,195)	(710,437)
Net cash used in investing activities		(346,850)	(1,459,265)
Cash flows from financing activities			
Repayment of borrowings		(69,038)	(99,624)
Net cash used in financing activities		(69,038)	(99,624)
Net increase in cash and cash equivalents held		6,358,485	1,246,188
Cash and cash equivalents at the beginning of the year		10,511,780	9,265,592
Cash and cash equivalents at the end of the year	6	16,870,265	10,511,780

These financial statements should be read in conjunction with the accompanying notes.

Notes to the financial statements

For the year ended 31 December 2014

1 General information and statement of compliance

The financial report includes the financial statements and notes of Autism Spectrum Australia (Aspect).

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements for the year ended 31 December 2014 (including comparatives) were approved and authorised for issue by the Board of Directors (who are Aspect's Responsible Entities under the *Australian Charities and Not-for-profits Commission Act 2012*) on 8 April 2015.

2 Statement of significant accounting policies

Changes in accounting policies

During the year the Directors have revised the presentation of one of the company's revenue streams. They believe that including this revenue within federal/state grants and salary subsidies rather than revenue from the rendering of services more accurately reflects the nature of the income. The amount reclassified is \$2,471,057 for 2014. The comparative amounts have been restated in line with the new presentation. The amount reclassified for 2013 was \$1,477,560.

There has been no other changes to the accounting policies applied by the company during the reporting period.

Summary of accounting policies

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

The financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

All amounts are presented in Australian dollars which is Aspect's functional and presentation currency, unless otherwise noted.

a. Income tax

Under Section 50-1 and 50-5 of the Income Tax Assessment Act 1997, the income of Aspect is exempt from income tax.

b. Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings purchased are recorded at cost.

Freehold land and buildings that have been donated, are valued at the fair value of the asset at the date it is acquired, in accordance with the requirements of AASB 1004: Contributions.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

Property and equipment are reviewed each year for impairment or whenever events or changes in business circumstances indicate that the carrying value of the assets may not be recoverable. Impairment losses are recognised if expected future cash flows from the assets are less than their carrying values.

Plant and equipment that have been donated are valued at the fair value of the asset at the date it is acquired, in accordance with the requirements of AASB 1004: Contributions.

Depreciation

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a straight-line basis over the useful life to Aspect commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvement.

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

<i>Class of fixed asset</i>	<i>Depreciation rate</i>
Buildings	2.5%
Building with demountable classrooms	10%
Leasehold improvements	10%
Plant and equipment	20-33%
Library	10%

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance sheet date.

The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount is greater than the estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

c. Leases

Operating leases

Where the company is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

d. Financial assets**Initial recognition and measurement**

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Financial instruments are classified and measured as set out below.

Classification and subsequent measurement**Financial assets measured at amortised cost**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial assets at fair value through other comprehensive income

Aspect early adopted AASB 9 *Financial Instruments* in 2010 and therefore all investments form part of Aspect's investment portfolio and have been classified as available for sale financial assets at fair value through other comprehensive income.

Unrealised gains and losses arising from changes in fair value are taken directly to equity (into the asset revaluation reserve).

Realised gains or losses on the sale of investments are transferred from the asset revaluation reserve into the asset realisation reserve.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair value

Fair value is determined based on current last sale prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment of financial assets

At each reporting date, Aspect assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses on financial assets other than those held at fair value through other comprehensive income are recognised in the statement of profit or loss and other comprehensive income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in the statement of profit or loss and other comprehensive income.

e. Impairment of non-financial assets

At each reporting date, Aspect reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell or value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

f. Employee benefits

Provision is made for Aspect's liability for employee benefits arising from services rendered by employees up to the reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits plus related on-costs using the government bond rate that represents the period to the expected payment.

Aspect contributes to several contribution superannuation plans. Contributions are charged against income in the period to which they relate.

g. Provisions

Provisions are recognised when Aspect has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

h. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

i. Revenue and other income

Revenue from the sale of goods is recognised when goods are provided to entities outside Aspect.

Revenue from the rendering of a service is recognised upon the delivery of the service to the stakeholders.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Grant monies and donations are recognised upon receipt of the monies. Where conditions are attached to the receipt of these monies, revenue is only recognised once these conditions have been fulfilled and the company is assured of control of the funds.

j. 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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense of an item. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the Statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

k. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are expensed in the statement of profit or loss and other comprehensive income in the period in which they are incurred.

l. Government grants

A number of the company's programs are supported by grants received from the federal and state governments.

If conditions are attached to a grant which must be satisfied before the company is eligible to receive the contribution, recognition of the grant as revenue is deferred until those conditions are satisfied.

Where a grant is received on the condition that specified services are delivered to the grantor, this is considered a reciprocal transaction. Revenue is recognised as services are performed during the year.

Revenue from a non-reciprocal grant that is not subject to conditions is recognised when the company obtains control of the funds, economic benefits are probable and the amount can be measured reliably. Where a grant may be required to be repaid if certain conditions are not satisfied, a liability is recognised at the year end to the extent that such conditions remain unsatisfied.

m. Business combination

The company applies the acquisition method in accounting for business combinations. The consideration transferred by the company to obtain control of another entity or its net assets and operations is calculated as the sum of the acquisition-date fair values of assets transferred and liabilities incurred by the company, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The company recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's

financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of: (a) fair value of consideration transferred; (b) the recognised amount of any non-controlling interest in the acquiree; and (c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately as a contribution on acquisition.

n. Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

o. Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates are based on a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within Aspect.

Key estimates - Impairment

Aspect assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to the impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates

An impairment review performed in 2014 resulted in an impairment write down of plant and equipment of \$27,804.

Key estimates - Long service leave

Management continue to review the probability factors used to accurately reflect the liability for long service leave for all staff.

The Directors believe that there are no other key estimates or judgements.

3 Revenue from ordinary activities

	2014 \$	2013 \$
School fees	4,460,122	4,083,544
Other fee for service	3,474,989	2,763,458
Federal grants	22,341,039	18,336,656
Government Capital grants	124,000	375,000
State grants and subsidies	35,460,712	32,738,528
Donations and bequests	2,629,392	2,149,556
Fundraising projects	-	169,451
Other revenue	893,587	566,112
Total revenue from ordinary activities	69,383,841	61,182,305

4 Operating surplus from operating activities

Operating surplus from operating activities has been arrived at after charging the following items:

	2014 \$	2013 \$
Depreciation of:		
- Freehold buildings	88,278	88,278
- Leasehold buildings	259,993	258,689
- Office machines and equipment	442,031	500,670
- School library	2,991	2,991
Amortisation of:		
- Leasehold improvements	385,885	329,606
Total depreciation and amortisation	1,179,178	1,180,234
Finance costs		
- Bank loans and overdraft interest and fees	75,362	83,215
Net bad and doubtful debts expenses including movements in provision for doubtful debts	13,241	225,000
Net expenses from movements in provision for employee benefits	2,521,915	2,123,189
Operating lease and other rental payments during the year	1,192,834	1,152,944
Net loss on disposal of non-current assets	27,804	23,688

5 Taxation

Aspect is a charitable institution and meets the necessary conditions for its income to be exempted from income tax under Sections 50-1 and 50-5 of the Income Tax Assessment Act 1997.

6 Cash and cash equivalents

	Notes	2014 \$	2013 \$
Cash at bank		16,637,878	10,304,463
Cash on hand		7,086	1,581
Cash and cash equivalents		16,644,964	10,306,044

Reconciliation of Cash

For the purposes of the statement of Cash Flows, cash includes cash on hand, cash at bank and cash equivalents and short-term deposits at call, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:

Cash at bank and on hand		16,644,964	10,306,044
Bank term deposits	8	225,301	205,736
		16,870,265	10,511,780

7 Trade and other receivables

	Notes	2014 \$	2013 \$
Fees and government subsidies		1,892,909	3,036,713
Less: Provision for doubtful debts		(278,961)	(349,738)
		1,613,948	2,686,975
Goods and services tax receivable		-	55,381
Other receivables		145,691	345,971
		1,759,639	3,088,327

The company does not have any material credit risk exposure to any single receivable or group of receivables.

At 31 December 2014, the ageing analysis of trade receivables was as follows:

	Total	0-30 days	31-60 days	61-90 days	91+ days
2014	1,892,909	1,574,229	19,222	4,591	294,867
2013	3,036,713	1,076,555	1,539,108	19,051	401,999

Trade receivables are non-interest bearing loans and generally on 30-day terms. A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. A net expense of \$13,242 was recognised in 2014 (2013: expense of \$225,000).

	2014 \$	2013 \$
Balance at 1 January 2014	349,738	124,738
Charge for the year	13,241	225,000
Amounts written off	(84,018)	-
Balance at 31 December 2014	278,961	349,738

Receivables past due but not considered impaired are:

31-60 days	\$19,222	(2013: \$1,539,108)
61-90 days	\$4,591	(2013: \$19,051)
91 days and over	\$15,906	(2013: \$52,262)

These receivables relate to fee for service charges for school fees, other fee for service charges and contracted government grants. These receivables are not considered impaired as, based on historic recovery patterns, they are recovered before ageing beyond 120 days.

8 Other financial assets

	2014 \$	2013 \$
Current		
Bank term deposits	225,301	205,736
Non-current		
Available for sale financial assets	3,263,066	3,061,775

The available for sale financial assets are Aspect's investment portfolio. They are measured at fair value on a recurring basis.

9 Other assets

	2014 \$	2013 \$
Accrued income	468,689	546,222
Prepayments	356,919	383,337
	825,608	929,559

10 Property and equipment

	2014 \$	2013 \$
Freehold land and buildings – at deemed cost	7,043,461	6,193,461
Less: Accumulated depreciation	(236,330)	(148,052)
	<u>6,807,131</u>	<u>6,045,409</u>
Leasehold buildings – at cost	10,459,460	10,400,287
Less: Accumulated depreciation	(1,951,219)	(1,691,226)
	<u>8,508,241</u>	<u>8,709,061</u>
Leasehold improvements – at cost	4,027,109	3,794,836
Less: Accumulated depreciation	(2,050,715)	(1,730,882)
	<u>1,976,394</u>	<u>2,063,954</u>
Office machines and equipment – at cost	3,925,784	3,600,900
Less: Accumulated depreciation	(2,935,370)	(2,568,941)
	<u>990,414</u>	<u>1,031,959</u>
School library – at cost	27,874	62,153
Less: Accumulated depreciation	(21,497)	(52,684)
	<u>6,377</u>	<u>9,469</u>
Total property, plant and equipment	<u>18,288,557</u>	<u>17,859,852</u>

	Freehold land and buildings (a) \$	Leasehold buildings \$	Leasehold improvements \$	Office machines and equipment \$	School library \$	Total \$
Asset gross carrying amount						
Balance at 1 Jan 2014	6,193,461	10,400,287	3,794,836	3,600,900	62,153	24,051,637
Additions	-	59,173	245,317	348,705	-	653,195
Acquisition (note 14)	850,000	-	67,360	65,132	-	982,492
Disposals	-	-	(80,404)	(88,953)	(34,279)	(203,636)
Balance at 31 Dec 2014	<u>7,043,461</u>	<u>10,459,460</u>	<u>4,027,109</u>	<u>3,925,784</u>	<u>27,874</u>	<u>25,483,688</u>
Accumulated depreciation						
Balance at 1 Jan 2014	(148,052)	(1,691,226)	(1,730,882)	(2,568,941)	(52,684)	(6,191,785)
Depreciation	(88,278)	(259,993)	(385,885)	(442,031)	(2,991)	(1,179,178)
Disposals	-	-	66,052	75,602	34,178	175,832
Balance at 31 Dec 2014	<u>(236,330)</u>	<u>(1,951,219)</u>	<u>(2,050,715)</u>	<u>(2,935,370)</u>	<u>(21,497)</u>	<u>(7,195,131)</u>
Carrying amount 31 December 2014	<u>6,807,131</u>	<u>8,508,241</u>	<u>1,976,394</u>	<u>990,414</u>	<u>6,377</u>	<u>18,288,557</u>

- (a) The estimated fair value of land and buildings at 31 December 2014 is \$19,945,000. These estimates include the South Coast School (\$1,800,000), the Central Coast School (\$2,965,000), the Western Sydney School (\$3,380,000), the Vern Barnett School at Forestville (\$5,800,000), the Hunter School (\$5,150,000) and a property in Altona, VIC (\$850,000) which are reflected in our insurance coverage.

11 Trade and other payables

	2014 \$	2013 \$
Current		
Trade creditors	1,136,175	651,321
Other creditors and accruals	4,296,285	2,651,926
Goods and services tax payable	27,124	-
Government subsidies in advance	5,821,882	6,037,306
	<u>11,281,466</u>	<u>9,340,553</u>

12 Borrowings

Current

Bank loan – secured	72,346	69,824
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Non-current

Bank loan – secured	1,267,825	1,339,385
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There is one bank loan denominated in Australian dollars. The amount in current liabilities comprises the portion of the bank loan payable within one year. The non-current balance represents the portion of the bank loan not due within one year.

The bank loan with Westpac is secured by first mortgage over Aspect's land at Thornton and Corrimal, as well as the lease at Terrigal and a Fixed / Floating charge over Aspect's assets. The business loan bears interest at 5.545% (2013: 5.42%) per annum, payable monthly and is expected to be repaid by 2029. The purpose of the loan was to finance the upgrade project of Vern Barnett School.

In addition, interest on the above mentioned loan is partly subsidised by the Department of Education NSW. The rate varies and is currently reimbursed at about 3.8% per annum.

Financing arrangements

Aspect has access to the following financial facilities:

	2014 \$	2013 \$
Total facilities available:		
Bank overdraft	150,000	150,000
Bank loans	1,340,171	1,409,209
Facilities utilised at the reporting date:		
Bank loan	1,340,171	1,409,209

13 Provisions

	2014 \$	2013 \$
Current		
Provision for remediation of leasehold properties	211,953	-
Provision for long service leave	3,723,819	3,204,690
Provision for annual leave	1,073,145	991,512
	5,008,917	4,196,202
Non-current		
Provision for long service leave	1,064,059	787,604
	1,064,059	787,604
	6,072,976	4,983,806

14 Alpha Autism Incorporated Acquisition

On 30 November 2014 Aspect acquired the operations and net assets of Alpha Autism Incorporated (Alpha). No consideration was paid for the acquisition.

The amounts recognised at the acquisition date are as follows:

	\$
Current assets	
Cash and cash equivalents	449,071
Trade and other receivables	147,205
	596,276
Non-current assets	
Property plant and equipment	982,492
	982,492
Current liabilities	
Trade and other payables	476,993
Provisions	156,579
	633,572

Fair value of net identifiable assets and liabilities	945,196
Contribution on acquisition of the business	945,196

The transaction has been provisionally accounted for as at 31 December 2014.

Contribution to group results

The acquisition of Alpha was made as part of the Company's overall strategy of increasing Aspect's client base. The loss before interest, tax, depreciation and amortisation for the acquired business after acquisition was \$2,677.

Deferred settlement payments

The agreement between Aspect and Alpha doesn't contain any deferred settlement payments or earn-out clauses.

15 Reserves

The asset revaluation reserve records revaluations in available for sale financial assets. The asset realisation reserve records the gain or loss on disposal of financial assets.

16 Commitments

	2014 \$	2013 \$
Non-cancellable operating lease expense commitments		
Future operating lease rentals not provided for in the financial statements and payable:		
Within one year	1,160,073	1,262,770
One year or later and not later than five years	1,062,342	1,541,160
Greater than 5 years	-	62,070
	<u>2,222,415</u>	<u>2,866,000</u>

Aspect leases property and equipment under non-cancellable operating leases expiring from 1 to 74 years. Leases generally provide Aspect with a right of renewal at which time all terms are renegotiated.

The company has no contractual commitments for the acquisition of property, plant and equipment.

17 Fundraising Appeals conducted during the year

Fundraising appeals conducted during the financial period included mail and telephone appeals, payroll giving, raffles, Comedy Night, Celebrity Golf Day, active challenges, merchandise sales, applications to trusts, foundations and registered clubs, donations provided by corporate, community group and club fundraising events and the general receiving of directly and indirectly solicited donations and bequests.

This money helped to supplement the income received from governments and fees. As a result Aspect was able to expand the range and level of the services provided for people with autism and their families.

In particular this income was used to fund part of the redevelopment of Aspect's schools, resources for Aspect schools, Aspect early intervention services, Someone to Turn To, Autism Information Line, some services for adults with autism and some of the work of the Aspect Research team.

The cost of raising these funds was 26% (2013: 26%) of the gross revenue received. This included the costs of events, all promotional activity and the payment for all administrative services including salaries for Relationship Fundraising staff.

	2014 \$	2013 \$
Results of fundraising appeals		
Gross proceeds from fundraising appeals recognised in current year	2,629,392	2,319,478
Less: Total costs of fundraising appeals	(695,007)	(596,225)
Net surplus	<u>1,934,385</u>	<u>1,723,253</u>

18 Related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

19 Transactions with key management personnel

Key management within the Company are the members of Aspect's executive. During the year one member was added to Aspect's Executive Team to represent People.

Key management personnel remuneration includes the following expenses:

	2014 \$	2013 \$
Total key management personnel remuneration	1,610,209	1,445,109

The Board Directors of Aspect receive no remuneration.

20 Events subsequent to the reporting date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of Aspect to affect significantly the operations of Aspect, the results of the operations, or the state of affairs of Aspect, in subsequent financial years.

Responsible Entities' declaration

In the opinion of the Responsible Entities of Autism Spectrum Australia (Aspect):

- a. The financial statements and notes of Autism Spectrum Australia (Aspect) are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - i. Giving a true and fair view of its financial position as at 31 December 2014 and of its performance for the financial year ended on that date; and
 - ii. Complying with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Australian Charities and Not-for-profits Commission Regulation 2013*, and
- b. There are reasonable grounds to believe that Autism Spectrum Australia (Aspect) will be able to pay its debts as and when they become due and payable.

The Responsible Entities are the members of the Board of Directors. This declaration is signed in accordance with a resolution of the Board of Directors:



Board Chair
Jenny Young

Dated this 9th day of April 2015

Declaration by Chief Executive Officer in respect of fundraising appeals

Opinion

I, Adrian Ford, Chief Executive Officer of Autism Spectrum Australia (Aspect) declare, in my opinion:

- a the financial statements give a true and fair view of all income and expenditure of Autism Spectrum Australia (Aspect) with respect to fundraising appeal activities for the financial year ended 31 December 2014;
- b the statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 31 December 2014;
- c the provisions of the *Charitable Fundraising (NSW) Act 1991* and the Regulations under that Act and the conditions attached to the authority have been complied with during the period from 1 January 2014 to 31 December 2014; and
- d the internal controls exercised by Autism Spectrum Australia (Aspect) are appropriate and effective in accounting for all income received and applied from any fundraising appeals.



Adrian Ford
Chief Executive Officer

Dated this 9th day of April 2015



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Independent Auditor's Report To the Members of Autism Spectrum Australia

We have audited the accompanying financial report of Autism Spectrum Australia (the "Company"), which comprises the statement of financial position as at 31 December 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, the directors' declaration of the company and the declaration by the Chief Executive Officer in respect of fundraising appeals.

Directors' responsibility 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 in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, the Australian Charities and Not-for-profits Commission Act 2012 and the Charitable Fundraising Act 1991. The Directors' responsibility also includes such internal control as the Directors determine 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.

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 us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

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In making those risk assessments, the auditor considers internal control relevant to the Company'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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, 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 the Accounting Professional and Ethical Standards Board and the Australian Charities and Not-for-profits Commission Act 2012.

Auditor's opinion

In our opinion the financial report of Autism Spectrum Australia is in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:

- a giving a true and fair view of the Company's financial position as at 31 December 2014 and of its performance for the year ended on that date;
- b complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013;
- c the financial report shows a true and fair view of the financial results of fundraising appeals conducted during the year;
- d the financial report and associated records have been properly kept during the year in accordance with the Charitable Fundraising Act 1991 and the regulations;
- e monies received as a result of fundraising appeals conducted during the year has been properly accounted for and applied in accordance with the Charitable Fundraising Act 1991 and its regulations; and
- f there are reasonable grounds to believe Autism Spectrum Australia (Aspect) will be able to pay its debts as and when they fall due.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



C F Farley
Partner - Audit & Assurance

Sydney, 9 April 2015