

Autism Spectrum Australia (Aspect)

(A company limited by guarantee)

ABN 12 000 637 267

Financial report for the year ended 31 December 2016

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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 2016 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:

Julie Hamblin

- Chair of the Board

- B.A., LL.B (Hons) (Syd), LL.M (McGill), GAICD, has worked for more than 25 years as a lawyer and policy consultant in health law, clinical risk, disability and international development. A former partner of HWL Ebsworth, she has served on numerous government and non-government advisory bodies in the areas of health, medical research and clinical risk, including international work with United Nations agencies on HIV policy. Julie is Deputy Chair of Plan International Australia and a member of the Australian Research Integrity Committee. She joined the Aspect Board in April 2010 and is a Member of the Audit and Risk Committee, the Governance Committee and the Strategy Group. Julie is a Member-elected Director.

Jeanie Young

- Immediate Past Chair

- B.Bus., FAICD, is Lead Partner in Ernst and Young's Customer Advisory practice. She was formerly Executive Director, NBN Transition at Telstra Corporation Limited. 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 the Chair of the Fundraising and Communications Committee and a member of the Governance Committee. Jenny is a Member-elected Director.

Henry Capra

- Honorary Treasurer

- Honorary Treasurer

B.Ec., ACA, has more than 27 years of senior management and finance experience in the financial services industry. He is currently a non-executive director of Suncorp Portfolio Services Limited, CBHS Corporate Health Limited and Millinium Capital Managers Limited. He is also Chairman of the Investment Committee for Ignition Wealth Pty Limited and a member of their Advisory Board. He has held senior positions at JP Morgan, 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 Aspect Board in December 2010 and chairs the Audit and Risk Committee. Henry is a Member-elected Director.

- Robert J. Brown** - **Director**
- GAICD, B.Sc., M.A. (Applied Mathematics), Grad. Dip. Applied Finance, is the founder of Alford Brown & Associates. Robert 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 Audit and Risk Committee. Rob is a Member-elected Director.
- Annette Gallard** - **Director**
- Annette Gallard 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 the Chair of the Governance Committee and a member of the Strategy Group. Annette is a Member-elected Director.
- Laurie Horin** - **Director**
- B.Bus., FCA, F Fin, has more than 25 years' experience in professional accounting, corporate and investment management, and investment banking. Laurie has worked extensively in Australia, the USA and South East Asia. He was an executive director of Carlisle Partners, a corporate advisory firm specialising in mergers and acquisitions, debt and equity funding for mid-market companies. He was also a board member of a number of client companies. Laurie joined the Board in September, 2012, is a member of the Audit and Risk Committee and co-chairs the Strategy Group. Laurie is a Member-elected Director.
- Ian Joseph** - **Director**
- Ian Joseph B.Bus., Grad Dip Ed, FAMI, AFAIM, is a private banking and finance industry consultant and a former 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 is on the spectrum. Ian joined the Board in March, 2011, and is a member of the Strategy Group and the Fundraising and Communications Committee. Ian is a Member-elected Director
- Malcolm McEwen** - **Director** (resigned 31 August 2016)
- B.Bus., M.Bus., is an executive search and selection consultant with Carmichael Fisher. Malcolm is the father of a child who is on the spectrum. He joined the Board in 2004 and prior to his resignation was a member of the Nominations and Remuneration Committee. Malcolm was a Member-elected Director.

Karyn Sobels

- **Director**
- Karyn Sobels MComLaw, BA, GAICD, is a Director of Simply Business, a business advisory firm based in Melbourne. Previously a senior executive in banking and retail, she is also a non-executive director of several other companies, including the Telstra Licensee Association, and serves on the Risk and Audit Committee of the Victorian Chamber of Commerce and Industry. Karyn was the former Chair of the Board of Alpha Autism Inc. and has a personal interest in the development of support services for adults and children with autism. Karyn joined the Aspect Board in June, 2015 and is a member of the Fundraising and Communications Committee. Karyn is a Member-elected Director.

Peter Werner

- **Director** (resigned 2 November 2016)
- Peter Werner 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 who is on the spectrum. He joined the Board in 2001 and prior to his resignation chaired the Nominations and Remuneration Committee. Peter is a Life Governor of Aspect, a former Chair of the Board and was 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 2016

	Directors' Meetings		Audit and Risk Committee (formerly the Finance and Audit Committee)		Strategy Group		Governance Committee (formerly the Nominations and Remuneration Committee)		Fundraising and Communications 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	No. of meetings attended	No. of meetings held
Ms J Hamblin	6	6	10	10	5	6	3	3		
Ms J Young	5	6			3	4	3	3	1	1
Mr H Capra	5	6	9	10						
Mr R Brown	5	6	8	10						
Ms A Gallard	6	6			4	6	2	2		
Mr L Horin	4	6	8	10	6	6				
Mr I Joseph	5	6			3	6			1	1
Mr M McEwen	3	4					1	1		
Ms K Sobels	4	6	4	5					1	1
Mr P Werner	4	5					2	2		

Company secretary

Adrian Ford, who is also the Chief Executive Officer, held the position of Company Secretary at the end of the financial year:

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 on the autism spectrum. These include customer engagement services, diagnostic and assessment services, therapy services (speech pathology, occupational therapy and psychology) including behaviour support programs, educational services for school-aged children to prepare them for transition to environments that are not autism-specific and individually-funded and block-funded programs for children, young people and adults in response to their individual needs, strengths and capabilities. A range of support services are provided to families of people on the spectrum. As well the provision of workshops, training and consultation to other professionals and parents in ways of working with people on the spectrum 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 on the autism spectrum. It does this through its mission by developing person-centred solutions, which are flexible, responsive and evidence-informed, with people of all ages on the autism spectrum.

Its short-term objectives for the next three years are:

1. Be person-centred, family-focused and customer-driven;
2. Be the national autism-specific service provider and a global knowledge leader for autism; and
3. Build capability and reach by entering into strategic alliances with complementary organisations or by integrating organisations into Aspect.

Strategies for achieving those objectives

Aspect's strategies for achieving these objectives include:

- continuing to grow the number of people on the autism spectrum & their families who use and recommend Aspect's services;
- increasing the level of funding available from government for services and supports;
- encouraging donors and supporters to continue to increase their giving to Aspect;
- having strategic alliances that increase Aspect's services, service options, capability and market edge; 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, human resource management and financial performance.

Operating result

The operating result for 2016 was a surplus of \$673,685 (2015: surplus \$663,748).

Review of operations

Government grants continued to provide the major operational income for Aspect, supported by fundraising and contribution by clients' families for some of the services through a fee for service charge. Income from these three sources increased in 2016 to \$81,691,594 compared with \$78,686,781 in 2015.

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 2016, the total amount that members of the company would have been liable to contribute if the company was wound up was \$3,600 (2015: \$4,600).

Significant changes in state of affairs

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.

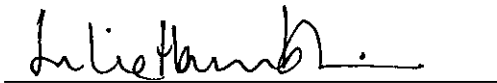
Events after the reporting date

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 2016 has been received and can be found on page 7 of the financial report.

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



Julie Hamblin

Chair of the Board

Dated this 24th day of March 2017 at Sydney



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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF AUTISM SPECTRUM AUSTRALIA (ASPECT)**

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 (Aspect) for the year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been 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, 24 March 2017

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Statement of profit or loss and other comprehensive income

For the year ended 31 December 2016

	Notes	2016 \$	2015 \$
Revenue from rendering of services		8,810,853	8,817,607
Federal/state grants and salary subsidies		69,032,548	65,638,558
Fundraising		3,848,193	4,230,616
Other revenue		1,467,589	1,159,589
Total Income	3	83,159,183	79,846,370
Employee expenses		(67,465,308)	(62,881,876)
Transportation costs		(2,351,434)	(2,192,717)
Insurance expense		(1,625,282)	(1,224,834)
Depreciation and amortisation expenses	4	(1,084,982)	(1,155,290)
Finance costs	4	(59,896)	(66,749)
Services		(3,585,847)	(4,686,074)
Other expenses from ordinary activities		(6,312,749)	(6,975,082)
Total Expenses		(82,485,498)	(79,182,622)
Surplus for the year		673,685	663,748
Other gain/(loss) income			
Net (loss)/gain on revaluation of investments		(55,685)	3,017
Net gain/(loss) on sale of investments		58,965	(1,592)
Other comprehensive income for the year		3,280	1,425
Total comprehensive income for the year		676,965	665,173

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

Statement of financial position

As at 31 December 2016

	Notes	2016 \$	2015 \$
Current assets			
Cash and cash equivalents	6	23,028,358	19,498,522
Trade and other receivables	7	376,727	302,147
Other financial assets	8	249,145	229,917
Other assets	9	1,092,573	684,840
Total current assets		24,746,803	20,715,426
Non-current assets			
Other financial assets	8	3,536,625	3,415,283
Property, plant and equipment	10	19,035,582	17,422,988
Total non-current assets		22,572,207	20,838,271
Total assets		47,319,010	41,553,697
Current liabilities			
Trade and other payables	11	13,424,916	9,689,841
Short term borrowings	12	101,910	77,027
Short term provisions	13	6,978,090	5,853,647
Total current liabilities		20,504,916	15,620,515
Non-current liabilities			
Long term borrowings	12	1,082,728	1,188,091
Long term provisions	13	2,076,706	1,767,396
Total non-current liabilities		3,159,434	2,955,487
Total liabilities		23,664,350	18,576,002
Net assets		23,654,660	22,977,695
Equity			
Asset revaluation reserve	14	(54,509)	1,176
Asset realisation reserve	14	(872,675)	(931,640)
Accumulated surplus		24,581,844	23,908,159
Total equity		23,654,660	22,977,695

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

Statement of changes in equity

For the year ended 31 December 2016

	Asset Revaluation Reserve \$	Asset Realisation Reserve \$	Retained Earnings \$	Total \$
Balance at 1 January 2015	(1,841)	(930,048)	23,244,411	22,312,522
Surplus for the year	-	-	663,748	663,748
Total other comprehensive income for the year	3,017	(1,592)	-	1,425
Balance at 31 December 2015	1,176	(931,640)	23,908,159	22,977,695
Surplus for the year	-	-	673,685	673,685
Total other comprehensive income for the year	(55,685)	58,965	-	3,280
Balance at 31 December 2016	(54,509)	(872,675)	24,581,844	23,654,660

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

Statement of cash flows

For the year ended 31 December 2016

	Notes	2016 \$	2015 \$
Cash flows from operating activities			
Receipts from customers and grants		84,682,902	78,718,910
Payments to suppliers and employees		(78,932,452)	(76,079,166)
Interest received		665,467	872,538
Dividend received		89,161	94,691
Interest paid		(59,896)	(66,749)
		<hr/>	<hr/>
Net cash provided by operating activities		6,445,182	3,540,224
Cash flows from investing activities			
Proceeds on disposal of investments		643,941	423,347
Payments for investments		(762,003)	(574,139)
Purchase of property, plant and equipment		(2,697,576)	(456,203)
		<hr/>	<hr/>
Net cash used in investing activities		(2,815,638)	(606,995)
Cash flows from financing activities			
Repayment of borrowings		(80,479)	(75,054)
		<hr/>	<hr/>
Net cash used in financing activities		(80,479)	(75,054)
		<hr/>	<hr/>
Net increase in cash and cash equivalents held		3,549,065	2,858,175
Cash and cash equivalents at the beginning of the year		19,728,438	16,870,264
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	6	23,277,503	19,728,439

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

Notes to the financial statements

For the year ended 31 December 2016

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 2016 (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 24 March 2017.

2 Statement of significant accounting policies

Changes in accounting policies

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

New and revised accounting standards that are effective for annual periods beginning on or after 1 January 2016

A number of new and revised standards became effective for the first time for accounting periods beginning on or after 1 January 2016. There was no material impact on the financial statements as the changes are largely clarifications of existing requirements.

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

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

	2016 \$	2015 \$
School fees	5,375,385	4,893,545
Other fee for service	3,435,468	3,924,062
Federal grants	25,344,406	22,880,606
State grants and subsidies	43,688,142	42,757,952
Donations and bequests	3,848,193	4,230,616
Other revenue	1,467,589	1,159,589
	<hr/>	<hr/>
Total revenue from ordinary activities	83,159,183	79,846,370

4 Operating surplus from operating activities

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

	2016 \$	2015 \$
Depreciation of:		
- Freehold buildings	88,520	88,277
- Leasehold buildings	263,093	261,531
- Office machines and equipment	314,106	372,270
- School library	2,535	2,785
Amortisation of:		
- Leasehold improvements	416,728	430,427
Total depreciation and amortisation	1,084,982	1,155,290
Finance costs		
- Bank loans and overdraft interest and fees	59,896	66,749
Net bad and doubtful debts expenses including movements in provision for doubtful debts	184,320	171,857
Net expenses from movements in provision for employee benefits	3,600,712	3,179,891
Operating lease and other rental payments during the year	1,157,948	1,333,655
Net loss on disposal of non-current assets	-	166,483

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	2016 \$	2015 \$
Cash at bank		23,008,387	19,486,487
Cash on hand		19,971	12,035
Cash and cash equivalents		23,028,358	19,498,522

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		23,028,358	19,498,522
Bank term deposits	8	249,145	229,917
		23,277,503	19,728,439

7 Trade and other receivables

	2016 \$	2015 \$
Fees and government subsidies	835,562	564,413
Less: Provision for doubtful debts	(486,240)	(373,492)
	349,322	190,921
Other receivables	27,405	111,226
	376,727	302,147

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

At 31 December 2016, the ageing analysis of trade receivables was as follows:

	Total	0-30 days	31-60 days	61-90 days	91+ days
2016	835,562	151,505	109,172	88,645	486,240
2015	564,413	117,712	24,574	60,813	361,314

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 \$184,320 was recognised in 2016 (2015: expense of \$171,857).

	2016 \$	2015 \$
Balance at 1 January 2016	373,492	278,961
Charge for the year	184,320	171,857
Amounts written off	(71,572)	(77,326)
Balance at 31 December 2016	<u>486,240</u>	<u>373,492</u>

Receivables past due but not considered impaired are:

31-60 days	\$109,172	(2015: \$24,574)
61-90 days	\$88,645	(2015: \$48,635)
91 days and over	\$nil	(2015: \$nil)

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

	2016 \$	2015 \$
Current		
Bank term deposits	<u>249,145</u>	<u>229,917</u>
Non-current		
Available for sale financial assets	<u>3,536,625</u>	<u>3,415,283</u>

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

9 Other assets

	2016 \$	2015 \$
Accrued income	690,031	512,018
Prepayments	<u>402,542</u>	<u>172,822</u>
	<u>1,092,573</u>	<u>684,840</u>

10 Property and equipment

	2016 \$	2015 \$
Freehold land and buildings – at deemed cost	7,043,461	7,043,461
Less: Accumulated depreciation	(413,127)	(324,607)
	<u>6,630,334</u>	<u>6,718,854</u>
Leasehold buildings – at cost	10,488,590	10,481,010
Less: Accumulated depreciation	(2,475,843)	(2,212,750)
	<u>8,012,747</u>	<u>8,268,260</u>
Leasehold improvements – at cost	6,384,461	4,054,472
Less: Accumulated depreciation	(2,807,635)	(2,390,907)
	<u>3,576,826</u>	<u>1,663,565</u>
Office machines and equipment – at cost	4,224,509	3,864,502
Less: Accumulated depreciation	(3,409,891)	(3,095,785)
	<u>814,618</u>	<u>768,717</u>
School library – at cost	27,874	27,874
Less: Accumulated depreciation	(26,817)	(24,282)
	<u>1,057</u>	<u>3,592</u>
Total property, plant and equipment	<u>19,035,582</u>	<u>17,422,988</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 2016	7,043,461	10,481,010	4,054,472	3,864,502	27,874	25,471,319
Additions	-	7,580	2,329,989	360,007	-	2,697,576
Disposals	-	-	-	-	-	-
Balance at 31 Dec 2016	<u>7,043,461</u>	<u>10,488,590</u>	<u>6,384,461</u>	<u>4,224,509</u>	<u>27,874</u>	<u>28,168,895</u>
Accumulated depreciation						
Balance at 1 Jan 2016	(324,607)	(2,212,750)	(2,390,907)	(3,095,785)	(24,282)	(8,048,331)
Depreciation	(88,520)	(263,093)	(416,728)	(314,106)	(2,535)	(1,084,982)
Disposals	-	-	-	-	-	-
Balance at 31 Dec 2016	<u>(413,127)</u>	<u>(2,475,843)</u>	<u>(2,807,635)</u>	<u>(3,409,891)</u>	<u>(26,817)</u>	<u>(9,133,313)</u>
Carrying amount 31 December 2016	<u>6,630,334</u>	<u>8,012,747</u>	<u>3,576,826</u>	<u>814,618</u>	<u>1,057</u>	<u>19,035,582</u>

- a. The estimated fair value of land and buildings at 31 December 2016 is \$21,230,000. These estimates include Aspect South Coast School (\$1,975,000), Aspect Central Coast School (\$3,100,000), Aspect Western Sydney School (\$3,600,000), Aspect Vern Barnett School at Forestville (\$6,100,000), Aspect Hunter School (\$5,500,000) and a property in Altona, VIC (\$955,000) which are reflected in our insurance coverage.

11 Trade and other payables

	2016 \$	2015 \$
Current		
Trade creditors	791,775	320,927
Other creditors and accruals	2,948,760	3,515,574
Goods and services tax payable	782,314	129,506
Government subsidies in advance	8,902,067	5,723,834
	<u>13,424,916</u>	<u>9,689,841</u>

12 Borrowings

	2016 \$	2015 \$
Current		
Bank loan – secured	101,910	77,027
Non-current		
Bank loan – secured	1,082,728	1,188,091

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 4.46% (2015: 4.98%) 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 3.46% per annum.

Financing arrangements

Aspect has access to the following financial facilities:

	2016 \$	2015 \$
Total facilities available:		
Bank overdraft	150,000	150,000
Bank loans	1,184,638	1,265,118
Facilities utilised at the reporting date:		
Bank loan	1,184,638	1,265,118

13 Provisions

	2016 \$	2015 \$
Current		
Provision for remediation of leasehold properties	60,000	80,000
Provision for long service leave	5,410,525	4,544,513
Provision for annual leave	1,507,565	1,229,134
	6,978,090	5,853,647
Non-current		
Provision for remediation of leasehold properties	820,000	685,000
Provision for long service leave	1,256,706	1,082,396
	2,076,706	1,767,396
	9,054,796	7,621,043

14 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.

15 Commitments

	2016 \$	2015 \$
Non-cancellable operating lease expense commitments		
Future operating lease rentals not provided for in the financial statements and payable:		
Within one year	981,165	1,099,546
One year or later and not later than five years	1,673,632	1,141,808
	2,654,797	2,241,354

Aspect leases property and equipment under non-cancellable operating leases expiring from 1 to 73 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.

16 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 therapy services, some services for adults with autism and some of the work of the Aspect Research team.

The cost of raising these funds was 32% (2015: 25%) of the gross revenue received. This included the costs of events, all promotional activity and the payment for all administrative services including salaries for Aspect Fundraising staff.

	2016	2015
	\$	\$
Results of fundraising appeals		
Gross proceeds from fundraising appeals recognised in current year	3,848,193	4,230,616
Less: Total costs of fundraising appeals	(1,237,243)	(1,076,764)
Net surplus	<u>2,610,950</u>	<u>3,153,852</u>

17 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.

18 Transactions with key management personnel

Key management within the Company are the members of the Executive. Compared to 2015 there was one additional position on the Executive for the whole of 2016. During 2016 two members resigned and were replaced with new staff within the context of an Executive re-structure. A team of nine staff continued to fulfill the Executive roles.

Key management personnel remuneration includes the following expenses:

	2016	2015
	\$	\$
Total key management personnel remuneration	<u>1,789,583</u>	<u>1,570,442</u>

The Board of Directors of Aspect receive no remuneration.

19 Events subsequent to the reporting date

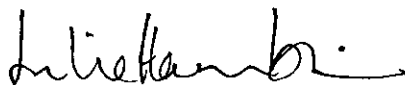
There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of Aspect to affect significantly the operations of Aspect, the results of the operations, or 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 2016 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 2014*, 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:



Chair of the Board
Julie Hamblin

Dated this 24th day of March 2017

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 2016;
- 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 2016;
- c the provisions of the *Charitable Fundraising Act* and the Regulations under that Act and the conditions attached to the authority have been complied with during the period from 1 January 2016 to 31 December 2016; 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 24th day of March 2017

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUTISM SPECTRUM AUSTRALIA (ASPECT)

Auditor's Opinion

We have audited the accompanying financial report of Autism Spectrum Australia (Aspect) (the "Company"), which comprises the statement of financial position as at 31 December 2016, and 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, and notes to the financial statements, including a summary of significant accounting policies, the Responsible Entities' declaration and the declaration by the Chief Executive Officer in respect of fundraising appeals.

In our opinion, the financial report of Autism Spectrum Australia (Aspect) has been prepared in accordance with Division 60 of 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 2016 and of its financial performance for the year then ended;
- b complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of 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;

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- 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.

Basis for Auditor's Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report

Those charged with governance are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2016, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report 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, and for such internal control as the Directors

determine is necessary to enable the preparation of the financial report that is from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our auditor's report.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



C F Farley
Partner - Audit & Assurance

Sydney, 24 March 2017