

# Autism Spectrum Australia (Aspect)

(A company limited by guarantee)

ABN 12 000 637 267

Financial report for the year ended 31 December 2017

# Contents

	<b>Page</b>
Directors' report	3
Auditor's independence declaration	9
Statement of profit or loss and other comprehensive income	10
Statement of financial position	11
Statement of changes in equity	12
Statement of cash flows	13
Notes to the financial statements	14
Responsible Entities' declaration	25
Declaration by Chief Executive Officer in respect of fundraising appeals	26
Independent auditor's report	27

## Directors' report

The Directors present their report together with the financial report of Autism Spectrum Australia (Aspect) for the year ended 31 December 2017 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 Committee. Julie is a Member-elected Director.

#### **Jeanie Young**

##### **- Immediate Past Chair**

- B.Bus., FAICD, leads the Technology, Media & Entertainment and Telecommunications segment, and is a Customer Advisory Partner at Ernst & Young. 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**

- 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 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 management consultancy firm Alford Brown & Associates, and also executive officer of the Australian Custodial Services Association. Rob has previously held senior executive roles with HSBC, Westpac, the Commonwealth Bank and State Street Bank. 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**
- 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 Committee. 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 chairs the Strategy Committee. Laurie is a Member-elected Director.
- Ian Joseph** - **Director**
- 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 Committee and the Fundraising and Communications Committee. Ian is a Member-elected Director.
- Karyn Sobels** - **Director** (resigned 13 September 2017)
- 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 was a member of the Fundraising and Communications Committee. Karyn was a Member-elected Director.

- Paul Stevenson**
- **Director** (appointed on 1 September, 2017)
  - Acting Chief Marketing Officer and Customer Segmentation lead for Prospa Advance LTD. He was previously Qantas Airlines Group Head of Customer Insight. Before that Paul has held senior roles in Foxtel, Vodafone and Virgin Media in the UK. Paul has a son on the autism spectrum. He joined the Board in September 2017 and is a Member of the Fundraising & Communications Committee and the Strategy Committee. Paul has been appointed by the Board to fill a casual vacancy.

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 2017

	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	7	7	9	10	3	5	4	4		
Ms J Young	4	7					4	4	2	2
Mr H Capra	7	7	10	10						
Mr R Brown	4	7	8	10						
Ms A Gallard	7	7			5	5	4	4		
Mr L Horin	6	7	7	10	4	5				
Mr I Joseph	6	7			5	5			2	2
Ms K Sobels	0	5							1	2
Mr P Stevenson	2	2			1	1			0	1



### **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 services to children, young people and adults on the autism spectrum that are person-centred, family-focused and customer-driven. 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, short term accommodation services, 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 working with people of all ages on the autism spectrum, delivering evidence-informed solutions that are person-centred, family-focused and customer-driven.

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. Continue to build capacity and reach.

### **Strategies for achieving those objectives**

Aspect's strategies for achieving these objectives include:

- achieve its point of difference in service delivery through the Aspect-wide implementation of the new Aspect Comprehensive Approach with autism-specific person-centred practice at its centre;
- continue to strengthen its partnership with people on the spectrum through the Aspect Advisory Council comprising people on the spectrum who will regularly advise the Board and the Executive on issues important to people on spectrum and the organisation itself;
- continue to focus on growth opportunities in both education and disability nationally under the ongoing education funding reforms and the rollout of the NDIS, supported by alliances and the integration of other organisations into Aspect that extend its reach and capability in the services it offers to people on the spectrum;
- consolidate its position as knowledge leader in services and supports that work for people on the spectrum and their families nationally as well as having a growing impact internationally, especially in the Asia Pacific;
- encouraging supporters to continue to increase their giving to Aspect; 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.

### **Financial result**

The surplus for 2017 was \$3,947,890 (2016: surplus \$673,685).

### **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 2017 to \$91,400,190 compared with \$81,691,594 in 2016. This represents 97.3% of Aspect's total 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 2017, the total amount that members of the company would have been liable to contribute if the company was wound up was \$3,500 (2016: \$3,600).

### **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 2017 has been received and can be found on page 9 of the financial report.

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



**Julie Hamblin**

Chair of the Board

Dated this 23rd day of March 2018 at Sydney





# Grant Thornton

Level 17, 383 Kent Street  
Sydney NSW 2000

Correspondence to:  
Locked Bag Q800  
QVB Post Office  
Sydney NSW 1230

T +61 2 8297 2400  
F +61 2 9299 4445  
E [info.nsw@au.gt.com](mailto:info.nsw@au.gt.com)  
W [www.grantthornton.com.au](http://www.grantthornton.com.au)

## 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 2017, 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, 23 March 2018

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# Statement of profit or loss and other comprehensive income

## For the year ended 31 December 2017

	Notes	2017 \$	2016 \$
Revenue from rendering of services		11,170,479	8,810,853
Federal/state grants and salary subsidies		75,244,799	69,032,548
Fundraising		4,984,912	3,848,193
Other revenue		2,518,868	1,467,589
<b>Total Income</b>	<b>3</b>	<b>93,919,058</b>	<b>83,159,183</b>
Employee expenses		(73,393,981)	(67,465,308)
Transportation costs		(2,749,572)	(2,351,434)
Insurance expense		(1,207,759)	(1,625,282)
Depreciation and amortisation expenses	4	(1,190,328)	(1,084,982)
Finance costs	4	(46,907)	(59,896)
Services		(3,898,944)	(3,585,847)
Other expenses from ordinary activities		(7,483,677)	(6,312,749)
<b>Total Expenses</b>		<b>(89,971,168)</b>	<b>(82,485,498)</b>
<b>Surplus for the year</b>		<b>3,947,890</b>	<b>673,685</b>
<b>Other comprehensive income</b>			
Net gain/(loss) on revaluation of investments		215,589	(55,685)
Net gain on sale of investments		83,455	58,965
<b>Other comprehensive income for the year</b>		<b>299,044</b>	<b>3,280</b>
<b>Total comprehensive income for the year</b>		<b>4,246,934</b>	<b>676,965</b>

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

# Statement of financial position

## As at 31 December 2017

	Notes	2017 \$	2016 \$
<b>Current assets</b>			
Cash and cash equivalents	6	25,651,289	23,028,358
Trade and other receivables	7	603,149	376,727
Other financial assets	8	529,078	249,145
Other assets	9	1,392,541	1,092,573
<b>Total current assets</b>		<b>28,176,057</b>	<b>24,746,803</b>
<b>Non-current assets</b>			
Other financial assets	8	4,226,946	3,536,625
Property, plant and equipment	10	19,060,353	19,035,582
<b>Total non-current assets</b>		<b>23,287,299</b>	<b>22,572,207</b>
<b>Total assets</b>		<b>51,463,356</b>	<b>47,319,010</b>
<b>Current liabilities</b>			
Trade and other payables	11	12,272,185	13,424,916
Short term borrowings	12	109,246	101,910
Short term provisions	13	8,182,900	6,978,090
<b>Total current liabilities</b>		<b>20,564,331</b>	<b>20,504,916</b>
<b>Non-current liabilities</b>			
Long term borrowings	12	969,636	1,082,728
Long term provisions	13	2,027,795	2,076,706
<b>Total non-current liabilities</b>		<b>2,997,431</b>	<b>3,159,434</b>
<b>Total liabilities</b>		<b>23,561,762</b>	<b>23,664,350</b>
<b>Net assets</b>		<b>27,901,594</b>	<b>23,654,660</b>
<b>Equity</b>			
Asset revaluation reserve	14	161,080	(54,509)
Asset realisation reserve	14	(789,220)	(872,675)
Accumulated surplus		28,529,734	24,581,844
<b>Total equity</b>		<b>27,901,594</b>	<b>23,654,660</b>

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

## Statement of changes in equity

### For the year ended 31 December 2017

	Asset Revaluation Reserve \$	Asset Realisation Reserve \$	Retained Earnings \$	Total \$
<b>Balance at 1 January 2016</b>	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
<b>Balance at 31 December 2016</b>	(54,509)	(872,675)	24,581,844	23,654,660
Surplus for the year	-	-	3,947,890	3,947,890
Total other comprehensive income for the year	215,589	83,455	-	299,044
<b>Balance at 31 December 2017</b>	161,080	(789,220)	28,529,734	27,901,594

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



# Statement of cash flows

## For the year ended 31 December 2017

	Notes	2017 \$	2016 \$
<b>Cash flows from operating activities</b>			
Receipts from customers and grants		91,597,611	84,682,902
Payments to suppliers and employees		(87,965,872)	(78,932,452)
Interest received		632,397	665,467
Dividend received		148,365	89,161
Interest paid		(46,907)	(59,896)
Net cash provided by operating activities		4,365,594	6,445,182
<b>Cash flows from investing activities</b>			
Proceeds on disposal of investments		1,099,403	643,941
Payments for investments		(391,277)	(762,003)
Purchase of property, plant and equipment		(2,065,099)	(2,697,576)
Net cash used in investing activities		(1,356,973)	(2,815,638)
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(105,757)	(80,479)
Net cash used in financing activities		(105,757)	(80,479)
Net increase in cash and cash equivalents held		2,902,864	3,549,065
Cash and cash equivalents at the beginning of the year		23,277,503	19,728,438
Cash and cash equivalents at the end of the year	6	26,180,367	23,277,503

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



# Notes to the financial statements

## For the year ended 31 December 2017

### 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*. Aspect is a not-for-profit entity for the purpose of preparing the financial statements.

The financial statements for the year ended 31 December 2017 (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 23 March 2018.

### 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 2017

A number of new and revised standards became effective for the first time for accounting periods beginning on or after 1 January 2017. 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 a high quality corporate 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. Comparative figures**

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

**n. 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

	2017 \$	2016 \$
School fees	6,145,844	5,375,385
Other fee for service	5,024,635	3,435,468
Federal grants	32,004,621	25,344,406
State grants and subsidies	43,240,178	43,688,142
Donations and bequests	4,984,912	3,848,193
Other revenue	2,518,868	1,467,589
Total revenue from ordinary activities	<b>93,919,058</b>	<b>83,159,183</b>

### 4 Operating surplus from operating activities

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

	2017 \$	2016 \$
Depreciation of:		
- Freehold buildings	88,278	88,520
- Leasehold buildings	262,230	263,093
- Office machines and equipment	349,102	314,106
- School library	678	2,535
Amortisation of:		
- Leasehold improvements	490,040	416,728
Total depreciation and amortisation	<b>1,190,328</b>	<b>1,084,982</b>
Finance costs		
- Bank loans and overdraft interest and fees	46,907	59,896
Net bad and doubtful debts expenses including movements in provision for doubtful debts	(20,593)	184,320
Net expenses from movements in provision for employee benefits	3,675,513	3,600,712
Operating lease and other rental payments during the year	1,227,750	1,157,948
Net loss/(gain) on disposal of non-current assets	(249,403)	-

### 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	2017 \$	2016 \$
Cash at bank		25,641,395	23,008,387
Cash on hand		9,894	19,971
Cash and cash equivalents		<u>25,651,289</u>	<u>23,028,358</u>

**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		25,651,289	23,028,358
Bank term deposits	8	<u>529,078</u>	<u>249,145</u>
		<u>26,180,367</u>	<u>23,277,503</u>

**7 Trade and other receivables**

	2017 \$	2016 \$
Fees and government subsidies	922,400	835,562
Less: Provision for doubtful debts	<u>(331,489)</u>	<u>(486,240)</u>
	590,911	349,322
Other receivables	<u>12,238</u>	<u>27,405</u>
	<u><b>603,149</b></u>	<u><b>376,727</b></u>

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

At 31 December 2017, the ageing analysis of trade receivables was as follows:

	Total	0-30 days	31-60 days	61-90 days	91+ days
2017	<u>922,400</u>	<u>385,608</u>	<u>101,971</u>	<u>74,539</u>	<u>360,282</u>
2016	<u>835,562</u>	<u>151,505</u>	<u>109,172</u>	<u>88,645</u>	<u>486,240</u>

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 reversal of \$20,593 in expense was recognised in 2017 (2016: expense of \$184,320).

	2017 \$	2016 \$
Balance at 1 January 2017	486,240	373,492
Charge for the year	(20,593)	184,320
Amounts written off	<u>(134,158)</u>	<u>(71,572)</u>
Balance at 31 December 2017	<u>331,489</u>	<u>486,240</u>

Receivables past due but not considered impaired are:

31-60 days	\$101,971	(2016: \$109,172)
61-90 days	\$74,539	(2016: \$88,645)
91 days and over	\$28,793	(2016: \$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**

	2017 \$	2016 \$
<b>Current</b>		
Bank term deposits	529,078	249,145
<b>Non-current</b>		
Available for sale financial assets	4,226,946	3,536,625

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

**9 Other assets**

	2017 \$	2016 \$
Accrued income	943,502	690,031
Prepayments	449,039	402,542
	1,392,541	1,092,573

**10 Property and equipment**

	2017 \$	2016 \$
Freehold land and buildings – at deemed cost	6,193,461	7,043,461
Less: Accumulated depreciation	(501,405)	(413,127)
	5,692,056	6,630,334
Leasehold buildings – at cost	10,501,200	10,488,590
Less: Accumulated depreciation	(2,738,074)	(2,475,843)
	7,763,126	8,012,747
Leasehold improvements – at cost	7,028,578	6,384,461
Less: Accumulated depreciation	(3,297,674)	(2,807,635)
	3,730,904	3,576,826
Office machines and equipment – at cost	5,609,609	4,224,509
Less: Accumulated depreciation	(3,735,721)	(3,409,891)
	1,873,888	814,618
School library – at cost	27,873	27,874
Less: Accumulated depreciation	(27,494)	(26,817)
	379	1,057
<b>Total property, plant and equipment</b>	<b>19,060,353</b>	<b>19,035,582</b>

	Freehold land and buildings (a) \$	Leasehold buildings \$	Leasehold improvements \$	Office machines and equipment \$	School library \$	Total \$
<b>Asset gross carrying amount</b>						
Balance at 1 Jan 2017	7,043,461	10,488,590	6,384,461	4,224,509	27,874	28,168,895
Additions	-	12,610	644,117	1,408,372	-	2,065,099
Disposals	(850,000)	-	-	(23,272)	-	(873,272)
Balance at 31 Dec 2017	6,193,461	10,501,200	7,028,578	5,609,609	27,874	29,360,722
<b>Accumulated depreciation</b>						
Balance at 1 Jan 2017	(413,127)	(2,475,843)	(2,807,635)	(3,409,891)	(26,817)	(9,133,313)
Depreciation	(88,278)	(262,231)	(490,039)	(349,102)	(678)	(1,190,328)
Disposals	-	-	-	23,272	-	23,272
Balance at 31 Dec 2017	(501,405)	(2,738,074)	(3,297,674)	(3,735,721)	(27,495)	(10,300,369)
<b>Carrying amount 31 December 2017</b>	<b>5,692,056</b>	<b>7,763,126</b>	<b>3,730,904</b>	<b>1,873,888</b>	<b>379</b>	<b>19,060,353</b>



**11 Trade and other payables**

	2017 \$	2016 \$
<b>Current</b>		
Trade creditors	345,863	791,775
Other creditors and accruals	4,062,141	2,948,760
Goods and services tax payable	400,528	782,314
Government subsidies in advance	7,463,653	8,902,067
	<u>12,272,185</u>	<u>13,424,916</u>

**12 Borrowings**

	2017 \$	2016 \$
<b>Current</b>		
Bank loan – secured	<u>109,246</u>	<u>101,910</u>
<b>Non-current</b>		
Bank loan – secured	<u>969,636</u>	<u>1,082,728</u>

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 4.22% (2016: 4.46%) 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:

	2017 \$	2016 \$
<b>Total facilities available:</b>		
Bank overdraft	150,000	150,000
Bank loans	<u>1,078,882</u>	<u>1,184,638</u>
<b>Facilities utilised at the reporting date:</b>		
Bank loan	<u>1,078,882</u>	<u>1,184,638</u>

**13 Provisions**

	2017 \$	2016 \$
<b>Current</b>		
Provision for remediation of leasehold properties	180,000	60,000
Provision for long service leave	6,197,682	5,410,525
Provision for annual leave	<u>1,805,218</u>	<u>1,507,565</u>
	<u>8,182,900</u>	<u>6,978,090</u>
<b>Non-current</b>		
Provision for remediation of leasehold properties	760,000	820,000
Provision for long service leave	<u>1,267,795</u>	<u>1,256,706</u>
	<u>2,027,795</u>	<u>2,076,706</u>
	<u>10,210,695</u>	<u>9,054,796</u>

**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 and contingencies**

	2017 \$	2016 \$
<b>Non-cancellable operating lease expense commitments</b>		
Future operating lease rentals not provided for in the financial statements and payable:		
Within one year	1,102,031	981,165
One year or later and not later than five years	1,743,526	1,673,632
	<u>2,845,557</u>	<u>2,654,797</u>

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.

There are no contingent liabilities that have been incurred by Aspect in relation to 2017 or 2016.

**16 Fundraising Appeals conducted during the year**

Fundraising appeals conducted during the financial period included mail and telephone appeals, payroll giving, raffles, Celebrity Golf Day, Walk for Autism, 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 30% (2016: 32%) 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.

	2017 \$	2016 \$
<b>Results of fundraising appeals</b>		
Community fundraising	1,501,718	1,042,688
Individual giving	1,663,532	1,567,333
Philanthropy	933,583	1,129,019
Bequest	886,079	109,153
Less: Total costs of fundraising appeals	(1,508,525)	(1,237,243)
Net surplus	<u>3,476,387</u>	<u>2,610,950</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 2016 there was one less position on the Executive from the last quarter of 2017 with a member resigned and not replaced within the context of an Executive re-structure. A team of eight staff continued to fulfill the Executive roles.

Key management personnel remuneration includes the following expenses:

	2017 \$	2016 \$
Total key management personnel remuneration	<u>1,723,628</u>	<u>1,789,583</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 2017 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:



Chair of the Board  
Julie Hamblin

Dated this 23rd day of March 2018

## 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 2017;
- 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 2017;
- c the provisions of the *Charitable Fundraising Act* 1991, the Regulations under that Act and the conditions attached to the authority have been complied with during the period from 1 January 2017 to 31 December 2017; 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 23rd day of March 2018

Level 17, 383 Kent Street  
Sydney NSW 2000

Correspondence to:  
Locked Bag Q800  
QVB Post Office  
Sydney NSW 1230

T +61 2 8297 2400  
F +61 2 9299 4445  
E [info.nsw@au.gt.com](mailto:info.nsw@au.gt.com)  
W [www.grantthornton.com.au](http://www.grantthornton.com.au)

## Independent auditor's report to the members of Autism Spectrum Australia (Aspect)

### Report on the Audit of the Financial Report

#### 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 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the financial report of Autism Spectrum Australia (Aspect):

1. has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* ("ACNC Act"), including:
  - a. giving a true and fair view of the Company's financial position as at 31 December 2017 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*.
2. is in accordance with the Charitable Fundraising Act 1991 ("the Act") and the Charitable Fundraising Regulation 2015 (the "Regulation"), including showing a true and fair view of the Company's financial result of fundraising appeals for the year ended 31 December 2017.

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

#### 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

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Requirements and the ACNC Act, and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters 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\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

#### **Report on the requirements of the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulation 2015**

We have audited the compliance of Autism Spectrum Australia (Aspect) (the "Company") with the requirements of Section 24(2) of the Charitable Fundraising Act 1991 for the year ended 31 December 2017.

#### **Our Opinion**

In our opinion:

- a Autism Spectrum Australia (Aspect) has properly kept the accounts and associated records during the year ended 31 December 2017 in accordance with the NSW Charitable Fundraising Act 1991 and NSW Charitable Fundraising Regulations 2015 (section 24(2)(b) of the Act); and
- b the Company, has, in all material respects, properly accounted for and applied money received as a result of fundraising appeals conducted during the year ended 31 December 2017 in accordance with section 24(2)(c) of the Act; and
- c there are reasonable grounds to believe that the Autism Spectrum Australia (Aspect) will be able to pay its debts as and when they fall due over the 12 month period from the date of this report (section 24(2)(d) of the Act).

#### **Responsibilities of the Directors under the Charitable Fundraising Act 1991**

The Directors of the Company are responsible for compliance with the requirements and conditions of the NSW Charitable Fundraising Act 1991 and NSW Charitable Fundraising Regulation 2015 and for such internal control as the Directors determine is necessary for compliance with the Act and the Regulation. This responsibility includes establishing and maintaining internal control over the conduct of all fundraising appeals; ensuring all assets



obtained during, or as a result of, a fundraising appeal are safeguarded and properly accounted for; and maintaining proper books of account and records.

The Directors are also responsible for ensuring the Company will be able to pay its debts as and when they fall due.

#### **Auditor's Responsibility**

Our responsibility is to form and express an opinion on the Company's compliance, in all material respects, with the requirements of the Act and Regulation, as specified in section 24(2)(b), 24(2)(c) and 24(2)(d) of the Charitable Fundraising Act 1991.

Our audit has been conducted in accordance with the applicable Standards on Assurance Engagements (ASAE 3100 *Compliance Engagements*), issued by the Auditing and Assurance Standards Board. Our audit has been conducted to provide reasonable assurance that Autism Spectrum Australia (Aspect) has complied with specific requirements of the Charitable Fundraising Act 1991 and Charitable Fundraising Regulation 2015, and whether there are reasonable grounds to believe the Company will be able to pay its debts as and when they fall due over the 12 month period from the date of this independent auditor's report (future debts).

Audit procedures selected depend on the auditor's judgement. The auditor designs procedures that are appropriate in the circumstances and incorporate the audit scope requirements set out in the Act. The audit procedures have been undertaken to form an opinion on compliance of that Autism Spectrum Australia (Aspect) with the Act and Regulations and its ability to pay future debts. Audit procedures include obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting the Company's compliance with specific requirements of the Act and Regulation, and assessing the reasonableness and appropriateness of the Company's assessment regarding the Company's ability to pay future debts.

#### **Inherent Limitations**

Because of the inherent limitations of any compliance procedures, it is possible that fraud, error or noncompliance may occur and not be detected. An audit is not designed to detect all instances of noncompliance with the requirements of the Act and Regulation, as the audit procedures are not performed continuously throughout the year and are undertaken on a test basis.

Whilst evidence is available to support the Company's ability to pay future debts, such evidence is future orientated and speculative in nature. As a consequence, actual results are likely to be different from the information on which the opinion is based, since anticipated events frequently do not occur as expected or assumed and the variations between the prospective opinion and the actual outcome may be significant.



**Grant Thornton Audit Pty Ltd**  
Chartered Accountants



C.F. Farley  
Partner – Audit & Assurance

Sydney, 23 March 2018