

# Autism Spectrum Australia (Aspect)

(A company limited by guarantee)

ABN 12 000 637 267

Annual report for the year ended 31 December 2013

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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 2013 and the auditors' report thereon.

## Directors

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

**Jeanie Young** - **Chair**

(known as Jenny)

Qualifications - B.Bus., GAICD, is a Partner in Ernst & Young's 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 with autism spectrum disorder. She joined the Board in March 2010 and is a member of the Strategy Group, the Finance & Audit Committee and the Nomination & Remuneration Committee. Jenny is a Member-elected Director.

**Keith Perkin** - **Immediate Past Chair**

Qualifications - B.Bus., CPA, is a consultant. Keith has an extensive commercial background primarily in the fields of management and marketing, having held senior positions at BP, Dymocks and Retravision as well as having held senior positions in the non profit sector at Big Brothers Big Sisters Australia and the Starlight Foundation. He joined the Board in 2004 and is a member of the Finance & Audit Committee and the Nominations and Remuneration Committee. Keith is a Life Member of Aspect, the former Chair of the Board and a Member-elected Director.

**Henry Capra** - **Honorary Treasurer**

Qualifications - B.Ec., ACA, has more than 24 years of senior management and finance experience in the financial services industry. Henry is Head of Investor Services - Australia & New Zealand at J.P.Morgan. He has held senior positions at Blackrock, AMP Capital, Colonial First State Investments, BNP Paribas Asset Management and Barclays Global Investors after commencing his career with chartered accountants KPMG. Henry joined the Board in December 2010 and is the Chair of the Finance and Audit Committee. Henry is a Member-elected Director.

**Robert J. Brown** - **Director**

Qualifications - B.Sc., M.A., Grad, Dip. Applied Finance, is Head of Client Management with HSBC Securities Services, Australia. Rob was formerly a principal with Alford Brown & Associates and has also held senior executive roles with Westpac, the Commonwealth Bank and State Street Bank & 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 and is a member of the Finance & Audit Committee. Rob is a Member-elected Director.

<b>David Foster</b>	<b>- Director</b>
Qualifications	- B.E., F.I.E. (Aust), is a retired engineer with management experience at Pacific Power. David has an adult son with autism. He is particularly interested in services for adults and also convenes a group associated with the Norton Road Specialist Supported Living Village. David joined the Board in 1975, was a member of the Finance & Audit Committee and represented the Board on the Corporate Risk Management Committee. He is a Life Governor of Aspect and was a Member-elected Director who resigned from the Board in May 2013.
<b>Annette Gallard</b>	<b>- Director</b>
PSM	
Qualifications	- B. Social. Studies, M. Comm, has more than 20 years' experience as a senior executive in the NSW Public Service in both the Housing and Community Services Portfolios. She retired from the position of Chief Executive of the NSW Department of Community Services in 2011 and has since focused on assisting the not for profit sector as a Board Member. She was awarded the Public Service Medal in 2012 for services to disadvantaged communities particularly Aboriginal people. Annette joined the Board in March 2014 and is a member of the Strategy Group. Annette is a Board-appointed Director..
<b>Julie Hamblin</b>	<b>- Director</b>
Qualifications	- B.A., LL.B (Hons) (Syd), LL.M (McGill), is a partner of HWL Ebsworth, providing specialised legal and policy advice to the health sector. She also manages the firm's pro bono program. She has served on numerous government and non-government advisory bodies including international work with the UN on HIV policy. Julie is a director of Plan International Australia. She joined the Board in April 2010 and is a Member of the Strategy Group, the Finance & Audit Committee and represents the Board on the Corporate Risk Management Committee. Julie is a Member-elected Director.
<b>Laurie Horin</b>	<b>- Director</b>
Qualifications	- B.Bus., FCA, F Fin, is a former executive director of Carlisle Partners, a corporate advisory firm specialising in mergers and acquisitions, debt and equity funding for mid-market companies. He has more than 25 years' experience in professional accounting, corporate and investment management, and investment banking. Laurie has worked extensively in Australia, USA and South East Asia. He is also a board member of a number of client companies. Laurie joined the Board in September 2012 and co-chairs the Strategy Group. Laurie is a Member-elected Director.
<b>Ian Joseph</b>	<b>- Director</b>
Qualifications	- B.Bus., Grad Dip Ed, FAMI, AFAIM, is a private banking and finance industry consultant and Chair of the Agribusiness Council of Australia. He was formerly Head of Strategy – Service and Sales with Regional and Agribusiness Banking at the Commonwealth Bank. Ian and his family care for his sister who has autism spectrum disorder. Ian joined the Board in March 2011 and is a member of the Strategy Group. Ian is a Member-elected Director

**Malcolm  
McEwen** - **Director**

Qualifications - B.Bus., M.Bus., is an executive search and selection consultant with Carmichael Fisher. Malcolm is the father of a child with autism spectrum disorder. He joined the Board in 2004, is a member of the Nominations & Remuneration Committee and the Research & Innovation Committee. Malcolm is a Member-elected Director.

**Robert  
Pesavento** - **Director**

Qualifications - General Manager, Consumer Operations, with SingTel Optus Pty Limited. Robert is the father of a son with autism spectrum disorder. He joined the Board in 1999, was a member of the Strategy Group and was a former Deputy Chair of the Board. Robert is a Life Member of Aspect and was a Member-elected Director who resigned from the Board in May 2013.

**Dr David Starte** - **Director**

Qualifications - M.B.B.S., M.R.C.P.(UK), F.R.A.C.P., is the Service Director of the Royal North Shore Hospital's Child Development Service, and a Clinical Associate Lecturer in the Department of Paediatrics and Child Health, School of Medicine, University of Sydney. His interests include development paediatrics, including autism spectrum disorder, attention deficit hyperactivity disorder, and audiology. David joined the Board in 2004 and chairs the Research & Innovation Committee. David is a Member-elected Director.

**Peter Werner** - **Director**

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

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

## Meetings of Directors in 2013

	Directors Meetings		Finance & Audit Committee		Strategy Group		Research Committee		Nominations & Remuneration Committee	
	No. of Meetings attended	No. of meetings held	No. of Meetings attended	No. of meeting held	No. of Meetings attended	No. of meeting held	No. of Meetings attended	No. of meeting held	No. of Meetings attended	No. of meeting held
Ms J Young	7	7	9	10	5	5			2	2
Mr K Perkin	5	7	8	10					2	2
Mr R Brown	4	7	8	10						
Mr H Capra	7	7	10	10						
Mr D Foster (resigned in May 2013)	1	2	3	3						
Ms J Hamblin	7	7	1	1	2	5				
Mr L Horin	5	7			5	5				
Mr I Joseph	6	7			4	5				
Mr M McEwen	4	7					1	2	2	2
Mr R Pesavento (resigned in May 2013)	1	2			2	2				
Dr D Starte	6	7					2	2		
Mr P Werner	7	7							2	2

### Company Secretary

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

Name & Qualifications

Mr Adrian Ford FAICD, B. SocialStudies

Appointment date:

2000

### Principal activities

The principal activities of Autism Spectrum Australia (Aspect) are to provide a range of flexible, responsive and evidence-informed services to children, young people and adults with autism spectrum disorder (ASD) or other disabilities. These include information services, diagnostic and assessment services for people with ASD, early intervention for young children with ASD or other disabilities, educational services for school-aged children with ASD to prepare them for transition to environments that are not autism-specific, community participation programs for adults with ASD or other disabilities and behaviour support programs for people with ASD or other disabilities of all ages. A range of support services are provided to families of people with ASD. The provision of training and consultation to other professionals and parents in ways of working with people with an ASD also continues as does

Aspect's research program. There were no significant changes in the nature of its activities during the year.

### **Short and Long Term Objectives**

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

Its short term objectives are to be person-centred and family-focused; reach more people in a changing education and disability market place; strengthen Aspect's workforce so that it is effective and highly engaged with Aspect's vision, mission and values and improve Aspect's capability, sustainability and resourcing.

### **Strategies for Achieving those Objectives**

Aspect's strategies for achieving these objectives include:

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

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

### **Operating results**

The operating result for 2013 was a surplus of \$1,158,174 (2012: surplus \$4,003,388).

### **Review of operations**

Government grants continued to provide the major operational income for Aspect, supported by fundraising and a contribution by clients' families for some of the services through a fee for service charge. Income from these three sources increased in 2013 to \$58,476,009 compared with \$54,305,351 in 2012. Government grants of \$375,000 (2012: \$2,118,990) for capital purposes is included in the statement of comprehensive income.

### **Contribution in 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 2013, the total amount that members of the company would have been liable to contribute if the company were wound up is \$5,560 (2012: \$6,600).

### **Significant changes in state of affairs**

During the year Aspect began to operate nationally rather than restricting itself to New South Wales, Victoria and the Australian Capital Territory by launching its first national program named Aspect Practice. Through this initiative, Aspect shares its evidence-informed practice

grounded in applied research in workshops and consultancies around Australia with people with ASD, their families, communities and organisations committed to improving the lives of people with autism.

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

**After balance date events**

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 307C of the Corporations Act 2001 is set out on page 7 and forms part of this report.

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

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Jenny Young  
Chair of the Board

Dated this 10th day of April 2014 at Sydney



## Auditor's independence declaration

# Statement of comprehensive income

## For the year ended 31 December 2013

	Notes	2013 \$	2012 \$
Revenue from rendering of services		8,324,562	6,104,081
Federal/State grants and salary subsidies		49,972,624	45,499,558
Fundraising		2,319,007	4,820,702
Other revenue		566,112	700,876
<b>Total revenue</b>	3	<b>61,182,305</b>	<b>57,125,217</b>
Employee expenses		(48,765,776)	(43,568,430)
Transportation costs		(1,687,491)	(1,374,494)
Insurance expense		(960,485)	(1,146,351)
Depreciation and amortisation expenses	4	(1,180,234)	(1,139,560)
Finance costs	4	(83,215)	(102,429)
Services		(2,496,951)	(1,652,820)
Other expenses from ordinary activities		(4,849,979)	(4,137,745)
<b>Total expenses</b>		<b>(60,024,131)</b>	<b>(53,121,829)</b>
<b>Surplus for the Year</b>		<b>1,158,174</b>	<b>4,003,388</b>
<b>Other Comprehensive Income</b>			
Net gain on revaluation of investments		325,105	296,081
Net gain/ (loss) on sale of investments		18,759	(253,799)
<b>Other Comprehensive Income / (Loss) for the Year</b>		<b>343,864</b>	<b>42,282</b>
<b>Total Comprehensive Income for the Year</b>		<b>1,502,038</b>	<b>4,045,670</b>

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

# Statement of financial position

## As at 31 December 2013

	Notes	2013 \$	2012 \$
<b>Current assets</b>			
Cash and cash equivalents	6	10,306,044	9,069,239
Trade and other receivables	7	3,088,327	1,263,765
Other financial assets	8	205,736	196,353
Other assets	9	929,559	723,408
Total current assets		14,529,666	11,252,765
<b>Non-current assets</b>			
Other financial assets	8	3,061,775	1,969,084
Property, plant and equipment	10	17,859,852	18,353,337
Total non-current assets		20,921,627	20,322,421
Total assets		35,451,293	31,575,186
<b>Current liabilities</b>			
Trade and other payables	11	9,340,553	7,570,383
Short term borrowings	12	69,824	97,026
Short term provisions	13	4,196,202	3,841,898
Total current liabilities		13,606,579	11,509,307
<b>Non-current liabilities</b>			
Long term borrowings	12	1,339,385	1,411,807
Long term provisions	13	787,604	438,385
Total non-current liabilities		2,126,989	1,850,192
Total liabilities		15,733,568	13,359,499
<b>Net assets</b>		19,717,725	18,215,687
<b>Equity</b>			
Asset revaluation reserve	14	(10,636)	(335,741)
Asset realisation reserve	14	(979,818)	(998,577)
Accumulated surplus		20,708,179	19,550,005
<b>Total equity</b>		19,717,725	18,215,687

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

# Statement of changes in equity

## For the year ended 31 December 2013

	Asset Revaluation Reserve \$	Asset Realisation Reserve \$	Retained Earnings \$	Total \$
<b>Balance at 1 January 2012</b>	(631,822)	(744,778)	15,546,617	14,170,017
Surplus for the year	-	-	4,003,388	4,003,388
Total other comprehensive income for the year	296,081	(253,799)	-	42,282
<b>Balance at 31 December 2012</b>	<u>(335,741)</u>	<u>(998,577)</u>	<u>19,550,005</u>	<u>18,215,687</u>
Surplus for the year	-	-	1,158,174	1,158,174
Total other comprehensive income for the year	325,105	18,759	-	343,864
<b>Balance at 31 December 2013</b>	<u>(10,636)</u>	<u>(979,818)</u>	<u>20,708,179</u>	<u>19,717,725</u>

# Statement of cash flows

## For the year ended 31 December 2013

	Notes	2013 \$	2012 \$
<b>Cash flows from operating activities</b>			
Receipts from customers and grants		61,852,887	62,602,179
Payments to suppliers and employees		(59,462,351)	(53,866,409)
Interest received		371,567	428,045
Dividend received		126,189	157,340
Interest paid		(83,215)	(102,429)
Net cash provided by operating activities		2,805,077	9,218,726
<b>Cash flows from investing activities</b>			
Proceeds on disposal of investments		658,773	598,903
Payments for investments		(1,407,601)	(1,060,633)
Purchase of property, plant and equipment		(710,437)	(4,067,004)
Net cash used in investing activities		(1,459,265)	(4,528,734)
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(99,624)	(94,420)
Net cash used in financing activities		(99,624)	(94,420)
Net increase in cash and cash equivalents held		1,246,188	4,595,572
Cash and cash equivalents at the beginning of the year		9,265,592	4,670,020
Cash and cash equivalents at the end of the year	6	10,511,780	9,265,592

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

# Notes to the financial statements

**For the year ended 31 December 2013****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 of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial statements for the year ended 31 December 2013 (including comparatives) were approved and authorised for issue by the Board of Directors on 9 April 2014.

**2 Statement of significant accounting policies****Changes in accounting policies**

There has been no change in accounting policies that affect the company during the reporting period.

**Summary of accounting policies**

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

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

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

**a. Income tax**

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

**b. Property, plant and equipment**

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

**Property**

Freehold land and buildings purchased are recorded at cost.

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

**Plant and equipment**

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

Property and equipment are reviewed each year for impairment or whenever events or changes in business circumstances indicate that the carrying value of the assets may not be recoverable.

Impairment losses are recognized 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 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.

At each reporting date, Aspect assesses whether there is objective evidence that a financial instrument has been impaired. Such impairment losses are recognised in the Statement of comprehensive income.

#### **Financial assets at fair value through other comprehensive income**

Aspect early adopted AASB 9 in 2010 and therefore all investments form part of Aspect's investment portfolio and have been classified as 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.

No impairment is required to be assessed for financial assets at fair value through other comprehensive income.

#### **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 comprehensive income.

#### **Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expires 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 profit or loss.



**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 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 to balance 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 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 balance sheet.

**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 Tax 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 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 year end to the extent that 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 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. In the period management hasn't changed the probability factors. Management will continue to review these probabilities to ensure that they are appropriate.

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

**3 Revenue from ordinary activities**

	2013 \$	2012 \$
School fees	4,083,544	3,765,551
Other fee for service	4,241,018	2,338,530
Federal grants	16,859,096	14,821,548
Government Capital grants	375,000	2,118,990
State grants and subsidies	32,738,528	28,559,020
Donations and bequests	2,149,556	2,892,510
Fundraising projects	169,451	1,928,192
Other revenue	566,112	700,876
	<hr/>	<hr/>
Total revenue from ordinary activities	61,182,305	57,125,217

**4 Operating surplus from operating activities**

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

Depreciation of:		
- Freehold land and buildings	88,278	42,167
- Leasehold buildings	258,689	259,261
- Office machines and equipment	500,670	501,505
- School library	2,991	3,025
	<hr/>	<hr/>
Amortisation of:		
- Lease improvements	329,606	333,602
	<hr/>	<hr/>
Total depreciation and amortisation	1,180,234	1,139,560
	<hr/>	<hr/>
Borrowing costs		
- Bank loans and overdraft	83,215	102,429
Net bad and doubtful debts expenses including movements in provision for doubtful debts	225,000	84,068
Net expenses from movements in provision for employee benefits	2,123,189	2,626,079
Operating lease and other rental payments during the year	1,152,944	1,037,980
Net loss/(gain) on disposal of non-current assets	23,688	37,761
	<hr/>	<hr/>

**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 of 1997.

**6 Cash and cash equivalents**

	Notes	2013 \$	2012 \$
Cash at bank		10,304,463	9,068,835
Cash on hand		1,581	404
Cash and cash equivalents		<u>10,306,044</u>	<u>9,069,239</u>

In the prior year, cash at bank included special purpose funds (see note 11) that were separately identified and spent in accordance with specific instructions

**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 Statements of Financial Position as follows:

Cash at bank and on hand		10,306,044	9,069,239
Bank term deposits	8	<u>205,736</u>	<u>196,353</u>
		<u>10,511,780</u>	<u>9,265,592</u>

**7 Trade and other receivables**

Government subsidies and fees		3,036,713	1,211,547
Less: Provision for doubtful debts		<u>(349,738)</u>	<u>(124,737)</u>
		2,686,975	1,086,810
Goods & services tax receivable		55,381	53,498
Other receivables		<u>345,971</u>	<u>123,457</u>
		<u>3,088,327</u>	<u>1,263,765</u>

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

At 31 December 2013, the ageing analysis of trade receivables was as follows:

	Total	0-30 days	31-60 days	61-90 days	+ 91 days
2013	<u>3,036,713</u>	<u>1,076,555</u>	<u>1,539,108</u>	<u>19,051</u>	<u>401,999</u>
2012	<u>1,211,547</u>	<u>975,496</u>	<u>54,505</u>	<u>13,994</u>	<u>167,552</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 charge of \$225,000 was made in 2013 (2012: charge of \$84,068)

	2013 \$	2012 \$
Balance 1 January 2013	124,737	75,774
(Credit)/charge for the year	225,000	84,068
Amounts written off	<u>-</u>	<u>(35,105)</u>
Balance 31 December 2013	<u>349,737</u>	<u>124,737</u>

Receivables past due but not considered impaired are:

31-60 days	\$1,539,108	(2012: \$54,505)
61-90 days	\$19,051	(2012: \$13,994)
91 days and over	\$52,262	(2012: \$42,815)

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

**8 Other financial assets**

	2013 \$	2012 \$
<b>Current</b>		
Bank term deposits	205,736	196,353
<b>Non-current</b>		
Available for sale financial assets	3,061,775	1,969,084

**9 Other assets**

Accrued income	546,222	590,664
Prepayments	383,337	132,744
	929,559	723,408

**10 Property and equipment**

Freehold land and buildings – at deemed cost	6,193,461	6,193,461
Less: Accumulated depreciation	(148,052)	(59,774)
	6,045,409	6,133,687
Leasehold buildings – at cost	10,400,287	10,400,287
Less: Accumulated depreciation	(1,691,226)	(1,432,537)
	8,709,061	8,967,750
Leasehold improvements – at cost	3,794,836	3,667,443
Less: Accumulated depreciation	(1,730,882)	(1,548,595)
	2,063,954	2,118,848
Office machines and equipment – at cost	3,600,900	3,202,150
Less: Accumulated depreciation	(2,568,941)	(2,081,558)
	1,031,959	1,120,592
School library – at cost	62,153	62,153
Less: Accumulated depreciation	(52,684)	(49,693)
	9,469	12,460
<b>Total property, plant and equipment</b>	17,859,852	18,353,337

	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 2013	6,193,461	10,400,287	3,667,443	3,202,150	62,153	23,525,494
Additions	-	-	290,694	419,743	-	710,437
Disposals	-	-	(163,301)	(20,993)	-	(184,294)
Balance at 31 Dec 2013	6,193,461	10,400,287	3,794,836	3,600,900	62,153	24,051,637
<b>Accumulated depreciation</b>						
Balance at 1 Jan 2013	(59,774)	(1,432,537)	(1,548,595)	(2,081,558)	(49,693)	(5,172,157)
Depreciation	(88,278)	(258,689)	(329,605)	(500,671)	(2,991)	(1,180,234)
Disposals	-	-	147,318	13,288	-	160,606
Balance at 31 Dec 2013	(148,052)	(1,691,226)	(1,730,882)	(2,568,941)	(52,684)	(6,191,785)
<b>Carrying amount 31 December 2013</b>	6,045,409	8,709,061	2,063,954	1,031,959	9,469	17,859,852

- (a) Management estimated fair value of land and buildings at 31 December 2013 is \$19,095,000. These are the amounts in total for the South Coast School (\$1,800,000), the Central Coast School (\$2,965,000), the Western Sydney School (\$3,380,000), the Vern Barnett School at Forestville (\$5,800,000) and the Hunter School (\$5,150,000) which are the insured values.

**11 Trade and other payables**

	2013 \$	2012 \$
<b>Current</b>		
Trade creditors	651,321	546,743
Other creditors and accruals	2,651,926	2,889,184
Government subsidies in advance	6,037,306	4,134,456
	<u>9,340,553</u>	<u>7,570,383</u>

**12 Borrowings**

<b>Current</b>		
Bank loan – secured	<u>69,824</u>	<u>97,026</u>
<b>Non-current</b>		
Bank loan – secured	<u>1,339,385</u>	<u>1,411,807</u>

There is one bank loan denominated in Australian dollars. The amount in current liabilities comprises the portion of Aspect's bank loan payable within one year. The non-current balance represents the portion of Aspect's bank loan not due within one year.

The bank loan with Westpac is secured by first mortgage over Aspect's land at Thornton and Corrimal, as well as the lease at Terrigal and a Fixed / Floating charge over Aspect's assets. The business loan bears interest at 5.415% (2012: 5.94%) 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 5% per annum.

**Financing arrangements**

Aspect has access to the following financial facilities:

Total facilities available:

Bank overdraft	150,000	750,000
Bank loans	<u>1,409,209</u>	<u>1,508,833</u>

Facilities utilised at balance date:

Bank loan	<u>1,409,209</u>	<u>1,508,833</u>
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**13 Provisions**

<b>Current</b>		
Provision for long service leave	3,204,690	2,976,218
Provision for annual leave	991,512	865,680
	<u>4,196,202</u>	<u>3,841,898</u>
<b>Non-current</b>		
Provision for long service leave	787,604	438,385
Provision for annual leave	-	-
	<u>787,604</u>	<u>438,385</u>
<b>Total</b>	<u>4,983,806</u>	<u>4,280,283</u>

As a result of the changes to AASB 119, provisions related to employees who are entitled to the leave at balance date (both annual leave and long service leave) are disclosed as current. The 2012 comparatives are also reclassified in line with these changes.

**14 Reserves**

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

## 15 Commitments

	2013 \$	2012 \$
<b>Non-cancellable operating lease expense commitments</b>		
Future operating lease rentals not provided for in the financial statements and payable:		
Within one year	1,262,770	1,382,354
One year or later and not later than five years	1,541,160	2,477,158
Greater than 5 years	62,070	75,730
	<u>2,866,000</u>	<u>3,935,242</u>

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

## 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, sponsorships for Aspect students, Aspect early intervention services, Someone to Turn To, Autism Information Line, some services for adults with autism and the work of the Aspect Research team.

The cost of raising these funds was 26% (2012: 15%) of the gross revenue received. This included the costs of events, all promotional activity and the payment for all administrative services including salaries for Relationship Fundraising staff.

### Results of fundraising appeals

Gross proceeds from fundraising appeals recognised in current year	2,319,478	4,820,702
Less: Total costs of fundraising appeals	(596,225)	(540,054)
Net surplus	<u>1,723,253</u>	<u>4,280,648</u>
Less: Reserve from prior year	-	(601,663)
Underlying surplus	<u>1,723,253</u>	<u>3,678,985</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 Executive members of Aspect. Two executive members were added to Aspect's Executive Team to represent Aspect Practice and NDIS Ready, Communications & Marketing (NRC&M) respectively.

Key management personnel remuneration includes the following expenses:

Total key management personnel remuneration	<u>1,445,109</u>	<u>1,117,331</u>
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The Board Directors of Aspect receive no remuneration.

## 19 Events subsequent to 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.





## Directors' declaration

In the opinion of the directors of Autism Spectrum Australia (Aspect):

- a the financial statements and notes of Autism Spectrum Australia (Aspect) are in accordance with the Corporations Act 2001, including
  - i giving a true and fair view of the financial position as at 31 December 2013 and of its performance for the financial year ended on that date; and
  - ii complying with Australian Accounting Standards Reduced Disclosure Regime (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; 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.

This declaration is made in accordance with a resolution of the Board of Directors.

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Jenny Young  
Board Chair

Dated this 10<sup>th</sup> day of April 2014

# 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 2013;
- b the Balance Sheet gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 31 December 2013;
- c the provisions of the Charitable Fundraising (NSW) Act 1991 and the Regulations under that Act and the conditions attached to the authority have been complied with during the period from 1 January 2013 to 31 December 2013; 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.

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Adrian Ford  
Chief Executive Officer

Dated this 10th day of April 2014

## Independent auditor's report