Autism Spectrum Australia (Aspect)

ABN 12 000 637 267
Financial report
For the year ended 31 December 2022

Contents

Autism Spectrum Australia (Aspect)

(A company limited by guarantee and registered with ACNC)

Corporate information
ABN 12 000 637 267

Directors

The following Directors were in office at the date of this report:

A Gallard (Chairperson)
R Dolk
V Haar
P Khoury
M Latour
K Orvad
E Russo
P Rutledge
P Vevers

Company Secretary

M Feros

Registered office and principal place of business

Level 5, Tower B, The Zenith
821 Pacific Highway
Chatswood NSW 2067

Auditor

Grant Thornton
Level 17, 383 Kent Street
Sydney NSW 2000

Grant Thornton

Grant Thornton Audit Pty Ltd
Level 17
383 Kent Street
Sydney NSW 2000
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Queen Victoria Building NSW 1230

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Auditor's Independence Declaration

To the Responsible Entities 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 2022, 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

Grant Thornton Audit Pty Ltd
Chartered Accountants

James Winter

James Winter
Partner – Audit & Assurance

Sydney, 28 March 2023

Statement of profit or loss and other comprehensive income

For the year ended 31 December 2022

	Notes	2022 $	2021 $
Revenue from continuing operations			
Revenue from the provision of services		125,863,626	114,636,716
Donations, bequests and other grant funding		5,695,174	6,318,384
Other income		1,955,228	1,691,423
Total revenue from continuing operations	3	**133,514,028**	**122,646,523**
Employee expenses	4	(88,968,824)	(86,224,009)
Transportation costs		(1,768,237)	(991,226)
Depreciation and amortisation expenses	4	(4,270,418)	(3,720,552)
Finance costs	4	(401,479)	(140,423)
Service costs		(6,276,033)	(5,291,255)
Other expenses		(8,834,077)	(8,077,315)
Total expenses		**(110,519,068)**	**(104,444,780)**
Surplus for the year		**22,994,960**	**18,201,743**
Other comprehensive income			
Net changes in the Fair Value through Other Comprehensive Income (FVOCI) financial assets		(2,011,770)	406,106
Other comprehensive (loss)/income for the year		(2,011,770)	406,106
Total comprehensive income for the year		**20,983,190**	**18,607,849**

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

Statement of financial position

As at 31 December 2022

	Notes	2022 $	2021 $
Current assets			
Cash and cash equivalents	5	68,610,712	55,576,600
Trade and other receivables	6	1,457,721	687,718
Financial assets	7	745,704	296,483
Other assets	8	1,217,429	1,447,623
Total current assets		72,031,566	58,008,424
Non-current assets			
Financial assets	7	25,010,750	26,677,058
Property, plant and equipment	9	47,576,350	33,749,907
Intangible assets	10	1,457,924	1,814,585
Right-of-use assets	11	8,146,347	5,133,330
Total non-current assets		82,191,371	67,374,880
Total assets		154,222,937	125,383,304
Current liabilities			
Trade and other payables	12	5,442,481	4,410,119
Service contract liabilities	13	4,991,334	6,193,520
Provisions	15	12,771,312	13,481,567
Lease liabilities	16	2,493,116	886,823
Total current liabilities		25,698,243	24,972,029
Non-current liabilities			
Borrowings	14	7,741,667	3,916,141
Provisions	15	3,203,789	2,697,638
Lease liabilities	16	7,092,978	4,294,426
Total non-current liabilities		18,038,434	10,908,205
Total liabilities		43,736,677	35,880,234
Net assets		**110,486,260**	**89,503,070**
Funds			
Fair value through Other Comprehensive Income (OCI) reserve		(1,610,203)	376,389
Accumulated funds		112,096,463	89,126,681
Total funds		**110,486,260**	**89,503,070**

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

Statement of changes in funds

For the year ended 31 December 2022

	Fair Value Through OCI Reserve $	Accumulated Funds $	Total $
Balance at 1 January 2021	820,717	70,074,504	70,895,221
Surplus for the year	-	18,201,743	18,201,743
Other comprehensive income for the year	406,106	-	406,106
Transfers	(850,434)	850,434	-
Balance at 31 December 2021	**376,389**	**89,126,681**	**89,503,070**
Balance at 1 January 2022	376,389	89,126,681	89,503,070
Surplus for the year	-	22,994,960	22,994,960
Other comprehensive loss for the year	(2,011,770)	-	(2,011,770)
Transfers	25,178	(25,178)	-
Balance at 31 December 2022	**(1,610,203)**	**112,096,463**	**110,486,260**

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

Statement of cash flows

For the year ended 31 December 2022

	Notes	2022 $	2021 $
Cash flows from operating activities			
Receipts from customers and grants		129,717,895	121,678,728
Payments to suppliers and employees		(104,466,092)	(98,588,387)
Interest received		902,578	138,443
Dividends received		598,736	571,200
Interest paid		(401,479)	(140,423)
Net cash provided by operating activities	17	26,351,638	23,659,561
Cash flows from investing activities			
Payments for investments		(345,463)	(19,559,979)
Purchase of property, plant and equipment		(16,450,927)	(10,065,240)
Net cash used in investing activities		(16,796,390)	(29,625,219)
Cash flows from financing activities			
Increase in borrowings		3,928,085	2,527,462
Net cash provided by financing activities		3,928,085	2,527,462
Net increase in cash and cash equivalents held		13,483,333	(3,438,196)
Cash and cash equivalents at the beginning of the year		55,873,083	59,311,279
Cash and cash equivalents at the end of the year	5	**69,356,416**	**55,873,083**

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

Notes to the financial statements

For the year ended 31 December 2022

1 Corporate information

Autism Spectrum Australia ("Aspect" or the "Company") is a company limited by guarantee, incorporated and domiciled in Australia. The Company is a not-for-profit entity registered with the Australian Charities and Not-for-profits Commission and under the *Charitable Fundraising Act (NSW) 1991*.

Basis of preparation

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

The financial statements for the year ended 31 December 2022 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 28 March 2023.

The financial report has been prepared on the basis of historical cost and presented in Australian dollars which is the Company's functional and presentation currency.

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, employment 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 as 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.

Members' guarantee

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 2022, the total amount that members of the Company would have been liable to contribute if the Company was wound up was $2,360 (2021: $2,400).

Economic dependency

Government funding continues 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. Revenue from these three sources increased in 2022 to $131,558,800 compared with $120,955,100 in 2021. This represents 98.5% of Aspect's total revenue.

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.

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, revenue and expense. The measurement bases are more fully described in the accounting policies below.

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.

Land and Buildings

Freehold land and buildings are recorded at cost or deemed cost.

Leasehold property

Leasehold property is recorded at cost and depreciated over the useful life.

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.

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 estimated useful life of the improvement.

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

Class of fixed asset	*Depreciation rate*
Leasehold improvements (incl. buildings on leased property)	2.5-10%
Plant and equipment	20-33%
Freehold land and buildings	Nil-2.5%
Motor vehicles	20%

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. Intangible assets

Intangible assets are initially measured at cost. Following initial recognition, intangible assets are carried at cost less:

- any accumulated amortisation, and
- any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over their useful life and assessed for impairment whenever there is an indication that they may be impaired. The amortisation period and method for an intangible asset with a finite useful life is reviewed at least every financial year end.

Changes in the asset's expected useful life, or the expected pattern of consumption of the asset's future economic benefits, are accounted for by changing the amortisation period or method. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit or Loss and Other Comprehensive Income in the expense category, consistent with the function of the intangible asset.

Intangibles are amortised over their useful lives as follows:

Computer software:	3 – 5 years

Gains or losses arising from the disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset. They are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income when the asset is disposed.

At the end of each financial year, we review our intangible's residual values, useful lives and amortisation methods, and adjust them if appropriate. A review of intangible assets took place during the year, with those assets that are fully depreciated and no longer in use being written off.

d. Leases

The Company has leases over buildings, vehicles and office equipment.

At the inception of a contract, the Company assesses whether a lease exists – i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

The contract involves the use of an identified asset – this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right, then there is no identified asset.

The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.

The Company has the right to direct the use of the asset i.e. decision-making rights in relation to changing how and for what purpose the asset is used.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy. The right-of-use asset is assessed for impairment indicators at each reporting date.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected to apply the exceptions to lease accounting for leases of low-value assets. For these leases, the Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Make good provisions
Provisions costs required to return certain leased premises to their original condition as set out in the lease agreements are recognised as a provision in the financial report. The provision has been calculated as an estimate of future costs and discounted to a present value and is revised on an annual basis.

Since these future costs are based on the Company's past experience with similar premises and estimates of likely restoration costs determined by the Company's management, these estimates may vary from the actual costs incurred as a result of conditions existing at the date the premises are vacated.

e. Financial assets

Initial recognition and measurement

The Company classifies its financial assets into the following categories:

1. financial assets at fair value through profit or loss (FVPL),
2. amortised cost,
3. financial assets at fair value through other comprehensive income (FVOCI).

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit or loss in which case the transaction costs are recognised in the income statement.

Purchases and sales of investments are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance date. The quoted market price used is the current bid price.

The categories of financial assets are:

Financial assets at fair value through profit or loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the Statement of Financial Position date.

After initial recognition they are measured at their fair values. Gains or losses on remeasurement are recognised in the income statement.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL or FVOCI): they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows, the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets classified as fair value through other comprehensive income

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method. The financial liabilities of the Company comprise trade creditors, other payables, borrowings and lease liabilities.

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 balance date the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the income statement. The Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between: financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'), and financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2'). 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables

Aspect makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, Aspect uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Aspect assesses impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.

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.

Service contract liabilities
Service contract liabilities generally represent the unspent grants or other fees received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided, or the conditions usually fulfilled within 12 months of receipt of the grant or fees.

Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date or the conditions will only be satisfied more than 12 months after the reporting date, the liability is presented as non-current.

Where the monies are received for the Company to acquire or construct an item of property, plant, and equipment that will be controlled by Aspect then the funds are recognised as a contract liability and amortised to revenue as and when the obligation is satisfied.

f. 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.

g. Employee benefits provisions

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.

h. 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.

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

i. Cash and cash equivalents

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

j. Revenue and other income

Revenue recognition policy for revenue from contracts with customers (AASB 15)

AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration.
The customer for these contracts is the fund provider.

Revenue is recognised by applying a five-step model as follows:
1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price
5. Recognise revenue

Revenue from the rendering of a service

Generally the timing of the payment for rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

Revenue from government funding and grants

Government and grant funding arising from an agreement which contains enforceable and sufficiently specific performance obligations is recognised when control of each performance obligations is satisfied.

Within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, generally the revenue is recognised based on either cost or time incurred which best reflects the transfer of control.

Income recognition policy for income streams which are either not enforceable or do not have sufficiently specific performance obligations (AASB 1058)

Grant income

Assets arising from grants in the scope of AASB 1058 are recognised as income at their fair value when the asset is received. These assets are generally cash but maybe property which has been donated or sold to the Company at significantly below its fair value.

Capital grants

Capital grants received under an enforceable agreement to enable the Company to acquire or construct an item of property, plant and equipment to identify specifications which will be controlled by the Company (once complete) are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin.

For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the Company.

Donations and bequests (gift in will)

Donations and bequests collected are recognised as income when the Company gains control of the asset.

In-kind donations

Services donated by volunteers, goods and facilities donated are included at the fair value to the Company where this can be quantified, and a third party is bearing the cost. A register was maintained by the company for donations which could be reliably measured. The cost of Board members' time has not been quantified.

k. 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.

l. Reserves

Fair value through other comprehensive income (FVOCI) reserve

This reserve records fair value changes at each reporting date on investments classified at fair value through other comprehensive income. It represents the unrealised fair value excess over cost for investments held.

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 preparation of financial information requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

Judgement applied in determining the amount of revenue

For many of the grant agreements received, the determination of whether the contract includes sufficiently specific performance obligations was a significant judgement involving discussions with several parties at Aspect, review of the proposal documents prepared during the grant application phase and consideration of the terms and conditions. Grants received by Aspect may be accounted for under both AASB 15 and AASB 1058 depending on the terms and conditions and decisions made.

Estimation of the provision for annual leave and long service leave

In determining the present value of the liability, Aspect gives consideration to expected future pay increases through promotion and inflation, experience of employee departures, and periods of service. The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date.

Estimation and judgement for the allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, days overdue, and makes assumptions to allocate an overall expected credit loss rate. These assumptions include historical collection rates and forward-looking information that is available.

Estimation of impairment
Aspect assesses impairment at each reporting date by evaluating conditions specific to the organisation that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined using depreciated replacement cost. Depreciated replacement cost calculations incorporate a number of key estimates.

Estimation of useful lives of assets
Aspect determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Lease term
The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term.

Incremental borrowing rate
Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date.

3 Revenue from continuing operations

	Notes	2022 $	2021 $
Revenue from the provision of services subject to specific performance obligations			
School fees		7,026,677	6,941,690
Other fees for service		1,457,251	1,599,970
NDIS funding	(a)	16,989,352	15,107,393
Government grant funding subject to service obligations	(a)	100,390,346	90,987,663
Total revenue from the provision of services		125,863,626	114,636,716
Income not subject to specific performance obligations			
Donations and gift in will		5,695,174	6,318,384
Total income		5,695,174	6,318,384
Other income			
Interest income		902,578	138,442
Investment income		598,736	571,200
Other		453,914	981,781
Total other income		1,955,228	1,691,423
Total revenue and income from continuing operations		**133,514,028**	**122,646,523**
Timing of service revenue recognition			
Services transferred over time		7,026,677	6,941,690
Services transferred at a point in time		118,836,949	107,695,026

(a) Grant funding includes the following sources of government revenue:

	2022 $	2021 $
Commonwealth government		
National Disability Insurance Agency	16,989,352	15,107,393
Department of Education, Skills and Employment	57,532,567	48,279,411
Department of Social Services	878,755	1,676,107
	75,400,674	65,062,911
State government		
Department of Education NSW	39,229,112	38,240,008
Department of Education SA	2,741,759	2,792,137
Victoria Department of Health and Human Services	8,153	-
	41,979,024	41,032,145
Total government funded revenue	**117,379,698**	**106,095,056**

4 Operating surplus from operating activities

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

	Notes	2022 $	2021 $
Depreciation or amortisation of:			
- Freehold land and buildings		98,532	88,277
- Leasehold improvements (incl. buildings on leasehold)		1,582,237	993,559
- Office machines and equipment		472,005	471,144
- Software		828,370	781,793
- Right-of-use assets	11	1,289,274	1,385,779
Total depreciation and amortisation		**4,270,418**	**3,720,552**

4 Operating surplus from operating activities (continued)

	2022 $	2021 $
Finance costs		
- Bank loans, leases and overdraft interest and fees	392,435	124,018
- Finance costs (Make Good - Lease Provision)	9,044	16,405
Total finance costs	**401,479**	**140,423**
Net bad and doubtful debts expenses including movements in allowance for expected credit losses	(33,737)	(56,509)
Lease financing (rental payments previous year)	300,200	199,092
Net loss on disposal of non-current assets	-	74,321
Employee benefits expense		
- Wages and salaries	76,347,803	73,212,192
- Defined contribution plan superannuation expense	7,458,190	6,786,370
- Workers' compensation insurance expense	1,114,388	1,523,656
- Employee leave benefits	4,048,443	4,701,791
Total employee benefits expense	**88,968,824**	**86,224,009**

5 Cash and cash equivalents

	2022 $	2021 $
Cash at bank	68,610,712	55,576,278
Cash on hand	-	322
	68,610,712	**55,576,600**

Reconciliation of cash and cash equivalents in the Statement of Cash Flows
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.

	2022 $	2021 $
Cash at bank and on hand	68,610,712	55,576,600
Bank term deposits	745,704	296,483
Total cash and cash equivalents	**69,356,416**	**55,873,083**

6 Receivables

	2022 $	2021 $
Fees and government subsidies	1,862,829	947,125
Less: allowance for expected credit losses	(421,202)	(275,501)
	1,441,627	671,624
Other receivables	16,094	16,094
Total receivables	**1,457,721**	**687,718**

7 Other financial assets

	2022 $	2021 $
Current		
Bank term deposits	745,704	296,483
Non-current		
Managed fund investments classified as FVOCI	14,985,750	16,677,058
Interest bearing deposit	10,025,000	10,000,000
	25,010,750	**26,677,058**
Total other financial assets	**25,756,454**	**26,973,541**

The Company holds a mixed portfolio of investments in fixed interest securities, alternative assets, property trust, Australian and international equities in its managed fund held at fair value.

The bank deposit of $10,025,000 is secured against the borrowing facility - refer Note 14.

8 Other assets

	2022 $	2021 $
Accrued income	345,045	201,853
Prepayments	872,384	1,245,770
Total other assets	**1,217,429**	**1,447,623**

9 Property, plant and equipment

	2022 $	2021 $
Freehold land and buildings – at deemed cost	9,985,558	9,311,191
Less: accumulated depreciation	(953,290)	(854,758)
	9,032,268	8,456,433
Leasehold improvements (incl. buildings on leasehold) – at cost	44,427,702	30,014,663
Less: accumulated depreciation	(7,687,966)	(6,105,729)
	36,739,736	23,908,934
Office machines and equipment – at cost	3,429,631	2,537,820
Less: accumulated depreciation	(1,625,285)	(1,153,280)
	1,804,346	1,384,540
Total property, plant and equipment	**47,576,350**	**33,749,907**

Movements in property, plant and equipment are shown as follows:

	Freehold land and buildings $	Leasehold improvements (incl. buildings on leasehold) $	Office machines and equipment $	Total $
Balance at 1 January 2022	8,456,433	23,908,934	1,384,540	33,749,907
Additions	673,927	14,444,536	860,754	15,979,217
Disposals	440	(31,497)	31,057	-
Depreciation	(98,532)	(1,582,237)	(472,005)	(2,152,774)
Balance at 31 December 2022	**9,032,268**	**36,739,736**	**1,804,346**	**47,576,350**

10 Intangible assets

	2022 $	2021 $
Software – at cost	4,601,589	4,129,880
Less: accumulated amortisation	(3,143,665)	(2,315,295)
Total intangible assets	**1,457,924**	**1,814,585**

	Software $	Total $
Balance at 1 January 2022	1,814,585	1,814,585
Additions	471,709	471,709
Disposals	-	-
Depreciation	(828,370)	(828,370)
Balance at 31 December 2022	**1,457,924**	**1,457,924**

11 Right-of-use assets

	Buildings $	Vehicles $	Total $
Balance at 1 January 2022	4,621,548	511,782	5,133,330
Additions	3,948,039	354,252	4,302,291
Depreciation charge	(1,005,724)	(283,550)	(1,289,274)
Balance at 31 December 2022	**7,563,863**	**582,484**	**8,146,347**

12 Trade and other payables

	2022 $	2021 $
Trade creditors	2,019,012	2,482,825
Other creditors and accruals	3,537,740	1,960,835
Net GST (receivable)/payable	(114,271)	(33,541)
	5,442,481	**4,410,119**

13 Service contract liabilities

	2022 $	2021 $
Capital grants received to acquire or construct an asset	198,551	265,762
Payments for future services and grants received in advance	4,792,783	5,927,758
	4,991,334	**6,193,520**

14 Borrowings

	2022 $	2021 $
Current		
Bank loan – secured	-	-
Non-current		
Bank loan – secured	**7,741,667**	**3,916,141**

The bank loan with Westpac is secured by first mortgage over land and buildings.

Financing arrangements

	2022 $	2021 $
Total facilities available:		
Bank overdraft facility	-	-
Bank loans	7,741,667	3,916,141
	7,741,667	**3,916,141**
Facilities utilised at the reporting date:		
Bank loan	**7,741,667**	**3,916,141**
Facilities un-utilised at the reporting date:		
Bank loan	**3,783,333**	**7,583,859**

A term deposit of $10,025,000 is secured against the unused and used bank loans, and a further $1,500,000 of the bank loan is secured against property.

15 Provisions

	2022 $	2021 $
Current		
Make-good provision under leases	553,800	695,854
Long service leave provision	8,887,566	9,297,266
Annual leave provision	2,179,946	2,338,447
Workers compensation	1,150,000	1,150,000
	12,771,312	13,481,567
Non-current		
Make-good provision under leases	724,205	562,391
Long service leave provision	2,479,584	2,135,247
	3,203,789	2,697,638
	15,975,101	**16,179,205**

16 Lease liabilities

	2022 $	2021 $
Current		
Lease liabilities	2,493,116	886,823
Non-current		
Lease liabilities	7,092,978	4,294,426
Total lease liabilities	**9,586,094**	**5,181,249**

Future lease payments are due as follows:

	2022 $	2021 $
Within one year	1,083,812	1,005,680
One to five years	6,027,562	2,291,297
More than five years	4,222,195	2,712,638
Total undiscounted lease payments	**11,333,569**	**6,009,615**

17 Cash Flow Information

Reconciliation of net cash provided by operating activities with surplus:

	2022 $	2021 $
Surplus for the year	22,994,960	18,201,743
Non-cash flows in operating surplus:		
Depreciation of property, plant and equipment	2,152,774	1,552,980
Depreciation of right-of-use asset	1,289,274	1,385,779
Amortisation of intangible assets	828,370	781,793
Net loss on disposal of an asset	-	74,321
Changes in operating assets and liabilities:		
Increase in receivables and other assets	(685,510)	(31,067)
(Decrease)/Increase in payables and other liabilities	(169,825)	706,537
(Decrease)/Increase in provisions	(58,405)	987,475
Net cash flows from operating activities	**26,351,638**	**23,659,561**

18 Auditor remuneration

	2022 $	2021 $
Audit of the financial statements	64,500	59,500
Other fees	29,650	45,385
Total auditor remuneration	**94,150**	**104,885**

19 Fundraising appeals conducted during the year

Fundraising appeals conducted during the financial period included direct mail, telephone and digital appeals, regular giving program, major gift and family trusts programme, corporate giving including payroll giving, applications to trusts, foundations & registered clubs, events including Walk for autism, Run for autism and other fundraising activities including merchandise sales, other solicited and unsolicited donations including gift in will. Gift in will generally does not fall under the definition of fundraising in the Charitable Fundraising Act 1991 (NSW) and are disclosed below for clarity and consistency with Note 3.

Fundraising assists Aspect to create a world where no-one on the autism spectrum is left behind. Money raised supports programs and initiatives not covered by government grants or the NDIS. 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 on the spectrum, some of the work of the Aspect Research team and work to create an autism-friendly Australia.

Fundraising funds are incorporated into other operational income and applied as set out in the Financial Statements. All funds are applied for Aspect's Charitable purposes.

	2022	2021
Results of fundraising appeals	**$**	**$**
Community fundraising	1,757,417	2,925,979
Individual giving	1,870,180	1,971,919
Philanthropy	1,950,744	1,233,567
Gift in Will	116,833	186,919
Income from fundraising	5,695,174	6,318,384
Less: Total costs of fundraising appeals	(1,902,928)	(2,096,481)
Net surplus	**3,792,246**	**4,221,903**
Add: fundraising income deferred in current year	292,259	314,975
Less: fundraising income deferred in prior year, recognised in current year	(350,224)	(105,334)
Cash surplus	**3,734,281**	**4,431,544**

20 Related party transactions

a) Key management personnel compensation

The Directors act in an honorary capacity and receive no compensation for their services. Directors may receive reimbursement for direct expenses incurred by the directors in fulfilling their roles.
Key management personnel compensation consists of amounts paid to members of the Executive. Throughout the year, there were some changes in the Executive structure in line with the current business environment. This team continued to fulfil the Executive roles.

	2022 $	2021 $
Total key management personnel remuneration	**2,411,656**	**2,124,037**

b) Other related party transactions

The Directors and other key management personnel may be donors to the Company.

Nil other related party transactions.

21 Contingent liabilities

Security deposit guarantees of $745,704 secured against term deposits at Note 7.

22 Commitments

	2022 $
Capital expenditure commitments	
Aspect Macarthur School	1.674,075
Aspect Riverina School	820,845
Aspect South East Sydney School	2,719,828
Aspect South Coast School	1,279,623
Aspect Vern Barnett School	3,639,633
Aspect Western Sydney School	6,092,151
Aspect Hunter School	1,341,366
Total capital expenditure commitments	**17,567,521**

23 Events subsequent to the reporting date

Autism Spectrum Australia (Aspect) has been notified of the NSW Government's intention to grant $13.2 million to Aspect from the WestInvest Fund, towards building a new state-of-the-art primary school campus in Box Hill and a purpose-built community connection hub for people on the autism spectrum in the Liverpool area. This proposed funding has not been contracted.

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 2022 and of its performance for the financial year ended on that date; and

   ii. complying with Australian Accounting Standards – Simplified Disclosures 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:

DocuSigned by:
Annette Gallard
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Chair of the Board
Annette Gallard

Dated this 28th day of March 2023

Declaration in accordance with the Charitable Fundraising Regulation 2021 (NSW)

On behalf of Autism Spectrum Australia (the "Company"), I declare:

1. The Company is able to pay all of its debts as and when the debts become due and payable;

2. The 31 December 2022 financial statements of the Company satisfy the requirements of the Charitable Fundraising Act 1991 and the Charitable Fundraising Regulation 2021;

3. The contents of the 31 December 2022 financial statement of the Company are true and fair; and

4. The Company has appropriate and effective internal controls.

DocuSigned by:
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Jacqui Borland
Chief Executive Officer

Dated this 28th day of March 2023

Grant Thornton Audit Pty Ltd
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Sydney NSW 2000
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Queen Victoria Building NSW 1230

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Independent Auditor's Report

To the Members of Autism Spectrum Australia (Aspect)

Report on the audit of the financial report

Opinion

We have audited the financial report of Autism Spectrum Australia (Aspect) (the "Registered Entity") which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, statement of changes in funds 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 Responsible Entities' declaration.

In our opinion the financial report of Autism Spectrum Australia (Aspect) has been prepared in accordance with the requirements of Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

a. Giving a true and fair view of the Registered Entity's financial position as at 31 December 2022 and of its financial performance for the year then ended; and

b. Complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Registered Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

Those charged with governance are responsible for the other information. The other information comprises the Declaration in accordance with the Charitable Fundraising Regulation 2021 (NSW) but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Responsible Entities for the financial report

The Responsible Entities of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosures, the Australian Charities and Not-for-profits Commission Act 2012, the Charitable Fundraising Act 1991 (NSW) and the Charitable Fundraising Regulation 2021 (NSW), and for such internal control as the Responsible Entities 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 Responsible Entities are responsible for assessing the Registered Entity'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 Responsible Entities either intend to liquidate the Registered Entity or to cease operations, or have no realistic alternative but to do so.

The Responsible Entities are responsible for overseeing the Registered Entity'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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Responsible Entities.

- Conclude on the appropriateness of the Responsible Entities' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Registered Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Registered Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton Audit Pty Ltd
Chartered Accountants

James Winter
Partner – Audit & Assurance

Sydney, 28 March 2023