

Aspect Annual Report

for the year ending December 2014





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Autism Spectrum Australia (Aspect) acknowledges and pays respect to the traditional custodians of the many lands and cultures of the places in which we live and work.

In preparing this 46th annual report, we have reduced our impact on the environment by having the full version on our website and only a limited number of copies available in print.

Aspect is a company limited by guarantee, duly registered under the Corporations Act 2001.

Aspect is a public benevolent institution with deductible gift recipient status (DGR6966) as endorsed by the Australian Taxation Office.

In addition, Aspect holds NSW Charitable Fundraising Authority Number 10991, ACT Charitable Collection Authority Number 19000299, Victorian Fundraising Registration Number 10688, QLD Certificate of Registration as a Charity Number CH2466, WA Charitable Collections Licence CC21640 and SA Collections for Charitable Purposes Licence Number CCP2016. Aspect is also authorised to fundraise in Northern Territory and Tasmania.



About us

Autism Spectrum Australia (Aspect) is Australia's leading service provider for autism and other disabilities. Our specialised, evidence-informed schools program is the largest in the world, with additional services that include information and advice, diagnostic assessments, behaviour support, parent and family support, and adult programs. We share evidence-informed Aspect practice and applied research nationwide.

Our services provide people with autism the opportunity to realise their unique potential, as well as providing much needed support to their families, carers, friends and colleagues. Our vision is to provide the best possible opportunities for people with autism or other disabilities and each year we have thousands of positive and uplifting stories to share.

We recognise the contributions made by our community and we celebrate the achievements made by the people who share their journey with us. Accompanying this printed report we have also produced an online annual review that provides a more detailed overview of the many accomplishments and achievements that were made individually and collectively as Aspect. This can be viewed at autismspectrum.org.au/AspectAnnualReport2014



Registered office: Building 1, Level 2
14 Aquatic Drive, Frenchs Forest NSW 2086
ABN: 12 000 637 267
Banker: Westpac Banking Corporation
Solicitor: Kemp Strang of the Kennedy Strang Legal Group
Auditor: Grant Thornton Audit Pty Ltd
Investment Advisor: JB Were Pty Ltd

Website: autismspectrum.org.au
Email: customerservice@autismspectrum.org.au
Phone: (02) 8977 8300
Fax: (02) 8977 8399
Our Annual General Meeting will be held at the State Library of NSW, Sydney, Australia on 27 May 2015 at 2.30 pm.

Message from the Chair

In 2013 Autism Spectrum Australia (Aspect) made the all-important decision to “go national”. In 2014 we began the implementation of this core strategy.

Aspect made the decision to “go national” in response to the transformational change in the disability sector with the Commonwealth’s Government decision in concert with the states and territories to introduce the National Disability Insurance Scheme (NDIS) in 2018. As well, changing funding arrangements being considered in the education sector also meant that it made sense for Aspect to think nationally.

These dual drivers in the external environment to go national and Aspect’s commitment to provide the best

opportunities to people with autism resulted in the first full year implementation of Aspect’s first national initiative, Aspect Practice which brought together Aspect’s extensive capabilities in autism practice and to offer these through workshops and consultancies nationally to organisations and individuals wanting to build their own capability and competence in the field of autism. Aspect Practice is backed by Aspect’s commitment to evidence-informed practice in all its work and its ongoing work in practice-based research, making Aspect a significant knowledge leader in autism in Australia.

Another landmark in Aspect’s national strategy in 2014 was the integration of Alpha Autism in Victoria into Aspect on 1 December 2014, which also further cemented our role as a Victorian service provider. Alpha Autism



was a long-standing, well-regarded provider of services to over 100 adults on the spectrum and their families in Melbourne. It has meant that Aspect has been able to significantly extend its work with adults on the spectrum both in Sydney and Melbourne under re-designed services now known as Aspect Choose & Connect in readiness for the NDIS.

The guiding principle behind these exciting new steps in extending our national reach, whilst remaining focused on the continued quality of our existing work, was putting the person with autism at the centre of everything we do. In fact, we began 2014 with the phrase "person-centred and family focused" as one of our core strategies. Halfway through the year we added to this strategy the phrase "customer-driven" making it **person-centred, family-focused and customer-driven**. Aspect acknowledged that it is only by focusing on these three dimensions with each person on the spectrum that we can really fulfil our vision of providing the best opportunities for each person as we increasingly step into a very competitive marketplace for disability services in this country.

Aspect's income grew by 14.95% in 2014, resulting in a turnover of \$70.33 million. The Total Comprehensive Income for the year was \$2.59 million which was an excellent result, assisted by the "bargain purchase" gain of \$0.95 million related to the Alpha Autism integration. Importantly, the underlying operating result was a surplus of \$1.59 million. This reflected the operating efficiency of our services and the continued prudent management of our resources. This surplus provides Aspect with the opportunity to further invest in and expand our services in future years.

A deep and sincere thank you to our more than 25,000 donors and supporters whose contributions generated an extraordinary net contribution of \$2.629 million to Aspect's work. Without you Aspect would not be able to do some of its most innovative work in early intervention, our schools and autism research.

I want to thank the members of the Board and its committees for their continued thoughtful and passionate commitment to Aspect and its governance. I particularly want to thank Keith Perkin who will be resigning from the Board at the 2015 AGM. Keith has

been a member of the Board since 2004. He was the Chair from 2008 to 2012 and the Immediate Past Chair (Deputy Chair) from 2012 to 2014. Keith brought to these roles a wealth of experience in both the private and not-for-profit sectors and was instrumental in strengthening Aspect's governance arrangements while always providing strategic and considered advice to Aspect. He chaired the Board through the challenging times of the Global Financial Crisis along with the re-building of many of our schools when funding became available through the Commonwealth Government's Building Education Revolution (BER), a once in a generation (if not lifetime) capital injection into our Education program. Keith's wise counsel and deep support for Aspect will be greatly missed, but we wish him well and thank him for his contribution to Aspect for more than a decade. I also extend my personal thanks and best wishes to Keith. He has been a role model Chair and Board Director.

Finally, my thanks to all the staff for their continued commitment and hard work. They provide Aspect's social capital which, in partnership with the person with autism, their family and community, can make that difference in the everyday lives of people on the spectrum. Together with the Management Team and the Executive which works in such an effective collaboration with the Board under the exceptional leadership of Adrian Ford, I am very confident about Aspect's future.

I will be standing down in my role as Chair at the June 2015 Board meeting and Julie Hamblin, the current Deputy Chair, will become the Chair. Julie is extremely well-qualified to succeed as Chair and I will continue to support Julie and the Board as the Immediate Past Chair. It has been a privilege to serve as Chair of the Board of this wonderful organisation for the past three years. Much has been achieved as we have focused ever more on a few key core strategies whilst remaining focused on the person with autism as the customer we serve. I am looking forward to my continued participation on the Board and to the work that lies ahead for Aspect in this period of radical and fundamental change for the sector.



Jenny Young
Chair of the Aspect Board

Message from the CEO

In going national, Aspect's focus was on growth and extending reach whilst also maintaining a range of quality services required and expected of Aspect by people on the spectrum and their families.

Aspect was in contact with 11,067 people on the spectrum in 2014. Regular services were offered in 198 different local government areas in NSW, Victoria and the ACT, a marked increase from 179 in 2013.

The number of school places grew to 982 in 2014 across Aspect's eight schools in NSW with more than 100 satellite classes in mainstream education maintaining Aspect's leadership as the largest single autism-specific education system in the world.

The number of people using individualised funding with Aspect or choosing to use their own funding with Aspect rose massively from 757 in 2013 to 1,155 in 2014. This reflected the significant increase in these packages being used by families in Aspect Building Blocks (early intervention) which is at the forefront of change as we prepare for the NDIS future. Our focus is on maintaining our role as the niche specialist autism provider which is accessible to as many people and their families as possible.

In 2014, Aspect was selected by the ACT Government as one of six non-government providers to provide early intervention services to ACT children with a disability or developmental delay from the commencement of 2015 as they transition through to the NDIS. This will significantly extend our capacity and service reach in the ACT as the first jurisdiction to fully implement the NDIS from July 2016.

Aspect re-launched its adult services as Aspect Choose & Connect in line with the repositioning of our adult services in readiness for the NDIS. The focus of the re-design is on individualised service options that adults on the spectrum choose and want, in line with their interests, strengths and capabilities.

Aspect launched its positive awareness raising social media campaign *a different brilliant*, which is Aspect's new brand essence, resulting in 3,770 'shares', 820 'comments', 15,500

'likes' across Facebook and 18,000 viewings of the launch video. The campaign, which is to run through to the 50th Anniversary of Aspect in 2016, highlights the strengths and aspirations of people on the autism spectrum. Aspect was given significant pro bono help by Michael Mrakovic, a creative director from the private sector, who developed this important new by-line for Aspect which has gone on to be this very successful campaign. At the time of writing, Aspect had more than 40,000 people connected through social media, making it one of the largest social networks in the disability sector in Australia.

Aspect held the inaugural national Autism in Education Conference at Sydney Technology Park, Sydney, with 451 participants – the first ever autism-specific education conference in Australia. The conference generated great interest throughout the teaching profession in both the government and independent sectors as well among parents of children on the spectrum wanting the best educational opportunities open to their children.

Aspect held its first ever National Recognition Awards Ceremony in April 2014 honouring contenders from around Australia. Six people or groups were recognised in each of the categories, including Jaki French from Moree who was recognised in the parent/carer category for her remarkable contribution to Aboriginal communities. Jaki, a Kamilaroi woman and mother to a young man with autism, was the driving force behind the development of 'Finding out about Kevin' animation, an exciting new resource for Aboriginal communities to raise awareness about autism developed by Positive Partnerships, of which Aspect is the lead agency.

Aspect implemented its new Aspect-wide Quality Management System - another part of our preparation for the NDIS. In Victoria, we achieved accreditation against the DHS service standards and in NSW our Quality Management System received a certificate of compliance against the NSW Disability Standards and recognition as complying with the National Disability Service Standards. No non-conformances were identified in either the Victorian or NSW audits.

Throughout a challenging and exciting year, Aspect's staff remain highly engaged with the organisation. In 2014 staff turnover was lower than expected at 9.29% which was our best result ever.

Finally I want to acknowledge the invaluable work of my colleagues on the Executive and Management team, who together provide the leadership and drive throughout the organisation, and the support of the Board in our many endeavours with the autism community increasingly across Australia. I particularly want to thank Jenny Young for her outstanding leadership of the Board over the last three years, whose customer-centric focus from her vast experience in the private sector has been timely and crucial as Aspect recalibrates to prepare for the NDIS.



Adrian Ford
Chief Executive Officer



Treasurer's report

Overview

Aspect has performed strongly in 2014 in a dynamic environment as the sector continues to prepare for the introduction of the National Disability Insurance Scheme (NDIS) and organisations consider amalgamation opportunities. The successful combination of the Alpha Autism services with Aspect's, from the beginning of December is a significant achievement which will support the continued expansion of Aspect's service offerings. The strong surplus achieved in the 2014 financial year positions Aspect to continue to grow its service coverage and its transition towards the implementation of the National Disability Insurance Scheme.

Aspect continued to develop the services it provided during 2014. We increased the total number of students in our schools by 11 and the number of satellite classes by seven. The new classes enabled us to provide more opportunities for families while there is still potential for us to accept some students into our existing classes. The combination of the Alpha Autism services into our Choose & Connect Victoria program has significantly increased our level of services to adults on the autism spectrum. In Families in Community (previously known as Community Services), we have continued to develop our delivery capability, particularly in early intervention through a more integrated Building Blocks program. Aspect is the lead agency for the PEAC Consortium which is responsible for delivering the second Positive Partnerships program. The program is now in its final year and throughout 2014 we continued to contribute to the provision of effective support and skills to professionals and carers during the school years through Positive Partnerships.

Total Comprehensive Income for the year was \$2.59 million, which is an excellent result. The result was bolstered by the "bargain purchase" gain of \$0.95 million related to the Alpha Autism acquisition, for which no consideration was paid. Excluding the gain on that transaction, and the net realised and unrealised gains on investments held, the underlying operating result, including capital from grants and fundraising for the 2014 year, was a surplus of \$1.59 million. This reflects the operating efficiency of our services and the continued tight management of our resources. This surplus

provides us with the opportunity to further invest in and expand our services in future years.

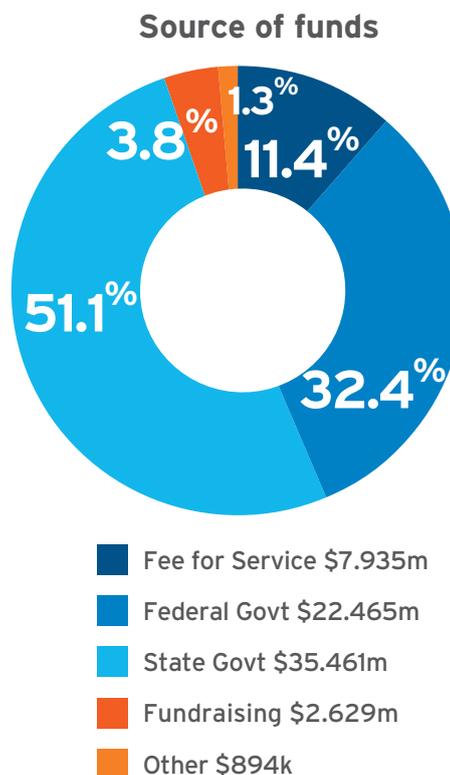
Income

Total income for 2014 was \$70.33 million (Graph 1). Excluding the bargain purchase gain, the income figure is adjusted to \$69.38 million which reflects an increase of 13 per cent over the prior year. Government funding continued to be the major source of income for Aspect representing 83 per cent of total income which is consistent with 2013. The increase in income was mainly due to growth in school enrolments and related salary subsidies and grant income.

Government grant income increased by \$6.5 million to \$57.9 million which reflected the increased level of the teacher subsidy due to the increase in student numbers, the number of teachers across the school network and the expected increases in salary levels.

Total fees for services provided \$7.94 million (\$6.85 million in 2013) which accounted for 11.4 per cent (11.2

Graph 1: Total income



per cent in 2013) of the adjusted income received. This reflects a continuing focus on providing additional services, particularly through the Families in Community and Choose & Connect services.

Gross fundraising income for 2014 of \$2.63 million was \$0.3 million higher than 2013. We were grateful to have 25,700 donors during the year, an increase of 55 per cent over 2013. Fundraising continues to represent a vitally important part of our income as it allows Aspect to provide services that are either not funded by government, or where the costs are not fully met.

Expenses

Expenses increased by 13 per cent over the prior year to \$67.8 million in 2014 (Graph 2). Each Business Unit was focused on its cost base and managed expenses closely to take account of revenue variations.

By group, Education & Research accounted for 62 per cent of total expenses which was consistent with 2013 (65 per cent).

The Shared Services administrative costs decreased from 8.4 per cent to 8.1 per cent of the total expense base. This reflected a focus on administrative cost management which will be ongoing as Aspect moves towards the individualised funding regime of the NDIS.

By expense type, salary costs were \$54.5 million which represented 80 per cent of total expenditure, compared to 81% in 2013. All units managed their staffing levels to take account of the demand for services.

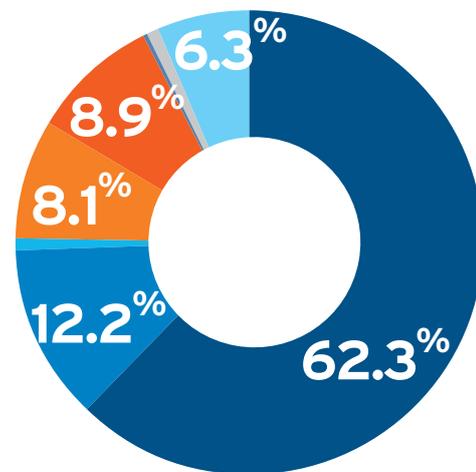
Overall total other expenses excluding employee expenses increased from \$11.3 million in 2013 to \$13.3 million in 2014. Consultants represented the highest non-salary expense and increased from \$1.6 million in 2013 to \$2.4 million in 2014. Consultant expenses are included in the services expense line and predominantly relate to the engagement of facilitators and learning specialists for workshops in the Positive Partnerships program and reflect the required level of spending in this program as it approaches its expected finalisation in 2015.

Capital expenditure in 2014 was \$0.65 million compared to \$0.71 million in 2013. The expenditure in 2014 was for a

range of improvements in Aspect's schools and also the development of a new financial budgeting tool to enable Aspect to manage its operations as the funding structure for the sector evolves.

Graph 2: Total expenditure

Where the money was spent



- Education \$42.202m
- Families in Community \$8.272m
- Aspect Fundraising \$695k
- Shared Services \$5.517m
- Positive Partnerships \$6.052m
- Investments & Loans \$224k
- Aspect Practice \$588k
- Choose & Connect \$4.242m

Assets & reserves

Overall net assets of the organisation increased to \$22.31 million in 2014 from \$19.72 million in 2013.

Aspect's Strategic investment portfolio increased from \$3.06 million as at December 2013 to \$3.26 million at 31 December 2014. The portfolio is actively managed in

conjunction with Aspect's investment advisers and the performance of the portfolio is measured against defined benchmarks that are aligned with the long-term strategic objectives, liquidity considerations and risk profile.

The cash position fluctuates throughout the year and is influenced by the timing of receipt of government grants and the issue of school fee invoices on a quarterly basis. Ending period cash and cash equivalent balances increased to \$16.6 million in 2014, up from \$10.3 million in 2013.

Management continually focuses on cash flow and the improvement of operating margins in order to position itself well for the future as it prepares for the full implementation of the National Disability Insurance Scheme in 2018. In addition, Aspect has in place a bank overdraft facility and also maintains a level of liquidity in the investment portfolio to cover potential temporary shortfalls. The overdraft facility was not drawn upon during 2014.

The trade payables balance of \$11.28 million primarily reflects government grant income which has been received in advance and will be expended on programs during 2015. The provisions balance, which total \$6.07 million, comprises the annual leave and long service leave liabilities accrued for staff members.

Conclusion

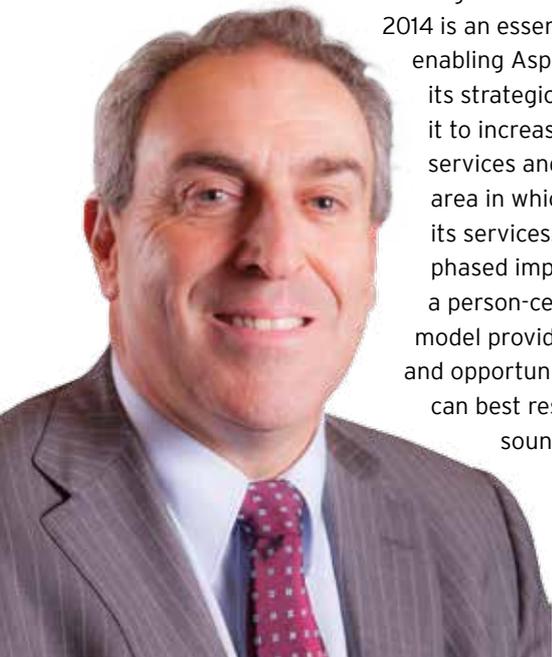
The strong financial result for 2014 is an essential element in enabling Aspect to execute its strategic plan and enable it to increase the range of services and the geographical area in which it delivers its services. The continued phased implementation of a person-centred funding model provides new challenges and opportunities that Aspect can best respond to from a sound financial base. The Board and Management recognise the fine margins

that apply to the services we provide and will continue to develop tools and processes to enhance Aspect's ability to proactively engage with the changing environment.

I would like to acknowledge the contribution of the Finance team within Aspect, which demonstrated an ability to adapt to change throughout 2014, and also to the Executive team as a whole for their continued focus on financial dimensions.

Finally, I offer my sincere thanks to my colleagues on the Board, particularly those on the Finance & Audit Committee for their ongoing support.

Henry Capra
Honorary Treasurer



Our Supporters

Platinum

Accident & Health International
Andrew Taylor Management
ASX Thomson Reuters Charity Foundation
Australian Rail Track Corporation
Dee Why RSL Club Ltd
Estate of Kathleen Breen
Greater Charitable Foundation
Greig Pickhaver AM
John Doyle AM
Kenneth & Peter Gibbs Foundation
Lend Lease Foundation
P & F South Coast School
P & F South East Sydney School
P & F Vern Barnett
The Raymond E Purves Foundation
Woodend Foundation

Gold

Aberdeen Asset Management
Charitable Foundation
Chelsea Albert
Allambie Youth Services
AMP Foundation
Steven Anderson
George Andrews
Mark Bessen
Peter Black
Christian & Donna Boughton
Brian Connor Plumbing
Cabra-Vale Diggers
Canterbury Hurlstone Park RSL Club Ltd
Justin Carter
Chatswood RSL Club
David Cole
Collier Charitable Trust
Commercial Club Albury Ltd
Michael Coventry
Geoff Cowell
Barbara Cummins
Loretta Dimento
Dooleys Lidcombe Catholic Club
Garry Duggan
Rodney Duncan

Ernst & Young
Shane & Michelle Finlay
Forestville RSL Club Limited
Jack Fried
Stuart Gambrell
Glencore Coal Assets Australia
James Goldman
Gary Gould
Keith Greenan
Gresham Investment House
Jean Grierson
Rigel Hammond
Lester Harch
Andrew Hazelton
Brendan Heslin
Patrick Hickey
Martin Hobbs
David Holt
Rodney Holzwart
Ross Howard
Geoffrey Hyde
Illawarra Catholic Club Ltd
Bryan Inch
Inner Wheel Club of Wollongong Inc
Brian Johnson
Anthony Johnstone
Patrick Jones
George & Carla Kazzi
Grant La Delle
James Laphorne
Liangrove Foundation Pty Ltd
Harry Loughnan
John MacDonald
Brett MacNamara
Macquarie Group Foundation
Paul McCarthy
McDonald Jones Homes Pty Ltd
Donald McGrath
Robert Meek
Michael and Mary Whelan Trust
Mosman Public School
Peter Mugford
NSW Office of Communities - Sport & Recreation
David Nye
Optus Pty Ltd

P & F Central Coast School
P & F Macarthur School
P & F Riverina School
P & F Western Sydney School
Armando Papallo
Edward Parker
Peter Pierce
Kathleen Pigram
Pont3
Port Waratah Coal Services
Rotary Club of Newcastle Incorporated
Rotary Club of Wetherill Park
Timothy Savage
Peter Skinner
John Smith
Martin Smith
Graham Spoor
St Johns Park Bowling Club
Guy Standen
Peter Sterling
Martin Stewart
Royce Symons
Alastair Taylor
The Bluesand Foundation
The George Naim Khattar Foundation
The Good Guys Bankstown
The Lynne Quayle Charitable Trust
The Marian and E.H. Flack Trust
The R A Gale Foundation
The Shellharbour Club
Peter Thorpe
Simone Van den Berg
Piers Walker
Walter Campbell Memorial Trust
Peter Watherston
Graham Weir
Peter Weir
Western Suburbs (N'cle) Leagues Club Ltd
Westfield Community Program
Westfield Kotara
Wests Ashfield Leagues Club Ltd
Terence Williams
Neil Windle

Silver

2CH Massey Park Social Golf Club
Robert Albert AO
Alfieris Foundation
Rob Anderson
ANZ Trustees Ltd
Aristocrat
Artarmon Masonic Hall Company Pty Ltd
Australian Communities Foundation
Australian Order of Old Bastards
Maxine Baird
Carrie Baldwin
Diane Beers
Sonia Bianco
Ralph Bierbaum
Julienne Blake
Burwood RSL Club Limited
Business Chicks
John Cambridge
Camden Council
Campbelltown Catholic Club
Campsie RSL Sub-Branch Club Limited
Verne Caradus
Castle Hill RSL Club Ltd
Cessnock Rugby League Supporters Club Ltd
CFMEU
Wai Fong (Jacqueline) Chan
Charity Greeting Cards
City Motors Group
Trevor Clark
Colette
Cotton On Foundation
Dalwood-Wylie Charitable Foundation
Dee Why Grand Shopping Centre
P & M Devlin
David Down
Mike Eden
Emirates
Enterprise & Training Company Limited
Adrian Ford
Catherine Forster

Diana Gibson
L Glynn
Dani Graczyk
Timothy & Barbara Hanbury
Jim Harding
John Heathers
Hornsby RSL Club Limited
JLDJS Foundation
Brian Johnson
Judith Johnson
Brenton Lawrence
Christopher Lee
Lions Club of Woonona
Lions Club of Yagoona
Michelle Lomas-Travers
Meryll Macarthur
Grant Maguire
David & Claudia Maher
M Martin
Mary MacKillop Foundation
Patricia McAlary
Therese McGee
Lyndall McNally
Media Money Management
Rania Megally
Anita Millard
MLC Community Foundation
Moorebank Sports Club Limited
Pam Morris
Mary Ann Napper
John Nevin
Rebecca Nevin
Glenn Newell
Cornelis Nieuwendyk
North Ryde RSL Community Club Ltd
Jenny O'Brien
Mary O'Sullivan
Petersham RSL Club Limited
Petra Capital Pty Ltd
Pierce Armstrong Foundation
Pioneer Fitness
Pittwater RSL Club Limited
Timothy & Kerrie-Ann Powell
Price Waterhouse Coopers
Newcastle

Quota International of the Leisure Coast Inc
Rebel Sports
Ritchies Stores Pty Ltd
Rotary Club of Terrigal
Ryde-Eastwood Leagues Club
Savvy Fitness
Peter Sheppard
Skal International Sydney
Secretariat
Ian Skinner
Charlie Sleiman
Jennifer Smith
Jack Teo
Terrigal Trotters Incorporated
The Honda Foundation
The Little Prince
The Steadfast Foundation
The Westport Club
TMS Asia Pacific
Adam Toms
Towradgi Beach Hotel
Allen Tulich
University of Wollongong
Dean Utian
Rene Vandervaere
Warilla Bowls and Recreation Club Ltd
Waterbrook Yowie Bay Pty Ltd
West Pennant Hills Sports Club
Western Suburbs Soccer, Sports & Community Club Ltd
Westpac Community Involvement
Pamela Whitehead
Beverley Whitehouse
Peter Williams
Chris Wong
Woolworths Ltd - Logistics Division
Yamaha Motor Australia P/L

Legacies

Estate of Arthur Frederick Hughes
Estate of Kathleen Ryan
Estate of William George Wilson Magill
Estate of Lily Edna Johnson
Estate of Geoffrey Francis Scharer

Directors' report

Jenny Young, Chair

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



Julie Hamblin, Director

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

Henry Capra, Honorary Treasurer

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



Robert J. Brown, Director

Robert J. Brown B.Sc., M.A., Grad. Dip. Applied Finance, and is the founder of Alford Brown and Associates. Robert has previously held senior executive roles with HSBC, Westpac, the Commonwealth Bank and State Street Bank and Trust. He is experienced in the governance of not-for-profit organisations, and has a personal interest in special education and the needs of children with learning difficulties. Robert joined the Board in June 2008, formerly held the position of Honorary Treasurer, and remains a member of the Finance & Audit Committee. Robert is a Member-elected Director.



Annette Gallard, Director

Annette Gallard PSM, B. Soc. Stud., M. Comm, has more than 20 years' experience as a senior executive in the NSW Public Service in both the Housing and Community Services Portfolios. She retired from the position of Chief Executive of the NSW Department of Community Services in 2011 and has since focused on assisting the not-for-profit sector as a Board Member. She was awarded the Public Service Medal in 2012 for services to disadvantaged communities, particularly Aboriginal people. Annette joined the board in March 2014 and is a member of the Strategy Group. Annette is a Member-elected Director.

Laurie Horin, Director

Laurie Horin B.Bus., FCA, F Fin, is an executive director of Carlisle Partners, a corporate advisory firm specialising in mergers and acquisitions, debt and equity funding for mid-market companies. He has in excess of 25 years' experience in professional accounting, corporate and investment management, and investment banking. Laurie has worked extensively in Australia, USA and South East Asia. He is also a board member of a number of client companies. Laurie joined the Board in September 2012, co-chairs the Strategy Group and became a member of the Finance & Audit Committee in February 2015. Laurie is a Member-elected Director.



Ian Joseph, Director

Ian Joseph B.Bus., Grad Dip Ed, FAMI, AFAIM, is a private banking and finance industry consultant and Chair of the Agribusiness Council of Australia. He was formerly Head of Strategy - Service and Sales with Regional and Agribusiness Banking at the Commonwealth Bank. Ian and his family care for his sister who has autism. Ian joined the Board in March 2011 and is a member of the Strategy Group. Ian is a Member-elected Director.

Malcolm McEwen, Director

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



Keith Perkin, Director

Keith Perkin 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 not-for-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. Keith is a Life Member of Aspect, a former Chair and Deputy Chair of the Board and a Member-elected Director.



Dr. David Starte, Director

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

Peter Werner, Director

Peter Werner B.Comm., is a Director of PW Executive. He has previously worked in the banking industry with BT Australia and Citibank. Peter is the father of a young man on the autism spectrum. 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.



Meetings of Directors

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

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. Soc.Stud

Appointment date:

2000

Principal activities

The principal activities of Autism Spectrum Australia (Aspect) are to provide a range of flexible, responsive and evidence-informed services to children, young people and adults with autism or other disabilities. These include information services, diagnostic and assessment services for people with autism, early intervention for young children with autism or other disabilities, educational services for school-aged children with autism to prepare them for transition to environments that are not autism-specific, community participation programs for adults living with autism and other disabilities and behaviour support programs for people on the autism spectrum and with other disabilities of all ages. A range of support

services are provided to families of people living with autism. The provision of training and consultation to other professionals and parents in ways of working with people with autism also continues as does Aspect's research program. There were no significant changes in the nature of its activities during the year.

Short- and long-term objectives

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

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

Strategies for achieving those objectives

Aspect's strategies for achieving these objectives include:

- increasing Aspect's client base by offering services that are flexible, responsive and evidence-informed and that deliver outcomes to people with autism 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 autism service provider;
- growing our relationship with donors and supporters; and
- attracting the best people to work at Aspect, ensuring high levels of engagement and staff retention.

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

Operating results

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

Review of operations

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

Contribution on winding up

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$20 towards meeting any outstanding obligations of

the entity. At 31 December 2014, the total amount that members of the company would have been liable to contribute if the company were wound up is \$4,980 (2013: \$5,560).

Significant changes in state of affairs

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

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

Events after the reporting date

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

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* for the year ended 31 December 2014 has been received and can be found on page 19.

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



Jenny Young
Chair of the Board

Dated this 9th day of April 2015 at Sydney

Auditor's Independence Declaration



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Level 11, 383 Kent Street
Sydney NSW 2000

Correspondence to
Locked Bag 0800
G/VI Post Office
Sydney NSW 1230

T +61 2 8297 2400
F +61 2 9290 4645
E info.nsw@au.gt.com
W www.grantthornton.com.au

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

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

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

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

C F Farley
Partner - Audit & Assurance

Sydney, 9 April 2015.

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Statement of profit or loss and other comprehensive income

For the year ended 31 December 2014

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

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

Statement of financial position

As at 31 December 2014

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

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

Statement of changes in equity

For the year ended 31 December 2014

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

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

Statement of cash flows

For the year ended 31 December 2014

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

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

Notes to the financial statements

For the year ended 31 December 2014

1 General information and statement of compliance

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

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

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

2 Statement of significant accounting policies

Changes in accounting policies

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

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

Summary of accounting policies

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

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

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

a. Income tax

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

b. Property, plant and equipment

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

Property

Freehold land and buildings purchased are recorded at cost.

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

Plant and equipment

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

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

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

Depreciation

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

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

<i>Class of fixed asset</i>	<i>Depreciation rate</i>
Buildings	2.5%
Building with demountable classrooms	10%

Leasehold improvements	10%
Plant and equipment	20-33%
Library	10%

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

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

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

c. Leases

Operating leases

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

d. Financial assets

Initial recognition and measurement

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

Classification and subsequent measurement

Financial assets measured at amortised cost

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

Financial assets at fair value through other comprehensive income

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

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

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

Financial liabilities

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

Fair value

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

Impairment of financial assets

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

Derecognition

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

e. Impairment of non-financial assets

At each reporting date, Aspect reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell or value

in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

f. Employee benefits

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

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

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

g. Provisions

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

h. Cash and cash equivalents

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

i. Revenue and other income

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

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

Interest revenue is recognised on a proportional basis

taking into account the interest rates applicable to the financial assets.

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

j. Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense of an item. Receivables and payables in the statement of financial position are shown inclusive of GST.

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

k. Borrowing costs

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

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

l. Government grants

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

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

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

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

m. Business combination

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

The company recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

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

n. Comparative figures

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

o. Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates are based on a reasonable expectation of future events and are based on current trends and economic

data, obtained both externally and within Aspect.

Key estimates – Impairment

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

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

Key estimates - Long service leave

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

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

3 Revenue from ordinary activities

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

4 Operating surplus from operating activities

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

	2014	2013
	\$	\$
Depreciation of:		
- Freehold land and buildings	88,278	88,278
- Leasehold buildings	259,993	258,689

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

5 Taxation

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

6 Cash and cash equivalents

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

Reconciliation of Cash

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

	2014	2013
	\$	\$
Cash at bank and on hand	16,644,964	10,306,044
Bank term deposits	8 225,301	205,736
	<u>16,870,265</u>	<u>10,511,780</u>

7 Trade and other receivables

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

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

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

	Total	0-30 days	31-60 days	61-90 days	+91 days
2014	<u>1,892,909</u>	<u>1,574,229</u>	<u>19,222</u>	<u>4,591</u>	<u>294,867</u>
2013	<u>3,036,713</u>	<u>1,076,555</u>	<u>1,539,108</u>	<u>19,051</u>	<u>401,999</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 net expense of \$13,242 was recognised in 2014 (2013: expense of \$225,000).

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

Receivables past due but not considered impaired are:

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

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

8 Other financial assets

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

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

9 Other assets

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

10 Property and equipment

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

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

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

11 Trade and other payables

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

12 Borrowings

	2014	2013
	\$	\$
Current		
Bank loan - secured	<u>72,346</u>	<u>69,824</u>
Non-current		
Bank loan - secured	<u>1,267,825</u>	<u>1,339,385</u>

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

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

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

Financing arrangements

Aspect has access to the following financial facilities:

	2014	2013
	\$	\$
Total facilities available:		
Bank overdraft	150,000	150,000
Bank loan	<u>1,340,171</u>	<u>1,409,209</u>
Facilities utilised at balance date:		
Bank loan	<u>1,340,171</u>	<u>1,409,209</u>

13 Provisions

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

14 Alpha Autism Incorporated Acquisition

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

The amounts recognised at the acquisition date are as follows:

	\$
Current assets	
Cash and cash equivalents	449,071
Trade and other receivables	<u>147,205</u>
	<u>596,276</u>
Non-current assets	
Property plant and equipment	<u>982,492</u>
	<u>982,492</u>
Current liabilities	
Trade and other payables	476,993
Provisions	<u>156,579</u>
	<u>633,572</u>
Fair value of net identifiable assets and liabilities	<u>945,196</u>
Contribution on acquisition of the business	<u>945,196</u>

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

Contribution to group results

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

Deferred settlement payments

The agreement between Aspect and Alpha does not contain any deferred settlement payments or earn-out clauses.

15 Reserves

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

16 Commitments

Non-cancellable operating lease expense commitments

Future operating lease rentals not provided for in the financial statements and payable:

	2014	2013
	\$	\$
Within one year	1,160,073	1,262,770
One year or later and not later than five years	1,062,342	1,541,160
Greater than 5 years	-	62,070
	<u>2,222,415</u>	<u>2,866,000</u>

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

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

17 Fundraising Appeals conducted during the year

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

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

In particular this income was used to fund part of the redevelopment of Aspect's schools, resources for Aspect

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

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

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

18 Related party transactions

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

19 Transactions with key management personnel

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

Key management personnel remuneration includes the following expenses:

	2014	2013
	\$	\$
Total key management personnel remuneration	<u>1,610,209</u>	<u>1,445,109</u>

The Board Directors of Aspect receive no remuneration.

20 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 Responsible Entities of Autism Spectrum Australia (Aspect):

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

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



Board Chair
Jenny Young

Dated this 9th day of April 2015

Declaration by Chief Executive Officer

Declaration by Chief Executive Officer in respect of fundraising appeals

Opinion

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

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



Adrian Ford
Chief Executive Officer

Dated this 9th day of April 2015

Independent Auditor's report



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Level 17, 363 Kent Street
Sydney NSW 2000

Correspondence to
Locked Bag 0800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400
F +61 2 9299 4445
E info.raa@au.gt.com
W www.grantthornton.com.au

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

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

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, the Australian Charities and Not-for-profits Commission Act 2012 and the Charitable Fundraising Act 1991. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

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In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

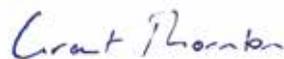
Independence

In conducting our audit, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board and the Australian Charities and Not-for-profits Commission Act 2012.

Auditor's opinion

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

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



F Farley
Partner - Audit & Assurance

Sydney, 9 April 2015

Our Patron, Life Governors & Life Members

Our Patron

John Doyle AM is an award-winning Australian actor, writer, radio presenter and comedian. He has continued to support Aspect in raising awareness and much needed funds to help people with autism or other disabilities and their families. John has a sister with autism, and brings his warmth and personal connection to everything he does for Aspect.

Life Governors

Ian Barnett

Rick Damelian

John Doyle AM

David Epper OAM

David Foster

Hilton Grugeon AM

Gerry Harvey

Betty Hatch

Larry Rawstorne

Ray Seager

Peter Werner

A Whelan

H Emanuel

Tim Fischer AC

Mark Fogarty

John Gerahty

Patricia Gibbs

Marie Goodare

Sybil Joel

Judith Johnson

Joyce Kennedy

Marion Kingston

Errol Larbalestier

P Mayne

Michael McColm

Marjorie McDonald OAM

Tony McGrath AM

Jill McGrath

Shirley McIntosh

Cath Mount

Ron Mulock AO

Claire O'Keefe

Richard Owens AM

Keith Perkin

Robert Pesavento

Kathleen Pigram

Ostilio Pisanu

Gretchen Poiner

A Polyblank

Jacqueline Roberts

Weston Ryan

Basil Sellers AM

John Shand

Jean Slaughter

Paul C J Smith

David Starte

Margaret Stead

Andrea Werner

Aspect Life Member Ken Robbins sadly passed away in July 2014. Ken is remembered for his unwavering commitment to supporting children with autism and their families and in particular for his generous long term financial and volunteer support of Aspect South East Sydney School.

Life Members

Roger Allen OAM

George Andrews

Julie Anthony AM OBE

Mark Bowen

Judy Brewer-Fischer

Geraldine Bryant

John Crow

Barbara Cummins

Peter Dodd

Peter Drayton



Autism Spectrum Australia (Aspect)

ABN 12 000 637 267

Building 1, Level 2,

14 Aquatic Drive, Frenchs Forest NSW 2086

PO Box 361, Forestville NSW 2087

T 1800 ASPECT (1800 277 328)

E customerservice@autismspectrum.org.au

W autismspectrum.org.au