

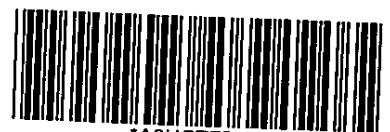
**EDUCATION AND SERVICES FOR PEOPLE  
WITH AUTISM LIMITED  
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2013**

**COMPANY NO: 2909953**

**REGISTERED CHARITY NO: 1037868**

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# **EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED**

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**For The Year Ended 31 March 2013**

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## **EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED**

### **LEGAL AND ADMINISTRATIVE DETAILS**

#### **TRUSTEES AND DIRECTORS**

P E G Shattock (Chairman)  
P M Moxon  
Prof M Hooper  
R Jordan  
S Robinson (Appointed 25/09/2012)  
G Young (Appointed 23/04/2013)

#### **CHIEF EXECUTIVE**

Ms L Lane

#### **COMPANY SECRETARY**

K T Hardy

#### **REGISTERED OFFICE**

2A Hylton Park  
Hylton Park Road  
Sunderland  
Tyne and Wear  
SR5 3HD

#### **BANKERS**

Barclays Bank PLC  
Northumberland,  
Tyne and Wear Team,  
PO Box 379,  
71 Grey Street,  
Newcastle upon Tyne,  
NE99 1JA

#### **AUDITORS**

Brennan Neil & Leonard  
32 Brenkley Way  
Blezard Business Park  
Seaton Burn  
Newcastle upon Tyne  
NE13 6DS

# EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

## Report to the Trustees

For the year ended 31 March 2013

### Introduction

The Trustees submit their annual report and the audited financial statements for the year ended 31 March 2013. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities", issued in April 2005, in preparing the annual report and financial statements of the Charity.

### Reference and Administration Information

Education and Services for People with Autism Limited, known as ESPA, is a registered Charity (No. 1037868) and a company limited by guarantee (No. 2909953). Its registered office is shown on page 1.

The Trustees, all of whom are also Directors of the Charity, are listed on page 1. Also on page 1 are the names of the senior executive staff and professional external advisors.

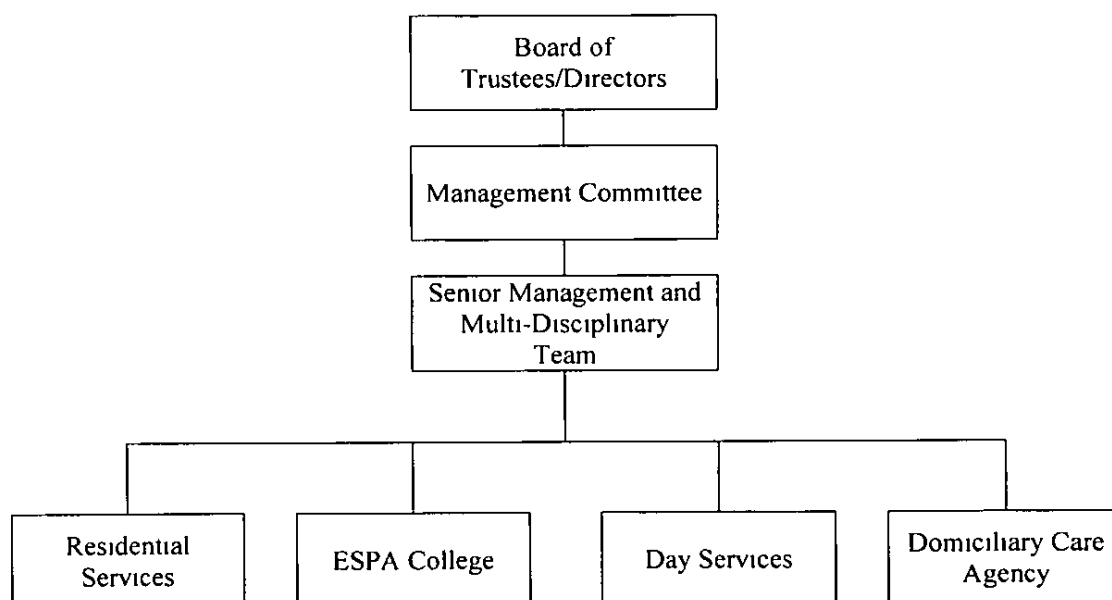
## 1 Structure, Governance and Management

### 1.1 Structure

The governing document of the Charity is the Memorandum and Articles of Association incorporated on the 18<sup>th</sup> March 1994 and as amended on the 24<sup>th</sup> July 2006, 10<sup>th</sup> August 2009, 17<sup>th</sup> May 2010 and 19<sup>th</sup> December 2012.

The Board of Trustees are responsible for the overall governance of the Charity. The Trustees meet at least three times a year and these meetings include reviewing the strategy and operational performance, setting operating plans and the annual general meeting. The process for recruiting new Trustees is based on an evaluation of the diverse skills and experience needed to govern the Charity. It is normal practice that before election, Trustees will receive an induction pack that contains everything they need to know about the Charity and their general responsibilities.

The Trustees have established a management structure to guarantee the effective governance and management of ESPA and ensure that the Charity meets its objectives.



ESPA has also established two trading subsidiaries.

ESPA Research Limited and Autism Works Limited aim to change public attitudes and positively raise awareness of people on the autistic spectrum. They also intend to support the Charity to

## EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

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### Report to the Trustees

For the year ended 31 March 2013

- reduce its financial dependence on statutory authorities
- generate new sources of income that will financially support charitable activities
- further demonstrate public benefit

ESPA Research Limited was incorporated in March 2009. Its aims are to improve the quality of life for people on the autistic spectrum, through high quality publishable research investigations for the public good.

Autism Works Limited was incorporated in October 2010. This company aims to offer sustainable employment and financial independence to people with higher functioning autism or Asperger Syndrome as software testers. It recognises the many talents and skills people with ASD can possess that are an asset and valued within the commercial world. The company is currently dormant but it is expected to start trading in the new financial year.

Both of these companies have a Board of Directors with membership including a nominated Director from the Charity and a Non-Executive Director. The Directors of ESPA receive formal reports of the Companies activities through regular Board Meetings, papers and Management Committee Minutes.

### The Board of Trustees

The Trustees are primarily responsible for

- the governance and the management of the administration of the Charity,
- ensuring that the organisation pursues its objectives as defined in the governing document,
- providing firm strategic direction, setting overall policy, defining goals and setting targets and evaluating performance against agreed targets,
- ensuring the financial stability of the Charity, that statutory accounting procedures are followed and the Charity has appropriate systems and controls,
- protecting and managing the Charity's properties and assets,
- safeguarding the good name and values of ESPA,
- making sure that the Charity complies with relevant laws and legislation,
- the identification and management of risks,
- the responsible delegation of the operational and day-to-day management of the organisation,
- appointing and supporting the Chief Executive and reviewing her performance.

All Trustees give their time freely and no Trustee remuneration was paid in the year.

### 1.2 Governance and Senior Management

#### Board Membership

Stephanie Robinson was formally appointed as Director on 25<sup>th</sup> September 2012.

In December 2012 Graeme Young, Business Development Manager at Newcastle University attended the Board Meeting. He has since confirmed that he would be delighted to join the Board and was formally appointed as a Director on 23<sup>rd</sup> April 2013. In addition to business development he also brings knowledge and experience in sales, marketing, research, medical and finance.

The skills matrix was updated in December 2012.

In September 2012 the Board also approved the establishment of a College Advisory Board to further enhance Governance. The Memorandum and Articles of Association were amended and approved by a special resolution passed at the Board Meeting in December 2012. Formal links are being established between the Advisory Board and Board of Directors through Rita Jordan and Stephanie Robinson. A Chairperson is in the process of being recruited.

## Report to the Trustees For the year ended 31 March 2013

### Management Committee

The Management Committee continues to assist the work of the Trustees and co-ordinate the operational and day-to-day management of the Charity. The Committee meets monthly and keeps the Trustees up to date on achievements, performance and progress against agreed objectives. The Committee also

- advises and makes recommendations to the Board,
- undertakes specific delegated responsibilities,
- establishes and reviews operational policies within the strategic direction provided by the Trustees

### Risk Management

ESPA has a formal Risk Management Procedure and processes in place to identify the strategic and operational risks to the Charity, the current controls, monitoring processes and further action to be taken that will minimise their potential impact and likelihood. This was reviewed and approved by the Board of Trustees in December 2012.

The Risk Register is divided into four categories

- Strategic
- Financial
- Operational
- People

The Charity considers its highest areas of residual risks to be

- Uncertain political/government agendas and impact on long term planning
- Increased competition from other providers particularly within education
- Global recession/spending review
- Expenditure exceeding income
- Severe death or injury of a service user or student

The Risk Register demonstrates that the current controls have already significantly reduced the potential impact and likelihood of risk in all areas. The document clearly defines further action to be taken which has been reflected in the strategic objectives for 2013 - 2015.

### Equal Opportunities

ESPA is committed to providing equal opportunities in employment and aims to ensure that all employees and job applicants are treated fairly and consistently regardless of their sex, marital status, race, colour, religion, nationality or ethnic or national origins, disability, age, sexual orientation and trade union membership/non membership.

## 2. Objectives and Activities

### 2.1 Objectives

In December 2012 the Board of Directors approved a new Mission Statement for the organisation to reflect the common vision and purpose of the diverse range of services and activities now being offered. It also aligns the work of the Charity to the Autism Act 2009 and its supporting strategy.

The new Mission Statement is

**“Enabling people across the autism spectrum to enjoy rewarding and fulfilling lives”**

In all the Charity's planning and activities the Trustees have reviewed and considered the Charity Commission's general guidance on public benefit.

## **EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED**

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### **Report to the Trustees**

**For the year ended 31 March 2013**

### **2.2 Strategic Planning Process**

ESPA remains committed to achieving a culture of continuous quality improvement and developing systems and processes at all organisational levels to monitor and review performance, impact and outcomes

The Charity's strategic planning process is based upon the principles of involvement, consultation and participation and is informed by external inspections and audits, internal self-assessment, current and emerging legislation, best practice and views and suggestions of stakeholders

#### **Activities**

To enable ESPA to deliver its objectives, the organisation's key strategic priorities for 2012/2013 were to

- Continue to deliver and develop high quality autism specific services
- Achieve best practice and continuous quality improvement

To achieve these strategic priorities the organisation defined its strategic objectives for each area of business

#### **Directors and Senior Managers**

- 1 To ensure ESPA fully complies with legislative requirements and best practice
- 2 To ensure ESPA's continued financial strength with resources allocated according to priorities
- 3 To continue to develop ESPA's range of services and activities

#### **ESPA College**

- 1 To ensure the College has the appropriate staffing and management structures and expertise to deliver high quality autism specific education
- 2 To ensure the College's continued financial strength in order to provide the resources to support excellence in teaching and learning
- 3 To further develop College systems and activities to improve the quality of teaching, learning and student outcomes

#### **Residential Services**

- 1 To ensure all homes continue to meet legislative requirements, local and national policy and best practice and continue to deliver high quality autism specific support
- 2 To ensure the residential services' on-going financial strength

#### **Domiciliary Care Agency**

- 1 To ensure the Agency continues to meet legislative requirements, local and national policy and best practice
- 2 To ensure the Agency's financial strength to support its on-going development
- 3 To recruit, support and develop a high quality workforce

#### **Training Department**

- 1 To continue to develop the training and development service for parents and professionals

#### **Autism Works**

- 1 To ensure the financial viability and strength of Autism Works

**Report to the Trustees**

**For the year ended 31 March 2013**

- 2 To recruit and train a highly professional work force
- 3 To improve the quality of life for people on the autism spectrum

**ESPA Research**

- 1 To produce high quality research for the public good
- 2 To ensure the company's financial viability and growth

**3. Achievements and Progress**

The Trustees are pleased to report that despite the on-going global recession and radical public sector spending cuts ESPA has remained financially secure throughout the year. The organisation's strategic objectives to diversify charitable activities alongside achieving efficiencies, have enabled us to accommodate significant funding changes and challenges.

**3.1 Directors and Central Management**

- Internal quality assurance processes and external inspections and audits provide continued evidence of meeting or exceeding legislative requirements and best practice across the organisation
- A revised Investment Policy has been approved by the Directors which demonstrates how ESPA's funds are invested and will be reviewed annually
- A new website is under construction to improve accessibility and marketing of the Charity's diverse and growing range of personalised and autism specific services and activities
- New policies, procedures and guidelines and staff training have been developed to ensure all staff have the skills, knowledge, expertise and competence to support and educate individuals with increasingly diverse and complex needs. Clinical pathways and management processes have been enhanced to ensure people receive efficient and effective support and intervention. Positive working partnerships have also been developed with community based clinicians and professionals, the Probation Service and Police
- A highly experienced external health and safety auditor has been appointed to provide professional scrutiny of ESPA's policies, procedures and practices. Each site now has a Health and Safety Representative who form the Safety Committee. These new arrangements are having a positive impact on monitoring, compliance and reporting
- In April 2012 we received an outstanding Investors in People report. The assessor was particularly impressed with the total commitment and enthusiasm that all staff displayed with regard to the individuals they support and their focus on providing excellent care and support
- Newcastle University Masters students have supported the organisation to conduct a sustainability audit and to make recommendations on building and energy efficiencies against key performance indicators. The Board of Directors have approved a Sustainability Mission Statement and a policy is being developed. A committee has been established to implement an action plan toward improved sustainability and environmental management. A number of recommendations have been built into the design of ESPA's latest housing development

**3.2 ESPA College**

- It has been a challenging year for the College due to an uncertain political picture for Independent Specialist Colleges and changing funding arrangements. There has been a continued decline in student numbers and income. Based upon the Education Funding Agency's (EFA) funding allocation statement we anticipate a further reduction from September 2013
- The present staffing and management structure is based on 88 students and has been maintained whilst we assess longer term trends. However these are no longer sustainable and a restructuring exercise is now



**Report to the Trustees**

**For the year ended 31 March 2013**

required to ensure resources are allocated according to current needs and priorities and that can deliver the revised curriculum

- On 21st August 2012 we appointed Paul Cook as the new College Principal. His diverse skills, knowledge and experiences are an asset to the College. His strong leadership and passion is helping a clear vision emerge for the future. Paul and the Senior Management Team are proactively managing the programme of change and developing a model of provision that ensures the College is fit for purpose now and for the future. Despite the challenges we also recognise that this brings new opportunities.
- The vision for the College is to develop a more dispersed College with a physical presence in a wider range of Local Authority areas to better facilitate local partnerships. ESPA will retain a highly specialist core provision for full and part-time students and work with other educational providers and employers to develop wrap around provision where a number of organisations are involved in delivering student programmes.
- During September and November 2012 the College completed a SWOT analysis and held a Strategy Day to review their present position and identify priorities for moving forward and actions. The key priorities identified were
  - The development and implementation of a comprehensive Teaching and Learning Strategy that clearly indicates how IT will be used to enhance learning
  - The development and implementation of a marketing strategy
  - To develop a clear understanding of the effects of the new funding formula
  - To develop links with local general and specialist education providers to explore mutually beneficial partnership working
  - To explore and implement an appropriate governance model that will provide the College with increased support and challenge
- Since November 2012 extensive progress has already been made towards these targets and further actions are reflected in the strategic objectives for April 2013 and March 2015.
- In December 2012 the Board of Directors passed a special resolution to approve the establishment of an Advisory Board to the College. The Directors aim to recruit individuals who together offer a breadth of educational experience and expertise to support continuous quality improvement and development of the College. Formal links and reporting processes are being developed to ensure enhanced governance is achieved. A Terms of Reference has been developed that defines the group's authority, purpose, functions and status.
- A Teaching and Learning Strategy has been developed in consultation with staff and student representatives. The strategy defines the characteristics of excellent teaching and learning and contains specific targets and performance indicators.
- In March 2013 we commissioned a mock inspection of Teaching and Learning which was carried out by a highly experienced OFSTED Inspector. This aimed to review and challenge our self-assessment of observed teaching sessions, identifying strengths and suggesting areas for improvement. Based upon this an Action Plan is being put in place to respond to recommendations. These actions are clearly reflected throughout the strategic objectives for the next 12 months.
- A full curriculum review is underway across the College to inform the curriculum offer from September 2013 and to ensure programmes meet the changing needs and expectations of students and external bodies.
- In March 2013 there was a change in management for the two halls of residence. Line management is now with the College Principal. This aims to enhance the extended curriculum, improve teaching and learning and improve consistency and learner outcomes.

### Report to the Trustees

For the year ended 31 March 2013

- In February 2013 Ashleigh had an unannounced CQC inspection. It was assessed as fully meeting all assessed outcome areas and feedback from the Inspector was outstanding.
- A marketing strategy has been developed to actively market the College to wider audiences. A new College Prospectus has been produced, the website is being redesigned and populated and ESPA is well represented at regional and national events. Some of the College's outstanding achievements have also received high levels of publicity and media coverage. These have included
  - The College's multi-award winning band that recently gained the NATSPEC National Award for Best College Band and were invited to attend and perform at an event at Action for Heroes Headquarters attended by Princes William and Harry.
  - Heritage Lottery Funding to map the history of one of Sunderland's oldest parish churches.
- In November 2012 ESPA engaged with an experienced educational property consultancy to support ESPA and the College to develop an accommodation strategy. The outcome of this exercise has shaped the vision for the future of the College. The resulting aim is to develop three local hubs in the North and South of Tyne and Teesside. From these hubs staff can work with local education and vocational providers/partners on an outreach basis.
- The initial assessment and transition processes have been reviewed to ensure the needs of students are more accurately profiled. The introduction of the CHAT (Contact Hours Assessment Tool) aims to enable learner programmes to be better defined on assessment.
- In September 2012 ESPA was recruited by Sunderland University as their preferred specialist support provider for students on the spectrum. The support being offered has been highly commended and numbers of students supported at Sunderland are expected to increase in September 2013. We are also now in the process of becoming approved support providers for Newcastle and Northumbria Universities. The intention is to roll out this service to at least one other University each year.
- New technology is being introduced to support learning. Following a successful pilot, tablet computers and multi-media applications will be used more consistently to capture the students' progress.
- The implementation of Databridge, a centrally managed information system has continued and is improving planning and monitoring.

### 3.3 Residential Services

- The residential services have remained financially stable over the past 12 months. Residential income now represents 58% of ESPA's total income. The credit crunch however is continuing to have a significant impact, as we have received no inflationary increases in fees during the year and many Local Authorities are conducting re-assessments with the intention to reduce costs.
- In March 2013 we had 6 voids across the homes (92% occupancy) which we can hopefully maintain or reduce. Monthly Admissions and Transitions meetings aim to achieve effective void management.
- All homes have been inspected by the Care Quality Commission (CQC) and have been assessed as fully meeting the essential standards of quality and safety. Feedback reports have been outstanding. Provider Compliance Assessments continue to provide an internal quality assurance process. Peer management reviews have also been introduced to further enhance monitoring, reviewing and compliance. This extends and complements the more formal unannounced inspections conducted by the Quality Assurance Manager.
- TEACCH, the use of visuals, Training in Systematic Instruction and Intensive Interaction are now embedded within our autism specific practices and are enabling individuals to make choices and decisions and learn new skills. The new Autism Interventions Group meet regularly to further develop and share best practice.

### Report to the Trustees

For the year ended 31 March 2013

- ESPA was successfully approved on Newcastle's Specialist Residential and Short Break Services Framework To date no mini competitions have been published No other tenders have been advertised for residential care although a number of Local Authorities are now beginning to recognise the need for registered provision as part of the range of services available to people on the autism spectrum
- During the past year the Transition Houses have met or exceeded budgeted numbers In response to the changing needs and expectations of people using these services we have decided that they are no longer purely people in transition, but can offer medium to long term placements for individuals who continue to benefit from the service Financially this also reduces turnover and retains a more consistent income
- Thornholme Road in Sunderland was purchased in April 2012 and is presently being converted into 4 flats with separate communal space It will very comfortably accommodate 8 people, 3 of whom will be relocating from Lorne Terrace This service will be an excellent model offering flexible accommodation Plans for this development, pilot some of the sustainability measures identified within our policy and action plan In addition to replacing Lorne Terrace, the flats also provide positive move on opportunities for some other people we support in other services
- An internal review of some placements has begun for individuals whose needs and expectations have changed A plan is being developed that supports these people to move either into another ESPA service or into a supported living service These plans also aim to ensure effective void management to retain the financial stability of all services
- In March 2013 we conducted a survey of the views and opinions of the people who live in our residential services Where possible individuals were supported to answer the questions using their preferred method of communication As usual the overall feedback was very positive
- We have achieved 3 successful fee reviews for individuals where their needs could not be met within present funding Further fee reviews will be instigated in response to individuals changing needs

### 3.4 Domiciliary Care Agency

- The Agency has been the Charity's greatest area of growth over the past 12 months In March 2013 the income had increased to £846,430 which is a 274% increase on the previous year
- The most significant increase in support hours continues to be across Teesside
- In June 2012 the Agency Manager left the organisation The position has now been replaced by an experienced Registered Manager from within the organisation Her application to the CQC as Registered Manager has been approved ESPA's Development Manager continues to provide management support to the Agency to support its on-going development The management and staffing structure has grown incrementally over the past year in direct response to the increase in support hours being delivered
- Agency Specific Management Accounts are now prepared and reviewed monthly to enhance reporting and planning
- In December 2012 the Agency had an unannounced inspection by the CQC and received an outstanding report It was assessed as fully compliant with all outcome areas inspected
- Due to the majority of the work being carried out across Teesside it was decided to relocate the Registered Office to Middlesbrough A lease has now been taken out on larger office space and it is in the process of being registered with the CQC as a new location Sunderland head office is now a dormant location but can be re-registered if demand for support increases locally
- Durham and Gateshead support packages are now being delivered as outreach support from residential services as no personal care is being provided
- The Agency is now more integrated into ESPA's central and senior management teams and is receiving formal support from the Quality Assurance Manager, Specialist Behaviour Nurse, Health and Safety Advisor, General

## EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

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### Report to the Trustees

For the year ended 31 March 2013

Manager and MDT This is ensuring the individuals being supported and staff are receiving their specialist skills, knowledge and expertise that is to ensure they receive the same quality of support as others supported by ESPA

- The Quality Assurance Manager now conducts office based monthly audits These themed reviews cover CQC requirements, health and safety, recording systems, autism specific practices, staffing issues and the health, wellbeing and safety of people being supported This directly informs the ongoing development of the Agency
- CPD plans are in place for all staff appropriate to their roles and responsibilities and a schedule for supervisions and appraisals is established
- Care plans and/or Person Centered Plans are in place which define support arrangements and expected outcomes for individuals
- ESPA has become an approved Provider on Newcastle's Specialist Independent Supported Living Framework and North Tyneside's Framework for Independent Supported Living (including housing related support) and Community Enabling for Clients with a Learning Disability and/or Mental Health Needs We will be actively engaging with commissioners to try and explore opportunities for us to develop services to meet local needs We have also completed a tender application for Durham's Learning Disability Framework and are awaiting an outcome Approval on these frameworks also mean Local Authorities can signpost parents or other personal budget holders to ESPA as one of their approved providers
- Since April 2012 we have developed 3 independent supported living services to people living in individual tenancies and a service to a young man in Hartlepool We are also delivering smaller packages of support to individuals with a wide range of needs
- In a Service User Satisfaction Survey we received outstanding feedback about the personalised support ESPA is providing, the life they are able to enjoy, the quality of the staff, that they are involved in all decision making and that they are being supported to become more independent

### 3.5 Training and Development Service

- This year has seen a significant reduction in demand for external training This is likely to be directly linked to budget restraints in Local Authorities, PCTs and the voluntary and community sector organisations
- Over the past 12 months training activities have only generated an income of £12,630 compared to £32,295 for 2011/12 We do not anticipate this picture to improve over the next year
- We have only been commissioned to do two training courses by the statutory and voluntary sector Hartlepool Borough Council paid for an Introduction to ASD course and a Third Sector Organisation on Positive Risk Management
- To meet the needs of the few people who are still wanting to access our training courses we now integrate them into training already being delivered to ESPA staff This means that any income generated is at no additional cost to the Charity Over the year 23 people have accessed our courses
- We have focused on marketing our training to specific groups of professionals including GPs, Probation Service and Police
- In December 2012 we piloted a short course for 3rd year GP trainees in Tees, Esk and Wear Valley NHS Trust The course 'An Autism Friendly Practice' was designed with a lead GP trainer to ensure it met their specific requirements The feedback was excellent and will now become an annual event Although we received no income from the training, hopefully this will raise ESPA's profile across the area and potentially lead to new contracts commissioned by the new Clinical Commissioning Groups (CCG's) and Personal Health Budgets

### Report to the Trustees

For the year ended 31 March 2013

- The same course was marketed to GP surgeries across Sunderland which resulted in one practice paying us to deliver 2 short courses for all their staff
- We have also secured some funding via the Strategic Health Authority's Health and Wellbeing for Autism Fund. This money is being used to deliver 9 further training events for GPs across Sunderland and 2 Post Diagnostic Workshops for newly diagnosed adults with higher functioning Autism and Asperger Syndrome. Northumbria Probation Service also submitted a bid which was successful and they are commissioning us to deliver autism awareness training to their workforce and the Courts. Through training we hope to help people to learn to live with their condition, and for professionals who are increasingly coming in contact with people on the autism spectrum, to gain greater insight into the condition and how it impacts on people's lives and experiences
- ESPA is now represented on the new Crime and Police Commissioners Disability Advisory Group and we have been requested to submit a workforce development programme for Northumbria Police. They have identified training as a high priority and we are awaiting their decision
- Deloitte who are supporting the business development of Autism Works also commissioned us to do half a day's training in ASD to help their testing teams and other key personnel to gain a greater insight into the condition in preparation for Autism Works becoming one of their service providers

### 3.6 Autism Works

- It has been a very interesting year for Autism Works. The enterprise received considerable coverage in the local and national press following its appointment by Deloitte as one of their Social Innovation Pioneers
- Throughout the year we have been supported by a core business team from Deloitte to help us to develop our business model, strategy, implementation plan and route to market
- In December 2012 ESPA Board approved the appointment of a Non-Executive Director. He is an ex-Deloitte partner and with his previous company worked extensively with Microsoft on projects around the world and has a good general understanding of the software industry. In addition to his knowledge and expertise we consider his physical presence in the South East an asset
- A revised Business Plan and financial forecast has been prepared that can be adapted for a number of target audiences. This has been reviewed by a business and strategy team at Deloitte and their comments have been incorporated
- Over the year Autism Works have delivered a number of successful contracts with some very positive and supportive feedback and testimonies. We are confident some of these will develop into longer term working partnerships offering regular short term contracts
- Deloitte are actively providing business strategy support to Autism Works that is focusing on facilitating a route to market through their extensive customer base. Their approach is focusing on
  - A market analysis and review of key trends
  - A review of Autism Works proposition, capabilities and positioning
  - Developing strategic options and appropriate market options
  - Strategy definition and high level implementation plan
- A positive relationship has been established with Deloitte Testing Services and an initial pilot contract is anticipated over the next few months. This will enable us to demonstrate 'proof of concept' which will hopefully result in regular longer term subcontracted work
- A marketing campaign is being launched from April 2013 in conjunction with Sunderland Software City, utilising their marketing team to promote Autism Works alongside the introduction of the Social Value Act 2012

**Report to the Trustees**

**For the year ended 31 March 2013**

- Social value and impact is embedded within the business plan and marketing strategy. We have developed an outcome model that recognises the potential benefits and outcomes for the employees and society through the work of the enterprise. In conjunction with ESPA we are developing outcome tools to try and measure the personal, social and emotional outcomes for employees of Autism Works who are on the spectrum.
- Autism Works is in the process of rebranding its marketing materials as SeeDetail which will become the trading name of Autism Works.

**3.7 ESPA Research**

- ESPA Research has continued to carry out its aims and objectives to conduct a high quality research that aims to improve the quality of life for people on the autism spectrum.
- We have continued to receive a generous donation of £100,000 from the Robert Luff Foundation. It remains the intention to donate any additional surplus to ESPA to re-invest in charitable activities.
- In December 2012 ESPA Board of Directors formally approved the appointment of an Independent Educational Psychologist as a Non-Executive Director. Her skills, knowledge and experience are already having a positive impact.
- ESPA Research became a NICE stakeholder organisation and are contributing to the development of guidelines on managing autism in children and young adults.
- Representatives from the team have presented at national and international professional and parent conferences on their work including Dublin, Mexico, Denmark, Kuwait and Germany. In addition to disseminating research findings, it also positively promotes the enterprise.
- During the year ESPA Research has also been identifying and defining its social impact and value. This aims to promote to potential customers and partners our added value and uniqueness within the field of research. We believe this helps further embed the mission and vision of the organisation and will hopefully attract a broader customer base who share our value base.

**4 Financial Review**

**4.1 Results**

The consolidated statement of financial activities reports an operating surplus of £0.526m for the year ended March 2013 in comparison with £0.541m last year. The Charity has managed to maintain a strong financial position this year, as last, which reports results again better than we expected and are more in line with our long term strategic objectives. The financial outlook remains challenging and uncertain for the Charity, but a conservative approach to the commitment of expenditure has enabled it to plan for the continued future expansion of the organisation.

Total income for the year was £13.219m (2012: £12.834m) an increase of over 3.0% on the previous year. The marginal increase was largely due to the increase in demand for adult services. ESPA has seen a significant increase in demand for their domiciliary care services in the year. Fee income from statutory bodies represents 98.1% (2012: 98.6%) of the total income and as part of the strategic planning process the Board of Directors and management are continuing to look at diversifying into other income streams.

Total expenditure increased to £12.693m (2012: £12.293m) an increase of 3.25%. Analysis of our expenditure shows that charitable activities represent 98.36% (2012: 98.98%) of our total expenditure. Support costs in the year were £1.85m or 13.99% of total revenues (2012: £1.84m, 14.3%). The current economic conditions are challenging for ESPA but despite reduced EFA (Education Funding Agency) and reductions in local authority income, we have continued to remain focused on driving efficiencies and optimising costs to maintain a healthy surplus for the year.

## EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

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### Report to the Trustees

For the year ended 31 March 2013

The organisation continues to invest in short-term cash deposits, as these funds arise from fees received in advance. In 2013 the return on investments totalled £14.3k (2012 £13.5k), this being an increase of 6.1% (2012 13.7% increase). The increase in the cash flow during the financial year has helped to maintain some level of return, but the Bank of England base interest rate of 0.5% continues to reduce our return on these short term investments. The trustees are mindful of the investment policy and the rate of return has been continually monitored during the year to ensure that we are maximising any return on such funds.

The balance sheet remains in good shape at the current financial year end. The organisation has invested funds of £529k (2012 £137k) in fixed assets during the year. This includes a significant investment in a new service development at Thornholme Road, Sunderland, which will eventually accommodate up to eight services users. We have also continued the investment programme in the existing services and ICT resources.

ESPA Research Limited, our trading subsidiary, recorded financial results in the year as shown in note 22. In the current financial year we have again seen a significant reduction in the ability to generate funds through grants and donors for the pure research activities. The ESPA Board of Directors has continued their support for the subsidiary and within the strategic objectives of the organisation, will maintain the financial support required for the continued research.

Autism Works Limited was incorporated in October 2010 for the trading activity of IT software testing. At the current financial year end this company was dormant.

#### 4.2 Reserves Policy

The reserves policy requires that total reserves stand at a minimum of 4 months average gross expenditure and that liquid reserves (being the General Reserve and Fees Received in Advance) be a minimum of 2 months average gross expenditure. The average monthly gross expenditure for the period was £1,057,764 (2012 £1,024,397).

As at the period end, the position was

		Target	Actual
		£	£
Total Reserves	(4 months)	4,231,057	8,907,185
Liquid Reserves	(2 months)	2,115,529	3,540,420

The Charity has maintained its reserve policy for both total and liquid reserves during the year. These target levels are reviewed annually as part of the strategic planning process.

#### 4.3 Investment Policy

Whilst the Charity has wide powers to invest monies the Trustees are mindful of

- The need to maximise income by pursuing an investment policy that produces the best investment return reasonably obtainable
- The necessity to safeguard the assets of the Charity by not making investments of a speculative or volatile nature
- The need to maintain a level of reserves in cash in order to meet both the foreseen and unforeseen obligations of the Charity

It has been the policy of the Trustees for some time and continues to be current policy, that liquid reserves will be maintained in cash deposits and the Trustees will continue to look at ways of maximising the income from such deposits. This policy is reviewed regularly by the trustees.

**Report to the Trustees**

**For the year ended 31 March 2013**

**5 Future Plans and Objectives**

ESPA's key priorities and strategic objectives for April 2013 to March 2016 have been formally approved by the Board of Trustees. Progress against objectives is formally monitored and reported through the Charity's management and meeting structures.

The Strategic and Development Plan April 2013 to March 2015 clearly defines ESPA's plans and processes, targets, expected outcomes and timescales, that enable the Charity to build on its many achievements and retain its financial strength.

The key strategic objectives are summarised below -

**5.1 Governance and Central Management**

- To ensure that ESPA fully complies with legislative requirements and best practice
- To ensure ESPA's continued financial strength and that resources are allocated according to priorities
- To continue to develop ESPA's range of services and activities

**5.2 ESPA College**

- To ensure the College has the appropriate management and staffing structures and expertise to deliver high quality autism specific education
- To ensure the College's continued financial strength in order to provide the resources to support excellence in teaching and learning
- To further develop College systems and activities to improve the quality of teaching, learning and student outcomes

**5.3 Residential Services**

- To ensure all homes continue to meet legislative requirements, local and national policy, best practice and continue to deliver high quality autism specific support
- To ensure the ongoing financial strength and growth of residential services

**5.4 Domiciliary Care Agency**

- To ensure that the Agency continues to meet legislative requirements, local and national policy and best practice
- To ensure the Agency's financial strength to support its ongoing development
- To recruit, support and develop a high quality workforce

**5.5 Training and Development Services**

- To continue to deliver training to professionals and other organisations

**5.6 Autism Works Ltd**

- To ensure the financial viability and strength of Autism Works
- To recruit and train a highly professional work force
- To improve the quality of life of people on the autistic spectrum



## EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

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### Report to the Trustees

For the year ended 31 March 2013

#### 5.7 ESPA Research Ltd

- To produce high quality research for the public good
- To ensure the company's financial viability and growth

#### 6. Statement of Trustees Responsibilities

The trustees (who are also directors of Education and Services for People with Autism Limited) are responsible for preparing the trustees report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group for that period. In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company and the group will continue to operate

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group, and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

In so far as the trustees are aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

#### AUDITORS

The auditors, Brennan Neil & Leonard, will be proposed for re-appointment in accordance with Section 485 of the Companies Act 2006

#### ON BEHALF OF THE BOARD.



P Shattock – CHAIRMAN

19 September 2013

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED**

We have audited the group and parent charitable company financial statements (the 'financial statements') of Education and Services For People With Autism Ltd for the year ended 31 March 2013 on pages 17 to 29 which comprise the group Statement of Financial Activities, the group and charitable company Balance Sheet, the group Cash Flow Statement and related notes. These Financial Statements have been prepared under the accounting policies set out on pages 20 and 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's members as a body for our audit work for this report or for the opinions we have formed.

**Respective responsibilities of trustees and auditors**

As explained more fully in the statement of Trustees' responsibilities set in the Trustees' annual report, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under the Companies Act 2006 and report in accordance with this act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2013 and of the group's incoming resources and application of resources, including the group income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- the financial statements have been properly prepared in accordance with the Companies Act 2006.

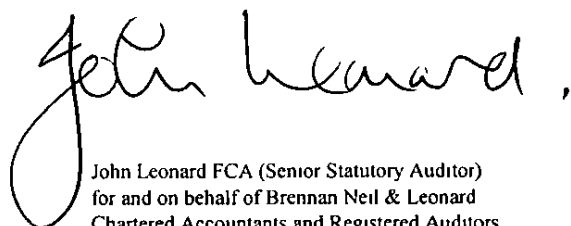
**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent charitable company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we required for our audit.



John Leonard FCA (Senior Statutory Auditor)  
for and on behalf of Brennan Neil & Leonard  
Chartered Accountants and Registered Auditors  
32 Brenkley Way  
Bleazard Business Park  
Seaton Burn  
Newcastle upon Tyne  
NE13 6DS

19 September 2013

# EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

## Consolidated Statement of Financial Activities (Incorporating an income and expenditure account) For The Year Ended 31 March 2013

### Income and Expenditure Account

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
<b>Incoming Resources</b>					
Incoming resources from generated funds					
Voluntary income					
Donations and gifts	2	101 073	-	101 073	102 328
Activities for generating funds					
Events		3 968	-	3 968	494
Commercial trading operations	3	-	-	-	1,436
Investment income	4	14 304	-	14 304	13 477
Incoming resources from charitable activities					
Fees	5	12,968,475	-	12 968,475	12 659 611
Grants received	5	-	52,202	52,202	2,335
Other income		79,337	-	79,337	54,472
<b>Total incoming resources</b>		<b>13,167,157</b>	<b>52 202</b>	<b>13,219,359</b>	<b>12,834 153</b>
<b>Resources expended</b>					
Cost of generating funds					
Commercial trading operations	6	190 600	-	190,600	109,843
		190 600	-	190 600	109 843
Charitable activities	6	12,485 228	-	12,485 228	12 167,733
Governance costs	6	17,343	-	17,343	15 183
		12,502,571	-	12,502,571	12,182,916
<b>Total resources expended</b>		<b>12,693,171</b>	<b>-</b>	<b>12,693 171</b>	<b>12,292,759</b>
<b>Net incoming resources for the year/Net movement in funds</b>		<b>473 986</b>	<b>52 202</b>	<b>526 188</b>	<b>541 394</b>
Fund balances brought forward at 1 April 2012		8 380 998	-	8 380,998	7 839 604
Fund balances carried forward at 31 March 2013		8 854,984	52 202	8,907 186	8,380 998

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above.

# EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

## Balance Sheet at 31 March 2013

	Notes	Group 2013 £	Group 2012 £	Charity 2013 £	Charity 2012 £
<b>Fixed assets</b>					
Tangible assets	11	7 069,200	6 794 801	7 068,639	6 793 867
Investments	12	-	-	20	20
		7 069,200	6 794 801	7 068,659	6 793 887
<b>Current assets</b>					
Debtors	13	1,337,128	987 935	1,403,184	989,261
Cash at bank and in hand		3 413 530	3,536 468	3 408 428	3 527 485
		4,750 658	4 524 403	4 811 612	4 516,746
<b>Creditors amounts falling due within one year</b>	14	(1 743 515)	(1,871 406)	(1 738 964)	(1 867 324)
<b>Net current assets</b>		3 007 143	2 652 997	3 072 648	2 649 422
<b>Total assets less current liabilities</b>		10 076 343	9 447 798	10 141 307	9 443 309
<b>Creditors amounts falling due after more than one year</b>	15	(1 169,157)	(1 066 800)	(1,169 157)	(1 066 800)
<b>Net assets</b>		8 907,186	8 380 998	8 972 150	8,376 509
<b>Funds</b>					
<b>Unrestricted funds</b>					
General funds	17	3 103 092	2 789,061	3,168 618	2 785 506
Designated funds	17	5,751 892	5 591 937	5 751,330	5 591 003
		8,854,984	8 380,998	8 919,948	8 376 509
<b>Restricted funds</b>	17	52,202	-	52,202	-
<b>Total funds</b>	18	8 907 186	8 380,998	8 972 150	8,376 509

The financial statements on pages 17 to 29 were approved by the Board of Trustees on 19 September 2013 and signed on their behalf by



Paul Shattock - (Chairman)

# EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

## Consolidated Cash Flow Statement For The Year Ended 31 March 2013

	Notes	2013 £	2012 £
Net cash inflow from operating activities	23	306,756	820,682
Returns on investments and servicing of finance	24	(14,721)	(19,452)
Capital expenditure	25	(529,417)	(137,252)
<b>Net cash inflow before financing</b>		<b>(237,382)</b>	<b>663,978</b>
Financing	26	114,444	(193,557)
<b>Increase in cash in the period</b>		<b>(122,938)</b>	<b>470,421</b>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Increase in cash in the period		(122,938)	470,421
Cash outflow from decrease in debt and lease financing		(367,569)	193,557
New loan		253,125	-
<b>Movement in net funds in the period</b>	27	<b>(237,382)</b>	<b>663,978</b>
<b>Net funds at 1 April 2012</b>		<b>2,333,604</b>	<b>1,669,626</b>
<b>Net funds at 31 March 2013</b>		<b>2,096,222</b>	<b>2,333,604</b>

**Notes to the financial statements  
For The Year Ended 31 March 2013**

**1 Accounting policies**

**(a) Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in 2005 the Companies Act 2006 and applicable accounting standards

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis

The charity has availed itself of Paragraph 4 (1) of Schedule 1 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and adapted the Companies Act formats to reflect the special nature of the charity's activities. No separate SOFA has been presented for the charity alone as permitted by Section 408 of the Companies Act 2006 and paragraph 397 of the SORP

**(b) Company status**

The charity is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

**(c) Fund accounting**

**Restricted funds**

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund.

**Unrestricted funds**

**a) Designated**

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

**b) General**

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

**(d) Incoming resources**

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Legacies are recognised at the earlier of the charity being notified of an impending distribution or the legacy being received.

Grants receivable are recognised in the SOFA in full in the year in which they become receivable, that is when the conditions for the receipt have been met.

Voluntary and Investment Income are recognised on a receivable basis.

**(e) Resources expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Costs of generating funds comprise the costs incurred within our trading subsidiary.

The cost of functions which support more than one of the charity's activities have been allocated to those activities based on time spent.

Irrecoverable VAT is charged as a cost in the Statement of Financial Activities.

**(f) Tangible fixed assets and depreciation**

Tangible fixed assets costing more than £500 are capitalised and included at cost including any incidental expenses of acquisition.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

Freehold land	nil
Freehold buildings	2% Straight line
Short leasehold buildings	2% Straight line and over the life of the lease
Plant & Machinery	over 5 years
Fixtures, Fittings & Equipment	over 5 years
Computer equipment	over 3 years
Motor vehicles	over 4 years

**Notes to the financial statements**  
**For The Year Ended 31 March 2013**

**(g) Investments**

Investments are stated at cost at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

**(h) Pension costs**

The charity operates a defined contribution scheme for the benefit of its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The annual contributions payable by the charity are charged to the SOFA.

**(i) Finance and operating leases**

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred. Assets purchased under finance lease are capitalised as fixed assets. Obligations under such agreements are included in creditors. The difference between the capitalised cost and the total obligation under the lease represents the finance charges. Finance charges are written-off to the SOFA over the period of the lease so as to produce a constant periodic rate of charge.

# EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

## Notes to the financial statements For The Year Ended 31 March 2013

2 Donations and gifts			Total 2013 £	Total 2012 £			
Individuals			1 073	2 328			
Robert Luff Foundation			100 000	100 000			
			<u>101 073</u>	<u>102,328</u>			
3 Commercial trading operations							
The following income and expenditure is included within the trading activities of ESPA Research Limited							
			Total 2013 £	Total 2012 £			
Income							
Trading income			-	1,436			
			<u>-</u>	<u>1 436</u>			
Expenditure			<u>190,600</u>	<u>109,843</u>			
4 Investment income							
			Total 2013 £	Total 2012 £			
Interest receivable			14,304	13,477			
			<u>14 304</u>	<u>13 477</u>			
5 Income from charitable activities							
			Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £	
Fees							
Adult services fees			8,421,426	-	8,421,426	7 868,570	
College fees			4 547,049	-	4,547 049	4,791 041	
			<u>12 968,475</u>	<u>-</u>	<u>12,968 475</u>	<u>12 659 611</u>	
Grants received							
Tyne and Wear Care Alliance			-	-	-	2 335	
EFA - Building condition improvement fund			-	39 502	39 502	-	
Heritage lottery fund			-	12,700	12 700	-	
			<u>-</u>	<u>52,202</u>	<u>52,202</u>	<u>2,335</u>	
6 Resources expended							
			Staff Costs £	Other Direct Costs £	Other Allocated Costs £ (Note A)	Total 2013 £	Total 2012 £
Costs of generating funds							
Trading subsidiary expenditure			76,749	113,851	-	190,600	109 843
			<u>76,749</u>	<u>113,851</u>	<u>-</u>	<u>190,600</u>	<u>109 843</u>
Charitable activities							
Adult services costs			5,475 571	1,474 952	942 458	7 892 981	7 442,026
College costs			2,852 865	832 733	906 649	4 592 247	4 725 707
			<u>8 328 436</u>	<u>2,307 685</u>	<u>1 849 107</u>	<u>12,485,228</u>	<u>12,167,733</u>
Governance							
External Audit			-	15 852	-	15 852	13 724
Trustees' indemnity insurance			-	1 491	-	1 491	1,459
			<u>-</u>	<u>17,343</u>	<u>-</u>	<u>17,343</u>	<u>15,183</u>
Total resources expended			<u>8,405,185</u>	<u>2,438,879</u>	<u>1 849,107</u>	<u>12,693,171</u>	<u>12 292,759</u>



## EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

### Notes to the financial statements For The Year Ended 31 March 2013

Other direct costs include	2013 £	2012 £
Auditors' remuneration		
Audit fee - Charity	12 216	11 244
Audit fee - Subsidiary	3,636	2,480
Operating lease rentals		
- Land and buildings	136,046	120 754
- Plant and equipment	206 764	203 068
Depreciation – on owned assets	253 915	247 159
Depreciation – on assets held on finance leases and hire purchase contracts	-	4,613
Finance lease interest	311	1 129

#### Note A

##### Allocation of Support Costs

The support costs totalling £1,849,107 (2012 £1,836 206) have been allocated across activities. These include costs associated with providing finance, personnel, payroll, IT, property, and other central services to the charity's 536 staff, 13 residential homes, 1 day centre, 5 college sites and the domiciliary care agency. Costs (the material components of which are salaries, IT, lines equipment and maintenance, insurance, professional fees and office costs) have been allocated based on time spent by the departments supporting the various activities.

#### 7 Trustees' remuneration

The trustees neither received nor waived any emoluments during the year (2012 £Nil). During the year three trustees were reimbursed expenses totalling £785 (2012 £Nil), which represented travel and subsistence expenses incurred for attendance at the Trustees' meetings.

Trustees indemnity insurance cover was purchased in year for £1,491 (2012 £1,459).

#### 8 Staff costs

	2013 £	2012 £
Wages and salaries	8,688,169	8,422 809
Social security costs	594 440	606 083
Pension costs	190,425	189 430
	<b>9,473 034</b>	<b>9,218,322</b>

The average number of employees, calculated on a full-time equivalent basis, analysed by function was

	2013 Number	2012 Number
Charitable activities	485	476
Management and administration of the charity	51	52
Subsidiary companies	3	3
	<b>539</b>	<b>531</b>

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was as follows

	2013 Number	2012 Number
£60,001 - £70 000	2	1
£70 001 - £80,000	1	2
£80,001 - £90,000	-	-
£90,001 - £100,000	-	-
£100,001 - £110,000	1	1

Retirement benefits are accruing to four higher paid employees under a defined contribution scheme. Employer contributions of £21 307 (2012 £22 223) were made during the year.

The total staff costs of £9,473,034 are split in note 6 between costs directly attributable to activities and costs related to support costs which have been allocated accordingly.

#### 9 Pension costs

The charity operates a defined contribution scheme and contributions are charged in the statement of financial activities as they accrue. The charge for the year was £190,425 (2012 £189,430).

Contributions totalling £26,297 (2012 £25,752) were payable to the fund at the year end.

# EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

## Notes to the financial statements For The Year Ended 31 March 2013

### 10 Taxation

Education and Services for People with Autism Limited is a registered charity and as such its income and gains falling within s 505 ICTA 88 or s 256 ICGA 92 are exempt from corporation tax to the extent that they are applied to its charitable activities. No material tax charge has arisen in its subsidiary and no provision is required for deferred tax.

### 11 Tangible fixed assets

Group	Freehold land and buildings £	Short leasehold buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
<b>Cost</b>							
At 1 April 2012	7,059,812	615,186	125,182	531,869	41,340	535,347	8,908,736
Additions	455,975		38,916	28,682		5,844	529,417
Disposals				(12,328)		(2,543)	(14,871)
Transfers				549		(549)	-
<b>At 31 March 2013</b>	<b>7,515,787</b>	<b>615,186</b>	<b>164,098</b>	<b>548,772</b>	<b>41,340</b>	<b>538,099</b>	<b>9,423,282</b>
<b>Depreciation</b>							
At 1 April 2012	988,598	184,730	49,870	388,556	29,378	472,803	2,113,935
Charge for year	126,051	11,018	27,761	53,629	4,677	30,779	253,915
Disposals				(11,600)		(2,168)	(13,768)
Transfers				549		(549)	-
<b>At 31 March 2013</b>	<b>1,114,649</b>	<b>195,748</b>	<b>77,631</b>	<b>431,134</b>	<b>34,055</b>	<b>500,865</b>	<b>2,354,082</b>
<b>Net book value</b>							
<b>At 31 March 2013</b>	<b>6,401,138</b>	<b>419,438</b>	<b>86,467</b>	<b>117,638</b>	<b>7,285</b>	<b>37,234</b>	<b>7,069,200</b>
At 1 April 2012	6,071,214	430,456	75,312	143,313	11,962	62,544	6,794,801
<b>Charity</b>							
<b>Cost</b>							
At 1 April 2012	7,059,812	615,186	125,182	531,869	41,340	532,804	8,906,193
Additions	455,975		38,916	28,682		5,214	528,787
Disposals				(12,328)			(12,328)
Transfers				549		(549)	-
<b>At 31 March 2013</b>	<b>7,515,787</b>	<b>615,186</b>	<b>164,098</b>	<b>548,772</b>	<b>41,340</b>	<b>537,469</b>	<b>9,422,652</b>
<b>Depreciation</b>							
At 1 April 2012	988,598	184,730	49,870	388,556	29,378	471,194	2,112,326
Charge for year	126,051	11,018	27,761	53,629	4,677	30,151	253,287
Disposals				(11,600)			(11,600)
Transfers				549		(549)	-
<b>At 31 March 2013</b>	<b>1,114,649</b>	<b>195,748</b>	<b>77,631</b>	<b>431,134</b>	<b>34,055</b>	<b>500,796</b>	<b>2,354,013</b>
<b>Net book value</b>							
<b>At 31 March 2013</b>	<b>6,401,138</b>	<b>419,438</b>	<b>86,467</b>	<b>117,638</b>	<b>7,285</b>	<b>36,673</b>	<b>7,068,639</b>
At 1 April 2012	6,071,214	430,456	75,312	143,313	11,962	61,610	6,793,867

Motor vehicles includes assets with a net book value of £Nil (2012: £11,445) held under finance leases.

# EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

## Notes to the financial statements For The Year Ended 31 March 2013

### 12 Fixed asset investments

	Group 2013 £	Group 2012 £	Charity 2013 £	Charity 2012 £
Market Value as at 1 April 2012	-	-	20	20
Additions	-	-	-	-
Disposal	-	-	-	-
Market Value as at 31 March 2013	-	-	20	20

Investments held by the charity include an investment in the subsidiary companies at cost (see note 22)

### 13 Debtors

	Group 2013 £	Group 2012 £	Charity 2013 £	Charity 2012 £
Trade debtors	766 976	446 489	760 334	446 489
Other debtors	-	28 819	-	20 210
Amount owed by subsidiary undertaking	-	-	81 136	18,076
Prepayments and other accrued income	570 152	512,627	561 714	504,486
	1,337,128	987 935	1,403 184	989,261

### 14 Creditors amounts falling due within one year

	Group 2013 £	Group 2012 £	Charity 2013 £	Charity 2012 £
Bank loans and overdrafts	148 151	130 818	148,151	130,818
Trade creditors	172 603	163 130	172,042	163,100
Fees received in advance	437,328	534,818	437 328	534 818
Other creditors and deferred income	661 295	727 234	661 295	727,234
Taxation and social security costs	185 045	189 691	183,155	187 739
Obligations under finance leases	-	5,246	-	5,246
Accrued expenses	139,093	120 469	136,993	118,369
	1,743,515	1 871 406	1,738,964	1 867,324

### 15 Creditors amounts falling due after more than one year

	2013 £	2012 £
Group and charity		
Bank loans	1,169,157	1,066 800
	1,169 157	1 066,800

### 16 Obligations under operating leases

At 31 March 2013 the group and charity has annual commitments under non-cancellable leases as follows

	Group 2013 £	Group 2012 £	Charity 2013 £	Charity 2012 £
Expiry date				
Land and buildings				
Expiring within 1 year	34,175	15,194	34,175	15,194
Expiring in 2 to 5 years	84,108	101,561	73,656	91 108
Expiring over 5 years	13,536	12,378	13,536	12,378
Other operating leases				
Expiring within 1 year	49,307	39,354	49,307	39 354
Expiring in 2 to 5 years	148,565	147,087	75,672	74,281
Expiring over 5 years	-	-	-	-
	329,691	315,574	246 346	232,315

# EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

## Notes to the financial statements For The Year Ended 31 March 2013

### 17 Statement of funds

Group	At 1 April 2012 £	Income £	Expenditure £	Investment gains £	Transfers £	At 31 March 2013 £
<b>General reserve</b>	2 789 061	13,167 157	(12 693,171)		(159,955)	3 103 092
<b>Designated funds</b>						
Fixed asset fund	5,591,937				159,955	5,751 892
<b>Total unrestricted funds</b>	<b>8 380 998</b>	<b>13,167,157</b>	<b>(12,693,171)</b>	<b>-</b>	<b>-</b>	<b>8,854,984</b>
<b>Restricted funds</b>						
EFA - Building condition improvement fund	-	39,502				39,502
Heritage lottery fund	-	12,700				12,700
<b>Total restricted funds</b>	<b>-</b>	<b>52,202</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52,202</b>
<b>Total funds</b>	<b>8,380,998</b>	<b>13,219,359</b>	<b>(12,693,171)</b>	<b>-</b>	<b>-</b>	<b>8,907 186</b>

Charity	At 1 April 2012 £	Income £	Expenditure £	Investment gains £	Transfers £	At 31 March 2013 £
<b>General reserve</b>	2 785,506	13,042,374	(12 498 935)	-	(160 327)	3 168 618
<b>Designated funds</b>						
Fixed asset fund	5,591,003	-	-	-	160,327	5 751 330
<b>Total unrestricted funds</b>	<b>8,376,509</b>	<b>13,042,374</b>	<b>(12 498 935)</b>	<b>-</b>	<b>-</b>	<b>8 919,948</b>
<b>Restricted funds</b>						
EFA - Building condition improvement fund	-	39,502	-	-	-	39,502
Heritage lottery fund	-	12,700	-	-	-	12,700
<b>Total restricted funds</b>	<b>-</b>	<b>52,202</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52,202</b>
<b>Total funds</b>	<b>8,376,509</b>	<b>13,094,576</b>	<b>(12,498,935)</b>	<b>-</b>	<b>-</b>	<b>8 972 150</b>

The General reserve represents the free funds of the charity which are not designated for particular purposes

The Fixed asset fund has been set up to assist in identifying those funds that are not free funds and it represents the net book value of tangible fixed assets less bank loans and hire purchase

The restricted fund represents funds that have been received and are to be used for a specific purpose

The consolidated surplus of the total income less revenue expenditure is attributable to the surplus for the year dealt within the separate accounts of

	2013 £	2012 £
The Charity	595 641	549 121
Trading Subsidiary	(69,453)	(7,727)
	<b>526,188</b>	<b>541,394</b>

The parent charity's gross income for the year was £13,094,576 (2012 £12 729,557) and its expenditure was £12,498,935 (2012 £12,180 436)

# EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

## Notes to the financial statements For The Year Ended 31 March 2013

### 18 Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total 2013 £	Total 2012 £
<b>Group fund balances at 31 March 2013 are represented by</b>					
Tangible fixed assets	-	7,069,200	-	7,069,200	6,794,801
Investments	-	-	-	-	-
Current assets	-	-	4,750,658	4,750,658	4,524,403
Current liabilities	-	(148,151)	(1,595,364)	(1,743,515)	(1,871,406)
Long term liabilities	-	(1,169,157)	-	(1,169,157)	(1,066,800)
<b>Total net assets</b>	<b>-</b>	<b>5,751,892</b>	<b>3,155,294</b>	<b>8,907,186</b>	<b>8,380,998</b>

### Charity fund balances at 31 March 2013 are represented by

Tangible fixed assets	-	7,068,639	-	7,068,639	6,793,867
Investments	-	-	20	20	20
Current assets	-	-	4,811,612	4,811,612	4,516,746
Current liabilities	-	(148,151)	(1,590,813)	(1,738,964)	(1,867,324)
Long term liabilities	-	(1,169,157)	-	(1,169,157)	(1,066,800)
<b>Total net assets</b>	<b>-</b>	<b>5,751,331</b>	<b>3,220,819</b>	<b>8,972,150</b>	<b>8,376,509</b>

### 19 Loans and overdrafts

An analysis of the maturity of loans and overdrafts is given below

	2013 £	2012 £
Amounts falling due within one year on demand		
Bank loans	148,151	130,818
Amounts falling due between one and two years		
Bank loans	151,897	132,225
Amounts falling due between two and five years		
Bank loans	524,137	451,786
Amounts falling due in more than five years		
Repayable by instalments		
Bank loans	493,123	482,789

The interest rate applicable to all the loans is 1.75% over the bank's base rate per annum, except 29 Thornholme Road 3.5% and Station Road 2.5%

### 20 Secured debts

The following secured debts are included within creditors

	2013 £	2012 £
Bank loans	1,317,308	1,197,618

Security held represents charges over

14 Lorne Terrace, Ashbrooke, Sunderland dated 28.01.1998  
 267 Station Road, Seaham dated 06.01.2000  
 6/7 The Cloisters, Sunderland dated 26.01.2000  
 7 The Cedars, Sunderland dated 11.04.1996  
 9 The Cedars, Sunderland dated 29.11.1994  
 10 The Cedars, Sunderland dated 30.01.2004  
 Station Road, Forest Hall, Newcastle upon Tyne 21.06.2010  
 Ashleigh House, Elmfield Park, Gosforth dated 25.01.2000  
 29 Thornholme Road, Sunderland dated 30.01.2013  
 Debenture dated 21.04.1995

## EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

### Notes to the financial statements For The Year Ended 31 March 2013

Holly House, Houghton le Spring dated 30.01.2004  
Orchard House, Maureen Terrace, Seaham dated 14.12.1999  
Tasker House, 1 The Elms, The Cloisters, Sunderland dated 20.03.1998  
The Hermitage, Ravine Terrace, Sunderland dated 25.07.2005  
Westfield Hall, Carlton Terrace, Sunderland dated 20.3.1998

#### 21 Related Party Transactions

During the year consultancy work to the value of £62,900 (2012: £66,600) has been charged to Education and Services for People with Autism Limited by L. Moxon. L. Moxon is the wife of P. M. Moxon, who is a trustee of the Charity. At the year end, the outstanding balance owed to L. Moxon was £4,300 (2012: £Nil).

#### 22 Subsidiary companies

The charity owns the whole of the issued ordinary share capital of ESPA Research Ltd and Autism Works Ltd, both of which are registered in England and Wales.

Autism Works Ltd was incorporated on 11 October 2010 and has subsequently been dormant.

ESPA Research Ltd is used for academic research and non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the SOFA. The total net profit is normally gifted to the charity but during this year the subsidiary has incurred a loss on its trading activities. A summary of the results of the subsidiary is shown below.

	Total 2013 £	Total 2012 £
Turnover	124,783	170,222
Cost of sales	(2,758)	(2,789)
Gross profit	122,025	167,433
Administrative expenses	(191,478)	(175,160)
Profit/(Loss) on ordinary activities	(69,453)	(7,727)
Corporation tax repayable/(payable)	-	-
Retained (Loss)/Profit in subsidiary	(69,453)	(7,727)
*1 - Turnover includes £100,490 in donations		
The aggregate of the assets, liabilities and funds was		
Assets	20,743	26,667
Liabilities	(85,697)	(22,168)
Reserves	(64,954)	4,499

ESPA Limited is prepared to provide continuing support to the trading subsidiary.

#### 23 Reconciliation of changes in resources to net inflow from operating activities

	2013 £	2012 £
Net incoming resources before revaluations	526,188	541,394
Interest received	(14,304)	(13,477)
Interest payable	29,025	32,929
Gain on sale of tangible fixed assets	1,103	2,052
Depreciation	253,916	251,772
(Increase)/decrease in debtors	(349,193)	201,707
Increase/(decrease) in creditors	(139,979)	(195,695)
Net cash inflow from operating activities	306,756	820,682

# EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

## Notes to the financial statements For The Year Ended 31 March 2013

	2013 £	2012 £		
<b>24 Returns on investments and servicing of finance</b>				
Interest received	14 304	13 477		
Interest paid	(29 025)	(32,929)		
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b>(14 721)</b>	<b>(19 452)</b>		
	<b>2013 £</b>	<b>2012 £</b>		
<b>25 Capital expenditure</b>				
Purchase of tangible fixed assets	(529,417)	(137,413)		
Sale of tangible fixed assets	-	161		
<b>Net cash outflow for capital expenditure and financial investment</b>	<b>(529,417)</b>	<b>(137,252)</b>		
	<b>2013 £</b>	<b>2012 £</b>		
<b>26 Financing</b>				
New loan taken out in year	253 125	-		
Loan repayments in year	(133,435)	(187,741)		
Capital element of finance lease rental payments	(5,246)	(5,816)		
<b>Net cash inflow/(outflow) from financing</b>	<b>114,444</b>	<b>(193,557)</b>		
<b>27 Analysis of net funds/debt</b>	<b>At 1 April 2012 £</b>	<b>Cashflow £</b>	<b>Other non-cash changes £</b>	<b>At 31 March 2013 £</b>
Cash at bank and in hand	3 536,468	(122 938)		3 413 530
Debts falling due within one year	(130,818)	(17 333)		(148,151)
Debts falling due after one year	(1 066 800)	(355 482)	253 125	(1 169 157)
Finance leases	(5 246)	5,246		-
	2,333,604	(490,507)	253 125	2,096,222

## 28 Ultimate controlling party

The charity is controlled by the board of directors, who are also trustees and whose membership is set out on page 1