

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

**REPORT AND GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

REGISTERED CHARITY NO: 1037868

COMPANY NO: 2909953



EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

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EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

Board of Trustees Report including Strategic Report For the year ended 31 March 2016

The Trustees submit their annual board of directors' report including strategic report, together with the audited consolidated financial statements of the Charity and its subsidiaries for the year ended 31 March 2016.

The financial statements have been prepared in accordance with the accounting policies, set out in notes to the accounts and comply with the Charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)

STRATEGIC REPORT

Objectives and Activities

The objectives of Education and Services for People with Autism Limited (ESPA) and its subsidiary undertakings is to promote for the public benefit the relief of people with autism or associated communication, social or behavioural conditions, in particular, by

- providing or assisting in the provision of education, training and employment opportunities for such people and advancing the education of others in autism and associated communication, social or behavioural conditions;
- providing accommodation and services to meet the needs of such people; and
- the carrying out or commissioning of research into such conditions and publishing the useful results of such research.

ESPA's Mission Statement is:

"Enabling people across the autism spectrum to enjoy rewarding and fulfilling lives"

Our values underpin all our services, which combine compassionate care and high professional standards for each individual we support. All of our services share a common vision which is to provide everyone with the highest quality autism specific support and education that is tailored to meet their needs, wishes and expectations. These values are:

- Lives a life they enjoy and that is meaningful to them
- Receives support that is creative, innovative and fully person centred
- Feels happy, safe, healthy and well
- Is supported to make choices and decisions about their lives
- Learns new skills that enable them to achieve their potential for greater independence
- Achieves their personal ambitions and aspirations
- Develops and maintains meaningful friendships and relationships
- Grows in confidence and self-esteem
- Is included in society as valued citizens, enjoying equal rights and opportunities
- Receives support that is flexible and responds to their needs as they change over time and through the different stages of their life

Our main objectives for the coming year are to continue to deliver and develop high quality autism specific services, continue to achieve best practice and ensure continuous quality improvement. We want to do this by developing new accommodation and support services that meet the changing needs and expectations of the people we support, now and into the future.

ESPA currently supports over 200 individuals within our residential, day, domiciliary and educational services. Our services are delivered by a current team of 540 highly qualified and dedicated staff.

Long term, we aim to reach more people with autism or associated communication, social or behavioural conditions through growing and improving our services. With strong financial management, we will ensure that resources are invested in areas of the Charity that meet the long term strategic objectives of the organisation.

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We always measure our success in terms of the number of people we support and the outcomes achieved towards living a rewarding and fulfilling life. All people who benefit from our services have the opportunity to voice concerns through satisfaction surveys, which indicate that we are providing services that meet the needs of the individuals we support.

Public Benefit

In all the Charity's planning and activities the Trustees have reviewed and considered the Charity Commission's general guidance on public benefit. All of our activities are carried out in support of our charitable objectives. ESPA provides tangible benefits to the public by providing care and education services for people on the autism spectrum, many of whom have additional or associated complex and challenging needs.

Significant Activities

The significant charitable activities undertaken are:

Adult social care

a) Residential care homes

ESPA operate a total number of 13 registered care homes offering 24 hour person centred care and support for 78 residents in specially designed accommodation. Each service is unique and individually tailored to meet the needs, wishes and expectations of the individuals living there. These services range from single person apartments to shared living arrangements. Most of the people we support have challenging and complex needs. Many individuals also have additional or associated difficulties or disabilities. Therefore all our services offer intensive and specialist support in highly structured autism-specific environments.

Person-centred planning and on-going consultation ensures that everyone enjoys a full and active lifestyle of their choice within their home and community. Each person receives structured and consistent support from highly skilled, experienced and knowledgeable staff.

Each home recognises the sensory needs that some people on the autism spectrum experience and this is reflected in all activities, the environment and daily practices.

b) Domiciliary care support

ESPA provides practical and social support to 13 people living within their own or family homes. We aim to enable each person to live as independently as possible and to become a valued and respected member of their community. Everyone receives an individual package of care and support to meet their specific needs, wishes and aspirations and to enable them to enjoy a lifestyle of their choice. Each person receives high quality care and support that is autism specific, person centred, flexible and responsive. Support varies from specific hours during the week up to 24-hours a day.

Support is provided:

- Into the family home
- Into a person's own home or tenancy
- Into a supported living service or shared accommodation
- To access community activities and events
- For short breaks and holidays

We always ensure that through individual service designs and person-centred plans that the people we support remain at the heart of everything we do.

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c) Day and vocational services

ESPA provide an extensive range of activities to 25 people to enjoy within our specialist day provision. The Croft Centre in Sunderland is a creative and innovative community-based day provision that offers person-centred programmes of meaningful and stimulating activities for people across the autism spectrum, many of whom have additional or associated difficulties or disabilities. The Croft Centre activities are available 42 weeks a year.

We offer specialist full and part-time day placements for people living at home. As part of their placement, we also offer all our residential service users the opportunity to take full advantage of all of our day opportunities.

In addition to the extensive range of activities offered within the building, people also take part in a wide range of activities in the local and wider community.

Education

a) Independent Specialist Further Education College

ESPA operates an independent specialist further education college that is based within the North East of England, with sites in Sunderland and Newcastle upon Tyne. Our mission is to provide a high quality autism specific educational experience to enable students to maximise their potential for future life, well-being and work. The College offers day and residential education placements for young people on the autism spectrum between the ages of 16 and 25 years. Students come from across the country to access this specialist provision that enables them to achieve their personal ambitions.

As we support students across the autism spectrum each College site is specifically tailored to meet the needs of students with similar abilities and need. Person-centred goals and transition plans ensure that each person achieves their personal ambitions.

The College offers each student a bespoke, innovative and creative curriculum. All our learning sessions are designed to be engaging, enjoyable, individualised and challenging. We consistently aim to develop the whole person and blend our autism specific core curriculum with academic subjects. College learning sessions occur in a variety of settings, many of which are community based. Work experience, employability skills, enterprise and independence feature highly within the College's learning activities.

The College offers the following educational support programmes within the services.

- Full and part-time day places.
- Full and part-time residential places.
- Specialist Traineeships.
- Partnership Placements.
- University Support Programme.
- Social and vocational placements.

The student's time at ESPA College ends with a magnificent celebration of their achievements at their graduation ceremony. This annual end of year, high profile event showcases the skills and confidence gained by students and allows family and friends to celebrate together.

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Achievements and Performance

The Trustees are pleased to report that despite the continued public sector spending cuts, ESPA has maintained its financial security throughout the year. The organisation's strategic objectives to diversify charitable activities alongside achieving efficiencies have enabled us to accommodate significant legislative and funding changes and challenges.

Directors and Central Management

- Internal quality assurance processes and external inspections and audits have provided continued evidence of meeting or exceeding legislative, regulatory and contractual requirements and demonstrating best practice across the organisation.
- Over the past year extensive work has been undertaken to inform a consultation process to review staff terms, conditions and benefits. Key drivers behind the changes are to:
 - Enable ESPA to meet the new Living Wage requirements
 - Offer fair, competitive and equitable salaries and benefits
 - Invest in existing staff
 - To attract and retain a quality workforce
 - Achieve efficiencies.

The official announcement was made on the 6th April 2016 which triggered the Collective Consultation Process. The consultation ended on 5th July 2016 and all contractual changes were agreed and backdated to 1st April 2016.

- To support the Charity to achieve efficiencies and to enable us to reinvest in growth opportunities, ESPA has continued to strategically review accommodation to ensure it is fit for purpose.
- In September 2015 after extensive refurbishment and rebuilding the East Wing at ESPA College's South Hill site re-opened to students. This was funded through the Education Funding Agency's Independent Specialist Provider Buildings Improvement Fund, which was match-funded by ESPA. Throughout the year we have continued to fundraise for capital contributions towards building the West Wing and a single storey multifunctional studio.
- Since April 2015 we have raised £70,000 and since the financial year end we are anticipating further decisions on other grant giving organisations. If successful we can then proceed to build the West wing. We are continuing to explore funding opportunities for the studio.
- In September 2015 the lease for Head Office was up for renewal. Since serving notice to the Landlord in March 2015 we have been exploring opportunities to lease or buy a more proportional building. We are in preliminary discussions with a local developer about building and buying a bespoke office block close to the current Head Office.
- The re-opening of South Hill is enabling us to close and sell The Cloisters which has become surplus to our current needs. We also intend to sell a closed small residential home in Sunderland as the 4 previous residents have moved into a new service. The disposal of these properties will generate a cash inflow that will be used to fund the new Head Office and to re-invest in new business activities.
- Over the past 12 months ESPA's profile and reputation has been significantly raised across the region. This has put us in a strong position as a leading provider in supporting people on the autism spectrum with complex and challenging needs. This is providing us with an excellent platform for growth, which is being evidenced by increased demand for residential placements, being awarded new contracts and becoming approved providers on specialist Frameworks across the North East
- In July 2015 we appointed a new General Manager who brings a wealth of knowledge and experience to the organisation.

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- Since November 2015 we have presented proposals and entered into dialogue with Stockton Borough Council for the provision of day, residential and a respite service for people on the autism spectrum. This competitive tendering process is ongoing and our priority is to retain our current day provision at Ware Street and support its continued development.
- We have continued to evidence legislative compliance and best practice. In October 2015 we maintained our Contractors Health and Safety (CHAS) Accreditation. All Human Resources Policies and Procedures reflect current legislation and in February 2016 we were approved to remain a Mindful Employer signatory. In April 2015 we also successfully retained the Investors in People Award, which we have now held for over 15 years.
- ESPA continues to fully comply with the Charity Commission requirements. Over the year the Board of Directors have reviewed the Conflict of Interest Policy, Reserves Policy, Code of Conduct, Investment Policy, Risk Register and Skill Matrix Audit.
- We continue to invest heavily in staff training and development to ensure everyone is supported by highly competent and skilled staff. Safeguarding and Compassionate Care have continued to be an organisational priority. Safeguarding is now fully embedded in our values, culture, training, planning and service delivery. This has resulted in us being selected as a case study in a research paper commissioned by the North East and Cumbria Learning Disability Network. All induction training has been systematically reviewed to ensure it meets the requirements of the new Care Certificate. Our 3 day Autism for Professionals has been updated to reflect best practice. We are also embracing Positive Behaviour Support (PBS) across the organisation which compliments and enhances our current low arousal and non-aversive approaches to managing behaviours that challenge (Studio 111). We are engaging in another research project funded by Health Education England and supported by NHS England on the impact of PBS training on outcomes for people.
- We have awarded our gardening contract to Shaw Trust. This is a not-for-profit organisation that employs people with a learning disability and other disadvantaged groups to become economically active and contribute to society. This also evidences our social and public benefit commitment.
- As a Charity we also believe we have a responsibility to educate the public to increase awareness and facilitate social inclusion. We do this through training and events. This year we celebrated Autism Awareness Week and World Autism Awareness Day with a stall in a regional shopping centre.
- As part of our sustainability plan we have appointed Green Energy Consulting who carried out our ESOS audit and we have an action plan in place toward us becoming more energy efficient and environmentally friendly.

ESPA College

- College income continued to decline in 2015/16. However, we have continued to respond proactively to meeting the expectations of funder and students, establishing working partnerships, introducing new ways of working and a more diverse curriculum. This aims to enable us to establish a unique offer within specialist education across the region. We are confident this will provide us with a strong platform for future growth.
- The most strategically significant event in the past 12 months was the formation of the NE12 Commissioning Group for the North East of England which went live in February 2016.
- Over the past year we have remained inspection ready but are still awaiting an OFSTED inspection. We are confident that all systems and processes are in place that will evidence an overall grade of 'Good' with outstanding features. The latest Self-Assessment Report is populated with case studies that exemplify outstanding learning and achievements.
- The College achieved or exceeded its target of recruiting 60 full time equivalent students, 15 part time students through a new partnership with Middlesbrough College and supporting 23 students as part of our University Mentoring Service. With the introduction of Education, Health and Care Plans and new partnerships we now have more diverse funding streams which will hopefully support the College's financial stability.
- In June 2015 the College was subject to a periodic audit by the Education Funding Agency (EFA) and the outcome was extremely positive. Further Local Authority audits are anticipated through the new NE12 Framework.

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- The aim of ESPA College is to prepare students for their future life, well-being and work. Imaginative and varied teaching strategies support each student to achieve their potential. Improvements in teaching and learning has enhanced destination outcomes for students with 74% transitioning to General Further Education Colleges, University or work. This is a significant increase on previous years (66% in 2014 and 39% in 2013) and is providing evidence of us supporting students to become more independent and autonomous and for many supporting them to become less reliant on public funds and make a positive contribution to society.
- The largest indicative growth area for the College is within the Tees Valley. We have secured a local base that will enable us to accommodate more students and we are demonstrating to funders the quality of our provision, our expertise and ability to meet the needs of their more complex and challenging students.
- The College staffing and management structures have been regularly reviewed across the year to ensure resources are available to meet the needs of students within the funding allocations. The increase in mid-year placements and the increasingly complex needs of students requires us to be highly flexible and responsive to fluctuating needs across all sites.
- Ashleigh, formerly a College Halls of Residence is moving towards becoming a young person's service. As residential student numbers have decreased we have seen an increase in demand for medium term placements for young people with complex needs. The College is also seeing an increase in demand for 50 week placements. Ashleigh is now a 52 week service and placements are funded through either the EFA, Adult Social Care or a combination of both. The service also offers regular respite for one person. In December 2015 the service had a successful CQC inspection and received a grading of 'Good' in all domain areas.
- Residential student numbers in Sunderland have also continued to decline and the buildings limitations have impacted on economies of scale and our ability to meet the needs of some students. Within the Accommodation Strategy consideration is being given to the re-provision of this site.
- The student voice continues to feature highly in the life of the College with students being a strong driving force behind changes. A student representative is now on the College Advisory Board and there is now a vibrant Student Committee with representatives from all sites. These meetings are significantly improving communication, consultation and the sharing of good practice.
- The promotion of British values is being embedded within the College through PREVENT training for all staff and senior managers and it has become a key feature of teaching and learning. These values support the College's equality and diversity practices and events.
- In Autumn 2015 the College began work with Newcastle College and O2 to field trial a specialist travel app that aims to promote independent travel using smart phones. The app won a regional technology award in 2015. Newcastle City Council aim to use this app to promote independence amongst the 800 young people as part of their home to school transport system. ESPA College is continuing to be a trial partner toward this becoming a reality.

Residential Services

- Despite being another challenging year due to continued Local Authority budget cuts, ESPA's residential services have remained financially strong. We have seen an increase in demand for placements across the year, especially for younger people with more complex and challenging needs and those leaving hospital through the Transforming Care Programme. Increasingly commissioners are recognising that specialist residential services are a cost effective model which enables individuals to achieve equal outcomes to those in supported living services.
- All homes have continued to meet Care Quality Commissioners (CQC) requirements and have been rated 'Good' overall. In November 2015 ESPA were invited to deliver a presentation at a regional CQC event to over 30 Inspectors to enable them to gain insight into what to look for when inspecting high quality autism specific services. Feedback was very positive and it was an excellent opportunity to showcase our skills and expertise.
- Over the year we have been in discussions with North Tyneside about developing local autism services. Initial plans to develop a registered service for 5 people did not proceed, however we have supported one young person to transition into Ashleigh who was being discharged from hospital. North Tyneside are currently preparing to go

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out to tender for a specialist Framework and we are confident this will result in us being commissioned to develop new supported living services.

- In December 2015 we achieved planning permission to convert a property in the grounds of one of our existing care homes into discrete accommodation for 2 people we currently support whose needs have changed significantly, but they still require the consistency of ESPA's support. Work began in March 2016 and the individuals will transition into their new home in July.
- Quality assurance systems have been enhanced and linked to CQC and contract compliance and outcomes for service users. Manager Peer Reviews and Senior Management Quality Audits are now more structured and focus on continuous quality improvement. The General Manager has also established a more robust supervision and appraisal system and new reporting systems.
- A Manager is represented on the Regional Health and Well-being Board working towards improving health outcomes and reducing health inequalities for people with learning disabilities, including autism. We have signed up to the Health Charter and established an internal Improving Health Group to ensure the health and well-being of everyone we support is embedded in all support, planning and delivery.
- Policies and procedures have continued to be updated to reflect current legislation, regulation and best practice. All changes are also incorporated in more accessible and visual versions for service users.
- New Person Centred Care and Support Planning guidelines have been produced and our new plans are being commended by families and Care Managers. Each person now has a completed Spectrum Star which is enabling us to capture autism specific outcomes and inform the setting and reviewing of personal goals. With our autism specific support delivered by our highly trained and knowledgeable staff, we have seen individuals achieve some outstanding outcomes towards increased independence, autonomy, social inclusion and living a life they enjoy.
- In February 2016 we surveyed the people we support to assess their satisfaction with the service, the support they receive and the life they are living. We also sent questionnaires to parents to enable us to gather their views and thoughts. All comments help us shape the services we offer to ensure we are meeting everyone's expectations and identifying areas for improvement. As in previous years feedback was outstanding about the quality of our support, the competence of staff and our values and culture.

Domiciliary Agency

- The Domiciliary Agency currently supports 29 people. In 2015/16 we saw an overall slight reduction in income due to changes in contracted hours and a reduction in our hourly rate across Teesside. The Agency however has remained financially stable and annualised income will increase significantly next year due to a new core and cluster service in Newcastle.
- The new service has involved extensive and highly detailed multi-disciplinary and inter-agency planning to design bespoke services around each of the 6 tenants, all who have purpose built bungalows. This is an innovative and ground breaking service which has received extensive attention regionally and nationally as an example of outstanding practice for meeting the need of some of the most challenging individuals known to the Local Authority.
- The first three tenants moved into their new homes by January 2016 followed by three men from hospital in February 2016. This model and service is being evaluated to measure outcomes and quality of life, which aims to inform the Transforming Care agenda which will hopefully enable many more people to successfully move on from hospitals into the community and prevent re-admissions and reduce costs. The use of Individual Service Funds is enabling us to respond proactively, flexibly and innovatively to the men's fluctuating needs.
- ESPA's day provision contract in Stockton was extended to March 2017. It currently supports 8 young people and as our reputation is growing locally, demand for placements is increasing. We are receiving excellent feedback from families and Care Managers.
- This service however has become part of Stockton's commissioning process for day, residential and respite services for people on the autism spectrum across the Borough. We are confident that our proven track record and

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the excellent outcomes people are achieving puts us in a very strong position to retain this contract in the longer term.

- A second person has been identified to share with the current tenant in our supported living service in Stockton and a personalised transition plan is being agreed.
- Over the past year ESPA has retained all current contracts and has applied to become included on the Domiciliary and Supported Living Frameworks in South Tyneside and Sunderland. On 15th February we were notified that we had been successful for Sunderland's Framework for Adults with Complex Need, which includes people with autism. North Tyneside and Newcastle have invoked their option to extend their current Frameworks to 31st March 2017. Current and new frameworks will enable us to offer our specialist support to many more people across the region.
- During the year the Sunderland branch located at Head Office has remained a dormant location in regards to CQC registration as it is currently not providing services. Now we are an approved domiciliary provider in Sunderland we are confident the branch will re-open within the next 6 months.
- On 7th March 2016 the Teesside branch of the Agency had its CQC inspection. Verbal feedback was very positive and we are awaiting our draft report but are confident of an overall rate of 'Good'.
- We continue to attend regional forums, Transforming Care Groups, Provider Forums and Commissioning Groups to ensure we keep up to date on local issues and identify gaps in provision that may become business opportunities. We have established strong professional working relationships with Commissioners and Care Managers and other providers especially in Stockton, Newcastle and North Tyneside.

Day and Vocational Services

- The Croft Centre and Deliver Me Timbers continue to offer the people we support in our residential services with a wide range of stimulating, meaningful and fun activities within the building and community. It also provides full and part-time day placements for 24 people. The service remains financially stable and demand for placements continues.
- We are still intending to relocate Deliver Me Timbers and a planning application has been submitted to build a workshop in the grounds of South Hill in Sunderland.
- Now we are on the Sunderland Care and Support Framework we hope to attract new local referrals. However an outcome of the current Stockton tender could result in four people transitioning into their new local day provision.
- The Croft Centre have been working in partnership with a local special school holding stalls at their events and using their café. Further partnerships are being explored. Plans are already in place to work more closely with ESPA College to share resources and work together on planned activities. This will create new mutual benefits for people at The Croft Centre and students.
- The service takes full advantage of local opportunities to promote their work, raise public awareness of autism and raise funds for other good causes.
- Deliver Me Timbers continues to offer a wide range of vocational activities and work experience to people across the organisation. They are now producing a wide range of timber products that are on sale to the general public and products are now being directly commissioned. This also raises awareness of autism and showcases the many talents of the people we support.
- The Deliver Me Timbers team is also carry out volunteering work at a local Cricket Club. On a weekly basis they carry out various tasks including ground maintenance and painting. This provides individuals with real work experience which is highly valued by the club. They have also maintained an allotment within the College grounds and plans are in place to extend the use of this site to grow a wider range of produce that will supply some of ESPA's services. The skills of this team have also been used to design and develop some specialist resources for The Croft Centre and some of our service users.

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Autism Works

- Autism Works Limited is a wholly owned trading subsidiary of the Charity offering independent software testing services.
- Its primary objective is to employ people on the autism spectrum, offering them the opportunity for sustainable employment and reducing their reliance on state benefits. The company currently employs three people with Asperger Syndrome and our Business Plan demonstrates our commitment to create opportunities for many more people to gain meaningful employment as the enterprise grows.
- This has been a productive year for Autism Works and income from sales has enabled them to generate sufficient funds to cover costs. The 2 main contracts this year have been with Deloitte and Johnson and Johnson.
- Our initial contract with Deloitte ended in May 2015 and was highly commended. We hope this will lead to further contracts being awarded. The success of our work was published in 2 case studies by Deloitte and they have also delivered several presentations on our enterprise and the services we offer.
- We have formed a very positive relationship with Johnson and Johnson (J & J) and the whole team has been fully occupied on this contract since September 2015. They are also marketing our services internally and through their supply chain. J & J have a guiding set of values and principles underpinning their commitment to their corporate social responsibility and we are strong evidence of them applying this in practice.
- Our work again is being highly praised and has been presented at national and world wide high profile events including Autism Works presenting at J & J's International Social Impact through Procurement Summit in November. We hope that this high degree of exposure of our enterprise will support our continued growth and encourage other organisations to recognise the many talents of people on the autism spectrum and create other employment opportunities within the IT sectors and other associated sectors.
- See:detail (trading name for Autism Works) has been launched in the Society of Information Technology Managers (SOCITM) however potential contracts have been impacted on due to cuts in public services.
- All invoices now include an actual social value cost. In addition we summarise this overall value at the end of each contract.
- Autism Works has also had discussions with a number of other companies which may result in new business opportunities and contracts.
- Members of the team have presented at a number of IT and autism events during the year which is always well received, generates a lot of interest and raises the profile further of the merits of employing people on the autism spectrum.

ESPA Research

- ESPA Research is a wholly owned subsidiary of the Charity. Its aims are to improve the quality of life for people on the autism spectrum through high quality publishable research investigations.
- Following on from a published paper last year on new ways of administering medicines to people with autism, a similar project has now been completed looking at how certain chemicals might influence the delivery of medicine in cream/skin patches. This data is being prepared for publication and could have wide reaching benefits. Already this work is informing a pilot study on the formulation of Naltrexone for people with Chronic Fatigue Syndrome.
- The team have also had two papers published this year:
 - Glyphosate: What is it? What it does? How would you like your daily dose?
 - Autism, When the Gut Meets Brain (and Everything Inbetween).

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- This year representatives from ESPA Research have presented at conferences in London, Mexico, Russia, Albania and Denmark disseminating their research findings.
- Our collaboration with the A2 Milk Foundation is working toward a pilot study looking at the effects of this milk on the behaviour of children with autism. This has already gained approval from Northumbria University. After the NHS Ethical Committee proposals, some minor changes have been made to the study protocol which is now ready for re-submission.
- The Annual Report with financial information detailing how the Robert Luff Foundation donation of £100,000 had supported research was submitted in February 2015. In June 2015 we welcomed their continued support and another £100,000 donation to fund further research activities.
- ESPA Research has again been accepted as a Regional Stakeholder with regard to the update of the National Institute for Health Care Excellence (NICE) Guidance: Autism – Management of Autism in Children and Young People.

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Financial Review

The consolidated statement of financial activities reports an operating surplus of £1.109m for the year ended March 2016 in comparison with £1.293m last year. The Charity has managed to maintain its financial position this year and achieve a surplus, which exceeded our initial expectations. The financial outlook remains challenging for the Charity with the continued budgetary cuts within the local authorities, but with a conservative approach to the commitment of expenditure it will enable the organisation to target its future strategic objectives.

In 2015-16, we generated total income for the year of £12.749m (2015: £13.075m) a decrease of 2.49% on the previous year. The marginal decrease was largely due to a reduction in grant funding in the year, but overall, we have seen marginal growth in the income of charitable activities. During the year we have seen a decrease in demand for College services and an increase in demand for adult social care placements. The College has continued to be challenged with the new NE12 Funding Framework within the North East of England, increased competition and pressure on student fees. The forecasted student numbers for 2016-17 is encouraging, with the development of a new site within Teesside area attracting interest from many new students.

Fee income from statutory bodies represents 97.4% (2015: 94.8%) 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. Adult social services increased by 3.26% to £8.96m (2015: £8.67m), which is reflective of the demand for new placements. Education fees decreased by 6.92% to £3.46m (2015: £3.72m), a reduction in fees and a fall in student numbers have impacted on this year's results. Grant income is down 72.45%, with grants received in the year totalling £120,541 (2015: £437,682), which includes £70,000 from the Garfield Weston Foundation, £26,894 from the EFA Capital Fund and £2,157 from the Heritage lottery fund.

During 2015-16, our total charitable expenditure decreased to £11.640m (2015: £11.781m), down 1.18% on the previous year. Analysis of our expenditure shows, adult social services at 67.74% (2015: 65.28%) and education fees at 30.51% (2015: 32.77%) of our total expenditure. Support costs in the year were £1.65m or 12.94% of total revenues (2015 - £1.67m, 12.79%). The current economic conditions remain challenging for ESPA, but despite reduced EFA (Education Funding Agency) funding and no inflationary increases in Local Authority income, we have continued to remain focused on driving efficiencies and optimising costs to maintain a healthy surplus for the year.

The balance sheet remains in good shape at the current financial year end. The organisation has invested funds of £1,050k (2015: £418k) in fixed assets during the year. The main investment of the year was in the EFA funded project of the refurbishment of South Hill, works commenced in January 2015 and the completion date was agreed in August 2015. This investment is aimed at improving the student provision within the Sunderland area.

At the end of the financial year the group has total net assets of £11.702m (2015: £10.592m) based on reporting a total net surplus of £1.108m.

The organisation continues to invest in short-term cash deposits, as these funds arise from fees received in advance. In 2016 the return on investments totalled £12.7k (2015: £11.3k), this being an increase of 11.71% (2015: 3.02% decrease). The increase in the cash flow during the financial year is due to advanced payment from the EFA Transitional Protection Fund, the final grant funding received from the EFA Capital Improvement Fund. The Bank of England base interest rate change from 0.5% to 0.25% (Aug 2016) will continue 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.

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 company has made distributable profits in the year and the Board have recommended that these funds are retained within the company to fund current cash flow requirements. The

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outstanding intercompany loan is repayable on demand and the ESPA Board of Directors is reassured of the ability to meet this obligation. They continue their support for the trading subsidiary by defining its strategic objectives and will ensure the financial support required for the continued research activities it performs.

Autism Works Limited, our trading subsidiary, which was incorporated for the trading activity of IT software testing, recorded the financial results in the year as shown in note 22. The success of the piloted commission work has enabled the enterprise team of Autism Works to continue to generate new contracts, Johnson and Johnson have contracted with us in the year and the success of this project has enabled new future contracts to be agreed. The organisation has also attracted interest within the supplier network of the multi-national organisation, as the outcome of the projects supports their corporate social responsibility (CSR), and many new projects are anticipated for 2016/17.

Reserves Policy

The reserves policy is designed to reflect the underlying risks facing the Charity and to ensure that ESPA has an appropriate level of reserves to safeguard its operation and the services to people with autism spectrum conditions.

ESPA holds restricted funds in accordance with the donors requirements. In addition, ESPA has established a designated reserve for the management of the fixed assets of the Charity, with the future requirements of the portfolio determined in accordance with the strategic planning process.

The Trustees have considered the minimum level of free reserves i.e. excluding restricted and designated reserves, required to support the Charity's operations. The free reserves required is between three and five months average budgeted expenditure, with three months being the optimum. Relevant factors include projected financial performance including cash flow requirements, risk management and assessment of the risks to the Charity's income streams.

Following this review, the Trustees have determined that the minimum required level of free reserves is £2.91m (2015: £2.94m), which is in line with the actual free reserves at 31 March 2016 of £4.16m (2015: £3.78m). This high level of reserves represents cash to fund planned future developments.

The requirement and underlying factors are considered annually and the minimum reserves requirement is, therefore, expected to change over time.

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 and scrutinised regularly by the Trustees.

Going Concern

The Trustees have reviewed our financial position and financial forecasts, taking into account the assumptions underlying those forecasts and the impact for the potential risks affecting them. As a result of this review, the Trustees therefore consider that there is a reasonable expectation that the Group will be able to continue in operation and meet its

Board of Trustees Report including Strategic Report For the year ended 31 March 2016

liabilities as they fall due. As a consequence, they continue to support the going concern basis in accounting in preparing the annual accounts.

Plans for the Future

ESPA's key priorities and strategic objectives for April 2016 to March 2018 have been formally approved by the Board of Trustees. Progress against objectives is monitored and reported through the Board of Trustees Meetings and Charity's management and meeting structures.

The Strategic and Development Plan April 2016 to March 2018 clearly defines ESPA's plans and processes, targets, expected outcomes and timescales, that will enable the Charity to build on its many achievements and retain its financial strength.

The key strategic objectives are summarised below:-

Governance and Central Management

- To ensure ESPA's continued financial strength with resources allocated according to priorities.
- To ensure ESPA fully complies with legislative requirements and best practice.

ESPA College

- 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, assessment and student outcomes and to ensure the College aspires to excellence in teaching and learning.

Residential Services

- To ensure the on-going financial strength and growth of residential services.
- 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.

Domiciliary Care Agency

- To ensure the Agency's financial strength to support its on-going development.
- To ensure the Agency continues to meet legislative requirements, local and national policy and best practice.

Day and Vocational Services

- To ensure the on-going financial stability of day and vocational services to ensure it continues to offer a menu of high quality specific activities.

Autism Works

- To achieve financial strength to support the continued growth and development of the enterprise.

ESPA Research

- To produce high quality research for the public good.
- To ensure the financial viability and growth of ESPA Research.

Board of Trustees Report including Strategic Report For the year ended 31 March 2016

Structure, Governance and Management

Governing Document

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

Organisational Structure

The Board of Trustees are responsible for the overall governance and strategy of the Charity. The Board is made up of 7 Trustees, comprising a mix of suitable qualified members. The Trustees are appointed and are then Directors of the Company for the purpose of the Companies Act 2006.

The Board meets at least three times a year and these meetings include reviewing the strategy and operational performance, set operating plans and the annual general meeting.

All Board members give their time freely and none of them receive remuneration from the Charity.

The Trustees have established a management structure to guarantee the effective governance and management of ESPA and ensure that the Charity meets its objectives. The Board delegates authority for the day-to-day management to the Chief Executive and the Finance Executive.

The Board set, monitor and review the salaries of the management, all salaries are bench marked against appropriate comparable organisations.

The Trustees, all of whom are also Directors of the Charity, are listed on page 17, along with the key management of the organisation.

Recruitment, Appointment and Induction of New Trustees

The aim of the Charity is to ensure that the Board of Trustees have a broad mix of skills and backgrounds. The process for recruiting new Trustees is based on an evaluation of the diverse skills and experience needed to govern the Charity. The skills mix of the Board is formally reviewed on an annual basis. On this review, the Board will then approach individuals thought to have the right skills for 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. New Trustees are invited to spend time with the key management as part of their induction.

Trustees are also invited to visit services to further develop their understanding of the work of the Charity. They also receive additional training and updates on a regular basis.

Trustees' Indemnity

As permitted by the Articles of Association, each of the Trustees has the benefit of an indemnity which is a qualifying third party indemnity as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year, and is currently in force.

Related parties

None of the Trustees receive remuneration or benefit from their work with the Charity. Any connection or conflicts with individuals, contractors or similar organisations are disclosed to the Board of Trustees. The only related party transaction at the year-end was with L. Moxon who works as a Consultant and trainer for ESPA, is the wife of P.M. Moxon.

The Charity has two wholly owned trading subsidiaries, ESPA Research Limited and Autism Works Limited whose aim and objectives are to change public attitudes and positively raise awareness of people on the autistic spectrum. ESPA

Board of Trustees Report including Strategic Report For the year ended 31 March 2016

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.

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

Staff Members

None of our work at ESPA would be possible without the dedication and hard work of our staff. ESPA is fortunate in employing so many staff members who share our values and provide an exceptional service to the people we support. We operate a robust recruitment process, with a commitment to retaining and rewarding staff, while also ensuring that all staff is offered an excellent training and personal development for their individual career.

Consultation with staff members exists at all levels, with the aim that all views are taken into account when decisions are made. During the year, regular communications are provided to staff through individual meetings, team meetings and our newsletters. ESPA understands and values the differences in people and has a commitment to creating an environment that treats each individual fairly.

A commitment to employment policies which follow best practice, based on 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.

Risk Management

The Charitable Group operates a formal Risk Management Procedure that provides oversight and accountability for the management of risk across all levels of the group.

Risk is managed by the Trustees, Executive Management Team and relevant members of the Senior Management Team. The control environment is designed around a risk management procedure and set of policies that facilitate acceptable risks within the business. The Risk Management Procedure and process is 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 upon the group.

All information is incorporated into the group wide Risk Register, which is reviewed and approved annually by the Board of Trustees.

The main risk categories as defined by the group are divided into four categories:

- Strategic
- Operational
- Financial
- People

Overall the areas of residual risk that would have the highest (most significant) impact on ESPA have been assessed as:

- Economic environment (Brexit)/Government budget cuts
- Changing legislation, Government policy and impact on commissioning strategies and funding
- Increased competition from other providers
- Retaining existing contracts and being awarded new contracts

EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

Board of Trustees Report including Strategic Report For the year ended 31 March 2016

- Severe injury or death of a service user or student (due to the increasingly complex and challenging needs of the people being supported).

The risk management process demonstrates that through management review and current controls, it significantly reduces the potential impact and likelihood of risk in all areas. The Risk Register clearly defines further action to be taken within the group, which has been reflected in the strategic objectives for 2016 - 2018.

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 annual report (including the Strategic 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 2015 (FRS 102);
- 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.

The report of the trustees including the strategic report was approved by the Board of Trustees on 23 December 2016 and signed on its behalf by:



Paul Shattock

Chairman

EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS

For The Year Ended 31 March 2016

Charity Registration Number: 1037868

Company Registration Number: 2909953

Trustees and Directors: P E G Shattock (Chairman)
P M Moxon
Prof M Hooper
R Jordan
S Robinson
G Young
T P Berney

Chief Executive: Ms L Lane

Key Management: L Lane - Chief Executive
K T Hardy - Finance Executive
P Cook - College Principal
P Shannon - Development Manager
M Elstob - General Manager

Company Secretary: K T Hardy

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

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

Bankers: Barclays Bank PLC
Barclays House
5 St Ann's Street
Quayside
Newcastle upon Tyne
NE1 3DX

**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 2016 on pages 19 to 34 which comprise the group Statement of Financial Activities, the group and Parent charitable company Balance Sheet, the group and parent charitable company Cash Flow Statement and related notes. These Financial Statements have been prepared under the accounting policies set out on pages 22 and 24. The financial reporting framework that this been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 Report of the Trustees, 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 estimated made by the trustees; and the overall presentation of the financial statements. In additions, 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 2016 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.

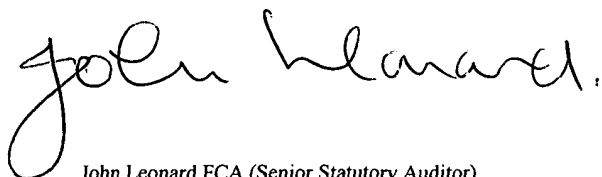
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees (including the Strategic 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
Statutory Auditors
32 Brenkley Way
Blezard Business Park
Seaton Burn
Newcastle upon Tyne
NE13 6DS

23 December 2016

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 2016

Income and Expenditure Account

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
Income and endowments from:					
Donations and legacies	2	101,010	-	101,010	101,866
Charitable activities	3	12,423,234	120,541	12,543,775	12,845,800
Other trading activities	4	91,536	-	91,536	115,661
Investments	5	12,670	-	12,670	11,342
Total income		12,628,450	120,541	12,748,991	13,074,669
Expenditure on:					
Charitable activities	6	11,609,831	29,889	11,639,720	11,781,346
Total expenditure		11,609,831	29,889	11,639,720	11,781,346
Net income / (expenditure)		1,018,619	90,652	1,109,271	1,293,323
Transfers between funds	19	314,580	(314,580)	-	-
Net movement in funds	19	1,333,199	(223,928)	1,109,271	1,293,323
Reconciliation of funds:					
Total funds brought forward	19	10,298,536	293,928	10,592,464	9,299,141
Total funds carried forward	19	11,631,735	70,000	11,701,735	10,592,464

All income and expenditure derive from continuing activities. The statement of financial activities includes all gains and losses recognised during the year.

EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

Balance Sheet at 31 March 2016

	Note	Group 2016 £	Group 2015 £	Charity 2016 £	Charity 2015 £
Fixed assets					
Tangible assets	13	8,300,834	7,514,483	8,289,998	7,507,899
Investments	14	-	-	20	20
Total fixed assets		8,300,834	7,514,483	8,290,018	7,507,919
Current assets					
Debtors	15	2,026,154	1,718,934	2,221,045	1,882,949
Cash at bank and in hand		3,564,412	4,397,196	3,524,602	4,384,255
Total current assets		5,590,566	6,116,130	5,745,647	6,267,204
Current liabilities					
Creditors: amounts falling due within one year	16	(1,512,715)	(2,193,820)	(1,495,703)	(2,187,627)
Net current assets		4,077,851	3,922,310	4,249,944	4,079,577
Total assets less current liabilities		12,378,685	11,436,793	12,539,962	11,587,496
Creditors: amounts falling due after more than one year	17	(676,950)	(844,329)	(676,950)	(844,329)
Net assets		11,701,735	10,592,464	11,863,012	10,743,167
Charity Funds					
Restricted funds	19	70,000	293,928	70,000	293,928
Unrestricted funds	19	11,631,735	10,298,536	11,793,012	10,449,239
Total charity funds	19	11,701,735	10,592,464	11,863,012	10,743,167

The financial statements were approved and authorised for issue by the Board on 23 December 2016.

Signed on behalf of the board of trustees:



Paul Shattock - (Chairman)

Company registration number: 2909953

The accompanying notes form part of these financial statements.

EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

Statement of Cash Flows and Consolidated Statement of Cash Flows For The Year Ended 31 March 2016

	Note	Group 2016 £	Group 2015 £	Charity 2016 £	Charity 2015 £
Cash flow from operating activities	21	394,522	1,958,538	361,600	1,941,798
Net cash flow from operating activities		394,522	1,958,538	361,600	1,941,798
Cash flow from investing activities					
Payments to acquire tangible fixed assets		(1,050,980)	(418,461)	(1,044,927)	(412,464)
Interest received		12,670	11,342	12,670	11,342
Net cash flow from investing activities		(1,038,310)	(407,119)	(1,032,257)	(401,122)
Cash flow from financing activities					
Repayment of long term loans		(163,161)	(159,037)	(163,161)	(159,037)
Interest paid		(25,835)	(29,916)	(25,835)	(29,916)
Net cash flow from financing activities		(188,996)	(188,953)	(188,996)	(188,953)
Net increase / (decrease) in cash and cash equivalents		(832,784)	1,362,466	(859,653)	1,351,723
Cash and cash equivalents at 01.04.2015		4,397,196	3,034,730	4,384,255	3,032,532
Cash and cash equivalents at 31.03.2016		3,564,412	4,397,196	3,524,602	4,384,255
Cash and cash equivalents consists of:					
Cash at bank and in hand		3,564,412	4,397,196	3,524,602	4,384,255
Cash and cash equivalents at 31.3.2016		3,564,412	4,397,196	3,524,602	4,384,255

**Notes to the financial statements
For The Year Ended 31 March 2016**

1 Accounting policies

1.1 Company information

The Charity is a company limited by guarantee. The members of the company are the Trustees named on page 17. 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.

1.2 Basis of preparation

The Group and Charity financial statements have been prepared in accordance with the Statement of Recommended Practice: "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting standard applicable in the UK and Republic of Ireland (FRS 102)" (SORP) issued on 16 July 2014 and the "Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102). They also comply with the reporting requirements of the Companies Act 2006 and the Charities Act 2011.

The Group and Charity constitutes a public benefit entity as defined by FRS 102

The Group and Charity financial statements have been prepared on a going concern basis, under the historical cost convention, modified to include certain items at fair value.

The principal accounting policies applied in the preparation of the Group and Charity financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The Group and Charity adopted SORP (FRS 102) in the current year and at the date of approval of the financial statements, the trustees do not consider that any current amendments under the transition to SORP (FRS 102) would have a material impact on the reported results.

1.3 Going Concern

In order to assess the appropriateness of the going concern assumption basis, the Trustees have considered the Group's financial position, reserves and forecasts for the foreseeable future. They have considered the assumptions underlying those forecasts and the impact for the potential risks affecting them. After a review, the Trustees therefore consider that there is a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due. There are no material uncertainties about the Group's ability to continue as a going concern.

1.4 Basis of consolidation

The financial statements of the Charity and its two subsidiary Companies are consolidated, on a line by line basis to produce the Group financial statements. The consolidated entity is referred to as 'the Group'.

The Charity has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual statement of financial Activities.

1.5 Incoming resources

All incoming resources are included in the Statement of Financial Activities (SOFA) when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

a. Donations

For donations to be recognised the Charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Charity and it is probable that they will be fulfilled.

b. Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity.

c. Government grants

Income from government grants is recognised when the Charity has entitlement to the funds and any performance conditions attached to the grants have been met.

d. Legacies

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

Notes to the financial statements
For The Year Ended 31 March 2016

1.6 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. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- a. Costs of raising funds includes the costs associated with any fund raising and publicity.
- b. Expenditure on charitable activities includes costs of grant awards and other direct costs incurred towards achieving the Charity's charitable objectives.
- c. Expenditure on governance relate to the corporate management of the organisation. They include the audit fee and insurance costs for the corporate management.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

1.7 Allocation of support cost

All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. Where support costs cannot be directly attributed to one or more categories they are apportioned on the basis of time spent. The analysis of these costs is included in note 7.

1.8 Operating leases

Operating lease rentals are charged to the SOFA on a straight line basis over the term of the lease.

1.9 Pension costs

The Charity operates a defined contribution scheme for the benefit of its employees. Pension contributions payable for the year are recognised as an expense and as a liability, after deducting amount already paid.

1.10 Taxation

The Charity is an exempt Charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Taxation that may arise within the Group through its subsidiary undertakings is accounted in accordance with with FRS 102 section 29 'Income tax'.

1.11 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:

<i>Asset Category</i>	<i>Rate</i>
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

1.12 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.

Investments in subsidiaries which consist of ordinary share capital are carried at cost less impairment.

1.13 Debtors

Debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid.

1.14 Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash held in current accounts and deposit accounts with UK Banks. All deposits are ready realisable.

Notes to the financial statements
For The Year Ended 31 March 2016

1.15 Creditors and provisions

Creditors are recognised where there is a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any discounts due.

1.16 Financial instruments

The Group has chosen to adopt section 11 and 12 of FRS 102, identifying and classifying financial instruments as 'basic' and 'other'. The Group has identified assets that qualify for 'basic' financial instruments only.

a. Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances, are initially recognised at transaction value unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost, using the effective interest method.

b. Financial liabilities

Basic financial liabilities, including trade creditors, bank loans, and other creditors, are initially recognised at transaction value unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest method.

1.17 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.

Transfers from general funds to restricted funds are made when the income for a specific activity does not cover the full costs. Transfers between designated funds and general funds are determined by the Trustees where deemed appropriate.

Notes to the financial statements
For The Year Ended 31 March 2016

2 Income from donations and legacies

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
Donations		1,010	-	1,010	1,866
Donations - Robert Luff Foundation	22	100,000		100,000	100,000
		101,010	-	101,010	101,866

3 Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
Adult services fees	8,956,830	-	8,956,830	8,674,405
College fees	3,463,556	-	3,463,556	3,721,063
Grants	-	120,541	120,541	437,682
Other	2,848	-	2,848	12,650
	12,423,234	120,541	12,543,775	12,845,800

During the year the Group and Charity received capital grants amounting to £70,000 (2015 - £393,642), which has no unfulfilled conditions or other conditions attached. Other forms of grant assistance from which the Group and Charity has benefitted amounts to £50,541 (2015: £44,040).

4 Income from other trading activities

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
Garden furniture income		1,880	-	1,880	725
Subsidiary undertakings income	22	89,656	-	89,656	114,936
		91,536	-	91,536	115,661

5 Income from investments

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
Interest received	12,670	-	12,670	11,342
	12,670	-	12,670	11,342

The group's investment income arises from money held within interest bearing deposit accounts and is attributable to unrestricted funds.

6 Analysis of expenditure on charitable activities

	Note	Activities undertaken directly £	Support costs £	2016 £	2015 £
Adult services fees		7,055,546	830,996	7,886,542	7,690,282
College fees		2,737,123	815,243	3,552,366	3,860,439
Subsidiary undertakings expenditure	22	197,446	3,366	200,812	230,625
		9,990,115	1,649,605	11,639,720	11,781,346

£29,889 (2015 - £44,040) of the above costs were attributable to restricted funds. £11,609,831 (2015 - £11,737,306) of the above costs were attributable to unrestricted funds.

Notes to the financial statements
For The Year Ended 31 March 2016

7 Allocation of support costs

Support costs are allocated to activities on a relevant basis to the nature of the underlying cost, including headcount, time spent or in proportion to resources used.

Support cost	Note	Adult services fees	College fees	Trading Activities	2016	2015
		£	£	£	£	£
Governance	8	7,063	7,063	3,366	17,492	16,538
Management		147,958	147,958	-	295,916	331,908
Finance		111,387	111,387	-	222,774	227,539
Human resources		31,835	31,835	-	63,670	61,506
Training		96,819	96,819	-	193,638	31,103
Maintenance		23,500	7,748	-	31,248	176,237
Multi disciplinary team		84,030	84,030	-	168,060	194,660
Facilities (incl. rental)		45,378	45,377	-	90,755	88,301
Admin and Office costs		283,026	283,026	-	566,052	544,626
Total support and governance costs		830,996	815,243	3,366	1,649,605	1,672,418
Support costs are made up of:						
Staff Costs		495,529	479,777	-	975,306	1,022,953
Other Costs		335,467	335,466	3,366	674,299	649,465
Total support and governance costs		830,996	815,243	3,366	1,649,605	1,672,418

8 Governance costs

	2016	2015
	£	£
Auditor's remuneration:		
- Audit of the charity's annual accounts	12,540	11,700
- Audit of the charity's subsidiary undertakings	3,366	3,300
Trustees' indemnity insurance	1,586	1,538
	17,492	16,538

9 Net income for the year

Net income is stated after charging:	2016	2015
	£	£
Depreciation of tangible fixed assets	261,006	256,289
Loss on sale of tangible fixed assets	3,624	1,381
Operating lease rentals - land and buildings	151,412	144,212
Operating lease rentals - equipment	124,445	155,447

10 Staff costs and remuneration of trustees and key management personnel

The total group staff costs and employees benefit's was as follows:	2016	2015
	£	£
Wages and salaries	8,109,192	8,071,252
Social security costs	501,454	534,194
Pension costs	196,574	218,772
	8,807,220	8,824,218

The average monthly number of employees during the year was as follows:

	2016	2015
	Number	Number
Charitable activities	458	446
Management and administration of the charity	37	42
Subsidiary undertakings	6	6
	501	494

Notes to the financial statements
For The Year Ended 31 March 2016

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	2016 Number	2015 Number
£60,001 - £70,000	1	2
£70,001 - £80,000	1	1
£80,001 - £90,000	-	-
£90,001 - £100,000	-	-
£100,001 - £110,000	1	1
	<u>3</u>	<u>4</u>

The key management personnel of the Group are the Trustees and Management listed on page 17. Total salary and employee benefits received by key management personnel during the year amounted to £330,062 (2015: 318,101) plus pension contributions of £16,850 (2015: 21,668)

The trustees neither received nor waived any emoluments during the year (2015: £Nil).

During the year 3 trustees (2015: 3) were reimbursed expenses totalling £883 (2015: £499), which represented accommodation, travel and subsistence expenses incurred for attendance at the Trustees' meetings. A total of £433 (2015: £215) was paid directly to third parties. As permitted in the Articles of Association, Trustee indemnity insurance was purchased at a total cost of £1,586 (2015: £1,538)

11 Interest payable and similar charges

	2016 £	2015 £
Bank loans and overdrafts	25,835	29,916
	<u>25,835</u>	<u>29,916</u>

Notes to the financial statements
For The Year Ended 31 March 2016

12 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 TCGA 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 undertakings and no provision is required for deferred tax.

13 Tangible fixed assets

Group	Freehold land and buildings £	Short leasehold buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
Cost or valuation:							
At 01.04.2015	8,846,063	64,289	225,427	569,693	24,691	476,664	10,206,827
Additions	953,420	-	34,345	47,826	-	15,389	1,050,980
Transfers	-	-	(1,288)	-	-	1,288	-
Disposals	(259)	-	(7,446)	(42,453)	-	(61,743)	(111,901)
Revaluation							-
At 31.03.2016	9,799,224	64,289	251,038	575,066	24,691	431,598	11,145,906
Depreciation:							
At 01.04.2015	1,538,128	64,287	140,194	472,168	24,689	452,878	2,692,344
Charge for the year	168,551	-	31,794	41,986	-	18,675	261,006
Impairment	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Eliminated on disposals	(34)	-	(4,517)	(42,033)	-	(61,694)	(108,278)
At 31.03.2016	1,706,645	64,287	167,471	472,121	24,689	409,859	2,845,072
Net book value:							
At 31.03.2016	8,092,579	2	83,567	102,945	2	21,739	8,300,834
At 01.04.2015	7,307,935	2	85,233	97,525	2	23,786	7,514,483
Charity	Freehold land and buildings £	Short leasehold buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
Cost or valuation:							
At 01.04.2015	8,846,063	64,289	217,642	569,693	24,691	476,034	10,198,412
Additions	953,420	-	28,292	47,826	-	15,389	1,044,927
Transfers	-	-	(1,288)	-	-	1,288	-
Disposals	(259)	-	(7,446)	(42,453)	-	(61,743)	(111,901)
At 31.03.2016	9,799,224	64,289	237,200	575,066	24,691	430,968	11,131,438
Depreciation:							
At 01.04.2015	1,538,128	64,287	138,848	472,168	24,689	452,393	2,690,513
Charge for the year	168,551	-	30,137	41,986	-	18,531	259,205
Eliminated on disposals	(34)	-	(4,517)	(42,033)	-	(61,694)	(108,278)
At 31.03.2016	1,706,645	64,287	164,468	472,121	24,689	409,230	2,841,440
Net book value:							
At 31.03.2016	8,092,579	2	72,732	102,945	2	21,738	8,289,998
At 01.04.2015	7,307,935	2	78,794	97,525	2	23,641	7,507,899

Tangible fixed assets with a net book value of £5,971,412 (2015 - £5,144,831) have been pledged as security for liabilities of the group and charity. These assets have restricted title.

Notes to the financial statements
For The Year Ended 31 March 2016

14 Fixed asset investments

	Group 2016 £	Group 2015 £	Charity 2016 £	Charity 2015 £
Market Value as at 1 April 2015	-	-	20	20
Additions	-	-	-	-
Disposal	-	-	-	-
Impairment	-	-	-	-
Market Value as at 31 March 2016	-	-	20	20

The Charity holds 100 per cent shareholdings in the two subsidiary undertakings within the Group, these are valued at cost of £20 (Espa Research Limited £10 and Autism Works Limited £10) (see note 22).

15 Debtors

	Group 2016 £	Group 2015 £	Charity 2016 £	Charity 2015 £
Trade debtors	911,891	1,129,775	862,803	1,118,740
Amounts owed by group undertakings	-	-	245,101	190,510
Other debtors	4,274	-	4,274	-
Prepayments and accrued income	1,109,989	589,159	1,108,867	573,699
	2,026,154	1,718,934	2,221,045	1,882,949

16 Creditors: amounts falling due within one year

	Group 2016 £	Group 2015 £	Charity 2016 £	Charity 2015 £
Bank loans and overdrafts	160,572	156,354	160,572	156,354
Trade creditors	231,365	175,831	231,317	175,578
Fees in advance	497,344	911,167	487,344	911,167
Payments received on account	293,446	500,159	293,446	500,159
Other tax and social security	145,420	146,945	143,787	145,180
Accruals and deferred income	184,568	303,364	179,237	299,189
	1,512,715	2,193,820	1,495,703	2,187,627

Notes to the financial statements
For The Year Ended 31 March 2016

17 Creditors: amounts falling due after more than one year

	Group 2016 £	Group 2015 £	Charity 2016 £	Charity 2015 £
Bank loans	676,950	844,329	676,950	844,329
	676,950	844,329	676,950	844,329

Bank loans include aggregate amounts of £96,796 (2015 - £217,044) which fall due after five years and which are repaid by instalments. The payment terms and interest rate of each creditor for which an amount falls due after one year are given below:

Bank loans are repayable as follows:	Group 2016 £	Group 2015 £	Charity 2016 £	Charity 2015 £
Within one year	160,572	156,354	160,572	156,354
Between one and two years	164,659	160,326	164,659	160,326
Between two and five years	415,495	466,959	415,495	466,959
After more than five years	96,796	217,044	96,796	217,044
	837,522	1,000,683	837,522	1,000,683

The bank loans are secured by legal charges and a debenture dated 21/04/1995 over various freehold land and buildings of the Group and Charity. The interest rates payable on the loans that are repayable after one year are detailed below:

	Group 2016 £	Group 2015 £	Charity 2016 £	Charity 2015 £
1.75% above LIBOR secured loan repayable by 21 July 2025	133,908	183,277	133,908	183,277
1.75% above LIBOR secured loan repayable by 19 December 2023	188,403	262,588	188,403	262,588
2.50% above LIBOR secured loan repayable on 22 June 2025	189,896	209,879	189,896	209,879
3.50% above LIBOR secured loan repayable on 29 January 2018	164,743	188,585	164,743	188,585
	676,950	844,329	676,950	844,329

18 Operating lease

At 31 March 2016 the Charity and the Group had total commitments under non-cancellable operating leases for Land and Buildings and Equipment as follows:

Operating lease payments falling due:	Group 2016 £	Group 2015 £	Charity 2016 £	Charity 2015 £
Within one year	283,993	265,670	273,540	265,670
Between one and five years	195,484	231,612	195,484	221,159
After more than five years	-	1,001	-	1,001
	479,477	498,283	469,024	487,830

Notes to the financial statements
For The Year Ended 31 March 2016

19 Fund reconciliation

Group	Balance At 01.04.2015 £	Income £	Expenditure £	Gains / (losses) £	Transfers £	Balance At 31.03.2016 £
Unrestricted funds:						
General reserve	3,784,736	12,628,450	(11,609,831)		(634,932)	4,168,423
Designated funds						
Fixed asset fund	6,513,800				949,512	7,463,312
Total unrestricted funds	10,298,536	12,628,450	(11,609,831)	-	314,580	11,631,735
Restricted funds:						
Heritage lottery fund	-	2,157	(2,157)		-	-
EFA - Building condition improvement fund	293,928	-	-		(293,928)	-
Tyne and Wear Care Alliance	-	15,990	(15,990)		-	-
Garfield Western Foundation	-	70,000	-		-	70,000
EFA - Independent Specialist Providers	-	6,242	(6,242)		-	-
EFA - Independent Specialist Providers	-	20,652	-		(20,652)	-
Autism Innovation Capital Grant	-	5,500	(5,500)		-	-
Total restricted funds	293,928	120,541	(29,889)	-	(314,580)	70,000
Total funds	10,592,464	12,748,991	(11,639,720)	-	-	11,701,735
Charity	At 01.04.2015 £	Income £	Expenditure £	Gains / (losses) £	Transfers £	At 31.03.2016 £
Unrestricted funds:						
General reserve	3,942,023	12,438,212	(11,409,019)		(630,680)	4,340,536
Designated funds						
Fixed asset fund	6,507,216				945,260	7,452,476
Total unrestricted funds	10,449,239	12,438,212	(11,409,019)	-	314,580	11,793,012
Restricted funds:						
Heritage lottery fund	-	2,157	(2,157)		-	-
EFA - Building condition improvement fund	293,928	-	-		(293,928)	-
Tyne and Wear Care Alliance	-	15,990	(15,990)		-	-
Garfield Western Foundation	-	70,000	-		-	70,000
EFA - Independent Specialist Providers	-	6,242	(6,242)		-	-
EFA - Independent Specialist Providers	-	20,652	-		(20,652)	-
Autism Innovation Capital Grant	-	5,500	(5,500)		-	-
Total restricted funds	293,928	120,541	(29,889)	-	(314,580)	70,000
Total funds	10,743,167	12,558,753	(11,438,908)	-	-	11,863,012

Fund descriptions

- a) Unrestricted funds The General reserve represents the free funds of the charity which are not designated for particular purposes.
- b) Designated funds 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.
- c) Restricted funds The restricted fund represents funds that have been received and are to be used for a specific purpose.

Notes to the financial statements
For The Year Ended 31 March 2016

20 Analysis of net assets between funds

Group fund balances at 31 March 2016 are represented by:

	Unrestricted funds	Designated funds	Restricted funds	Total	Total
	£	£	£	£	£
Tangible fixed assets	-	8,300,834	-	8,300,834	7,514,483
Investments	-	-	-	-	-
Current assets	5,520,566	-	70,000	5,590,566	6,116,130
Current liabilities	(1,352,143)	(160,572)	-	(1,512,715)	(2,193,820)
Long term liabilities	-	(676,950)	-	(676,950)	(844,329)
Total	4,168,423	7,463,312	70,000	11,701,735	10,592,464

Charity fund balances at 31 March 2016 are represented by:

	Unrestricted funds	Designated funds	Restricted funds	Total	Total
	£	£	£	£	£
Tangible fixed assets	-	8,289,998	-	8,289,998	7,507,899
Investments	20	-	-	20	20
Current assets	5,675,647	-	70,000	5,745,647	6,267,204
Current liabilities	(1,335,131)	(160,572)	-	(1,495,703)	(2,187,627)
Long term liabilities	-	(676,950)	-	(676,950)	(844,329)
Total	4,340,536	7,452,476	70,000	11,863,012	10,743,167

21 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	Group 2016	Group 2015	Charity 2016	Charity 2015
	£	£	£	£
Net income / (expenditure) for the year	1,109,271	1,293,323	1,119,845	1,312,312
Interest receivable	(12,670)	(11,342)	(12,670)	(11,342)
Interest payable	25,835	29,916	25,835	29,916
Depreciation of tangible fixed assets	261,006	256,289	259,206	254,824
(Profit) / loss on disposal of tangible fixed assets	3,624	1,381	3,624	1,381
(Increase) / decrease in debtors	(307,220)	(311,230)	(338,097)	(351,757)
Increase / (decrease) in creditors	(685,324)	700,201	(696,143)	706,464
Net cash flow from operating activities	394,522	1,958,538	361,600	1,941,798

Notes to the financial statements
For The Year Ended 31 March 2016

22 Subsidiary undertakings

The charity has two wholly owned non-charitable subsidiary undertakings ESPA Research Ltd (company number 6862992) and Autism Works Ltd (company number 7402411) which are registered in England and Wales. The registered address for both subsidiary undertakings is 2a Hylton Park, Hylton Park Road, Sunderland, Tyne and Wear. SR5 3HD

Autism Works Ltd is used for the trading activities of software testing and 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 the current financial year the subsidiaries have incurred a small profit and loss on its trading activities.

A summary of the results of the subsidiaries is shown below:

	Autism Works Limited		ESPA Research Limited	
	Total 2016 £	Total 2015 £	Total 2016 £	Total 2015 £
Turnover	61,246	77,993	128,992	136,943
Cost of sales	(82,023)	(80,347)	(3,945)	(4,609)
Gross profit	(20,777)	(2,354)	125,047	132,334
Administrative expenses	-	-	(114,844)	(148,969)
Profit/(Loss) on ordinary activities	(20,777)	(2,354)	10,203	(16,635)
Retained (Loss)/Profit in subsidiary	(20,777)	(2,354)	10,203	(16,635)
The aggregate of the assets, liabilities and funds was:				
Assets	41,565	6,535	59,291	39,485
Liabilities	(64,686)	(8,879)	(197,428)	(187,824)
Reserves	(23,121)	(2,344)	(138,137)	(148,339)

Included within the turnover figure of Espa Research Limited, donations received during the year were £100,582 (2015: £100,000), with the largest donor being the Robert Luff Foundation of £100,000 (2015: £100,000). These funds are unrestricted and have been shown within the Group total of donations and legacies (note 2), with the balance of £28,410 (2015: £36,943) shown under trading activities (note 4).

ESPA Limited (The Charity) is prepared to provide continuing support to the trading subsidiaries.

23 Pensions

The charity operates a defined contribution scheme for eligible employees and contributions are charged in the statement of financial activities as they accrue. The charge for the year was £196,574 (2015: £218,757). From February 2014, all employees have been automatically enrolled into the defined contribution scheme and the charity contributes between 1% and 10% of pensionable salaries.

The defined contribution liability is wholly allocated to unrestricted funds and is charged to the charitable activities in proportion to the staffing costs incurred.

24 Capital commitments

Capital expenditure for which the Group and charity had contracted for but not provided in the financial statements amounted to £101,242 (2015 - £808,730).

25 Events after the end of the period

On 11 October 2016 Education and Services for People with Autism Limited completed on the purchase of a residential building at 173 West Avenue, Westerhope, Newcastle upon Tyne, which will be converted into a education day centre for people with autism spectrum disorders. The building was purchased at market value for £305,000.

26 Related party transactions

The charity has taken advantage of the exemption conferred by paragraph 33.1A of FRS 102, 'related party transactions', that transactions with wholly owned subsidiaries do not need to be disclosed.

During the year education consultancy work to the value of £29,701 (2015: £45,700) 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 £2,350 (2015: £4,600)

Notes to the financial statements
For The Year Ended 31 March 2016

27 Financial instruments

The carrying amounts of the charity's financial instruments are as follows:

	Note	Group 2016 £	Group 2015 £	Charity 2016 £	Charity 2015 £
Financial assets					
Debt instruments measured at amortised cost:					
- Trade debtors	15	911,891	1,129,775	862,803	1,118,740
- Amounts owed by group undertakings	15	-	-	245,101	190,510
		911,891	1,129,775	1,107,904	1,309,250
Equity instruments measured at cost less impairment:					
- Fixed asset unlisted investments	14	-	-	20	20
Financial liabilities					
Measured at amortised cost					
- Bank loans and overdraft	16/17	837,522	1,000,683	837,522	1,000,683
- Trade creditors	16/17	231,365	175,831	231,317	175,578
		1,068,887	1,176,514	1,068,839	1,176,261