

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


**REPORT AND GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

REGISTERED CHARITY NO: 1037868

COMPANY NO: 2909953

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EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

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Board of Trustees Report including Strategic Report For the year ended 31 March 2017

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 2017.

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 and 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 with autism and associated communication, social or behavioural conditions;
- Providing accommodation, support and services to meet the needs of such people; and
- 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"

We currently support 240 people in a wide range of person centred services including:

- Independent Specialist Further Education College
- Residential services
- Independent Supported Living
- Domiciliary support
- Community enablement
- Day opportunities
- University support programme
- Vocational Traineeship

The majority of the people we support have additional or associated difficulties and disabilities including: learning disabilities, mental health conditions, ADHD, OCD, sensory and communication difficulties and display behaviours that challenge. We currently employ 540 highly skilled, trained and highly committed staff.

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.

Our primary objectives for the coming year are to:

- Continue to offer the highest quality autism specific, person centred and compassionate care and support
- Work in partnership with all stakeholders to ensure individuals achieve excellent personal outcomes
- Develop new services and support arrangements to meet the needs of other on the autism spectrum
- Achieve best practice through continuous quality improvement
- Ensure resources are allocated to meet strategic objectives
- To recruit and train a high quality and professional workforce

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Board of Trustees Report including Strategic Report For the year ended 31 March 2017

- Evidence public benefit and social value in all charitable activities
- Demonstrate best value.

Our long term ambition is to continue to be a leading regional autism specific charity and build on our excellent track record and reputation. We aim to continue to develop new and innovative services in direct response to the changing needs of the people we support and identified gaps in provision and services procured by Local Authorities. With strong financial management, we will continue to ensure that resources are invested in areas of the Charity that meet the longer term strategic objectives of the organisation. We have developed a clear accommodation strategy that we have begun to work towards, which is involving a review and re-provision of some of our current buildings to ensure they meet the changing needs of the Charity, expectations of funders and the needs of people being referred. This work is planned to continue over the coming years and will support ESPA's continued growth and diversification.

We measure the success of our work by:

- The positive outcomes people achieve
- The growing numbers of people we support
- Feedback from individuals, families and other health and social care professionals
- Self- assessments, internal and external inspections and audits.

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. As a registered Charity, public benefit and social value are embedded within our charitable objectives and mission. ESPA provides tangible benefits to the public through providing high quality care and education for people on the autism spectrum.

All of our support and education aims to enhance people's independence and improve health and well-being outcomes, towards reducing their reliance on health and social care services, reducing health inequalities and increasing their economic independence.

Through our day-to-day work of supporting people with autism to become valued and accepted members of their community: we support the sustainability of other organisations and charities; provide volunteers; educate the public about autism and associated disabilities and provide practical support to community groups and clubs.

As a large and growing regional employer we are constantly creating new job opportunities for local people and to help reduce unemployment. In line with our Equal Opportunities Policy we are keen to attract a diverse workforce especially those who may experience social or economic barriers to employment or may be at risk of discrimination including people with disabilities or due to a person's ethnicity, nationality or religion.

Our commitment to public benefit is exemplified through our two trading subsidiaries: Autism Works and ESPA Research. Autism Works is a software testing company that employs people on the autism spectrum as software testers. This recognises that many of the autistic characteristics can be a commercial asset in this field of work. The company have been highly commended for the quality of their work through some very high profile customers. Autism Works has ambitious business plans and hopes to continue to grow its workforce offering more real work opportunities to people on the spectrum. ESPA Research's aims are to improve the quality of life for people on the autism spectrum through high quality publishable research investigations.

Board of Trustees Report including Strategic Report For the year ended 31 March 2017

Objectives and Activities

The significant charitable activities undertaken by ESPA are:

Adult Social Care

a) Residential Homes

ESPA operates 13 residential homes across Newcastle, Sunderland and Durham. We currently support 76 people across the homes. Residential services currently represent 61% of the Charity's income.

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. All our homes offer 24 hour person centred care and support and staffing levels are based upon the actual assessed needs of the people they support. Each person receives structured and consistent support from highly skilled, experienced and knowledgeable staff. 264 staff are currently employed in the residential services.

Each individual has a Person Centred Plan which enables us to understand what is important to them and what they want from their lives. The setting of realistic personal goals ensures that individuals achieve positive outcomes in all aspects of their life. The primary measure of the success of our residential services is the positive life outcomes the individuals achieve and their families' ultimate satisfaction with the support we offer. Feedback is consistently captured through on-going dialogue, Service User Reviews and Satisfaction Surveys. Internal quality assurance processes include Senior Management Audits and Management Peer Reviews all support the continuous quality improvements of services, contract and Care Quality Commission (CQC) compliance and best practice. CQC inspections provide an independent assessment of quality, safety and compliance and all homes inspected have been awarded an overall rating of 'Good'.

For some people our residential services provide an excellent stepping stone towards a more independent future.

b) Domiciliary Agency

ESPA's Domiciliary Agency has three branches across the North East: Sunderland, Newcastle and Middlesbrough. This enables us to support people across the region. 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.

We are committed to providing each person with high quality care and support that is autism specific, person-centred, flexible and responsive. 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 to enable them to enjoy a lifestyle of their choice.

We offer support in a variety of ways depending on people's needs and preferences. Support can be provided for specific hours during the week up to 24-hours a day. We currently offer a wide range of services through the Agency including:

- Supported living services
- Community enablement
- A core and cluster service
- Day provision from a community hub
- Supporting people in the family home

Over the past 12 months there has been significant growth in domiciliary services, largely due to the award of a new large core and cluster service in Newcastle, Burnfoot Court. The Agency now represents 16% of overall income (7% in 2016/17) and it employs 95 staff.

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The Domiciliary Agency is supporting 30 people and excluding Burnfoot Court in Newcastle is delivering 1000 hours of support each week. We have 4 supported living services, 10 community enablement services and 10 people are supported from our community hub in Stockton, Ware Street. Burnfoot Court is funded through Individual Service Funds (ISF's) rather than hourly rate and represents an annualised income of £1.245m.

c) Day and Vocational Services

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 also incorporates a highly successful vocational project 'Deliver me Timbers'. 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.

Everyone in our residential services has the opportunity to take full advantage of all of these day opportunities. It also offers specialist full and part-time day placements for people living at home. These placements can be commissioned by Local Authorities or purchased directly through Personal Budgets, Direct Payments or Individual Service Funds. We currently support 26 people for day placements from across the region. Increasingly Local Authorities want more local provision and this may result in a reduction in funded placements, but could also create new business opportunities. This year The Croft Centre extended its opening times from 42 to 44 weeks a year and it currently employs 30 staff.

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 day sites in Sunderland, Newcastle upon Tyne and Middlesbrough with residential accommodation 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 needs. Person-centred goals and transition plans ensure that each person achieves their personal ambitions. We currently support 70 full-time students and 37 part-time across the sites. This also includes students we support in higher education through our University Support Programme. We offer a 38 week academic year, but can offer residential placements for up to 52 weeks and respite. The College now represents 23% of the Charity's overall income (26% in 2016). However this reflects a loss of Transitional Protection money that has supported the College through significant funding and commissioning changes. The College employs 124 staff.

We have earned an excellent reputation and have a good track record of offering students a high quality, autism specific and person centred learning experience, towards them achieving positive educational and personal outcomes in preparation for life after College. We are therefore confident we will see growth in student numbers and income in coming years. We are also significantly investing in College buildings to offer state of the art educational facilities that will provide us with the capacity for growth and to enable us to meet the needs of increasingly complex and challenging learners.

The College offers each student a bespoke, innovative and creative curriculum. All our learning sessions are designed to be engaging, enjoyable, individualised and challenging. Each person has a programme of study tailored to their specific needs and aspirations. We consistently aim to develop the whole person and blend our autism specific core curriculum (Social Communication, Emotional Literacy and Behaviour Self-Management) with

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academic and vocational 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. In this academic year all observed teaching and learning was graded 'good' or 'outstanding'.

Subsidiaries

a) Autism Works

Autism Works Limited is a wholly owned trading subsidiary of the Charity, offering independent software testing services. Established in 2010, 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 two 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.

b) ESPA Research

ESPA Research is also a wholly owned subsidiary of the Charity. Incorporated in 2009, its aims are to improve the quality of life for people on the autism spectrum through high quality publishable research investigations. It currently employs three people and the majority of their work is carried out from a laboratory in Sunderland's Business Innovation Centre.

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. We have seen an increase in demand for our specialist services and we have seen the people we support achieve some excellent personal outcomes and enjoy a life that is meaningful to them.

In a number of Local Authority areas we have evidenced and demonstrated our ability to deliver high quality autism specific and person centred support to individuals with highly complex and challenging needs. This has led to us being awarded some new and exciting contracts that are enabling us to make a real difference to the lives of some of the most vulnerable people. This has included us supporting people to move from hospitals into the community, some of whom had been inpatients for many years. We are confident of our continued growth across the region through partnership working with Local Authorities and health colleagues.

Directors and Central Management

During 2016 we underwent a Collective Consultation Process to review staff's terms and conditions of employment and benefits. All agreed changes have now been applied and new staff Contracts of Employment have been issued to reflect the changes. A major challenge this year and in coming years has been the introduction of the National Living Wage, which has put a significant pressure on budgets with *minimal financial support from funders*.

Over the year we have met all legislative and contractual requirements and best practice in adult social care and specialist education. This is evidenced through internal quality assurance systems and external inspections and audits. Safeguarding, Compassionate Care, Total Attachment Theory and Prevent have remained organisational priorities and our training and practices have been commended by local Safeguarding Teams and inspectors. Our positive culture and strong leadership have been highlighted in a case study in a research project commissioned by Health Education North East (HENE). Duty of Candour Policies and Procedures are now in place that reinforces our culture of open and honest communication and evidences our compliance with Social Care Regulations.

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As we are supporting people with increasingly complex needs, including behaviours that present significant challenges, we have embraced Positive Behaviour Support (PBS) as evidence based framework for achieving a balance between keeping people safe, promoting independence and enabling individuals to enjoy a good life. Through our proactive approaches, intensive staff training and partnerships with PBS Teams, we have successfully supported people through some very difficult times and have seen them achieve some excellent outcomes.

In April 2016 the Government introduced the new Apprenticeship Levy. As ESPA's income is greater than £3 million we have been required to pay this Levy to the HMRC to reinvest in apprenticeship training. We are currently exploring how this fund can be best spent to support identified training opportunities aligned to ESPA's strategic objectives.

Across the year we have conducted a full review of our ICT systems which has informed a detailed and extensive project plan to redesign and restructure our current systems over the next 9-12 months. This will require a significant investment, but will ensure a more efficient system that meets all current needs and includes a new database for Human Resources and Training.

Residential Services

Over the past year we have seen an increase in demand for our residential placements and in March 2017 we achieved our targeted occupancy of 94% (92% in March 2016). An increasing number of referrals are for people leaving hospitals or young people in transition. We have specifically gained a good reputation for supporting people with more complex and challenging needs to successfully live in the community and enjoy a good quality of life.

We have established some excellent relationships and partnerships with families, Commissioners, Care Managers, Community Learning Disability and Mental Health Teams, Positive Behaviour Support Teams, and a wide range of other health and social care professionals. We all work together and harness each other's expertise towards enabling the people we support to enjoy rewarding and fulfilling lives.

Ashleigh was until recently a College Halls of Residence. However with reducing residential student numbers we are re-modelling the service into a young person's residential service. This is enabling us to diversify the people we support and funding streams. We have created a suite of rooms to accommodate a young man who requires highly specialised and intensive support and we offer regular respite for a man who attends The Croft Centre.

We have converted the owner's accommodation in the grounds of Holly House into two discrete living spaces, Holly View. This was specifically developed for two people we currently support, who due to their changing needs required an alternative environment but needed the consistency of ESPA's support. Unfortunately for one of these individuals the additional funding was refused. However we are still trying to facilitate a positive move for her within one of our other services. We already have new referrals that are being considered for Holly View.

To enable us to evidence best value and clearly demonstrate the support package we are offering, a new funding matrix has been introduced which is now being used to provide Local Authorities fee breakdowns for new and current service users. We are continuing to challenge Local Authorities who are paying significantly less than the real cost of support, which will carry on into next year. No funders have offered an inflationary rise for 2016/17 so we are now approaching them directly for increases for 2016/17 and 2017/18.

One of the priority areas we have been proactively addressing is the health and well-being of an ageing population and addressing health inequalities. An Improving Health Group has been established, we have signed up to the Health Charter and we are making excellent progress against our defined objectives.

Domiciliary Agency

Over the past 12 months we have successfully maintained all our contracts and are now approved providers on Sunderland, Newcastle upon Tyne, North Tyneside, South Tyneside and the Teesside Frameworks, which enables us to

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respond to any advertised mini competitions. However due to the current volume of work and recruitment issues, we are being very realistic and selective over what we can confidently deliver.

Our new highly specialised core and cluster service in Newcastle upon Tyne supports six people with autism and complex behavioural and mental health needs. This model of service design and delivery has been recognised as best practice in supporting people to move on from hospital as part of the Transforming Care agenda. The use of Individual Service Funds enables us to proactively respond to peoples challenging and fluctuating needs. The individuals are supported by a highly skilled team of 54 staff and the team received intensive input from a wide range of health and social care professionals. Our success in supporting these individuals has been commended and significantly enhanced our profile and reputation across the North East.

Following a tender submission in November 2015 to Stockton Borough Council we are still waiting for a decision to be reached on the long term contract for Ware Street and the refurbishment of the building. Despite this uncertainty, numbers of people now being supported have increased to 10 (8: 2016/17) and four more individuals have been referred for assessment. Our autism specific and person centred support has been welcomed, especially by families, but concerns are frequently expressed about resources and the environment. Hopefully if ESPA is awarded the contract this can be addressed as part of the contract negotiations. A potential consequence of the growth in this service is the loss of 4 placements at The Croft Centre.

ESPA have successfully been awarded their first supported living service in North Tyneside for two young men with significant learning disabilities and behaviours that challenge. Both will be moving on from the same children's service. We are still negotiating the final details in relation to funding, but are working towards the service opening in November 2017. The Local Authority is also aiming to identify a third compatible person for them to share with.

We are making reasonable progress towards supporting three people currently in our residential services to move into a supported living service in Sunderland. We are working with a Housing Association, Places for People, who will be the landlord and ESPA will be providing 24 hour support by already experienced and competent management and Support Workers. We are currently searching on the open market for a suitable property and are working towards these people moving into their new home in July 2017.

ESPA College

Financially this has been another challenging year for the College and the introduction across the North East of the new NE12 commissioning framework has resulted in an unsettled specialist education market. Despite this ESPA College has proactively engaged with the process to try and actively recruit more 16+ learners on the autism spectrum. Our good reputation is continuing to grow, we are developing positive relationships with local Commissioners and enhancing vocational learning, which we are confident will result in an increase in student numbers.

In November 2016 we received our Ofsted inspection and were awarded an overall grading of 'Good' with Outstanding features. We were commended by the Inspectors for this achievement under the current challenging framework. This has reinforced our self-assessment of the College and we are now confident that we have the firm foundations and a clear pathway towards becoming 'Outstanding'. Leadership, Governance and Safeguarding, especially Prevent, were highly praised. We were also commended for our ability to successfully support students with complex needs, especially in managing behaviours that challenge.

Our most significant area of growth has been in Middlesbrough. Following a successful pilot with young people with autism who had disengaged from education, we now have a well-established educational base that is currently supporting 14 students. We are anticipating continued growth in the next academic year. We are currently renting space in a community building however as numbers continue to grow we are incurring significant accommodation costs. Therefore securing a permanent and more cost effective base in Teesside is a high priority.

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Some excellent partnerships have been developed across the region with a wide range of other organisations and providers that is enabling us to extend and diversify our curriculum offer and increase vocational opportunities for students. This is in addition to new vocational enterprises being set up within the College. Also to further enhance vocational outcomes we have now trained eight staff as Job Coaches.

As part of our Accommodation Strategy we have now secured our fundraising target to build a West wing at South Hill. This is the final phase for the main building which has already undergone extensive refurbishment and has seen the addition of a new East wing. Once completed, this prestigious building in Sunderland will have been transformed into state of the art teaching space with excellent facilities. The Cloisters which was used as temporary accommodation whilst this work was being carried out is now surplus to our requirements and is now being marketed.

North Rye in Newcastle has reached capacity in terms of student numbers and after an extensive search we have acquired a new building, Abigail House, to convert into a large modern teaching space. The property was purchased in October 2016. Plans are still to be agreed and we are working towards this new site opening in September 2018. The sale of North Rye will contribute towards the refurbishment of the building.

With the significant reduction in residential student numbers at Westfield we are working towards providing student accommodation within our existing residential services close to the day College sites in Sunderland. Westfield is then likely to be sold with money reinvested into new developments.

The Student Committee is now well established with a strong and committed membership. Their voice has resulted in a number of new initiatives and has directly shaped the quality of teaching and learning.

Day and Vocational Services

The Croft Centre and Deliver me Timbers continue to be enjoyed by all those who attend. Social events, The Tuesday Club and elaborate parties during the year further enhance the social opportunities the service offers. They also hosted another successful summer fayre celebrating individuals many talents.

To give the people on day placements more say in the running and planning of The Croft Centre, a Service User Committee has been established. This aims to ensure that development of the service is based upon people's actual wishes, needs and expectations.

There continues to be steady demand for placements and assessments are on-going. This reduces the potential impact on the service if Stockton Borough Council decided to commission placements at Ware Street rather than The Croft Centre.

Deliver me Timbers was previously located in an industrial unit in Seaham, County Durham. It was decided to build a large new workshop in the grounds of South Hill (ESPA College site) next door to The Croft Centre. In addition to achieving efficiencies in terms of rent and transport, it also increases capacity and creates opportunities with ESPA College.

Autism Works

This has been a very busy, productive and exciting year for Autism Works. We have gained an excellent reputation for providing a high quality service to some large clients who have awarded a number of longer term contracts across the year. These include Johnson and Johnson, Deloitte and Lycetts. These companies are highly committed to their Corporate Social Responsibility and social value. They all really believe in this enterprise and have invited us to represent ourselves at some major corporate events, which featured in their newsletters nationally and globally. Both Deloitte and Johnson and Johnson are helping us to further promote Autism Works internally, in their supply chain and within government client agencies.

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The enterprise has also successfully completed a number of smaller contracts and we are confident that our client base will continue to grow which will enable us to work towards employing more people on the autism spectrum. This year Autism Works has also provided the technical support to ESPA's other subsidiary; ESPA Research with a specific bit of tablet based data inputting to collate and analyse results from participants engaged in a study.

ESPA continues to provide 'support in kind' by providing key central management and back office support.

ESPA Research

Over the past year the team have explored new areas of research, expanded their analytical testing and developed new collaborations towards their aim to improve quality of life outcomes for people on the autism spectrum. The most significant research project this year has focused on an a2 milk trial for autism and ADHD. This work is being conducted in partnership with Northumbria University. This project is continuing into 2017/18 and we hope that it will lead to further areas of research.

ESPA Research received another generous donation of £100,000 in June 2016 which is invested into research activities. A number of projects have been conducted in the past 12 months which have resulted in published papers. The team have also actively promoted their work and findings through regional, national and international conferences and events.

They have continued their involvement as a registered stakeholder with the National Institute for Health and Care Excellence (NICE) for their various guidance on autism. ESPA continues to provide 'support in kind' by providing key central management and back office support.

Plans for future periods

We acknowledge that the next 2-3 years will continue to be a challenging time for ESPA and other adult social care and specialist education providers. Our Strategic Plan for April 2017 to March 2019 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.

ESPA's key priorities and strategic objectives for April 2017 to March 2019 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 key strategic objectives are summarised below:-

Governance and Central Management

- To ensure ESPA's continued financial strength with resources allocated according to priorities
- Increase income through growth, existing and new activities
- To ensure ongoing compliance with the National Living Wage
- To purchase a new Head Office
- To implement the ICT project plan
- To ensure ESPA fully complies with legislative and contractual requirements and best practice
- Improved marketing
- Recruit and retain a quality workforce
- To continue to evidence best practice and the achievement of positive outcomes

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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
- To achieve and sustain 94% occupancy
- To develop a new residential service in the region to meet the needs of people currently being referred
- To ensure resources are allocated to meet strategic priorities and objectives
- To work towards all homes achieving a rating of 'Outstanding' by the CQC
- To evidence excellent autism specific and quality of life outcomes

Domiciliary 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
- To remain on current provider frameworks when re-advertised and to become approved on Gateshead's new learning disability and autism framework
- To be awarded a 5-10 year contract for Ware Street, Stockton
- Number of placements at Ware Street to increase to 16 by March 2018
- To develop our first supported living service in Sunderland for 3 people transitioning from our residential services
- 2 young men successfully supported to move into their supported living service in North Tyneside
- Everyone supported achieves positive personal outcomes and enjoys a good quality of life

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 towards the College achieving 'Outstanding' at the next Ofsted inspection
- Student number increase to 80 full-time and 40 part-time

Day and Vocational Services

- To ensure the ongoing financial stability of day and vocational services
- To offer an extensive menu of high quality autism specific activities within the building and community
- To increase funded day placements to 28 by March 2018
- To fill voids if placements are re-commissioned locally by Stockton Borough Council
- To establish a forum where residential service users can shape the future development of the service
- Deliver me Timbers becomes a joint vocational enterprise with ESPA College
- Develop new sustainability and/or environmental projects providing real work opportunities and public benefit

Autism Works

- To achieve financial strength to support the continued growth and development of the enterprise
- To review and update the Business and Recruitment Plan
- To build on current contracts and attract new clients
- To explore the feasibility of social investment
- Increase brand awareness and improved marketing

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ESPA Research

- To produce high quality research for the public good.
- To ensure the financial viability and growth of ESPA Research
- To complete the a2 Milk trial
- ESPA Research/ Northumbria University
- Continued development of biomarkers for autism and ADHD
- Research papers published
- To present at conferences and events

Financial Review

The consolidated statement of financial activities reports an operating surplus of £1.067m for the year ended March 2017 in comparison with £1.109m 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 and the legislative impact of the National Living Wage (NLW), but with a conservative approach to the commitment of expenditure it will enable the organisation to maintain its future strategic objectives.

In 2016-17, we generated total income for the year of £13.751m (2016: £12.749m) an increase of 7.86% on the previous year. The increase in the year was largely due to a successful working partnership with Newcastle City Council for a new Individual Service Fund (ISF) project supporting six individuals with autism, but overall, we have seen growth in the income of charitable activities. During the year we have seen an increase 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. Student numbers have increased marginally in the year, but with the challenge of increased competition and pressure on student fees, the college has achieved growth in this competitive sector. The forecasted student numbers for 2017-18 is encouraging, with the future development of a new site within the Newcastle upon Tyne area attracting interest from both local authorities and students.

Fee income from statutory bodies represents 97.6% (2016: 97.4%) 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 14.95% to £10.30m (2016: £8.96m), which is reflective of the new ISF project and the demand for new placements. Education fees decreased by 9.62% to £3.13m (2016: £3.46m), a reduction in funding from the EFA and a further reduction in student fees have impacted on this year's results. Grant income is down 36.90%, with grants received in the year totalling £76,061 (2016: £120,541), which includes £20,000 from the Bailey Thomas Foundation, £26,171 from the EFA Capital Fund and £10,000 from the Sir James Knott Trust.

During 2016-17, our total charitable expenditure increased to £12.684m (2016: £11.640m), up 8.97% on the previous year. Analysis of our expenditure shows, adult social services at 68.81% (2016: 67.74%) and education fees at 29.43% (2016: 30.51%) of our total expenditure. Support costs in the year were £1.56m or 11.36% of total revenues (2016 - £1.65m, 12.94%). 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 £554k (2016: £1,050k) in fixed assets during the year. The main investment of the year was the purchase of a residential care home in Westerhope, Newcastle upon Tyne for the development into an additional college site. The increase in demand for student placements within the Newcastle upon Tyne area has created new opportunities within the education sector. This investment is aimed at improving the student provision within the Newcastle upon Tyne area.

Board of Trustees Report including Strategic Report For the year ended 31 March 2017

At the end of the financial year the group has total net assets of £12.769m (2016: £11.702m) based on reporting a total net surplus of £1.067m.

The organisation continues to invest in short-term cash deposits, as these funds arise from fees received in advance. In 2017 the return on investments totalled £7.2k (2016: £12.7k), this being a decrease of 42.89% (2016: 11.71% increase). The increase in the cash flow during the financial year is due to an advance payment from Newcastle City Council and the continued monitoring of the cash flow. The Bank of England base interest rate of 0.5% 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 seen an increase in the ability to generate funds through grants and donors for the pure research activities, along with being commissioned for a fully funded A2 Milk project. 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 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, Lycetts and Deloitte have contracted with us in the year and we are still attracting interest for new future contracts from various suppliers. 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 responsibly (CSR), and many new projects are anticipated for 2017/18.

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 £3.17m (2016: £2.91m), which is in line with the actual free reserves at 31 March 2017 of £4.73m (2016: £4.16m). 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.

EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

Board of Trustees Report including Strategic Report For the year ended 31 March 2017

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

Structure, Governance and Management

Structure

Education and Services for People with Autism Limited, known as ESPA, is a registered Charity (No.1037868) and a company limited by guarantee (No.2909953) and is governed by its Memorandum and Articles of Association incorporated on the 18th March 1994 and as amended on 19th December 2012.

The Charity has two wholly owned subsidiary undertakings, ESPA Research Limited and Autism Works Limited, both trading companies. The principal activities of the trading companies are Research and ICT software testing.

Organisational Structure

The Board of Trustees is currently made up of 7 Trustees, comprising a mix of suitable qualified members. The Trustees are appointed and then become Directors of the Company for the purpose of the Companies Act 2006. The Trustees, all of whom are also Directors of the Charity, are listed on page 17, along with the key management of the organisation. In the past 12 months there have been no changes to the Board of Directors. Their skills, qualifications and experience continue to provide strong governance towards the charity:

- Setting and maintaining the visions, mission and values
- Developing and reviewing strategic priorities and objectives
- Setting operational plans and reviewing performance
- Ensuring compliance with the governing document and the law
- Ensuring accountability including the Charity Commission and Companies House
- Effectively managing resources and funds so it can meet its charitable objectives.

The Board meets at least three times a year and holds an 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 strategic management of ESPA and to ensure that the Charity meets its

Board of Trustees Report including Strategic Report For the year ended 31 March 2017

objectives. The Board delegates authority for the day-to-day management to the Chief Executive and the Finance Executive.

ESPA's two trading subsidiaries all have a Board of Directors, one of which is also a Trustee of the Charity. Meetings are also attended by ESPA's Chief Executive and Finance Executive. The Trustees of ESPA receive formal reports of the Companies activities through regular Board Meetings and papers and Executive Committee Minutes.

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

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 identify any gaps in skills, knowledge and experience and try to identify individuals who can extend and compliment current membership. It is normal practice that before election, Trustees will receive an Induction Pack that contains everything they need to know about the Charity, their general responsibilities and key Policies and Procedures.

New Trustees are invited to spend time with the Executive Management Team as part of their induction. Prospective 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 relevant to their roles and responsibilities.

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 Trainer for ESPA and is the wife of P.M. Moxon.

Staff Members

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

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 bulletins. ESPA understands and values the differences in people and has a commitment to creating an environment that treats each individual fairly.

The Charity commit's 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.

**Board of Trustees Report including Strategic Report
For the year ended 31 March 2017**

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. Our Risk Management Procedure and process are in place to identify the strategic and operational risks to the Charity, current controls, monitoring processes and further action to be taken that will minimise the 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/Government budget cuts
- Changing legislation, Government policy and impact on commissioning strategies and funding (including Brexit)
- Increased competition from other providers
- Retaining existing contracts or not being awarded new contracts
- Severe injury or death of a service user or student (due to the increasingly complex and challenging needs of the people being supported)
- Failure to retain or attract staff

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 2017/18.

The Risk Register is formally reviewed 6 monthly by the Board of Directors. It was last reviewed in December 2016.

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

EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

Board of Trustees Report including Strategic Report For the year ended 31 March 2017

- 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, Baldwins Audit Services Limited, 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 22 December 2017 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 2017

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 (Leaver 31.07.2017)
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: Baldwins Audit Services Limited
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 2017 on pages 19 to 34 which comprise the group Statement of Financial Activities, the group and Parent charitable company Balance Sheet, the group Cash Flow Statement and related notes. These Financial Statements have been prepared under the accounting policies set out on pages 22 to 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 2017 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 matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of the audit:

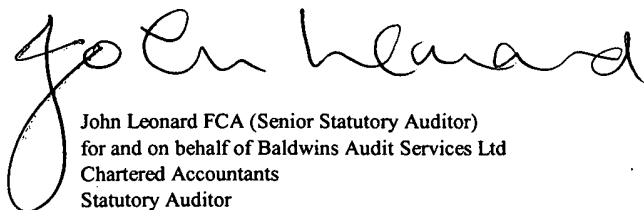
- the information given in the Trustees' Annual Report (including the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustees' Annual Report.

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 Baldwins Audit Services Ltd
Chartered Accountants
Statutory Auditor
32 Brenkley Way
Blezard Business Park
Seaton Burn
Newcastle upon Tyne
NE13 6DS

22 December 2017

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 2017

Income and Expenditure Account

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £
Income and endowments from:					
Donations and legacies	2	115,283	-	115,283	101,010
Charitable activities	3	13,426,971	76,061	13,503,032	12,543,775
Other trading activities	4	125,167	-	125,167	91,536
Investments	5	7,236	-	7,236	12,670
Total income		13,674,657	76,061	13,750,718	12,748,991
Expenditure on:					
Charitable activities	6	12,658,282	25,409	12,683,691	11,639,720
Total expenditure		12,658,282	25,409	12,683,691	11,639,720
Net income / (expenditure)		1,016,375	50,652	1,067,027	1,109,271
Transfers between funds	19	-	-	-	-
Net movement in funds	19	1,016,375	50,652	1,067,027	1,109,271
Reconciliation of funds:					
Total funds brought forward	19	11,631,735	70,000	11,701,735	10,592,464
Total funds carried forward	19	12,648,110	120,652	12,768,762	11,701,735

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 2017

	Note	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Fixed assets					
Tangible assets	13	8,584,547	8,300,834	8,575,957	8,289,998
Investments	14	-	-	20	20
Total fixed assets		8,584,547	8,300,834	8,575,977	8,290,018
Current assets					
Debtors	15	1,557,142	2,026,154	1,738,712	2,221,045
Cash at bank and in hand		4,664,298	3,564,412	4,625,416	3,524,602
Total current assets		6,221,440	5,590,566	6,364,128	5,745,647
Current liabilities					
Creditors: amounts falling due within one year	16	(1,534,843)	(1,512,715)	(1,517,297)	(1,495,703)
Net current assets		4,686,597	4,077,851	4,846,831	4,249,944
Total assets less current liabilities		13,271,144	12,378,685	13,422,808	12,539,962
Creditors: amounts falling due after more than one year	17	(502,382)	(676,950)	(502,382)	(676,950)
Net assets		12,768,762	11,701,735	12,920,426	11,863,012
Charity Funds					
Restricted funds	19	120,652	70,000	120,652	70,000
Unrestricted funds	19	12,648,110	11,631,735	12,799,774	11,793,012
Total charity funds	19	12,768,762	11,701,735	12,920,426	11,863,012

The financial statements were approved and authorised for issue by the Board on 22 December 2017.

Signed on behalf of the board of trustees:



Paul Shattock - (Chairman)

Company registered 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 2017

	Note	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Cash flow from operating activities	21	1,835,760	394,522	1,836,105	361,600
Net cash flow from operating activities		1,835,760	394,522	1,836,105	361,600
Cash flow from investing activities					
Payments to acquire tangible fixed assets		(554,280)	(1,050,980)	(553,697)	(1,044,927)
Interest received		7,236	12,670	7,236	12,670
Net cash flow from investing activities		(547,044)	(1,038,310)	(546,461)	(1,032,257)
Cash flow from financing activities					
Repayment of long term loans		(168,529)	(163,161)	(168,529)	(163,161)
Interest paid		(20,301)	(25,835)	(20,301)	(25,835)
Net cash flow from financing activities		(188,830)	(188,996)	(188,830)	(188,996)
Net increase / (decrease) in cash and cash equivalents		1,099,886	(832,784)	1,100,814	(859,653)
Cash and cash equivalents at 01.04.2016		3,564,412	4,397,196	3,524,602	4,384,255
Cash and cash equivalents at 31.03.2017		4,664,298	3,564,412	4,625,416	3,524,602
Cash and cash equivalents consists of:					
Cash at bank and in hand		4,664,298	3,564,412	4,625,416	3,524,602
Cash and cash equivalents at 31.3.2017		4,664,298	3,564,412	4,625,416	3,524,602

Notes to the financial statements
For The Year Ended 31 March 2017

1 Accounting policies

1.1 Company information

The Charity is a company limited by guarantee and is incorporated in England and Wales. The address of its registered office is 2a Hylton Park, Hylton Park Road, Sunderland, Tyne and Wear. SR5 3HD.

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.

Monetary amounts in these financial statements are stated in pounds sterling and are rounded to the nearest whole £1.

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 2006 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 2017**

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 Foreign currency

Transactions in foreign currencies are translated to sterling at the exchange rate ruling at the date of transaction. Exchange differences arising are taken to the SOFA.

1.11 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 FRS 102 section 29 'Income tax'.

1.12 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

1.13 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.

1.14 Debtors

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

Notes to the financial statements
For The Year Ended 31 March 2017

1.15 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.

1.16 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.

1.17 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.

1.18 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 2017

2 Income from donations and legacies

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds 2016 £
Donations		15,283	-	15,283	1,010
Donations - Robert Luff Foundation	22	100,000		100,000	100,000
		115,283	-	115,283	101,010

3 Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds 2016 £
Adult services fees	10,296,256	-	10,296,256	8,956,830
College fees	3,130,214	-	3,130,214	3,463,556
Grants	-	76,061	76,061	120,541
Other	501	-	501	2,848
	13,426,971	76,061	13,503,032	12,543,775

During the year the Group and Charity received capital grants amounting to £20,000 (2016 - £70,000), which has no unfulfilled conditions or other conditions attached. Other forms of grant assistance from which the Group and Charity has benefitted amounts to £56,061 (2016: £50,541).

4 Income from other trading activities

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £
Garden furniture income		3,379	-	3,379	1,880
Subsidiary undertakings income	22	121,788	-	121,788	89,656
		125,167	-	125,167	91,536

5 Income from investments

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £
Interest received	7,236	-	7,236	12,670
	7,236	-	7,236	12,670

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 £	2017 £	2016 £
Adult services fees		7,941,020	786,464	8,727,484	7,886,542
College fees		2,961,737	771,296	3,733,033	3,552,366
Subsidiary undertakings expenditure	22	218,781	4,393	223,174	200,812
		11,121,538	1,562,153	12,683,691	11,639,720

£25,409 (2016 - £29,889) of the above costs were attributable to restricted funds. £12,658,282 (2016 - £11,609,831) of the above costs were attributable to unrestricted funds.

Notes to the financial statements
For The Year Ended 31 March 2017

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	2017	2016
		£	£	£	£	£
Governance	8	10,712	10,713	4,393	25,818	17,492
Management		149,029	149,028	-	298,057	295,916
Finance		113,496	113,496	-	226,992	222,774
Human resources		32,658	32,658	-	65,316	63,670
Maintenance		76,694	76,694	-	153,388	193,638
Training		22,637	7,467	-	30,104	31,248
Multi disciplinary team		88,456	88,457	-	176,913	168,060
Facilities (incl. rental)		45,646	45,647	-	91,293	90,755
Admin and Office costs		247,136	247,136	-	494,272	566,052
Total support and governance costs		786,464	771,296	4,393	1,562,153	1,649,605
Support costs are made up of:						
Staff Costs		482,970	467,800	-	950,770	975,306
Other Costs		303,494	303,496	4,393	611,383	674,299
Total support and governance costs		786,464	771,296	4,393	1,562,153	1,649,605

8 Governance costs

	2017	2016
	£	£
Auditor's remuneration:		
- Audit of the charity's annual accounts	19,788	12,540
- Audit of the charity's subsidiary undertakings	4,393	3,366
Trustees' indemnity insurance	1,637	1,586
	25,818	17,492

9 Net income for the year

Net income is stated after charging:	2017	2016
	£	£
Depreciation of tangible fixed assets	270,461	261,006
Loss on sale of tangible fixed assets	106	3,624
Operating lease rentals - land and buildings	180,417	151,412
Operating lease rentals - equipment	121,876	124,445

10 Staff costs and remuneration of trustees and key management personnel

The total group staff costs and employees benefit's was as follows:	2017	2016
	£	£
Wages and salaries	9,079,308	8,109,192
Social security costs	582,111	501,454
Pension costs	198,611	196,574
	9,860,030	8,807,220

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

	2017	2016
	Number	Number
Charitable activities	500	458
Management and administration of the charity	35	37
Subsidiary undertakings	6	6
	541	501

Notes to the financial statements

For The Year Ended 31 March 2017

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

	2017 Number	2016 Number
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
£80,001 - £90,000	-	-
£90,001 - £100,000	-	-
£100,001 - £110,000	1	1
	<u>3</u>	<u>3</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 £341,219 (2016: 330,062) plus pension contributions of £18,235 (2016: 16,850).

The trustees neither received nor waived any emoluments during the year (2016: £Nil).

During the year 3 trustees (2016: 3) were reimbursed expenses totalling £621 (2016: £883), which represented accommodation, travel and subsistence expenses incurred for attendance at the Trustees' meetings. A total of £281 (2016: £433) was paid directly to third parties. As permitted in the Articles of Association, Trustee indemnity insurance was purchased at a total cost of £1,637 (2016: £1,586).

11 Interest payable and similar charges

	2017 £	2016 £
Bank loans and overdrafts	20,301	25,835
	<u>20,301</u>	<u>25,835</u>

Notes to the financial statements
For The Year Ended 31 March 2017

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 01.04.2016	9,799,224	64,289	251,038	575,066	24,691	431,598	11,145,906
Additions	451,221	-	30,438	48,988	-	23,633	554,280
Transfers	-	-	-	-	-	-	-
Disposals	-	-	(4,285)	(22,340)	-	(59,467)	(86,092)
Revaluation	-	-	-	-	-	-	-
At 31.03.2017	10,250,445	64,289	277,191	601,714	24,691	395,764	11,614,094
Depreciation:							
At 01.04.2016	1,706,645	64,287	167,471	472,121	24,689	409,859	2,845,072
Charge for the year	181,379	-	31,925	43,508	-	13,649	270,461
Eliminated on disposals	-	-	(4,282)	(22,295)	-	(59,409)	(85,986)
At 31.03.2017	1,888,024	64,287	195,114	493,334	24,689	364,099	3,029,547
Net book value:							
At 31.03.2017	8,362,421	2	82,077	108,380	2	31,665	8,584,547
At 01.04.2016	8,092,579	2	83,567	102,945	2	21,739	8,300,834
Charity	Freehold land and buildings £	Short leasehold buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
Cost or valuation:							
At 01.04.2016	9,799,224	64,289	237,200	575,066	24,691	430,968	11,131,438
Additions	451,221	-	29,855	48,988	-	23,633	553,697
Transfers	-	-	-	-	-	-	-
Disposals	-	-	(4,285)	(22,340)	-	(59,467)	(86,092)
At 31.03.2017	10,250,445	64,289	262,770	601,714	24,691	395,134	11,599,043
Depreciation:							
At 01.04.2016	1,706,645	64,287	164,468	472,121	24,689	409,230	2,841,440
Charge for the year	181,379	-	29,096	43,508	-	13,649	267,632
Eliminated on disposals	-	-	(4,282)	(22,295)	-	(59,409)	(85,986)
At 31.03.2017	1,888,024	64,287	189,282	493,334	24,689	363,470	3,023,086
Net book value:							
At 31.03.2017	8,362,421	2	73,488	108,380	2	31,664	8,575,957
At 01.04.2016	8,092,579	2	72,732	102,945	2	21,738	8,289,998

Tangible fixed assets with a net book value of £6,283,514 (2016 - £5,971,412) 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 2017

14 Fixed asset investments

	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Market Value as at 1 April 2016	-	-	20	20
Additions	-	-	-	-
Disposal	-	-	-	-
Impairment	-	-	-	-
Market Value as at 31 March 2017	-	-	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 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Trade debtors	1,052,769	911,891	1,018,135	862,803
Amounts owed by group undertakings	-	-	217,602	245,101
Other debtors	3	4,274	3	4,274
Prepayments and accrued income	504,370	1,109,989	502,972	1,108,867
	1,557,142	2,026,154	1,738,712	2,221,045

16 Creditors: amounts falling due within one year

	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Bank loans and overdrafts	166,611	160,572	166,611	160,572
Trade creditors	155,564	231,365	154,945	231,317
Fees in advance	171,111	497,344	163,311	487,344
Payments received on account	638,115	293,446	635,863	293,446
Other tax and social security	202,102	145,420	200,482	143,787
Accruals and deferred income	201,340	184,568	196,085	179,237
	1,534,843	1,512,715	1,517,297	1,495,703

Notes to the financial statements
For The Year Ended 31 March 2017

17 Creditors: amounts falling due after more than one year

	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Bank loans	502,382	676,950	502,382	676,950
	502,382	676,950	502,382	676,950

Bank loans include aggregate amounts of £73,319 (2016 - £96,796) 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:

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.

	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
1.75% above LIBOR secured loan repayable by 21 July 2025	82,853	133,908	82,853	133,908
1.75% above LIBOR secured loan repayable by 19 December 2023	111,736	188,403	111,736	188,403
2.50% above LIBOR secured loan repayable on 22 June 2025	168,523	189,896	168,523	189,896
3.50% above LIBOR secured loan repayable on 29 January 2018	139,270	164,743	139,270	164,743
	502,382	676,950	502,382	676,950

18 Operating lease

At 31 March 2017 the Charity and the Group had total commitments under non-cancellable operating leases for Land and Buildings and Equipment as follows:

	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Operating lease payments falling due:				
Within one year	307,473	283,993	297,021	273,540
Between one and five years	135,680	195,484	135,680	195,484
After more than five years	-	-	-	-
	443,153	479,477	432,701	469,024

Notes to the financial statements
For The Year Ended 31 March 2017

19 Fund reconciliation

Group	Balance At 01.04.2016 £	Income £	Expenditure £	Gains / (losses) £	Transfers £	Balance At 31.03.2017 £
Unrestricted funds:						
General reserve	4,168,423	13,674,657	(12,658,282)	-	(452,242)	4,732,556
Designated funds						
Fixed asset fund	7,463,312	-	-	-	452,242	7,915,554
Total unrestricted funds	11,631,735	13,674,657	(12,658,282)	-	-	12,648,110
Restricted funds:						
Tyne and Wear Care Alliance	-	19,890	(19,890)	-	-	-
Garfield Western Foundation	70,000	-	-	-	-	70,000
EFA - Independent Specialist Providers	-	5,519	(5,519)	-	-	-
EFA - Independent Specialist Providers	-	20,652	-	-	-	20,652
Bailey Thomas	-	20,000	-	-	-	20,000
Sir James Knott Trust	-	10,000	-	-	-	10,000
Total restricted funds	70,000	76,061	(25,409)	-	-	120,652
Total funds	11,701,735	13,750,718	(12,683,691)	-	-	12,768,762
Charity	At 01.04.2016 £	Income £	Expenditure £	Gains / (losses) £	Transfers £	At 31.03.2017 £
Unrestricted funds:						
General reserve	4,340,536	13,441,869	(12,435,107)	-	(454,488)	4,892,810
Designated funds						
Fixed asset fund	7,452,476	-	-	-	454,488	7,906,964
Total unrestricted funds	11,793,012	13,441,869	(12,435,107)	-	-	12,799,774
Restricted funds:						
Tyne and Wear Care Alliance	-	19,890	(19,890)	-	-	-
Garfield Western Foundation	70,000	-	-	-	-	70,000
EFA - Independent Specialist Providers	-	5,519	(5,519)	-	-	-
EFA - Independent Specialist Providers	-	20,652	-	-	-	20,652
Bailey Thomas	-	20,000	-	-	-	20,000
Sir James Knott Trust	-	10,000	-	-	-	10,000
Total restricted funds	70,000	76,061	(25,409)	-	-	120,652
Total funds	11,863,012	13,517,930	(12,460,516)	-	-	12,920,426

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 2017

20 Analysis of net assets between funds

Group fund balances at 31 March 2017 are represented by:

	Unrestricted funds	Designated funds	Restricted funds	2017	2016
	£	£	£	£	£
Tangible fixed assets	-	8,584,547	-	8,584,547	8,300,834
Investments	-	-	-	-	-
Current assets	6,100,788	-	120,652	6,221,440	5,590,566
Current liabilities	(1,368,232)	(166,611)	-	(1,534,843)	(1,512,715)
Long term liabilities	-	(502,382)	-	(502,382)	(676,950)
Total	4,732,556	7,915,554	120,652	12,768,762	11,701,735

Charity fund balances at 31 March 2017 are represented by:

	Unrestricted funds	Designated funds	Restricted funds	2017	2016
	£	£	£	£	£
Tangible fixed assets	-	8,575,957	-	8,575,957	8,289,998
Investments	20	-	-	20	20
Current assets	6,243,476	-	120,652	6,364,128	5,745,647
Current liabilities	(1,350,686)	(166,611)	-	(1,517,297)	(1,495,703)
Long term liabilities	-	(502,382)	-	(502,382)	(676,950)
Total	4,892,810	7,906,964	120,652	12,920,426	11,863,012

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

	Group 2017	Group 2016	Charity 2017	Charity 2016
	£	£	£	£
Net income / (expenditure) for the year	1,067,027	1,109,271	1,057,415	1,119,845
Interest receivable	(7,236)	(12,670)	(7,236)	(12,670)
Interest payable	20,301	25,835	20,301	25,835
Depreciation of tangible fixed assets	270,461	261,006	267,633	259,206
(Profit) / loss on disposal of tangible fixed assets	106	3,624	102	3,624
(Increase) / decrease in debtors	469,012	(307,220)	482,334	(338,097)
Increase / (decrease) in creditors	16,089	(685,324)	15,556	(696,143)
Net cash flow from operating activities	1,835,760	394,522	1,836,105	361,600

Notes to the financial statements
For The Year Ended 31 March 2017

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. Any available profits are 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 2017 £	Total 2016 £	Total 2017 £	Total 2016 £
Turnover	74,588	61,246	158,200	128,992
Cost of sales	(96,636)	(82,023)	(11,269)	(3,945)
Gross profit	(22,048)	(20,777)	146,931	125,047
Administrative expenses	-	-	(115,269)	(114,844)
Profit/(Loss) on ordinary activities	(22,048)	(20,777)	31,662	10,203
Retained (Loss)/Profit in subsidiary	(22,048)	(20,777)	31,662	10,203
The aggregate of the assets, liabilities and funds was:				
Assets	17,034	41,565	66,470	59,291
Liabilities	(62,203)	(64,686)	(172,945)	(197,428)
Reserves	(45,169)	(23,121)	(106,475)	(138,137)

Included within the turnover figure of Espa Research Limited, donations received during the year were £111,000 (2016: £100,582), with the largest donor being the Robert Luff Foundation of £100,000 (2016: £100,000). These funds are unrestricted and have been shown within the Group total of donations and legacies (note 2), with the balance of £47,200 (2016: £28,410) 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 £198,611 (2016: £196,574). 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.

Total pension commitments which are not included in the balance sheet amount to £30,221 (2016: £26,851).

24 Capital commitments

Capital expenditure for which the Group and charity had contracted for but not provided in the financial statements amounted to £66,286 (2016 - £101,242).

25 Events after the end of the period

On 26 April 2017 Education and Services for People with Autism Limited completed on the sale of a residential building at 14 Lorne Terrace, Sunderland, which was a residential care home for people with autism spectrum disorders. The building was sold at market value for £143,000.

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 £12,000 (2016: £29,701) 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 £Nil (2016: £2,350).

Notes to the financial statements
For The Year Ended 31 March 2017

27 Financial instruments

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

	Note	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Financial assets					
Debt instruments measured at amortised cost:					
- Trade debtors	15	1,052,769	911,891	1,018,135	862,803
- Amounts owed by group undertakings	15	-	-	217,602	245,101
		1,052,769	911,891	1,235,737	1,107,904
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	668,993	837,522	668,993	837,522
- Trade creditors	16/17	155,564	231,365	154,945	231,317
		824,557	1,068,887	823,938	1,068,839