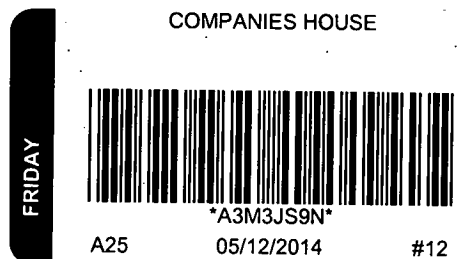


**EDUCATION AND SERVICES FOR PEOPLE
WITH AUTISM LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT AND GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

COMPANY NO: 2909953

REGISTERED CHARITY NO: 1037868



EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

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For The Year Ended 31 March 2014

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EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

LEGAL AND ADMINISTRATIVE DETAILS

TRUSTEES AND DIRECTORS

P E G Shattock (Chairman)
P M Moxon
Prof M Hooper
R Jordan
S Robinson
G Young (Appointed 23/04/2013)
T P Berney (Appointed 19/09/2013)

CHIEF EXECUTIVE

Ms L Lane

COMPANY SECRETARY

K T Hardy

REGISTERED OFFICE

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

BANKERS

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

AUDITORS

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

EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

Report to the Trustees

For the year ended 31 March 2014

Introduction

The Trustees submit their annual report and the audited financial statements for the year ended 31 March 2014. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities", issued in April 2005, in preparing the annual report and financial statements of the Charity.

Reference and Administration Information

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

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

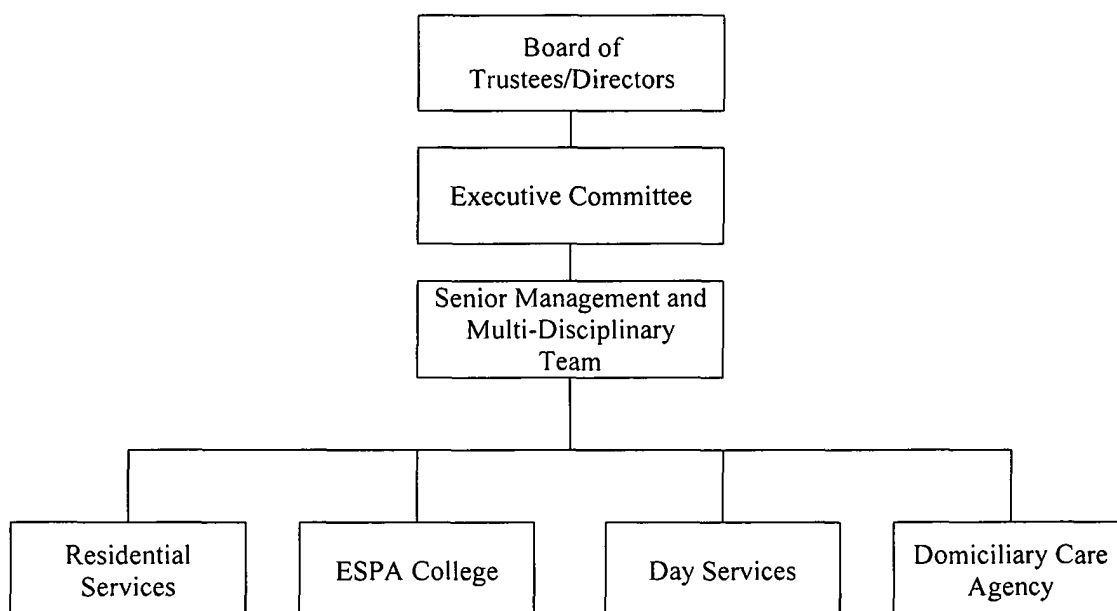
1. Structure, Governance and Management

1.1 Structure

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

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

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



ESPA has also established two trading subsidiaries:

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

Report to the Trustees

For the year ended 31 March 2014

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

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

Autism Works Limited was incorporated in October 2010. This company aims to offer sustainable employment and financial independence to people with higher functioning autism or Asperger Syndrome as software testers. The company is currently dormant but it is expected to start trading in the new financial year.

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

The Board of Trustees

The Trustees are primarily responsible for:

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

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

1.2 Governance and Senior Management

Board Membership and Appointments

On 23rd April, 2013 Graeme Young, Business Development Manager at Newcastle University was appointed as a Trustee/Director. He brings a wealth of knowledge and expertise including strategic management and higher education.

Dr Thomas Berney has been a Consultant Psychiatrist for the Charity from the beginning and a Member. Following his retirement in July 2013 he was formally invited to join the Board of Trustees and was appointed in September 2013. His breadth of clinical, academic and management skills further enhances the Board's diverse skill mix.

In April 2013 ESPA's Board of Trustees formally appointed Dr Colin Forest as Chair of the College Advisory Board. He is the Regional Development Manager for the Learning Skills Improvement Service (LSIS) and was previously Learning and Quality Director of the Learning and Skills Council.

In September 2013 the Trustees also appointed two Advisory Board Members; Chris Todd, Head of Department at Derwentside College and Camereen Swift, Manager at JISC, RSC Northern.

Risk Management

ESPA has a formal Risk Management Procedure and processes in place to identify the strategic and operational risks to the Charity, the current controls, monitoring processes and further action to be taken that will minimise their potential

Report to the Trustees

For the year ended 31 March 2014

impact and likelihood. Risk Registers are also in place for both Subsidiary Companies; Autism Works and ESPA Research. This information is incorporated into the organisation wide Risk Register, which was reviewed and approved by the Board of Trustees in December 2013.

Each Risk Register is divided into four categories:

- Strategic
- Financial
- Operational
- 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
- Increased competition from other providers
- Retaining existing contracts and 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).

ESPA's Risk Registers demonstrate that the current controls have already significantly reduced the potential impact and likelihood of risk in all areas. The document clearly defines further action to be taken which has been reflected in the strategic objectives for 2014 - 2016.

Equal Opportunities

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

2. Objectives and Activities

2.1 Objectives

The Charity's Mission Statement is:

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

2.2 Public Benefit

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

2.3 Strategic Planning Process

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

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

Activities

To enable ESPA to deliver its objectives, the organisation's key strategic priorities for 2013/2014 were to:

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

Report to the Trustees

For the year ended 31 March 2014

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

Directors and Senior Managers

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

ESPA College

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

Residential Services

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

Domiciliary Care Agency

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

Training Department

1. To continue to deliver specialist training to professionals and other organisations.

Autism Works

1. To ensure the financial viability and strength of Autism Works.
2. To recruit and train a highly professional work force.
3. To improve the quality of life for people on the autism spectrum.

ESPA Research

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

Report to the Trustees

For the year ended 31 March 2014

3. Achievements and Progress

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 funding changes and challenges.

3.1 Trustees and Central Management

- Internal quality assurance processes and external inspections and audits have provided continued evidence of meeting or exceeding legislative requirements and best practice across the organisation.
- Sustaining income has been a significant challenge over the past 12 months. In residential and day services our transparent pricing strategy has enabled us to evidence value for money and excellent outcomes for individuals. These services remain financially stable. A slightly revised staffing and management structure has been achieved through natural wastage with no impact on quality.
- We have seen a further reduction in student numbers for this academic year which has resulted in a further reduction in College income of 13.11%. Due to funding uncertainties and inconsistencies across Local Authorities it has been difficult to define a new College staffing and management structure. However, again through natural wastage and redeployment opportunities, efficiencies have been achieved towards a new strategic vision for ESPA's future educational offer.
- Central costs have reduced through contract negotiations, general efficiencies and a natural reduction in central and management posts where their roles and responsibilities have been successfully incorporated into other positions.
- Between April 2013 and March 2014 staffing numbers overall have reduced from 541 to 509.
- Staff terms and conditions of employment and benefits remain under review. A new Staff Contract has been prepared that reflects changes in legislation and the new pension arrangements. This will be introduced during 2014-15
- ESPA's new website went live in December 2013. It better promotes the Charity's diverse range of person centred services and our autism expertise. Through testimonies and personal stories it provides evidence of the real difference our support has made to the lives of people on the autism spectrum and their families.
- Excellent progress is being made by our Multi-disciplinary Team in embedding new approaches and assessment tools that aim to measure the positive impact, outcomes and added value of ESPA's provision. Some of this information has been used in a case study due for publication that describes how our low arousal and non-aversive approaches towards positive behaviour support has transformed the life and experiences of a young man with exceptionally complex and challenging needs.
- In July 2013 ESPA had the opportunity to bid at auction for the Freehold on Ashleigh College and was successful. This has enabled a restrictive covenant to be lifted on the property and increases the Charity's assets.
- Pension auto-enrolment began in February 2014 and we remain fully compliant with all new requirements.
- In August 2013 the Board's Conflict of Interest Policy was updated and in December the Investment Policy was also reviewed and agreed the next financial year.

3.2 ESPA College

- It has been a particularly challenging year for the College due to the impact of the new funding regime and Local Authorities commissioning arrangements. Student numbers have continued to decline and we have been under significant pressure to reduce contracted hours and fee income alongside an expectation to enhance quality. This has triggered a radical review of our educational provision to ensure we retain a strong position within the changing climate.

Report to the Trustees

For the year ended 31 March 2014

- In 2013/14 ESPA College had 67 students funded by the Education Funding Agency (EFA). In addition we have 7 students whose day component is funded through Adult Social Care, we anticipate this number to grow with planned changes to our curriculum offer over the next few years. At March 2014 College income had reduced to £3.95 million which is a 13.11% reduction.
- Across the year the College has worked creatively and innovatively towards using the staff's outstanding skills and expertise to diversify College activities in response to the changing requirements of the people we support and funders. Despite the continued reduction in demand for more traditional 5 day funded placements, new opportunities are emerging that aim to generate new income within a revised staffing and management structure.
- The Board of Trustees have approved a proposed Accommodation and Restructure Strategy to transform the model of provision and to regain the financial strength of the College. Some efficiencies have already been achieved across the staffing and management structure through natural wastage and redeployment within ESPA. Approved plans and strategic objectives for 2014/15 will ensure resources are allocated according to strategic priorities.
- Providing meaningful transition opportunities for students' post College is being achieved through our innovative Traineeship programme, a University Support Programme and other vocational opportunities. These aim to prepare students for work and a more independent future. We have also successfully supported a number of student leavers to transition into supported living arrangements with significantly reduced levels of support.
- ESPA was successful with a capital bid to the EFA Buildings Improvement Fund. This will significantly enhance the South Hill site and enable us to provide more educational placements for students with more complex needs. This development is central to the approved Accommodation Strategy.
- The College have presented at a wide range of regional and national events. These have actively marketed the College's activities and raised awareness of autism to professionals, the public and other organisations.
- New technology is being introduced to support good and outstanding teaching, promote self-directed learning and to more consistently capture students' progress.
- College staff have received an extensive programme of specialist CPD to meet the changing and increasingly complex needs of students, many of whom would have been denied appropriate further education or who would be at high risk of placement breakdown in mainstream provision. This has contributed to the College's excellent rates of attendance (95%) and retention (95%).
- The College has met or exceeded teaching and learning targets in 2013/14. 15% of observed teaching was assessed as outstanding. A new Teaching and Learning Policy and Procedure and supporting strategies, define the core characteristic embedded within our vision for excellent teaching and learning against which performance is measured. These high standards demonstrate our commitment to providing an outstanding autism specific educational experience towards students personal goals and ambitions.

3.3 Residential Services

- The residential services have remained financially stable over the past 12 months. Despite some Local Authority challenges to existing fees and support plans, we have managed to demonstrate value for money and excellent outcomes. Income has remained £7.6 million and at the end of March we had a 89.53% occupancy rate. We are continuing to receive referrals and are confident of achieving a target of 94% occupancy by March 2015.
- All homes have continued to receive outstanding inspection reports from the CQC that provides evidence of our continued compliance with all essential standards of quality and safety. The next 12 months will see significant changes to legislation, regulation and inspections. Preparations have started to ensure a seamless transition to the new arrangements.

Report to the Trustees

For the year ended 31 March 2014

- During the year all services have been reviewed and a revised staffing and management structure has been put in place to reflect the present needs of the people being supported. The new structure achieved some efficiencies without impacting on the quality of provision or outcomes.
- In March 2014 ESPA opened its latest residential development, Beechwood in Sunderland. This innovative model of 5 self-contained flats offers flexible living accommodation that can accommodate individuals with very different needs. It has provided a positive next step for 8 existing residents towards a more independent future. This development represents sound financial investment for the Charity and will generate cash inflow through the sale of Lorne Terrace.
- More robust internal quality assurance processes are being introduced to enhance quality, person centred approaches, our autism specificity and excellent outcomes. New assessment tools and Peer Management Reviews have been introduced to inform support planning and service development.
- The use of assistive technology is being introduced to promote independence and maintain safety. Supporting individuals to engage in meaningful activities also aims to increase independent living skills within their home and community and reduce reliance on paid staff.
- New autism specific person centred care and support plans are being developed to better reflect each persons, needs, personality, strengths, likes, interests, health and ambitions for the future. These new plans bring together all documentation required by external stakeholders into an accessible format that is meaningful to the person.
- In February 2014 we surveyed families about the quality of support we offer their relatives. As in previous years responses were overwhelmingly positive and complimentary especially about the staff, the life we offer people and our person centred approaches. Everyone who responded said they would recommend ESPA as a service provider.
- In February we also sent questionnaires to the people we support in a format they could understand. Overall feedback again was very positive; people said they felt safe and listened to, their independence was encouraged, they are supported to make decisions and choices about their life and staff understand what is important to them.

3.4 Domiciliary Care Agency

- Over the past 12 months there has been continued growth in the Domiciliary Agency especially across Teesside. Income has increased from £0.85 million to £0.90 million (6.56%). The Teeswide Framework Contract was extended for a further year to September 2014. We are hopeful of retaining our services and being awarded new contracts on the new framework.
- In October 2013 the Agency had an unannounced inspection by the CQC and received an excellent report and was fully compliant in all assessed areas. In November 2013 and March 2014 Middlesbrough Council conducted their Contract Compliance Reviews for all their commissioned services and reported good outcomes in all aspects of provision.
- In March 2014 the Agency was awarded 2 contracts in Stockton. A supported living service was developed for a young man moving on from an existing ESPA service. A second person is being identified to share his tenancy. The other large contract is to provide day time support to 5 young men with complex and challenging needs. The offer includes a fully serviced base from which the service will be delivered. The contract will begin in July 2014.
- All smaller outreach services have now been absorbed into the Agency structure and there is continued demand for similar packages across the region including student leavers.
- ESPA are maintaining regular contact with regional commissioners and are well represented at provider events. This is ensuring we keep up to date with commissioning intentions and to enable us to take advantage of new or emerging opportunities.

Report to the Trustees

For the year ended 31 March 2014

- The Agency is now more integrated into clinical management processes and regular meetings with the MDT are informing best practice. Good relationships continue to be built with local health and social care professionals to ensure high quality outcomes for the people being supported.
- ESPA has signed up to the 'Think Local Act Personal' self-assessment tool to review progress in supported living services towards person centred community based support. This will be incorporated into internal quality assurance processes. A programme of monthly inspections is also to be piloted with an Independent Consultant to monitor, review and assess quality and compliance.
- Individuals supported by the Agency and families completed satisfaction surveys. The responses from parents were generally very positive about the quality of support, our well trained and professional staff and their involvement in planning and decision making. The feedback from the people we support demonstrated high levels of satisfaction in almost all areas of their life and with the support they receive from ESPA.

3.5 Training and Development Service

- We remain committed to sharing our knowledge and experience with families, other professionals and organisations to improve the quality of life, support, experience and opportunities for people on the autism spectrum beyond ESPA.
- During 2013/14 this has included:
 - 34 external professionals attending our internal training courses.
 - 2 days bespoke training for South Tyneside's Mental Health Team
 - Autism Awareness training for Adult Social Care staff in Gateshead
 - Specialist training for Probation staff. One day for Court staff and a second for field workers.

Feedback from all professionals clearly indicated this learning would change how they worked with and supported people on the autism spectrum.

- We are presently in discussion with Northumbria Police about a programme of workforce development. We are also making good progress towards training for G.P.'s across Sunderland and Gateshead.
- The College's Training and Awareness Group (TAG) have also delivered training at a number of regional and national events. These students share their personal stories about living with autism providing audiences with a real insight into the challenges they experience. They have trained at a local University, General Further Education Colleges, an event for Northumbria Police and a number of conferences. Their contribution towards raising awareness of autism was recognised at the Autism Professionals Award where they were shortlisted for the Award for Inspirational Education Provision.
- We have delivered a series of Post Diagnostic Adults Workshops during the year. These were funded by the Strategic Health Authority. These workshops were specifically designed for newly diagnosed adults with higher functioning autism or Asperger Syndrome. Their purpose is to support people to learn to understand their diagnosis, how it impacts on their life and to learn strategies to help them live with their condition. This was recognised as a significant gap in diagnostic pathways and feedback from participants, and some family members who attended, was excellent.

3.6 Autism Works

- Autism Works Limited is a not for profit subsidiary of the Charity offering independent software testing services, which currently remains dormant.
- It presently operates within ESPA as an enterprise currently employing 3 people on the autism spectrum offering them the opportunity of sustainable employment and financial independence. We hope as the company starts to trade it will provide the same opportunities to more people.

Report to the Trustees

For the year ended 31 March 2014

- ESPA and Autism Works has attended events across the country to promote how the talents and skills of people with Autism Spectrum Disorder are an asset and valued within the commercial IT world. ESPA and Autism Works aim to promote these skills to wider employers to encourage them to provide more employment opportunities in a range of businesses that will reduce people's dependence on state benefits.
- Throughout the year the enterprise team of Autism Works has been supported by a core business team from Deloitte to help develop their business model, strategy, implementation plans and route to market. We remain formally linked to Deloitte as a Social Innovation Pioneer Alumni. A positive relationship has also been established with their Internal Testing Service which we anticipate leading to regular contracts.
- During 2013/14 we delivered a small number of piloted contracts, including Deloitte, and received some very positive feedback and testimonies. We have developed a positive working partnership with a local company and may become their contractor of choice for regular short term testing contracts. We also delivered a successful piloted contract for Sunderland City Council.
- Following Deloitte's Route to Market project a number of other companies were identified as potential partners and discussions are on-going. A partnership agreement has also been signed with SOCITIM (Society of Information Technology Managers). They are committed to marketing and selling our services within their networks.
- Autism Works will include the social value of contracts on all quotes and invoices. This demonstrates the added value of contracting with us and provides evidence of them meeting their Corporate Social Responsibilities.

3.7 ESPA Research

- ESPA Research is also a wholly owned trading subsidiary of the Charity. It has continued throughout the year to carry out various research projects focusing on investigations designed to have real impact on the quality of lives of people on the autism spectrum and related conditions.
- We have continued to receive a generous annual donation of £100,000 from the Robert Luff Foundation to support our research.
- Research this year has primarily focused on dietary interventions, biomarker for autism and the reformulation of medicines used by people with autism into more conventional forms e.g. creams and skin patches.
- A collaboration with A2 Milk Foundation began in February 2014 with a pilot project looking at the effects of this milk on children with regards to biomarkers and behaviour.
- During the year research papers have been published and others are being prepared for submission. ESPA Research was also a stakeholder in the NICE Guidelines on Managing Autism in Children and Young Adults published in August 2013. One of the Directors is also co-author of a book being published by Routledge for families and professionals, 'Autism – Exploring the Benefits of Gluten and Casein Free Diet'. This is due to be published in May and royalties will be re-invested into research or other charitable activities.

Report to the Trustees For the year ended 31 March 2014

4. Financial Review

4.1 Results

The consolidated statement of financial activities reports an operating surplus of £0.392m for the year ended March 2014 in comparison with £0.526m 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 and uncertain for the Charity, but a conservative approach to the commitment of expenditure has enabled it to plan for the future long term strategic objectives of the organisation.

Total income for the year was £12.743m (2013: £13.219m) a decrease of 3.6% on the previous year. The marginal decrease was largely due to the reduction in demand for college services. During the year the Charity was involved in a change of funding methodology for student placements within the college from the Education Fund Agency (EFA). The shift in funding is now predominantly controlled by the Local Authorities and this has brought many challenges to the college due to the continued budgetary cuts within these authorities. Our student allocation from the Local Authorities was achieved in the current financial year 2013-2014, forecasted student numbers is uncertain in the new financial year due to increased competition and continued pressure upon student fees. Fee income from statutory bodies represents 97.7% (2013: 98.1%) 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. Included within income is grants received totalling £99,509, which includes £47,543 and £40,502 from the EFA Building Improvement Fund.

Total expenditure decreased to £12.351m (2013: £12.693m) a decrease of 2.69%. Analysis of our expenditure shows that charitable activities represent 98.33% (2013: 98.36%) of our total expenditure. Support costs in the year were £1.89m or 14.86% of total revenues (2013 - £1.85m, 13.99%). The current economic conditions are challenging for ESPA but despite reduced EFA (Education Funding Agency) and reductions in Local Authority income, we have continued to remain focused on driving efficiencies and optimising costs to maintain a surplus for the year.

The organisation continues to invest in short-term cash deposits, as these funds arise from fees received in advance. In 2014 the return on investments totalled £11.7k (2013: £14.3k), this being a decrease of 18.2% (2013: 6.1% increase). The decrease in the cash flow during the financial year, due to reduced advanced payments from the EFA has had an impact on the level of return. The Bank of England base interest rate of 0.5% continues to reduce our return on these short term investments. The trustees are mindful of the investment policy and the rate of return has been continually monitored during the year to ensure that we are maximising any return on such funds.

The balance sheet remains in good shape at the current financial year end. The organisation has invested funds of £545k (2013: £529k) in fixed assets during the year. This includes a significant investment in a new service development at Thornholme Road, Sunderland, which was completed in February 2014. This is a residential service that now accommodates eight service users. In September 2013 the Charity was awarded £475,425 (50% Contribution) for the improvement and refurbishment of South Hill College, 9 The Cedars, Sunderland. This investment is aimed at improving the student provision within the Sunderland area.

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

Autism Works Limited was incorporated in October 2010 for the trading activity of IT software testing. The enterprise team of Autism Works has worked closely with Deloitte on a Route to Market project in the year and as a result of this, it is now starting to attract interest from some of the targeted organisations. There has been some piloted work commission in the year by Deloitte and Sunderland City Council but at the current financial year end the company remained dormant.

Report to the Trustees

For the year ended 31 March 2014

4.2 Reserves Policy

The reserves policy requires that total reserves stand at a minimum of 4 months average gross expenditure and that liquid reserves (being the General Reserve and Fees Received in Advance) be a minimum of 2 months average gross expenditure. The average monthly gross expenditure for the period was £1,029,281 (2013: £1,057,764).

As at the period end, the position was:

		Target	Actual
		£	£
Total Reserves	(4 months)	4,117,125	9,299,141
Liquid Reserves	(2 months)	2,058,563	3,477,805

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

4.3 Investment Policy

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

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

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

5. Future Plans and Objectives

ESPA's key priorities and strategic objectives for April 2014 to March 2016 have been formally approved by the Board of Trustees. Progress against objectives is monitored and reported through the Board of Trustees Meetings and Charity's management and meeting structures.

The Strategic and Development Plan April 2014 to March 2016 clearly defines ESPA's plans and processes, targets, expected outcomes and timescales, that will enable the Charity to build on its many achievements and retain its financial strength.

The key strategic objectives are summarised below: -

5.1 Governance and Central Management

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

5.2 ESPA College

- To ensure the College has the appropriate management and staffing structures and expertise to deliver high quality autism specific education.

Report to the Trustees

For the year ended 31 March 2014

- To ensure the College's continued financial strength in order to provide the resources to support excellence in teaching and learning.
- To further develop College systems and activities to improve the quality of teaching, learning and student outcomes.

5.3 Residential Services

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

5.4 Domiciliary Care Agency

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

5.5 Training and Development Services

- To continue to deliver training to professionals and other organisations.

5.6 Autism Works Ltd

- To ensure the financial viability and strength of Autism Works.
- To improve the quality of life of people on the autistic spectrum through providing sustainable employment.

5.7 ESPA Research Ltd

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

Report to the Trustees

For the year ended 31 March 2014

6. Statement of Trustees Responsibilities

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

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

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

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

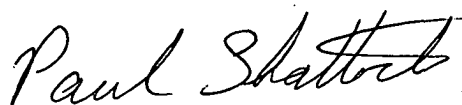
In so far as the trustees are aware:

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

AUDITORS

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

ON BEHALF OF THE BOARD:



P Shattock – CHAIRMAN

28 November 2014

**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 2014 on pages 16 to 28 which comprise the group Statement of Financial Activities, the group and charitable company Balance Sheet, the group Cash Flow Statement and related notes. These Financial Statements have been prepared under the accounting policies set out on pages 19 and 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditors

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

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

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 and of the group's incoming resources and application of resources, including the group income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been properly prepared in accordance with the Companies Act 2006.

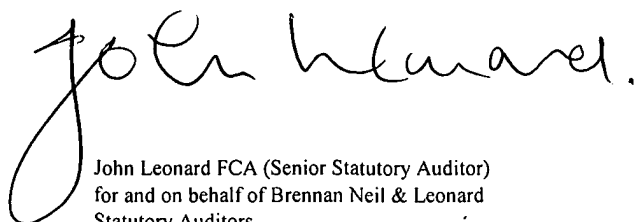
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



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

28 November 2014

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 2014

Income and Expenditure Account

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Incoming Resources					
Incoming resources from generated funds:					
Voluntary income					
Donations and gifts	2	102,487	-	102,487	101,073
Activities for generating funds:					
Events		2,165	-	2,165	3,968
Commercial trading operations	3	-	-	-	-
Investment income	4	11,696	-	11,696	14,304
Incoming resources from charitable activities:					
Fees	5	12,449,273	-	12,449,273	12,968,475
Grants received	5	-	99,509	99,509	52,202
Other income		78,201	-	78,201	79,337
Total incoming resources		12,643,822	99,509	12,743,331	13,219,359
Resources expended					
Cost of generating funds:					
Commercial trading operations	6	189,698	-	189,698	190,600
		189,698	-	189,698	190,600
Charitable activities	6	12,121,948	24,164	12,146,112	12,485,228
Governance costs	6	15,566	-	15,566	17,343
		12,137,514	24,164	12,161,678	12,502,571
Total resources expended		12,327,212	24,164	12,351,376	12,693,171
Net incoming/(outgoing) resources before transfers		316,610	75,345	391,955	526,188
Transfer between funds	17	51,707	(51,707)	-	-
Net incoming resources for the year/Net movement in funds		368,317	23,638	391,955	526,188
Fund balances brought forward at 1 April 2013		8,854,984	52,202	8,907,186	8,380,998
Fund balances carried forward at 31 March 2014		9,223,301	75,840	9,299,141	8,907,186

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

EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

Balance Sheet at 31 March 2014

	Notes	Group 2014 £	Group 2013 £	Charity 2014 £	Charity 2013 £
Fixed assets					
Tangible assets	11	7,353,692	7,069,200	7,351,640	7,068,639
Investments	12	-	-	20	20
		<u>7,353,692</u>	<u>7,069,200</u>	<u>7,351,660</u>	<u>7,068,659</u>
Current assets					
Debtors	13	1,407,704	1,337,128	1,531,192	1,403,184
Cash at bank and in hand		3,034,730	3,413,530	3,032,532	3,408,428
		<u>4,442,434</u>	<u>4,750,658</u>	<u>4,563,724</u>	<u>4,811,612</u>
Creditors: amounts falling due within one year	14	(1,489,514)	(1,743,515)	(1,477,058)	(1,738,964)
Net current assets		<u>2,952,920</u>	<u>3,007,143</u>	<u>3,086,666</u>	<u>3,072,648</u>
Total assets less current liabilities		<u>10,306,612</u>	<u>10,076,343</u>	<u>10,438,326</u>	<u>10,141,307</u>
Creditors: amounts falling due after more than one year	15	(1,007,471)	(1,169,157)	(1,007,471)	(1,169,157)
Net assets		<u>9,299,141</u>	<u>8,907,186</u>	<u>9,430,855</u>	<u>8,972,150</u>
Funds:					
Unrestricted funds					
General funds	17	3,029,329	3,103,092	3,163,095	3,168,618
Designated funds	17	6,193,972	5,751,892	6,191,920	5,751,330
		<u>9,223,301</u>	<u>8,854,984</u>	<u>9,355,015</u>	<u>8,919,948</u>
Restricted funds	17	75,840	52,202	75,840	52,202
Total funds	18	<u>9,299,141</u>	<u>8,907,186</u>	<u>9,430,855</u>	<u>8,972,150</u>

The financial statements on pages 16 to 28 were approved by the Board of Trustees on 28 November 2014 and signed on their behalf by:



Paul Shattock - (Chairman)

EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

Consolidated Cash Flow Statement For The Year Ended 31 March 2014

	Notes	2014 £	2013 £
Net cash inflow from operating activities	23	335,683	306,756
Returns on investments and servicing of finance	24	(22,258)	(14,721)
Capital expenditure	25	(534,637)	(529,417)
Net cash inflow before financing		(221,212)	(237,382)
Financing	26	(157,588)	114,444
Increase in cash in the period		(378,800)	(122,938)
Reconciliation of net cash flow to movement in net funds			
Increase in cash in the period		(378,800)	(122,938)
Cash outflow from decrease in debt and lease financing		157,587	(367,569)
New loan		-	253,125
Movement in net funds in the period	27	(221,213)	(237,382)
Net funds at 1 April 2013		2,096,222	2,333,604
Net funds at 31 March 2014		1,875,009	2,096,222

Notes to the financial statements
For The Year Ended 31 March 2014

1 Accounting policies

(a) Basis of preparation

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

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

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

(b) Company status

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

(c) Fund accounting

Restricted funds

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

Unrestricted funds

a) Designated

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

b) General

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

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.

(d) Incoming resources

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

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

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

Voluntary and Investment Income are recognised on a receivable basis.

(e) Resources expended

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

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

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

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

(f) Tangible fixed assets and depreciation

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

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

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

**Notes to the financial statements
For The Year Ended 31 March 2014**

Computer equipment	over 3 years
Motor vehicles	over 4 years

(g) Investments

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

(h) Pension costs

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

(i) Finance and operating leases

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

Notes to the financial statements
For The Year Ended 31 March 2014

2 Donations and gifts			Total 2014 £	Total 2013 £	
Individuals			2,487	1,073	
Robert Luff Foundation			100,000	100,000	
			<u>102,487</u>	<u>101,073</u>	
3 Commercial trading operations					
The following income and expenditure is included within the trading activities of ESPA Research Limited					
			Total 2014 £	Total 2013 £	
Income					
Trading income			-	-	
			<u>-</u>	<u>-</u>	
Expenditure			<u>189,698</u>	<u>190,600</u>	
4 Investment income					
			Total 2014 £	Total 2013 £	
Interest receivable			11,696	14,304	
			<u>11,696</u>	<u>14,304</u>	
5 Income from charitable activities					
	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £	
Fees:					
Adult services fees	8,498,392	-	8,498,392	8,421,426	
College fees	3,950,881	-	3,950,881	4,547,049	
	<u>12,449,273</u>	<u>-</u>	<u>12,449,273</u>	<u>12,968,475</u>	
Grants received:					
Heritage lottery fund	-	-	-	12,700	
EFA - Building condition improvement fund	-	47,543	47,543	39,502	
Tyne and Wear Care Alliance	-	5,000	5,000	-	
EFA - Devolved formula capital fund	-	6,464	6,464	-	
EFA - Building improvement fund	-	40,502	40,502	-	
	<u>-</u>	<u>99,509</u>	<u>99,509</u>	<u>52,202</u>	
6 Resources expended					
	Staff Costs £	Other Direct Costs £	Other Allocated Costs £ (Note A)	Total 2014 £	Total 2013 £
Costs of generating funds					
Trading subsidiary expenditure	76,588	113,110	-	189,698	190,600
	<u>76,588</u>	<u>113,110</u>	<u>-</u>	<u>189,698</u>	<u>190,600</u>
Charitable activities					
Adult services costs	5,450,312	1,407,006	959,263	7,816,581	7,892,981
College costs	2,569,966	824,988	934,577	4,329,531	4,592,247
	<u>8,020,278</u>	<u>2,231,994</u>	<u>1,893,840</u>	<u>12,146,112</u>	<u>12,485,228</u>
Governance					
External Audit	-	14,028	-	14,028	15,852
Trustees' indemnity insurance	-	1,538	-	1,538	1,491
	<u>-</u>	<u>15,566</u>	<u>-</u>	<u>15,566</u>	<u>17,343</u>
Total resources expended	<u>8,096,866</u>	<u>2,360,670</u>	<u>1,893,840</u>	<u>12,351,376</u>	<u>12,693,171</u>

Notes to the financial statements
For The Year Ended 31 March 2014

Other direct costs include:	2014 £	2013 £
Auditors' remuneration		
Audit fee - Charity	11,610	12,216
Audit fee - Subsidiary	2,418	3,636
Operating lease rentals		
- Land and buildings	138,702	136,046
- Plant and equipment	212,403	206,764
Depreciation – on owned assets	252,581	253,915
Finance lease interest	-	311

Note A

Allocation of Support Costs

The support costs totalling £1,893,840 (2013: £1,849,107) have been allocated across activities. These include costs associated with providing finance, personnel, payroll, IT, property, and other central services to the charity's 526 staff, 15 residential homes, 1 day centre, 5 college sites and the domiciliary care agency. Costs (the material components of which are salaries; IT lines equipment and maintenance; insurance; professional fees and office costs) have been allocated based on time spent by the departments supporting the various activities.

7 Trustees' remuneration

The trustees neither received nor waived any emoluments during the year (2013: £Nil). During the year 3 trustees (2013: 3) were reimbursed expenses totalling £899 (2013: £785), which represented travel and subsistence expenses incurred for attendance at the Trustees' meetings.

Trustees indemnity insurance cover was purchased in year for £1,538 (2013: £1,491)

8 Staff costs

	2014 £	2013 £
Wages and salaries	8,511,405	8,688,169
Social security costs	589,250	594,440
Pension costs	197,246	190,425
	9,297,901	9,473,034

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

	2014 Number	2013 Number
Charitable activities	476	485
Management and administration of the charity	47	51
Subsidiary companies	3	3
	526	539

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

	2014 Number	2013 Number
£60,001 - £70,000	2	2
£70,001 - £80,000	1	1
£80,001 - £90,000	-	-
£90,001 - £100,000	-	-
£100,001 - £110,000	1	1

Retirement benefits are accruing to four higher paid employees under a defined contribution scheme. Employer contributions of £17,673 (2013: £21,307) were made during the year.

The total staff costs of £9,297,901 are split in note 6 between costs directly attributable to activities and costs related to support costs which have been allocated accordingly.

9 Pension costs

The charity operates a defined contribution scheme and contributions are charged in the statement of financial activities as they accrue. The charge for the year was £197,339 (2013: £190,425).

Contributions totalling £32,284 (2013: £26,297) were payable to the fund at the year end.

EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

Notes to the financial statements For The Year Ended 31 March 2014

10 Taxation

Education and Services for People with Autism Limited is a registered charity and as such its income and gains falling within s.505 ICTA 88 or s.256 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 and no provision is required for deferred tax.

11 Tangible fixed assets

Group	Freehold land and buildings £	Short leasehold buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
Cost							
At 1 April 2013	7,515,787	615,186	164,098	548,772	41,340	538,099	9,423,282
Additions	427,395	-	22,012	57,326	-	38,504	545,237
Disposals	-	-	(680)	(24,276)	(16,649)	(104,963)	(146,568)
Transfers	550,897	(550,897)	-	-	-	-	-
At 31 March 2014	8,494,079	64,289	185,430	581,822	24,691	471,640	9,821,951
Depreciation							
At 1 April 2013	1,114,649	195,748	77,631	431,134	34,055	500,865	2,354,082
Charge for year	127,631	11,018	34,217	48,589	1,041	30,085	252,581
Disposals	-	-	(679)	(22,404)	(10,407)	(104,914)	(138,404)
Transfers	142,479	(142,479)	-	-	-	-	-
At 31 March 2014	1,384,759	64,287	111,169	457,319	24,689	426,036	2,468,259
Net book value							
At 31 March 2014	7,109,320	2	74,261	124,503	2	45,604	7,353,692
At 1 April 2013	6,401,138	419,438	86,467	117,638	7,285	37,234	7,069,200
Charity							
Cost							
At 1 April 2013	7,515,787	615,186	164,098	548,772	41,340	537,469	9,422,652
Additions	427,395	-	20,224	57,326	-	38,504	543,449
Disposals	-	-	(680)	(24,276)	(16,649)	(104,963)	(146,568)
Transfers	550,897	(550,897)	-	-	-	-	-
At 31 March 2014	8,494,079	64,289	183,642	581,822	24,691	471,010	9,819,533
Depreciation							
At 1 April 2013	1,114,649	195,748	77,631	431,134	34,055	500,796	2,354,013
Charge for year	127,631	11,018	34,128	48,589	1,041	29,877	252,284
Disposals	-	-	(679)	(22,404)	(10,407)	(104,914)	(138,404)
Transfers	142,479	(142,479)	-	-	-	-	-
At 31 March 2014	1,384,759	64,287	111,080	457,319	24,689	425,759	2,467,893
Net book value							
At 31 March 2014	7,109,320	2	72,562	124,503	2	45,251	7,351,640
At 1 April 2013	6,401,138	419,438	86,467	117,638	7,285	36,673	7,068,639

EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

Notes to the financial statements For The Year Ended 31 March 2014

12 Fixed asset investments

	Group 2014 £	Group 2013 £	Charity 2014 £	Charity 2013 £
Market Value as at 1 April 2013	-	-	20	20
Additions	-	-	-	-
Disposal	-	-	-	-
Market Value as at 31 March 2014	-	-	20	20

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

13 Debtors

	Group 2014 £	Group 2013 £	Charity 2014 £	Charity 2013 £
Trade debtors	872,685	766,976	855,988	760,334
Amount owed by subsidiary undertaking	-	-	148,636	81,136
Prepayments and other accrued income	535,019	570,152	526,568	561,714
	1,407,704	1,337,128	1,531,192	1,403,184

14 Creditors: amounts falling due within one year

	Group 2014 £	Group 2013 £	Charity 2014 £	Charity 2013 £
Bank loans and overdrafts	152,249	148,151	152,249	148,151
Trade creditors	193,023	172,603	192,779	172,042
Fees received in advance	389,296	437,328	389,296	437,328
Other creditors and deferred income	456,687	661,295	448,476	661,295
Taxation and social security costs	163,448	185,045	161,547	183,155
Accrued expenses	134,811	139,093	132,711	136,993
	1,489,514	1,743,515	1,477,058	1,738,964

15 Creditors: amounts falling due after more than one year

Group and charity	2014 £	2013 £
Bank loans	1,007,471	1,169,157
	1,007,471	1,169,157

16 Obligations under operating leases

At 31 March 2014 the group and charity has annual commitments under non-cancellable leases as follows:

	Group 2014 £	Group 2013 £	Charity 2014 £	Charity 2013 £
Expiry date:				
Land and buildings				
Expiring within 1 year	52,413	34,175	41,961	34,175
Expiring in 2 to 5 years	65,424	84,108	65,424	73,656
Expiring over 5 years	14,004	13,536	14,004	13,536
Other operating leases:				
Expiring within 1 year	87,589	49,307	63,370	49,307
Expiring in 2 to 5 years	66,407	148,565	66,407	75,672
Expiring over 5 years	-	-	-	-
	285,837	329,691	251,166	246,346

Notes to the financial statements
For The Year Ended 31 March 2014

17 Statement of funds

Group	At 1 April 2013 £	Income £	Expenditure £	Investment gains £	Transfers £	At 31 March 2014 £
General reserve	3,103,092	12,643,822	(12,327,212)	-	(390,373)	3,029,329
Designated funds						
Fixed asset fund	5,751,892	-	-	-	442,080	6,193,972
Total unrestricted funds	8,854,984	12,643,822	(12,327,212)	-	51,707	9,223,301
Restricted funds:						
EFA - Building condition improvement fund	39,502	-	-	-	(39,502)	-
Heritage lottery fund	12,700	-	(12,700)	-	-	-
EFA - Devolved formula capital fund	-	6,464	(6,464)	-	-	-
EFA - Building improvement fund	-	88,045	-	-	(12,205)	75,840
Tyne and wear care alliance	-	5,000	(5,000)	-	-	-
Total restricted funds	52,202	99,509	(24,164)	-	(51,707)	75,840
Total funds	8,907,186	12,743,331	(12,351,376)	-	-	9,299,141

Charity	At 1 April 2013 £	Income £	Expenditure £	Investment gains £	Transfers £	At 31 March 2014 £
General reserve	3,168,618	12,518,456	(12,135,096)	-	(388,883)	3,163,095
Designated funds						
Fixed asset fund	5,751,330	-	-	-	440,590	6,191,920
Total unrestricted funds	8,919,948	12,518,456	(12,135,096)	-	51,707	9,355,015
Restricted funds:						
EFA - Building condition improvement fund	39,502	-	-	-	(39,502)	-
Heritage lottery fund	12,700	-	(12,700)	-	-	-
EFA - Devolved formula capital fund	-	6,464	(6,464)	-	-	-
EFA - Building improvement fund	-	88,045	-	-	(12,205)	75,840
Tyne and wear care alliance	-	5,000	(5,000)	-	-	-
Total restricted funds	52,202	99,509	(24,164)	-	(51,707)	75,840
Total funds	8,972,150	12,617,965	(12,159,260)	-	-	9,430,855

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

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

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

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

	2014 £	2013 £
The Charity	458,705	595,641
Trading Subsidiary	(66,750)	(69,453)
	391,955	526,188

The parent charity's gross income for the year was £12,617,965 (2013:£13,094,576) and its expenditure was £12,159,260 (2013:£12,498,935).

Notes to the financial statements
For The Year Ended 31 March 2014

18 Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total 2014 £	Total 2013 £
Group fund balances at 31 March 2014 are represented by:					
Tangible fixed assets	-	7,353,692	-	7,353,692	7,069,200
Investments	-	-	-	-	-
Current assets	75,840	-	4,366,594	4,442,434	4,750,658
Current liabilities	-	(152,249)	(1,337,265)	(1,489,514)	(1,743,515)
Long term liabilities	-	(1,007,471)	-	(1,007,471)	(1,169,157)
Total net assets	75,840	6,193,972	3,029,329	9,299,141	8,907,186

Charity fund balances at 31 March 2014 are represented by:

Tangible fixed assets	-	7,351,640	-	7,351,640	7,068,639
Investments	-	-	20	20	20
Current assets	75,840	-	4,487,884	4,563,724	4,811,612
Current liabilities	-	(152,249)	(1,324,809)	(1,477,058)	(1,738,964)
Long term liabilities	-	(1,007,471)	-	(1,007,471)	(1,169,157)
Total net assets	75,840	6,191,920	3,163,095	9,430,855	8,972,150

19 Loans and overdrafts

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

	2014 £	2013 £
Amounts falling due within one year on demand: Bank loans	152,249	148,151
Amounts falling due between one and two years: Bank loans	156,108	151,897
Amounts falling due between two and five years: Bank loans	528,465	524,137
Amounts falling due in more than five years: Repayable by instalments Bank loans	322,898	493,123

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

20 Secured debts

The following secured debts are included within creditors:

	2014 £	2013 £
Bank loans	1,159,720	1,317,308

Security held represents charges over:

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

EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

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

21 Related Party Transactions

During the year consultancy work to the value of £49,148 (2013: £62,900) 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 £3,500 (2013: £4,300)

22 Subsidiary companies

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

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

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

	Total 2014 £	Total 2013 £
Turnover	125,366	124,783
Cost of sales	(3,107)	(2,758)
Gross profit	122,259	122,025
Administrative expenses	(189,009)	(191,478)
Profit/(Loss) on ordinary activities	(66,750)	(69,453)
Corporation tax repayable/(payable)	-	-
Retained (Loss)/Profit in subsidiary	(66,750)	(69,453)

*1 - Turnover includes £101,116 in donations.

The aggregate of the assets, liabilities and funds was:

Assets	29,398	20,743
Liabilities	(161,102)	(85,697)
Reserves	(131,704)	(64,954)

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

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

	2014 £	2013 £
Net incoming resources before revaluations	391,955	526,188
Interest received	(11,696)	(14,304)
Interest payable	33,954	29,025
Gain on sale of tangible fixed assets	(2,436)	1,103
Depreciation	252,581	253,916
(Increase)/decrease in debtors	(70,576)	(349,193)
Increase/(decrease) in creditors	(258,099)	(139,979)
Net cash inflow from operating activities	335,683	306,756

EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

Notes to the financial statements For The Year Ended 31 March 2014

	2014 £	2013 £		
24 Returns on investments and servicing of finance				
Interest received	11,696	14,304		
Interest paid	(33,954)	(29,025)		
Net cash outflow for returns on investments and servicing of finance	(22,258)	(14,721)		
	2014 £	2013 £		
25 Capital expenditure				
Purchase of tangible fixed assets	(545,237)	(529,417)		
Sale of tangible fixed assets	10,600	-		
Net cash outflow for capital expenditure and financial investment	(534,637)	(529,417)		
	2014 £	2013 £		
26 Financing				
New loan taken out in year	-	253,125		
Loan repayments in year	(157,588)	(133,435)		
Capital element of finance lease rental payments	-	(5,246)		
Net cash inflow/(outflow) from financing	(157,588)	114,444		
27 Analysis of net funds/debt	At 1 April 2013 £	Cashflow £	Other non-cash changes £	At 31 March 2014 £
Cash at bank and in hand	3,413,530	(378,800)		3,034,730
Debts falling due within one year	(148,151)	(4,098)		(152,249)
Debts falling due after one year	(1,169,157)	161,685		(1,007,472)
Finance leases	-			-
	2,096,222	(221,213)	-	1,875,009

28 Ultimate controlling party

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

29 Capital commitments

On 6 September 2013, Education and Services for People with Autism Limited were informed of a Building Improvement Fund (BIF) allocation of £475,425 (50% Contribution) for the improvement and refurbishment of South Hill College, 9 The Cedars, Sunderland. The planning application was approved on the 12 August 2014. The contractors have been appointed and the budget capital commitment at the balance sheet date is £950,850. As at 31 March 2014, £24,410. had been paid by way of professional and consultancy fees.