

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

**REPORT AND GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

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 2019

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 2019.

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 | • Domiciliary support |
| • Residential services | • Community enablement |
| • Independent Supported Living services | • Day opportunities |
| | • Vocational opportunities |

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 576 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 others 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
- Evidence public benefit and social value in all charitable activities

Board of Trustees Report including Strategic Report For the year ended 31 March 2019

- 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 has been highly commended for the quality of their work through some very high profile customers. Autism Works' business plan aims 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 2019

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 73 (78 in March 2018) people in these services. Residential services currently represent 59% 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. 263 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' satisfaction with the support we offer. Feedback is consistently captured through on-going dialogue, Service User Reviews and Satisfaction Surveys. Internal quality assurance processes including Senior Management Audits 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 12 homes have been awarded an overall rating of 'Good' and one has been awarded an 'Outstanding'.

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

Over the past 12 months the Agency has continued to be the biggest area of growth in the Charity and now represents 19% of overall income (16% in 2018/19) and it currently employs 109 staff.

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The Domiciliary Agency is supporting 35 people and excluding Burnfoot Court in Newcastle is delivering 1000 hours of support each week. We have 7 supported living services, 9 community enablement services and 11 people are supported from a community hub in Stockton. Burnfoot Court is funded through Individual Service Funds (ISF's) rather than more traditional hourly rates and represents an annualised income of £1.164m for financial year 2019.

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. The Croft Centre is open for 44 weeks a year and it currently employs 27 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 and residential accommodation in Sunderland and Newcastle. The College offers day and residential education placements for young people on the autism spectrum between the ages of 16 and 25 years. Most students are local, however some come from across the country to access this specialist provision.

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. We offer a 38 week academic year, but can offer residential placements for up to 52 weeks and respite. The College now represents 21% of the Charity's overall income (20% in 2018) and employs 140 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 continuing to significantly invest in our College buildings to offer state of the art educational and residential facilities that will provide us with the capacity for growth and to enable us to meet the needs of increasingly complex and challenging students.

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 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 formally observed teaching and learning was graded 'good' or 'outstanding'.

Board of Trustees Report including Strategic Report For the year ended 31 March 2019

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 four people (three people with Asperger Syndrome) and our Business Plan demonstrates our commitment to create opportunities for many more people to gain meaningful employment as the enterprise grows.

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 for growth, to diversify charitable activities alongside achieving efficiencies have enabled us to accommodate significant legislative and funding changes and challenges. We are seeing 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 exciting contracts that are enabling us to make a real difference to the lives of some of the most vulnerable people. We are confident of our continued growth across the region through partnership working with Local Authorities and health colleagues.

Directors and Central Management

The past 12 months has continued to be challenging due to on-going financial pressures from Local Authorities and Continuous Health Care (CHC). Through strong financial management and controls we have managed to cover our increasing expenditure and generate a surplus which is very positive in the current climate. However achieving inflationary increases from Local Authorities has continued to be a significant challenge.

Despite these challenges we have maintained our quality and have continued to evidence excellent outcomes for the people we support across the Charity. This is further demonstrated in CQC reports, Local Authority audits, self-assessment reports and staff, service user and parent survey results.

ESPA continues to comply with the National Living Wage (NLW) and have slightly enhanced our hourly rate to ensure we remain competitive and attract a high quality workforce. Our continued growth is enabling us to provide more employment opportunities for people across the North East.

After registering with the NLW Social Care Compliance Scheme we were confirmed as fully compliant. We have also continued to comply with the increases to workplace pensions which from April 2018 saw increases to both employee and employer contributions.

After a lengthy rigorous assessment process in June 2018 we were proud to receive the Investors in People Silver award. We have held this award since 2000. Significant strengths were identified and the few recommendations have been reflected in our strategic objectives for 2019 to 2021.

Board of Trustees Report including Strategic Report For the year ended 31 March 2019

In December 2018 we signed up to the Driving up Quality Code to evidence our public commitment to driving up quality in our services. We self-assessed ourselves against the Code's 5 key principles and produced a comprehensive report that incorporated evidence to support our judgements from other quality assurance processes. Identified areas for improvement have become objectives in our Strategic Plan.

Our accommodation strategy continues to focus on all our buildings being fit for purpose and meeting current and future business needs.

We have now identified a suitable building to become our new head office. This purchase will be covered by rent savings from our current building. Internal refurbishment work is almost complete and an anticipated move in date is May 2019.

In July 2018 work started on the next phase of South Hill, a day College site in Sunderland. This will create 6 additional classrooms to accommodate growing numbers of students. The contractors have made excellent progress and all major works are expected to be completed by Easter with the classrooms to be fully operational for the new academic year.

Work is well underway to convert Ashleigh in Newcastle from a Halls of Residence for 18 people to a young person's transition service. The internal refurbishment will create 11 ensuite bedrooms. The ultimate aim is to offer 5 student placements, 4 adult social care funded placements and 2 respite rooms.

ESPA has plans to refurbish a building in Westerhope to become the new North of Tyne College site. We are aiming to appoint a contractor to do the works by Easter and for the building to become fully operational by January 2020. The current building in Kenton will be retained to offer a new social care programme for young people with complex and challenging needs.

As we employ over 250 staff we published our Gender Pay Gap report for the 5th April 2018. We remain confident that men and women are paid equally for doing equivalent jobs across the Charity. However we do continue to employ more females to males and have more women in higher paying roles.

We have now completed our ICT project plan which has improved functionality, provided a resilient back up strategy and enhanced security.

On the 25th May 2018 the General Data Protection Regulations (GDPR) went live and extensive work has taken place to ensure compliance.

Recruitment of staff has been a major challenge over the year. We are now using social media to advertise vacancies and share positive stories to present the rewarding roles across the Charity. We also engaged with the Department of Health's National Social Care Recruitment Campaign.

During 2018/19 we have achieved significant savings through reducing recruitment agency costs.

We have appointed an Assistant Training Manager and the department has conducted a strategic review of current training and evaluated e-learning packages. The aim is also to introduce more accredited learning. A new more streamlined induction will be rolled out when we move to the new office which will incorporate an e-learning suite.

As an organisation we have embraced Positive Behaviour Support (PBS) as an evidence based approach to supporting people who display behaviours that challenge to enjoy a good quality of life. We secured places for our Behaviour Nurse Specialist and 5 Managers to participate in a new range of courses developed by the PBS Academy and Northumbria University. 25 Support Workers will then be mentored to complete a Competence Award. This learning will become embedded across the Charity, facilitated by our established PBS Group.

Board of Trustees Report including Strategic Report For the year ended 31 March 2019

ESPA remains fully compliant with all legislative requirements and changes, Charity Commission requirements and best practice.

In February 2019 surveys were made available to all staff to enable us to measure employee's opinion, engagement and job satisfaction. This also contributes towards the Charity's continuous quality improvement and business planning processes. Data is currently being collated into a report to be shared with staff and Trustees.

In February 2019 surveys were also sent to the people we support and their families. Again overall feedback was very positive and the few specific comments and issues raised are being followed up by Managers and Team Leaders on an individual basis.

Residential Services

Over the past 12 months our residential services have remained financially stable. At the end of March 2019 we were supporting 73 service users however, currently have 12 voids which we are proactively trying to fill. This represents an occupancy rate of 85.88%. A number of people are currently being assessed. However due to age, mental health needs and behaviours that challenge compatibility with current residents is an issue in a number of our services.

To enable us to support this changing population we are strategically remodelling some of our existing homes to create capacity. This has already been achieved for Cedars Lodge and Montpelier in Sunderland. The refurbishment of Ashleigh will also create similar provision for North of the Tyne. Forest Hall in North Tyneside is now registered with the Care Quality Commission (CQC) which will enable us to support people with more challenging needs in 1 or 2 person flats.

After initially being given the opportunity to buy one of our small residential services, Portland Avenue, from the Housing Association in December we have since been informed that this offer has been withdrawn. Despite us making further representation they have decided to sell all of their supported housing stock and have initiated the tendering process. Other than a change of landlord this will have no impact on the running of the service.

Since April 2018 a further 5 homes have been inspected by the CQC and all were awarded 'Good' in all domain areas. After a re-inspection of one service all have now achieved a 'Good' with some reports highlighting some outstanding features and practices. Internal Quality Assurance processes are now aligned to the CQC's domains and provide evidence of ongoing compliance and identify areas for further development. A temporary Quality Manager has been appointed to support the General Manager with internal audits.

Due to supporting individuals with increasingly complex and challenging needs, we have developed an extensive range of partnerships and joint working protocols with other professionals and organisations e.g. Safeguarding Teams, Police, Crisis Teams, NHS Trusts, and PBS Teams. Through this proactive working we have supported many people to continue to live safely in the community and achieve good quality of life outcomes.

Achieving inflationary increases from Local Authorities and Continuing Health Care has been challenging and very time consuming. This remains a priority to ensure we receive the income needed to enable us to comply with the NLW and other cost increases.

One significant impact of the NLW increase was that in April 2019 our two Support Worker grades merged into a single role. Extensive planning was done in advance of this to ensure all staff had the required competencies and this transition has now been successfully achieved. We are also focussing on succession planning to develop staff's skills and expertise in preparation for more senior positions.

Prevent is now embedded with the College and this training is now also being rolled out to all residential staff.

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We are continuing to develop and enhance our approaches and interventions to better capture autism specific outcomes. This year we have been working towards everyone having a completed Spectrum Star. This is now being championed by the General Manager and Learning and Development Department.

ESPA College

Despite on-going funding challenges this has been a more positive year for the College with 3 out of 4 day College sites exceeding forecasted student numbers and overall numbers averaging at 80 students. However due to reduced programmes and more part-time placements this has only resulted in a slight increase in income. We are however confident that due to our good reputation and raised profile across the region that we will continue to achieve growth in student numbers and income.

In 2018/19 we developed a highly bespoke placement for a College leaver who presents with significant challenges requiring intensive specialist support. The outcome for him, his family and commissioners has far exceeded expectations. We are aware that there are a number of other individuals who need a similar social care programme. We are now exploring using the vacated North Rye building to become the community base for this new offer and business opportunity.

A strategic review of the College's Advisory Board has attracted new membership with more diverse skills and experience. The new Terms of Reference has been approved by ESPA's Trustees. The lively and interactive Student Committee Meetings are now well established and is shaping College activities and enhancing the learner experience. Students are also now represented at the Equality and Diversity Committee and Graduation Working Group.

In autumn the College Self-Assessment Report (SAR) was completed and independently evaluated by the David Lewis College. A more robust quality cycle now captures more data to reinforce judgements and audits now inform the termly Quality Reports. A new Quality Group has also been established to shape best practice. Student, family and induction surveys also feed into the self-assessment process.

The day College site in Middlesbrough has seen an increase in student numbers as its profile and reputation has grown across Teesside. Now the service is more established within the local area, we are now exploring the feasibility of relocating the site to a permanent base, which ESPA can hopefully purchase.

In June 2018 Ashleigh, in Newcastle, that offers residential student placements was awarded an 'Outstanding' by the CQC which is an exceptional achievement.

Across the year much work has been done to improve marketing the College across the North East. They now actively publish news and stories on ESPA's website and Facebook page which is being widely shared. Representatives from across the College have attended and presented at regional and national events which is further raising its profile and recognition for its excellent achievements.

In October 2018 we appointed a new part-time Counsellor with the skills and experience to support some of our more challenging students. He has made an excellent addition to our multi-disciplinary team.

An ongoing strategic priority is improving employability outcomes for students. Links with local employers has extended, which is resulting in higher quality work placements and generating the potential for Supported Internships. The College's two enterprises also continue to provide vocational opportunities.

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Domiciliary Agency

Over the past 12 months we have maintained all our existing contracts. Despite ESPA being on Local Authority learning disability and autism frameworks across the region, no suitable contract opportunities have been published. However after extensive and meticulous planning we did support a man from Northumberland to move into a tenancy in Sunderland. He requires intensive 24 hour support but has settled well into his new home and is enjoying a good quality of life. There has also been a significant reduction in his behaviours that challenged.

During the year our application to remain on the Teeswide Framework was successful. The newly titled Positive Behaviour Support Framework required extensive evidence of our knowledge and expertise. This was recognised by Commissioners and we received the highest ranking. We were also successful on Sunderland's new framework for Personal Care and Support at Home; Durham's Provider Panel for Community Based Services for People with Learning Disabilities or Mental Health Needs and Gateshead's framework for the Provision of Support for People with Learning Disabilities/Autism. We continue to remain vigilant for suitable tendering opportunities.

The CQC conducted their first rated inspection of our Sunderland branch which covers Sunderland and North Tyneside's supported living services. They were awarded 'Good' in all domains.

In May 2018 our community hub in Stockton relocated to enable the building to be refurbished to make it fit for purpose and more autism specific. Extensive planning by ESPA and the Local Authority facilitated a smooth transition. Works are now almost complete and we are waiting for a date to move back in. This will also enable us to extend the service to accommodate approximately 20 people over the next few years.

In our core and cluster service in Newcastle two men moved on due to their changing needs, requiring an alternative service. A new potential tenant is currently being assessed for one of the bungalows and we are hopeful of retaining the other as a staff base. Highly sophisticated partnership working with a wide range of professionals and agencies is enabling individuals to achieve some excellent outcomes.

ESPA and the Domiciliary Agency is now well represented at regional provider events and forums. This includes the Teeswide Autism Partnership Board. These ensure we keep up to date on commissioning intentions and best practice, in addition to networking with other social care providers.

Day and Vocational Services

The Croft Centre and Deliver me Timbers continue to offer a wide range of stimulating, meaningful and fun activities. These are enjoyed by everyone we support residually and individuals living at home funded for day placements.

Over the year The Croft Centre has hosted 10 celebratory events which are always spectacular and well attended. These themed parties have included a Burns Night Supper, Valentine's Ball, St Patrick's Day Party, Halloween Party, and Christmas Party. Their quizzes, barbeques and community events are also always very popular. In addition to the activities offered within the building everyone accesses a wide range of community activities based on their interests and preferences.

New activities and resources have been introduced to further extend the opportunities available to the people who attend. This has included; multi-games table, outdoor pizza oven, Wii, safe darts, a new gym, massage and fitness sessions and a photography room. They have also started to erect a summer house that they raised the funds for.

Deliver me Timbers has continued to offer vocational opportunities through creating high quality garden and conservation products which are for sale.

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Autism Works

This has been another busy and productive year for Autism Works. The enterprise has earned an excellent reputation, which has resulted in them maintaining contracts with Johnson and Johnson and companies in their supply chain. Johnson and Johnson have remained the primary client and the team at Autism Works has continued on a number of high profile, international contracts. These have included Pharmagenious, Care4Today and Acuvue, all which are being rolled out across the world.

Recently they have been awarded 3 new contracts by Johnson and Johnson, which will be frequent testing but on a more adhoc basis. These projects have full budget approval, but Autism Works need to recruit to the team to carry out this work.

Autism Works will also be starting up user acceptance testing for Johnson and Johnson Managed Services for a hospital theatre management information system in May 2019. This will be approximately a 12 month contract.

Work has also continued with Janssen Medical Cloud and we have been approached by Sage, who is currently exploring subcontracting a range of testing activities, but again additional resources is needed in the team to create capacity to deliver.

There is also another new opportunity to provide testing services for Network Rail's IT specialists, which has the potential to become a 3 year managed service providing work for 2 to 4 highly skilled graduates. When we recruit additional testers, other known contract opportunities can be followed up e.g. UBS, Deloitte and Liverpool Victoria.

During the year there have been a number of discussions regarding a collaborative partnership with a Hull based autism Charity, who want to develop a local enterprise based upon the Autism Works model. They are currently seeking grant funding to support their business development. This could have the potential of providing us with a temporary sub-contract resource, a recruitment route for testers and an expansion of the Autism Works/see: detail brand. This will continue to be explored in 2019.

ESPA Research

This has been a very productive year for ESPA Research, which has achieved financial growth. In June 2018 the subsidiary received its 10th generous donation from the Robert Luff Foundation. This year's £100,000 contribution demonstrates their commitment and support for the research activities being conducted.

A significant proportion of the team's time this year has continued to be the A2 Milk trial for autism and Attention Deficit Hyperactivity Disorder (ADHD). Data collection has now been completed for this project and behavioural data is currently being analysed. The examination of biological data has also started. Findings will be published in a number of papers over the next 12 months.

ESPA Research has also continued to work on other projects, all looking at improving quality of life outcomes for people on the autism spectrum and their families.

Over the past year members of the team were invited to attend and present at national and international conferences, including the World Autism Conference in Houston, USA.

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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 2019 to March 2021 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 2019 to March 2021 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 in existing and new activities
- To ensure ongoing compliance with the National Living Wage (NLW)
- To implement the Charity's Accommodation Strategy
- To recruit, train and develop a high quality workforce
- To ensure compliance with legislative and contractual requirements and best practice
- To evidence best practice and the achievement of positive outcomes.

Residential Services

- To ensure the on-going financial strength and growth of residential services
- To deliver the highest quality person centred and autism specific support
- To ensure all homes continue to meet legislative requirements, local and national policy and best practice
- To achieve and sustain 94% occupancy
- To ensure resources are allocated to meet strategic priorities and objectives
- All services to maintain a 'Good' rating by the CQC but recognised for some outstanding practices.

Domiciliary Agency

- To ensure the Agency's financial strength to support its on-going development
- To ensure the Agency continues to meet legislative and contractual requirements and evidences best practice
- To ensure each person receives the highest quality person centred and autism specific support
- Everyone supported achieves positive personal outcomes and enjoys a good quality of life
- To remain on Local Authority frameworks and retain current contracts
- To increase income through new support contracts
- To support the transition back to Ware Street in Stockton and increase numbers in the service to 20
- To ensure the financial stability of Burnfoot Court
- To ensure staffing and management structures meet actual needs within income.

ESPA College

- To ensure the College's financial strength in order to provide the resources to support excellence in teaching and learning
- To increase income through increased student numbers
- To establish Myplace in Middlesbrough into the local College of choice for people with autism, their families and professionals
- Students achieve excellent outcomes

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- To further develop College systems and activities to improve the quality of teaching and learning
- To improve employability outcomes.

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 extend the range of activities in direct response to people's needs, wishes and interests
- To develop more vocational and voluntary opportunities

Autism Works

- To maintain financial strength to support the continued growth and development of the enterprise
- To build on current contracts and secure new clients
- To recruit and train a skilled workforce
- Increase brand awareness and improved marketing

ESPA Research

- To ensure the financial viability and growth of ESPA Research
- To produce high quality research for the public good
- To complete the a2 milk trial and publish research findings
- To continue current research projects and engage in new partnerships
- To enhance marketing and raise the profile of the enterprise.

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Financial Review

The consolidated statement of financial activities reports an operating surplus of £0.887m for the year ended March 2019 in comparison with £0.678m last year. The Charity has managed to maintain its financial position this year and achieve a surplus, which is a satisfactory result in a challenging environment. The financial austerity within social care remains a challenge 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 2018-19, we generated total income for the year of £14.168m (2018: £13.676m) an increase of 3.60% on the previous year. The marginal increase in the year was due to the increased demand for College education placements and placements within the Residential and Domiciliary Agency, this has enabled the Charity to maintain the income levels of charitable activities. During the year we have continued to see an increase in demand for both College services and adult social care placements. The College has continued to be challenged with the NE12 Funding Framework, increased competition and pressure on student fees. Student numbers and placement fees have increased in the year and the forecasted student numbers for 2019-20 is encouraging.

Fee income from statutory bodies represents 96.65% (2018: 95.5%) of the total income and as part of the strategic planning process, the Board of Directors and management are continuing to look at diversifying into other income streams. Adult social services increased by 3.60% to £10.84m (2018: £10.46m), which is reflective of the new ISF project and the demand for new placements. Education fees increased by 10.13% to £2.85m (2018: £2.59m), an increase in funding from the ESFA and an increase in student numbers have impacted on this year's results. Grant income increased by 46.53%, with grants received in the year totalling £79,966 (2018: £54,573), which includes £42,525 from the Work force development fund and £37,441 from the EFA Capital Fund.

During 2018-19, our total charitable expenditure increased to £13.282m (2018: £12.998m), up 2.18% on the previous year. Analysis of our expenditure shows, adult social services at 71.28% (2018: 70.23%) and education fees at 26.89% (2018: 27.63%) of our total expenditure. Support costs in the year were £1.53m or 10.83% of total revenues (2018 - £1.51m, 11.01%). The current economic conditions and financial austerity within social care remain a challenge for ESPA, but despite marginal growth in the Education funding and nominal inflationary increases in Local Authority income, we have continued to remain focused on driving efficiencies and optimising costs to maintain a healthy surplus for the year.

The balance sheet remains in good shape at the current financial year end. The organisation has invested funds of £1.03m (2018: £116k) in fixed assets during the year. The main investment in the year was the purchase of a new central administration office in Sunderland which enabled all the central function to be now located within one building. We have also started the development of Phase 3 at our South Hill site, which was due to be completed in August 2019. These investments are part of the planned accommodation strategy within the Charity.

At the end of the financial year the group has total net assets of £14.333m (2018: £13.447m) based on reporting a total net surplus of £0.887m.

The organisation continues to invest in short-term cash deposits, as these funds arise from fees received in advance. In 2019 the return on investments totalled £18.2k (2018: £9.4k), this being an increase of 94.06% (2018: 30.55% increase). The decrease in the cash flow during the financial year is due to the delay in receiving funds from new contractual placements with local authorities, the impact is short term but cash flow monitoring ensures that all funds will be maintained long term. The Bank of England base interest rate of 0.75% 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.

Board of Trustees Report including Strategic Report For the year ended 31 March 2019

ESPA Research Limited, our trading subsidiary, recorded financial results in the year as shown in note 24. In the current financial year we have seen a decrease in the ability to generate funds through grants and donors for the pure research activities. The company has made distributable profits in the year and the Board have recommended that these funds are retained within the company to fund current cash flow requirements. The 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 24. During the year the enterprise team of Autism Works has successfully maintained a working relationship with Johnson & Johnson to develop new contracts, while retaining the involvement in existing contracts. Autism Works achieved significant growth in the year along with generating new contracts, while still attracting interest for new future contracts from various suppliers. 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.

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 £3.32m.(2018: £3.25m), which is in line with the actual free reserves at 31 March 2019 of £6.11m (2018: £5.33m). This high level of reserves represents cash to fund planned future developments.

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

Investment Policy

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

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

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

**Board of Trustees Report including Strategic Report
For the year ended 31 March 2019**

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 19, 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 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.

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

Board of Trustees Report including Strategic Report For the year ended 31 March 2019

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 commits 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.

Fundraising

ESPA currently does not raise funds externally or use professional fundraisers/commercial participators to actively raise funds to further our charitable activities. The Charity only receives small generous donations from our supporters which are used to help further the lives of the individuals we support. We are aware of the requirements of Charities Act 2011 in relation to statements on fundraising and are reviewing our process to ensure that any future fundraising will comply with the legislation.

**Board of Trustees Report including Strategic Report
For the year ended 31 March 2019**

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
- Expenditure exceeds income
- Retaining existing contracts or not being awarded new contracts
- Severe injury or death of a service user, student or staff member (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 2018/20.

The Risk Register is formally reviewed 6 monthly by the Board of Directors. It was last reviewed in April 2019.

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;

**Board of Trustees Report including Strategic Report
For the year ended 31 March 2019**

- 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, Baldwins Audit Services, will be proposed for re-appointment in accordance with Section 485 of the Companies Act 2006.

The Report of the Trustees including the Strategic Report was approved by the Board of Trustees on 23 December 2019 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 2019

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 G Cahill - College Principal
P Shannon - Development Manager (Leaver 31.03.2019)
M Elstob - General Manager

Company Secretary: K T Hardy

Registered Office: North House
Ferryboat Lane
Sunderland
Tyne and Wear
SR5 3RL

Auditors: Baldwins Audit Services
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

Opinion on financial statements

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 2019 on pages 22 to 37 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 25 to 27. 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) 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.

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 2019 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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 and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the directors' 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 group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

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

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

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities set out in the Report of the Trustees, the Trustees (who are also the 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



Colin Chater BA FCA (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services
Accountants
Statutory Auditor
32 Brenkley Way
Bleazard Business Park
Seaton Burn
Newcastle upon Tyne
NE13 6DS

23 December 2019

Consolidated Statement of Financial Activities (Incorporating an income and expenditure account)
For The Year Ended 31 March 2019

Income and Expenditure Account

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Income and endowments from:					
Donations and legacies	2	176,172	-	176,172	104,628
Charitable activities	3	13,697,619	79,966	13,777,585	13,220,364
Other trading activities	4	196,995	-	196,995	264,095
Investments	5	18,197	-	18,197	9,377
Other	6	-	-	-	77,879
Total income		14,088,983	79,966	14,168,949	13,676,343
Expenditure on:					
Charitable activities	7	13,239,551	42,525	13,282,076	12,998,095
Total expenditure		13,239,551	42,525	13,282,076	12,998,095
Net income / (expenditure)		849,432	37,441	886,873	678,248
Transfers between funds	21	137,441	(137,441)	-	-
Net movement in funds	21	986,873	(100,000)	886,873	678,248
Reconciliation of funds:					
Total funds brought forward	21	13,347,010	100,000	13,447,010	12,768,762
Total funds carried forward	21	14,333,883	-	14,333,883	13,447,010

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

**Balance Sheet
at 31 March 2019**

		Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
	Note				
Fixed assets					
Tangible assets	14	9,122,211	8,373,026	9,103,346	8,362,060
Investments	15	-	-	20	20
Total fixed assets		9,122,211	8,373,026	9,103,366	8,362,080
Current assets					
Debtors	16	3,917,237	2,905,839	4,063,110	2,989,065
Cash at bank and in hand		3,492,761	3,917,572	3,357,612	3,876,974
Total current assets		7,409,998	6,823,411	7,420,722	6,866,039
Current liabilities					
Creditors: amounts falling due within one year	17	(1,447,979)	(1,536,932)	(1,425,934)	(1,502,980)
Net current assets		5,962,019	5,286,479	5,994,788	5,363,059
Total assets less current liabilities		15,084,230	13,659,505	15,098,154	13,725,139
Creditors: amounts falling due after more than one year	18	(750,267)	(212,495)	(750,267)	(212,495)
Provisions for liabilities	20	(80)	-	-	-
Net assets		14,333,883	13,447,010	14,347,887	13,512,644
Charity Funds					
Restricted funds	21	-	100,000	-	100,000
Unrestricted funds	21	14,333,883	13,347,010	14,347,887	13,412,644
Total charity funds	21	14,333,883	13,447,010	14,347,887	13,512,644

The financial statements were approved and authorised for issue by the Board on 23 December 2019.

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 2019

	Note	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Cash flow from operating activities	23	73,438	(455,563)	(33,943)	(463,609)
Net cash flow from operating activities		73,438	(455,563)	(33,943)	(463,609)
Cash flow from investing activities					
Receipts from sales of intangible fixed assets		100	137,798	100	137,798
Payments to acquire tangible fixed assets		(1,030,370)	(116,338)	(1,017,540)	(110,008)
Interest received		18,197	9,377	18,197	9,377
Net cash flow from investing activities		(1,012,073)	30,837	(999,243)	37,167
Cash flow from financing activities					
Receipts from issue of new long term loans		700,000	-	700,000	-
Repayment of long term loans		(166,071)	(306,780)	(166,071)	(306,780)
Interest paid		(20,105)	(15,220)	(20,105)	(15,220)
Net cash flow from financing activities		513,824	(322,000)	513,824	(322,000)
Net increase / (decrease) in cash and cash equivalents		(424,811)	(746,726)	(519,362)	(748,442)
Cash and cash equivalents at 01.04.2018		3,917,572	4,664,298	3,876,974	4,625,416
Cash and cash equivalents at 31.03.2019		3,492,761	3,917,572	3,357,612	3,876,974
Cash and cash equivalents consists of:					
Cash at bank and in hand		3,492,761	3,917,572	3,357,612	3,876,974
Cash and cash equivalents at 31.03.2019		3,492,761	3,917,572	3,357,612	3,876,974

**Notes to the financial statements
For The Year Ended 31 March 2019**

1 Accounting policies

1.1 Company information

The Charity is a private company limited by guarantee and is incorporated in England and Wales. The address of its registered office is North House, Ferryboat Lane, Sunderland, Tyne and Wear. SR5 3RL.

The members of the company are the Trustees named on page 19. 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 2019

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 8.

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 2019

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 and provisions 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 and provisions 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 2019

2 Income from donations and legacies

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2019	Total Funds 2018
		£	£	£	£
Donations		76,172	-	76,172	4,628
Donations - Robert Luff Foundation	24	100,000	-	100,000	100,000
		176,172	-	176,172	104,628

3 Income from charitable activities

	Unrestricted Funds	Restricted Funds	Total Funds 2019	Total Funds 2018
	£	£	£	£
Adult services fees	10,839,248	-	10,839,248	10,462,483
College fees	2,854,910	-	2,854,910	2,592,194
Grants	-	79,966	79,966	54,573
Other	3,461	-	3,461	111,114
	13,697,619	79,966	13,777,585	13,220,364

During the year the Group and Charity received no capital grants (2018 - £NIL), which has no unfulfilled conditions or other conditions attached. Other forms of grant assistance from which the Group and Charity has benefitted amounts to £79,966 (2018: £54,573).

4 Income from other trading activities

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2019	Total Funds 2018
		£	£	£	£
Garden furniture income		1,735	-	1,735	-
Subsidiary undertakings income	24	195,260	-	195,260	264,095
		196,995	-	196,995	264,095

5 Income from investments

	Unrestricted Funds	Restricted Funds	Total Funds 2019	Total Funds 2018
	£	£	£	£
Interest received	18,197	-	18,197	9,377
	18,197	-	18,197	9,377

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

6 Other income

	Unrestricted Funds	Restricted Funds	Total Funds 2019	Total Funds 2018
	£	£	£	£
Profit on sale of tangible fixed assets	-	-	-	77,879
	-	-	-	77,879

7 Analysis of expenditure on charitable activities

	Note	Activities undertaken directly	Support costs	2019	2018
		£	£	£	£
Adult services fees		8,696,437	770,618	9,467,055	9,128,523
College fees		2,811,825	759,566	3,571,391	3,591,507
Subsidiary undertakings expenditure	24	239,369	4,261	243,630	278,065
		11,747,631	1,534,445	13,282,076	12,998,095

£42,525 (2018 - £33,921) of the above costs were attributable to restricted funds. £13,239,551 (2018 - £12,964,174) of the above costs were attributable to unrestricted funds.

Notes to the financial statements
For The Year Ended 31 March 2019

8 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	2019	2018
		£	£	£	£	£
Governance	9	10,528	10,528	4,261	25,317	22,420
Management		128,185	128,185	-	256,370	282,558
Finance		119,282	119,282	-	238,564	232,110
Human resources		33,285	33,285	-	66,570	66,042
Maintenance		63,322	63,321	-	126,643	126,746
Training		17,024	5,973	-	22,997	25,285
Multi disciplinary team		66,192	66,192	-	132,384	136,246
Facilities (incl. rental)		43,726	43,726	-	87,452	90,902
Admin and Office costs		289,074	289,074	-	578,148	524,092
Total support and governance costs		770,618	759,566	4,261	1,534,445	1,506,401
Support costs are made up of:						
Staff Costs		427,290	416,238	-	843,528	868,987
Other Costs		343,328	343,328	4,261	690,917	637,414
Total support and governance costs		770,618	759,566	4,261	1,534,445	1,506,401

9 Governance costs

	2019	2018
	£	£
Auditor's remuneration:		
- Audit of the charity's annual accounts	19,320	16,458
- Audit of the charity's subsidiary undertakings	4,261	4,288
Trustees' indemnity insurance	1,736	1,674
	25,317	22,420

10 Net income for the year

Net income is stated after charging:	2019	2018
	£	£
Depreciation of tangible fixed assets	280,993	267,038
Loss on sale of tangible fixed assets	93	902
Operating lease rentals - land and buildings	190,483	192,764
Operating lease rentals - equipment	135,747	132,450

11 Staff costs and remuneration of trustees and key management personnel

The total group staff costs and employees benefit's was as follows:	2019	2018
	£	£
Wages and salaries	9,628,358	9,355,181
Social security costs	609,709	611,779
Pension costs	230,964	196,781
	10,469,031	10,163,741

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

	2019	2018
	Number	Number
Charitable activities	544	520
Management and administration of the charity	32	32
Subsidiary undertakings	7	7
	583	559

Notes to the financial statements
For The Year Ended 31 March 2019

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

	2019 Number	2018 Number
£60,001 - £70,000	-	-
£70,001 - £80,000	1	1
£80,001 - £90,000	-	-
£90,001 - £100,000	-	-
£100,001 - £110,000	1	1
	<u>2</u>	<u>2</u>

The key management personnel of the Group are the Trustees and Management listed on page 19. Total salary and employee benefits received by key management personnel during the year amounted to £314,098 (2018: £322,729) plus pension contributions of £21,208 (2018: £19,427).

The trustees neither received nor waived any emoluments during the year (2018: £Nil).

During the year 3 trustees (2018: 3) were reimbursed expenses totalling £1,174 (2018: £794), which represented accommodation, travel and subsistence expenses incurred for attendance at the Trustees' meetings. A total of £357 (2018: £341) was paid directly to third parties. As permitted in the Articles of Association, Trustee indemnity insurance was purchased at a total cost of £1,736 (2018: £1,674).

12 Interest payable and similar charges

	2019 £	2018 £
Bank loans and overdrafts	20,105	15,220
	<u>20,105</u>	<u>15,220</u>

13 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 corporation or deferred tax charge has arisen in its subsidiary undertakings.

Notes to the financial statements
For The Year Ended 31 March 2019

14 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 01.04.2018	10,170,140	64,289	280,994	592,874	24,691	342,186	11,475,174
Additions	947,894	-	25,045	21,033	16,236	20,162	1,030,370
Transfers	-	-	-	-	-	-	-
Disposals	-	-	(38,152)	(25,365)	(12,353)	(53,572)	(129,442)
At 31.03.2019	11,118,034	64,289	267,887	588,542	28,574	308,776	12,376,102
Depreciation:							
At 01.04.2018	2,046,844	64,287	213,580	496,946	24,689	255,802	3,102,148
Charge for the year	181,357	-	26,738	39,251	3,044	30,602	280,992
Eliminated on disposals	-	-	(38,148)	(25,238)	(12,352)	(53,511)	(129,249)
At 31.03.2019	2,228,201	64,287	202,170	510,959	15,381	232,893	3,253,891
Net book value:							
At 31.03.2019	8,889,833	2	65,717	77,583	13,193	75,883	9,122,211
At 01.04.2018	8,123,296	2	67,414	95,928	2	86,384	8,373,026
Charity							
	Freehold land and buildings £	Short leasehold buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
Cost or valuation:							
At 01.04.2018	10,170,140	64,289	261,604	592,874	24,691	340,825	11,454,423
Additions	947,894	-	12,696	21,033	16,236	19,681	1,017,540
Transfers	-	-	-	-	-	-	-
Disposals	-	-	(38,152)	(25,365)	(12,353)	(53,572)	(129,442)
At 31.03.2019	11,118,034	64,289	236,148	588,542	28,574	306,934	12,342,521
Depreciation:							
At 01.04.2018	2,046,844	64,287	203,870	496,946	24,689	255,727	3,092,363
Charge for the year	181,357	-	22,316	39,251	3,044	30,093	276,061
Eliminated on disposals	-	-	(38,148)	(25,238)	(12,352)	(53,511)	(129,249)
At 31.03.2019	2,228,201	64,287	188,038	510,959	15,381	232,309	3,239,175
Net book value:							
At 31.03.2019	8,889,833	2	48,110	77,583	13,193	74,625	9,103,346
At 01.04.2018	8,123,296	2	57,734	95,928	2	85,098	8,362,060

Tangible fixed assets with a net book value of £6,179,847 (2018 - £6,096,240) 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 2019

15 Fixed asset investments

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Market Value as at 1 April 2018	-	-	20	20
Additions	-	-	-	-
Disposal	-	-	-	-
Impairment	-	-	-	-
Market Value as at 31 March 2019	-	-	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 24).

16 Debtors

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Trade debtors	1,821,790	1,241,473	1,811,912	1,222,422
Amounts owed by group undertakings	-	-	219,037	158,812
Other debtors	54,493	86,746	49,716	31,656
Prepayments and accrued income	2,040,954	1,577,620	1,982,445	1,576,175
	3,917,237	2,905,839	4,063,110	2,989,065

17 Creditors: amounts falling due within one year

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Bank loans and overdrafts	145,875	149,718	145,875	149,718
Trade creditors	171,767	150,188	169,585	144,585
Fees in advance	284,668	285,307	282,168	262,507
Payments received on account	369,282	546,480	367,265	546,464
Other tax and social security	177,499	166,597	166,741	165,014
Accruals and deferred income	298,888	238,642	294,300	234,692
	1,447,979	1,536,932	1,425,934	1,502,980

Notes to the financial statements
For The Year Ended 31 March 2019

18 Creditors: amounts falling due after more than one year

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Bank loans	750,267	212,495	750,267	212,495
	750,267	212,495	750,267	212,495

Bank loans include aggregate amounts of £29,954 (2018 - £50,769) 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 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
1.75% above LIBOR secured loan repayable by 21 July 2025	-	31,200	-	31,200
1.75% above LIBOR secured loan repayable by 19 December 2023	-	34,131	-	34,131
2.50% above LIBOR secured loan repayable on 22 June 2025	126,339	147,164	126,339	147,164
0.75% above LIBOR secured loan repayable on 2 November 2023	623,928	-	623,928	-
	750,267	212,495	750,267	212,495

19 Operating lease

At 31 March 2019 the Charity and the Group had total commitments under non-cancellable operating leases for Land and Buildings and Equipment as follows:

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Operating lease payments falling due:				
Within one year	178,175	284,459	155,128	261,412
Between one and five years	33,105	85,930	33,105	85,930
After more than five years	-	-	-	-
	211,280	370,389	188,233	347,342

20 Provisions for liabilities

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
At 01.04.2018	-	-	-	-
Deferred tax provision	80	-	-	-
At 31.03.2019	80	-	-	-

The tax provision relates to the deferred taxation within the subsidiary undertaking and is resultant of a timing issue.

Notes to the financial statements
For The Year Ended 31 March 2019

21 Fund reconciliation

Group	Balance At 01.04.2018 £	Income £	Expenditure £	Gains / (losses) £	Transfers £	Balance At 31.03.2019 £
Unrestricted funds:						
General reserve	5,336,197	14,088,983	(13,239,551)	-	(77,815)	6,107,814
Designated funds						
Fixed asset fund	8,010,813	-	-	-	215,256	8,226,069
Total unrestricted funds	13,347,010	14,088,983	(13,239,551)	-	137,441	14,333,883
Restricted funds:						
Tyne and Wear Care Alliance	-	42,525	(42,525)	-	-	-
Garfield Western Foundation	70,000	-	-	-	(70,000)	-
EFA - Independent Specialist Providers	-	22,638	-	-	(22,638)	-
EFA - Independent Specialist Providers	-	14,803	-	-	(14,803)	-
Bailey Thomas	20,000	-	-	-	(20,000)	-
Sir James Knott Trust	10,000	-	-	-	(10,000)	-
Total restricted funds	100,000	79,966	(42,525)	-	(137,441)	-
Total funds	13,447,010	14,168,949	(13,282,076)	-	-	14,333,883
Charity	At 01.04.2018 £	Income £	Expenditure £	Gains / (losses) £	Transfers £	At 31.03.2019 £
Unrestricted funds:						
General reserve	5,412,797	13,793,724	(12,995,922)	-	(69,916)	6,140,683
Designated funds						
Fixed asset fund	7,999,847	-	-	-	207,357	8,207,204
Total unrestricted funds	13,412,644	13,793,724	(12,995,922)	-	137,441	14,347,887
Restricted funds:						
Tyne and Wear Care Alliance	-	42,525	(42,525)	-	-	-
Garfield Western Foundation	70,000	-	-	-	(70,000)	-
EFA - Independent Specialist Providers	-	22,638	-	-	(22,638)	-
EFA - Independent Specialist Providers	-	14,803	-	-	(14,803)	-
Bailey Thomas	20,000	-	-	-	(20,000)	-
Sir James Knott Trust	10,000	-	-	-	(10,000)	-
Total restricted funds	100,000	79,966	(42,525)	-	(137,441)	-
Total funds	13,512,644	13,873,690	(13,038,447)	-	-	14,347,887

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 2019

22 Analysis of net assets between funds

Group fund balances at 31 March 2019 are represented by:	Unrestricted funds	Designated funds	Restricted funds	2019	2018
	£	£	£	£	£
Tangible fixed assets	-	9,122,211	-	9,122,211	8,373,026
Investments	-	-	-	-	-
Current assets	7,409,998	-	-	7,409,998	6,823,411
Current liabilities	(1,302,104)	(145,875)	-	(1,447,979)	(1,536,932)
Long term liabilities	(80)	(750,267)	-	(750,347)	(212,495)
Total	6,107,814	8,226,069	-	14,333,883	13,447,010

Charity fund balances at 31 March 2019 are represented by:	Unrestricted funds	Designated funds	Restricted funds	2019	2018
	£	£	£	£	£
Tangible fixed assets	-	9,103,346	-	9,103,346	8,362,060
Investments	20	-	-	20	20
Current assets	7,420,722	-	-	7,420,722	6,866,039
Current liabilities	(1,280,059)	(145,875)	-	(1,425,934)	(1,502,980)
Long term liabilities	-	(750,267)	-	(750,267)	(212,495)
Total	6,140,683	8,207,204	-	14,347,887	13,512,644

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

	Group 2019	Group 2018	Charity 2019	Charity 2018
	£	£	£	£
Net income / (expenditure) for the year	886,873	678,248	835,243	592,218
Interest receivable	(18,197)	(9,377)	(18,197)	(9,377)
Interest payable	20,105	15,220	20,105	15,220
Depreciation of tangible fixed assets	280,993	267,038	276,061	263,084
(Profit) / loss on disposal of tangible fixed assets	93	(76,977)	93	(76,977)
Provisions less payments	80	-	-	-
(Increase) / decrease in debtors	(1,011,398)	(1,348,697)	(1,074,045)	(1,250,353)
Increase / (decrease) in creditors	(85,111)	18,982	(73,203)	2,576
Net cash flow from operating activities	73,438	(455,563)	(33,943)	(463,609)

Notes to the financial statements
For The Year Ended 31 March 2019

24 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 North House, Ferryboat Lane, Sunderland, Tyne and Wear. SR5 3RL

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, during the current financial year the subsidiaries have generated a small profit on its trading activities but these have been retained in the year to fund current working capital.

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

	Autism Works Limited		ESPA Research Limited	
	Total 2019 £	Total 2018 £	Total 2019 £	Total 2018 £
Turnover	167,260	142,543	-	93,552
Cost of sales	(120,777)	(101,042)	7,704	(59,797)
Gross profit	46,483	41,501	7,704	33,755
Administrative expenses	-	-	(122,424)	(117,226)
Other operating income	-	-	128,000	128,000
Profit/(Loss) on ordinary activities	46,483	41,501	13,280	44,529
Corporation tax repayable/(payable)	(8,133)	-	-	-
Retained (Loss)/Profit in subsidiary	38,350	41,501	13,280	44,529
The aggregate of the assets, liabilities and funds was:				
Assets	145,293	15,550	81,886	111,598
Liabilities	(110,611)	(19,218)	(130,552)	(173,544)
Reserves	34,682	(3,668)	(48,666)	(61,946)

Included within the operating income figure of Espa Research Limited, donations received during the year were £100,000 (2018: £100,000), with the largest donor being the Robert Luff Foundation of £100,000 (2018: £100,000). These funds are unrestricted and have been shown within the Group total of donations and legacies (note 2), with the balance of operating income and turnover of £28,000 (2018: £121,552) shown under trading activities (note 4).

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

25 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 £230,964 (2018: £196,781). 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 included in the balance sheet amount to £34,025 (2018: £27,758).

26 Capital commitments

Capital expenditure at the balance sheet date for which the Group and charity had contracted for but not provided in the financial statements amounted to £224,055 (2018 - £NIL).

27 Events after the end of the period

There have been no events since the balance sheet date that are required to be adjusted for, or to be disclosed.

28 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 £5,400 (2018: £9,100) 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 (2018: £Nil).

Notes to the financial statements
For The Year Ended 31 March 2019

29 Financial instruments

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

	Note	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Financial assets					
Debt instruments measured at amortised cost:					
- Trade debtors	16	1,821,790	1,241,473	1,811,912	1,222,422
- Amounts owed by group undertakings	16	-	-	219,037	158,812
		<u>1,821,790</u>	<u>1,241,473</u>	<u>2,030,949</u>	<u>1,381,234</u>
Equity instruments measured at cost less impairment:					
- Fixed asset unlisted investments	15	-	-	20	20
Financial liabilities					
Measured at amortised cost					
- Bank loans and overdraft	17/18	896,142	362,213	896,142	362,213
- Trade creditors	17/18	171,767	150,188	169,585	144,585
		<u>1,067,909</u>	<u>512,401</u>	<u>1,065,727</u>	<u>506,798</u>