

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

**REPORT AND GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

REGISTERED CHARITY NO: 1037868

COMPANY NO: 2909953

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EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

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EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

Board of Trustees Report including Strategic Report For the year ended 31 March 2018

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 2018.

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 and 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 or 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 562 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 2018

- 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 Work's 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.

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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 78 people in these services. Residential services currently represent 61% of the Charity's income.

Each service is unique and individually tailored to meet the needs, wishes and expectations of the individuals living there. These services range from single person apartments to shared living arrangements. Most of the people we support have challenging and complex needs. Many individuals also have additional or associated difficulties or disabilities, therefore all our services offer intensive and specialist support in highly structured, autism-specific environments. All our homes offer 24 hour person centred care and support and staffing levels are based upon the actual assessed needs of the people we support. Each person receives structured and consistent support from highly skilled, experienced and knowledgeable staff. 299 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 11 homes have been awarded an overall rating of 'Good'. One has been awarded an 'Outstanding' and one was rated as 'Requires Improvement' however the minor areas for improvement had been addressed before the inspection was concluded.

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
- A core and cluster service
- Community enablement
- 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 18% of overall income (16% in 2017/18) and it currently employs 109 staff.

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The Domiciliary Agency is supporting 30 people and excluding Burnfoot Court in Newcastle is delivering over 1000 hours of support each week. We have 5 supported living services, 10 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 £1.245m.

c) Day and Vocational Services

The Croft Centre in Sunderland is a creative and innovative, community-based day provision that offers person-centred programmes of meaningful and stimulating activities for people across the autism spectrum, many of whom have additional or associated difficulties or disabilities. The Croft Centre also incorporates a highly successful vocational project 'Deliver me Timbers'. In addition to the extensive range of activities offered within the building, people also take part in a wide range of activities in the local and wider community.

Everyone in our residential services has the opportunity to take full advantage of all of these day opportunities. It also offers specialist full and part-time day placements for people living at home. These placements can be commissioned by Local Authorities or purchased directly through Personal Budgets, Direct Payments or Individual Service Funds. We currently support 26 people for day placements from across the region. The Croft Centre is open for 44 weeks a year and it currently employs 31 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 offer a 38 week academic year, but can offer residential placements for up to 52 weeks and respite. The College now represents 20% of the Charity's overall income (23% in 2017) and employs 120 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 learners.

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

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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 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 due to Local Authority and Continuous Health Care (CHC) funding. However 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.

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.

Also during 2017 we continued to be audited by the HMRC to check our compliance with the NLW and specifically for sleep-in duties. Any staff assessed as eligible received back pay. Despite receiving a closure letter from the HMRC we were advised in February 2018 to register on their new Social Care Compliance Scheme specifically for social care providers, set up to calculate outstanding payments.

Over the year we have continued to implement our Accommodation Strategy to ensure all our properties were fit for purpose and meet current and future business needs. Plans have been drawn up for the refurbishment of a new College

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building in Newcastle. We are working towards this opening in September 2019. A contractor is also being sourced to build the west wing extension on South Hill with the aim of providing additional classroom space from January 2019.

After extensive searching we have identified and had an offer accepted on a building that will become the Charity's new head office. The mortgage costs will be covered by rental savings and it will then become a charitable asset. We are aiming towards moving in over the summer.

The Cloisters is a large building in Sunderland that is now surplus to our requirements and is currently on the market. Also due to a significant reduction in residential student numbers we have supported the three remaining students to make positive transitions from our Sunderland halls of residence into smaller residential services nearby. This will then enable us to put this building on the market and generate capital to invest into new developments aligned to ESPA's strategic objectives.

In November 2017 we surveyed all staff to measure employees' opinion, engagement and job satisfaction. This feedback also contributed towards the Charity's continuous quality improvement, business planning and recruitment and retention strategies. Overall feedback was very positive especially in relation to ESPA living up to its mission, staff having the skills and knowledge to do their job and the job satisfaction staff get from making a difference to the lives of the people they support. Staff did suggest some areas for improvement that have been reflected in the organisation's Strategic Plan.

This year we have made significant investment in our IT systems. This has also included the College's management information system, Databridge, and a new Human Resources database has been installed. We are already seeing the benefits of much more efficient systems, increased security and the management of data.

In January 2018 we began the process to revalidate our Investors in People award, which we have held since 2000. We are confident of an excellent outcome.

Extensive preparation has taken place towards ESPA's compliance with the new General Data Protection Regulations (GDPR) that went live in May 2018. The Finance Executive will fulfil the role of Data Protection Officer supported by our Human Resources Advisor. A suitable tool kit has been sourced which is providing us with a systematic framework and work plan.

We have also prepared our Gender Pay Report which will be published on 5th April 2018 in line with legislation. Our analysis evidences that men and women are paid equally for doing equivalent jobs across the Charity. The only variation is due to currently more women being employed in senior roles than men.

As a Charity we have embraced Positive Behaviour Support (PBS) as an evidenced based approach to supporting people who display behaviours that challenge to enjoy a good quality of life. Our Behaviour Nurse Specialist has applied to do the pilot Level 7 Post Graduate Practice Lead that has been developed by the PBS Academy and Northumbria University. He could then mentor 5 Managers to do the Level 4 Facilitators course with each of them mentoring 5 Support Workers. If successful this will enable us to embed this best practice across the whole of the organisation.

In December 2017 the Board of Directors conducted a self- assessment against the new Good Governance Code to review their governance and leadership. Overall ESPA came out strong and area's for improvement have been reflected in the strategic objectives for 2018/19.

During the year we have been conducting an in-depth review of all staff training. A Manager has been seconded into the Learning and Development Department to support this work. A thorough review of current learning and available e-learning is being conducted. This aim is to ensure we continue to meet regulatory requirements, ensure we maintain high quality training and achieve efficiencies.

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Residential Services

Over the past 12 months our residential services have remained financially stable despite continued pressure from Local Authorities to reduce fees and the challenges of securing essential inflationary increases.

Referrals have remained buoyant, however we presently have twelve voids across our 13 residential services. This is primarily due to the changing needs of people being referred and their compatibility with existing residents. There is growing demand for our skills and expertise in supporting younger people with complex needs especially in relation to behaviours that challenge and mental health needs.

We are looking strategically at all our residential services to try and create vacancies in services that better meet the needs of younger people, whilst providing a positive next step for some people we are already supporting. In addition to creating capacity, consideration is being given within our accommodation strategy to develop a new registered service specifically for this client group.

We are looking at new ways of marketing our residential services and advertising specific voids to wider audiences.

Plans are progressing towards registering Forest Hall in North Tyneside with the Care Quality Commission (CQC) as a new location. The building consists of four two bedroomed flats each with their own front door. We are working with Local Authorities to support some of the present householders to move into their own tenancies. This will enable Forest Hall to offer some highly bespoke support arrangements, particularly for people who require intensive support and would find it difficult to live with others. We are working towards the service being registered by September 2018.

A strategic review of Holly House was conducted due to the needs of the residents and issues relating to compatibility. The outcome was to redesign the internal space. Consideration was also given to the changing health needs of the individuals as they were getting older. This work has made a significant difference for service users, staff and visitors. As a number of these people display behaviours that are a significant challenge, the changes have also improved people's safety and comfort and the feel and flow of the building. To enable us to fill the vacancy in the Holly View apartment an application for a variation will be made to increase the number of people supported by one person.

Quality assurance systems have continued to be enhanced to inform our continuous quality improvement and to evidence compliance and best practice. Management audits have now been aligned to the CQC's five domains and supervisions are now used to review actions and progress.

For one of our small residential services the property is owned by a Housing Association. Following their internal review we have been given the opportunity to buy the building at a very competitive price. We are in discussion with the bank and a mortgage will be raised at zero cost to the Charity and the property will then become another asset.

ESPA College

The College has maintained a strong market position and a good reputation amongst many Local Authorities and SEND Teams. Despite the many challenges this year we have achieved stability in student numbers, however reduced programmes and part-time placements have had an impact on income. Indications however for 2018/19 are showing an increase in student numbers and income.

On 1st September 2017 we appointed a new College Principal with excellent skills, knowledge and experience who is providing strong leadership and clear strategic direction for the College. He has made an outstanding start in the role and has made some positive changes towards improving teaching and learning and outcomes. In full consultation with staff and students a new mission statement was agreed to reflect the College's ambition:

"Raising expectations and improving lives"

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A marketing strategy has begun for the College to attract more students. A new Prospectus has been produced, the website has been updated, new signage has been installed and new promotional banners have been designed. The College is hosting regular open events promoting their outstanding work and showcasing achievements.

Despite early growth of our College day site in Middlesbrough numbers have remained static with a number of potential leavers in July 2018. Targeted marketing and engagement with Local Authorities has begun to raise the profile of our local offer and generate demand. Feedback has been very positive and partnerships are being re-established. We remain confident that over the next few years we will see significant growth that will enable us to invest in the purchase of a local base. This site is currently a satellite from one of our Sunderland sites, but to enhance leadership a dedicated, experienced, Assistant College Coordinator has been appointed.

We made a strategic decision to withdraw from the University Support Programme at Sunderland University in September 2017, to enable us to focus on our core business and to invest these resources into our other current priorities. Support for existing students was honoured until the end of their courses in 2018.

A very lively and vibrant Student Committee has made a valued contribution to help shape the College's activities and improve the learner experience. To further enhance inclusion and consultation, students are currently being recruited onto the Equality and Diversity Committee and Graduation Working Group.

An objective for 2017/18 was to review the skill mix, terms of reference and purpose of the College's Advisory Board. We also secured some timely consultancy through National Leaders for Governance who supported us with our thinking process and identifying how to maximise the Board's impact on quality and teaching and learning. New members are being recruited and the initial meeting will be held before the end of the academic year.

New vocational and work opportunities are being developed across the College aimed at preparing students for the world of work. Improving employment outcomes will remain a primary focus over the next few years and will provide positive transition opportunities for current and new students.

Domiciliary Agency

Over the past 12 months we have successfully maintained all our contracts and are now approved providers on Sunderland, Teeswide, Newcastle upon Tyne, South Tyneside, North Tyneside and Durham Frameworks. We continue to see the people we support achieve some excellent personal outcomes.

In October 2017 we opened two new supported living services. The first one was for three people moving on from our residential services into a shared house in Sunderland. A suitable property was sourced and purchased by a Housing Association, Places for People who are their landlord.

The other new service is our first contract in North Tyneside. After extensive planning and partnership working we supported two young men to move on from a children's home into a supported living service. Both men have complex needs and behaviours that challenge and are receiving intensive person centred and autism specific support. During 2018 the Local Authority will be identifying a third tenant to share the property.

In September 2017 we were awarded a 5 year contract (with the option to extend for a further two years) for Ware Street, a specialist community hub in Stockton. We had already established the service for 11 people but this has now been formalised with a longer term agreement. Funding has also been secured to carry out extensive refurbishment on the building which will significantly improve the environment and enable us to support up to 20 people. To facilitate this work the current service needs to temporarily relocate to an alternative suitable property. After an unsuccessful tendering process the Council are now exploring space that has recently become vacant within one of their existing properties. Due to the needs of the young people very detailed transition plans are being prepared by staff in anticipation of the move.

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We have been awarded a new supported living contract by Northumberland County Council for an individual moving on from a residential care home operated by another provider. He will be living in a single person tenancy in Sunderland with consistent 2:1 support. Extensive planning is taking place to ensure the move is successful and his staff team are in the process of being recruited. We are working towards him moving into his new home in July 2018.

People across the Domiciliary Agency are enjoying meaningful and rewarding lives, developing new skills and achieving good quality of life outcomes. This was evidenced in the Parent and Service User Surveys conducted in February 2018. Overall feedback was very positive with parents particularly valuing the quality of our staff.

In December 2017 the Teesside Branch was inspected by the Care Quality Commission and the report was published in January 2018. The service was awarded 'Good' in all areas.

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 in residential services and individuals funded for day placements.

Over the year the Croft Centre has hosted ten social events that are always spectacular and very well attended. These generally are themed parties to celebrate events including Halloween, Burns Night, Valentine's Day, Easter and Christmas. Their quiz nights, day trips and barbeques remain very popular. A special memorial event was held for a service user who sadly passed away, which will hopefully become an annual event.

The service has held events across the year to raise funds for a summer house for everyone to enjoy. The service users also now run a small enterprise providing a tuck shop at head office which is very popular and greatly appreciated.

Deliver Me Timbers continues to offer vocational opportunities from its new workshop in the grounds of our neighbouring College site. They produce a wide range of high quality wooden garden furniture and conservation products, which are for sale to staff and the general public.

A small group of service users have started volunteering at a local food bank in Sunderland. This is something they really enjoy and their support is welcomed and highly valued.

Autism Works

This has been a very busy, productive year for the team at Autism Works. The enterprise has earned an excellent reputation, which has resulted in them being awarded some prestigious contracts with large international companies including Deloitte and Johnson & Johnson. Through their supply chains or recommendations their customer base is expanding, alongside being approached by new companies who are committed to their corporate social responsibilities. All of Autism Works invoices highlight the social value of their contracts.

Johnson & Johnson have been our primary client over the past year and have commissioned the team to conduct some interesting and challenging pieces of work. This has included:

- testing a new application for Pharmacists which is being rolled out across the world
- another international project website testing for Acuvue – a contact lens company
- user acceptance testing for Care4Today which is a patient application.

Based upon current activities and growth, we are working towards implementing the recruitment plan within the Business Plan with the intention of expanding the team.

Autism works has also supported our other subsidiary ESPA Research. They have provided technical support and will be assisting with extracting data for analysis at the end of a research project.

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

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ESPA Research

This has been a busy year for ESPA Research and it has seen financial growth.

The subsidiary received another generous donation of £100,000 in June 2017 which is invested into research activities.

A significant proportion of the team's time this year has focused on an a2 milk trial for autism and Attention Deficit Hyperactivity Disorder (ADHD). This pilot is designed to investigate whether a2 milk can benefit some children with a diagnosis. This research is being conducted in partnership with Northumbria University. The trial is expected to be completed by May 2019 at which point behavioural and biochemical data will be analysed and papers published.

ESPA Research has also undertaken other research projects all looking at improving quality of life outcomes for people on the autism spectrum and their families. This has also resulted in a number of published papers.

The enterprise has continued as a stakeholder with the National Institute of Health and Clinical Excellence (NICE) for their various guidance on autism.

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

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 2018 to March 2020 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 2018 to March 2020 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
- To work towards achieving more 'Outstanding' ratings by the CQC

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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 become approved providers in new Local Authority areas
- 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
- To further develop College systems and activities to improve the quality of teaching and learning
- Enhance governance and the learner voice
- 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
- To develop Deliver me Timbers into a social enterprise model.

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
- To explore the feasibility of new business activities.

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 £0.678m for the year ended March 2018 in comparison with £1.067m 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 2017-18, we generated total income for the year of £13.676m (2017: £13.751m) a decrease of 0.54% on the previous year. The marginal decrease in the year was due to a reduction in the college fees but with new 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 seen an increase in demand for College services and an increase in demand for adult social care placements. The College has continued to be challenged with the new NE12 Funding Framework within the North East of England. Student numbers have increased in the year, but with the challenge of increased competition and pressure on student fees, the College has seen a reduction in income in the financial year. The forecasted student numbers for 2018-19 is encouraging, with the future development of a new site within the Newcastle upon Tyne area attracting interest from both local authorities and students.

Fee income from statutory bodies represents 95.5% (2017: 97.6%) of the total income and as part of the strategic planning process, the Board of Directors and management are continuing to look at diversifying into other income streams. Adult social services increased by 1.6% to £10.46m (2017: £10.29m), which is reflective of the new ISF project and the demand for new placements. Education fees decreased by 17.2% to £2.59m (2017: £3.13m), a reduction in funding from the EFA and a further reduction in student fees have impacted on this year's results. Grant income is down 28.25%, with grants received in the year totalling £54,573 (2017: £76,061), which includes £28,200 from the Work force development fund and £26,373 from the EFA Capital Fund.

During 2017-18, our total charitable expenditure increased to £12.998m (2017: £12.684m), up 2.48% on the previous year. Analysis of our expenditure shows, adult social services at 70.23% (2017: 68.81%) and education fees at 27.63% (2017: 29.43%) of our total expenditure. Support costs in the year were £1.51m or 11.01% of total revenues (2017 - £1.56m, 11.36%). The current economic conditions and financial austerity within social care remain a challenge for ESPA, but despite a reduction in 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 £116k (2017: £554k) in fixed assets during the year. The main investment of the year was in the development and upgrade of the organisations Information and Communications Technology (ICT). This investment is aimed at improving the organisations communication throughout the services, while ensuring a strong platform for staff and students to benefit from the latest technology.

At the end of the financial year the group has total net assets of £13.447m (2017: £12.769m) based on reporting a total net surplus of £0.678m.

The organisation continues to invest in short-term cash deposits, as these funds arise from fees received in advance. In 2018 the return on investments totalled £9.4k (2017: £7.2k), this being an increase of 30.55% (2017: 42.89% decrease). 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 2018

ESPA Research Limited, our trading subsidiary, recorded financial results in the year as shown in note 23. In the current financial year we have seen an increase in the ability to generate funds through grants and donors for the pure research activities, along with being commissioned for a fully funded A2 Milk project. The company has made distributable profits in the year and the Board have recommended that these funds are retained within the company to fund current cash flow requirements. The outstanding intercompany loan is repayable on demand and the ESPA Board of Directors is reassured of the ability to meet this obligation. They continue their support for the trading subsidiary by defining its strategic objectives and will ensure the financial support required for the continued research activities it performs.

Autism Works Limited, our trading subsidiary, which was incorporated for the trading activity of IT software testing, recorded the financial results in the year as shown in note 23. 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 continue to generate new contracts, Projekt Rising, Lycetts and Deloitte have contracted with us in the year and we are 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 £3.25m (2017: £3.17m), which is in line with the actual free reserves at 31 March 2018 of £5.33m (2017: £4.73m). 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.

Board of Trustees Report including Strategic Report For the year ended 31 March 2018

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

Going Concern

The Trustees have reviewed our financial position and financial forecasts, taking into account the assumptions underlying those forecasts and the impact for the potential risks affecting them. As a result of this review, the Trustees therefore consider that there is a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due. As a consequence, they continue to support the going concern basis in accounting in preparing the annual accounts.

Structure, Governance and Management

Structure

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

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

Organisational Structure

The Board of Trustees is currently made up of 7 Trustees, comprising a mix of suitable qualified members. The Trustees are appointed and then become Directors of the Company for the purpose of the Companies Act 2006. The Trustees, all of whom are also Directors of the Charity, are listed on page 18, 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 without 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 and Executive Committee Minutes.

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

EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

Board of Trustees Report including Strategic Report For the year ended 31 March 2018

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 2018

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 December 2017.

Statement of Trustees Responsibilities

The Trustees (who are also Directors of Education and Services for People with Autism Limited) are responsible for preparing the Trustees Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

Board of Trustees Report including Strategic Report For the year ended 31 March 2018

- 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 28 January 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 2018

Charity Registration Number: 1037868

Company Registration Number: 2909953

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

Chief Executive: Ms L Lane

Key Management: L Lane - Chief Executive
K T Hardy - Finance Executive
P Cook - College Principal (Leaver 31.07.2017)
P G Cahill - College Principal (Joiner 01/09/2017)
P Shannon - Development Manager
M Elstob - General Manager

Company Secretary: K T Hardy

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

Auditors: Baldwins Audit Services Limited
32 Brenkley Way
Blezard Business Park
Seaton Burn
Newcastle upon Tyne
NE13 6DS

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

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

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 2018 on pages 21 to 36 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 24 to 26. 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 2018 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 Strategic Report and the directors' 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

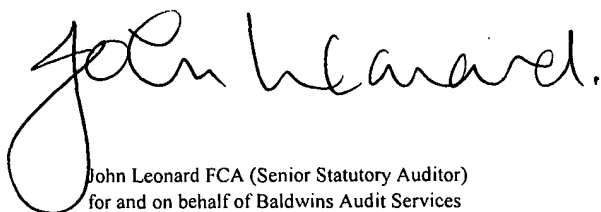
As explained more fully in the statement of Trustees' responsibilities set in the Report of the Trustees, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they 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.



John Leonard FCA (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services
Chartered Accountants
Statutory Auditor
32 Brenkley Way
Blezard Business Park
Seaton Burn
Newcastle upon Tyne
NE13 6DS

28 January 2019

EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

Consolidated Statement of Financial Activities (Incorporating an income and expenditure account) For The Year Ended 31 March 2018

Income and Expenditure Account

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £	Total Funds 2017 £
Income and endowments from:					
Donations and legacies	2	104,628	-	104,628	115,283
Charitable activities	3	13,165,791	54,573	13,220,364	13,503,032
Other trading activities	4	264,095	-	264,095	125,167
Investments	5	9,377	-	9,377	7,236
Other	6	77,879	-	77,879	-
Total income		13,621,770	54,573	13,676,343	13,750,718
Expenditure on:					
Charitable activities	7	12,964,174	33,921	12,998,095	12,683,691
Total expenditure		12,964,174	33,921	12,998,095	12,683,691
Net income / (expenditure)		657,596	20,652	678,248	1,067,027
Transfers between funds	20	41,304	(41,304)	-	-
Net movement in funds	20	698,900	(20,652)	678,248	1,067,027
Reconciliation of funds:					
Total funds brought forward	20	12,648,110	120,652	12,768,762	11,701,735
Total funds carried forward	20	13,347,010	100,000	13,447,010	12,768,762

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

EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

Balance Sheet at 31 March 2018

	Note	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Fixed assets					
Tangible assets	14	8,373,026	8,584,547	8,362,060	8,575,957
Investments	15	-	-	20	20
Total fixed assets		8,373,026	8,584,547	8,362,080	8,575,977
Current assets					
Debtors	16	2,905,839	1,557,142	2,989,065	1,738,712
Cash at bank and in hand		3,917,572	4,664,298	3,876,974	4,625,416
Total current assets		6,823,411	6,221,440	6,866,039	6,364,128
Current liabilities					
Creditors: amounts falling due within one year	17	(1,536,932)	(1,534,843)	(1,502,980)	(1,517,297)
Net current assets		5,286,479	4,686,597	5,363,059	4,846,831
Total assets less current liabilities		13,659,505	13,271,144	13,725,139	13,422,808
Creditors: amounts falling due after more than one year	18	(212,495)	(502,382)	(212,495)	(502,382)
Net assets		13,447,010	12,768,762	13,512,644	12,920,426
Charity Funds					
Restricted funds	20	100,000	120,652	100,000	120,652
Unrestricted funds	20	13,347,010	12,648,110	13,412,644	12,799,774
Total charity funds	20	13,447,010	12,768,762	13,512,644	12,920,426

The financial statements were approved and authorised for issue by the Board on 28 January 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 2018

	Note	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Cash flow from operating activities	22	(455,563)	1,835,760	(463,609)	1,836,105
Net cash flow from operating activities		(455,563)	1,835,760	(463,609)	1,836,105
Cash flow from investing activities					
Receipts from sales of intangible fixed assets		137,798	-	137,798	-
Payments to acquire tangible fixed assets		(116,338)	(554,280)	(110,008)	(553,697)
Interest received		9,377	7,236	9,377	7,236
Net cash flow from investing activities		30,837	(547,044)	37,167	(546,461)
Cash flow from financing activities					
Repayment of long term loans		(306,780)	(168,529)	(306,780)	(168,529)
Interest paid		(15,220)	(20,301)	(15,220)	(20,301)
Net cash flow from financing activities		(322,000)	(188,830)	(322,000)	(188,830)
Net increase / (decrease) in cash and cash equivalents		(746,726)	1,099,886	(748,442)	1,100,814
Cash and cash equivalents at 01.04.2017		4,664,298	3,564,412	4,625,416	3,524,602
Cash and cash equivalents at 31.03.2018		3,917,572	4,664,298	3,876,974	4,625,416
Cash and cash equivalents consists of:					
Cash at bank and in hand		3,917,572	4,664,298	3,876,974	4,625,416
Cash and cash equivalents at 31.03.2018		3,917,572	4,664,298	3,876,974	4,625,416

Notes to the financial statements
For The Year Ended 31 March 2018

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 2a Hylton Park, Hylton Park Road, Sunderland, Tyne and Wear. SR5 3HD.

The members of the company are the Trustees named on page 18. 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 2018

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 2018

1.15 Cash and cash equivalents

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

1.16 Creditors and provisions

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

1.17 Financial instruments

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

a. Financial assets

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

b. Financial liabilities

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

1.18 Fund accounting

Restricted funds

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

Unrestricted funds

a. Designated

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

b. General

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

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

EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

Notes to the financial statements For The Year Ended 31 March 2018

2 Income from donations and legacies

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2018	Total Funds 2017
		£	£	£	£
Donations		4,628	-	4,628	15,283
Donations - Robert Luff Foundation	23	100,000	-	100,000	100,000
		104,628	-	104,628	115,283

3 Income from charitable activities

	Unrestricted Funds	Restricted Funds	Total Funds 2018	Total Funds 2017
	£	£	£	£
Adult services fees	10,462,483	-	10,462,483	10,296,256
College fees	2,592,194	-	2,592,194	3,130,214
Grants	-	54,573	54,573	76,061
Other	111,114	-	111,114	501
	13,165,791	54,573	13,220,364	13,503,032

During the year the Group and Charity received no capital grants (2017 - £20,000), which has no unfulfilled conditions or other conditions attached. Other forms of grant assistance from which the Group and Charity has benefitted amounts to £54,573 (2017: £56,061).

4 Income from other trading activities

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2018	Total Funds 2017
		£	£	£	£
Garden furniture income		-	-	-	3,379
Subsidiary undertakings income	23	264,095	-	264,095	121,788
		264,095	-	264,095	125,167

5 Income from investments

	Unrestricted Funds	Restricted Funds	Total Funds 2018	Total Funds 2017
	£	£	£	£
Interest received	9,377	-	9,377	7,236
	9,377	-	9,377	7,236

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 2018	Total Funds 2017
	£	£	£	£
Profit on sale of tangible fixed assets	77,879	-	77,879	-
	77,879	-	77,879	-

Other income of £76,978 (2017: £Nil) was attributable to unrestricted funds.

7 Analysis of expenditure on charitable activities

	Note	Activities undertaken directly	Support costs	2018	2017
		£	£	£	£
Adult services fees		8,370,570	757,953	9,128,523	8,727,484
College fees		2,847,347	744,160	3,591,507	3,733,033
Subsidiary undertakings expenditure	23	273,777	4,288	278,065	223,174
		11,491,694	1,506,401	12,998,095	12,683,691

£33,921 (2017 - £25,409) of the above costs were attributable to restricted funds. £12,964,174 (2017 - £12,658,282) of the above costs were attributable to unrestricted funds.

Notes to the financial statements
For The Year Ended 31 March 2018

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	2018	2017
		£	£	£	£	£
Governance	9	9,066	9,066	4,288	22,420	25,818
Management		141,279	141,279	-	282,558	298,057
Finance		116,055	116,055	-	232,110	226,992
Human resources		33,021	33,021	-	66,042	65,316
Maintenance		63,373	63,373	-	126,746	153,388
Training		19,539	5,746	-	25,285	30,104
Multi disciplinary team		68,123	68,123	-	136,246	176,913
Facilities (incl. rental)		45,451	45,451	-	90,902	91,293
Admin and Office costs		262,046	262,046	-	524,092	494,272
Total support and governance costs		757,953	744,160	4,288	1,506,401	1,562,153
Support costs are made up of:						
Staff Costs		441,390	427,597	-	868,987	950,770
Other Costs		316,563	316,563	4,288	637,414	611,383
Total support and governance costs		757,953	744,160	4,288	1,506,401	1,562,153

9 Governance costs

	2018	2017
	£	£
Auditor's remuneration:		
- Audit of the charity's annual accounts	16,458	19,788
- Audit of the charity's subsidiary undertakings	4,288	4,393
Trustees' indemnity insurance	1,674	1,637
	22,420	25,818

10 Net income for the year

Net income is stated after charging:	2018	2017
	£	£
Depreciation of tangible fixed assets	267,038	270,461
Loss on sale of tangible fixed assets	902	106
Operating lease rentals - land and buildings	192,764	180,417
Operating lease rentals - equipment	132,450	121,876

11 Staff costs and remuneration of trustees and key management personnel

The total group staff costs and employees benefit's was as follows:	2018	2017
	£	£
Wages and salaries	9,355,181	9,079,308
Social security costs	611,779	582,111
Pension costs	196,781	198,611
	10,163,741	9,860,030

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

	2018	2017
	Number	Number
Charitable activities	520	500
Management and administration of the charity	32	35
Subsidiary undertakings	7	6
	559	541

Notes to the financial statements

For The Year Ended 31 March 2018

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

	2018 Number	2017 Number
£60,001 - £70,000	-	1
£70,001 - £80,000	1	1
£80,001 - £90,000	-	-
£90,001 - £100,000	-	-
£100,001 - £110,000	1	1
	<u>2</u>	<u>3</u>

The key management personnel of the Group are the Trustees and Management listed on page 18. Total salary and employee benefits received by key management personnel during the year amounted to £322,729 (2017: £341,219) plus pension contributions of £19,427 (2017: £18,235).

The trustees neither received nor waived any emoluments during the year (2017: £Nil).

During the year 3 trustees (2017: 3) were reimbursed expenses totalling £794 (2017: £621), which represented accommodation, travel and subsistence expenses incurred for attendance at the Trustees' meetings. A total of £341 (2017: £281) was paid directly to third parties. As permitted in the Articles of Association, Trustee indemnity insurance was purchased at a total cost of £1,674 (2017: £1,637).

12 Interest payable and similar charges

	2018 £	2017 £
Bank loans and overdrafts	15,220	20,301
	<u>15,220</u>	<u>20,301</u>

Notes to the financial statements

For The Year Ended 31 March 2018

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 tax charge has arisen in its subsidiary undertakings and no provision is required for deferred tax.

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 01.04.2017	10,250,445	64,289	277,191	601,714	24,691	395,764	11,614,094
Additions	2,290	-	14,123	29,614	-	70,311	116,338
Transfers	-	-	-	-	-	-	-
Disposals	(82,595)	-	(10,320)	(38,454)	-	(123,889)	(255,258)
Revaluation	-	-	-	-	-	-	-
At 31.03.2018	10,170,140	64,289	280,994	592,874	24,691	342,186	11,475,174
Depreciation:							
At 01.04.2017	1,888,024	64,287	195,114	493,334	24,689	364,099	3,029,547
Charge for the year	181,496	-	28,781	41,235	-	15,526	267,038
Eliminated on disposals	(22,676)	-	(10,315)	(37,623)	-	(123,823)	(194,437)
At 31.03.2018	2,046,844	64,287	213,580	496,946	24,689	255,802	3,102,148
Net book value:							
At 31.03.2018	8,123,296	2	67,414	95,928	2	86,384	8,373,026
At 01.04.2017	8,362,421	2	82,077	108,380	2	31,665	8,584,547
Charity							
Cost or valuation:							
At 01.04.2017	10,250,445	64,289	262,770	601,714	24,691	395,134	11,599,043
Additions	2,290	-	9,154	29,614	-	68,950	110,008
Transfers	-	-	-	-	-	-	-
Disposals	(82,595)	-	(10,320)	(38,454)	-	(123,259)	(254,628)
At 31.03.2018	10,170,140	64,289	261,604	592,874	24,691	340,825	11,454,423
Depreciation:							
At 01.04.2017	1,888,024	64,287	189,282	493,334	24,689	363,470	3,023,086
Charge for the year	181,496	-	24,903	41,235	-	15,451	263,085
Eliminated on disposals	(22,676)	-	(10,315)	(37,623)	-	(123,194)	(193,808)
At 31.03.2018	2,046,844	64,287	203,870	496,946	24,689	255,727	3,092,363
Net book value:							
At 31.03.2018	8,123,296	2	57,734	95,928	2	85,098	8,362,060
At 01.04.2017	8,362,421	2	73,488	108,380	2	31,664	8,575,957

Tangible fixed assets with a net book value of £6,096,240 (2017 - £6,283,514) 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 2018

15 Fixed asset investments

	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Market Value as at 1 April 2017	-	-	20	20
Additions	-	-	-	-
Disposal	-	-	-	-
Impairment	-	-	-	-
Market Value as at 31 March 2018	-	-	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 23).

16 Debtors

	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Trade debtors	1,241,473	1,052,769	1,222,422	1,018,135
Amounts owed by group undertakings	-	-	158,812	217,602
Other debtors	86,746	3	31,656	3
Prepayments and accrued income	1,577,620	504,370	1,576,175	502,972
	2,905,839	1,557,142	2,989,065	1,738,712

17 Creditors: amounts falling due within one year

	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Bank loans and overdrafts	149,718	166,611	149,718	166,611
Trade creditors	150,188	155,564	144,585	154,945
Fees in advance	285,307	171,111	262,507	163,311
Payments received on account	546,480	638,115	546,464	635,863
Other tax and social security	166,597	202,102	165,014	200,482
Accruals and deferred income	238,642	201,340	234,692	196,085
	1,536,932	1,534,843	1,502,980	1,517,297

Notes to the financial statements
For The Year Ended 31 March 2018

18 Creditors: amounts falling due after more than one year

	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Bank loans	212,495	502,382	212,495	502,382
	<u>212,495</u>	<u>502,382</u>	<u>212,495</u>	<u>502,382</u>

Bank loans include aggregate amounts of £50,769 (2017 - £73,319) 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 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
1.75% above LIBOR secured loan repayable by 21 July 2025	31,200	82,853	31,200	82,853
1.75% above LIBOR secured loan repayable by 19 December 2023	34,131	111,736	34,131	111,736
2.50% above LIBOR secured loan repayable on 22 June 2025	147,164	168,523	147,164	168,523
3.50% above LIBOR secured loan repaid on 29 January 2018	-	139,270	-	139,270
	<u>212,495</u>	<u>502,382</u>	<u>212,495</u>	<u>502,382</u>

19 Operating lease

At 31 March 2018 the Charity and the Group had total commitments under non-cancellable operating leases for Land and Buildings and Equipment as follows:

	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Operating lease payments falling due:				
Within one year	284,459	307,473	261,412	297,021
Between one and five years	85,930	135,680	85,930	135,680
After more than five years	-	-	-	-
	<u>370,389</u>	<u>443,153</u>	<u>347,342</u>	<u>432,701</u>

Notes to the financial statements
For The Year Ended 31 March 2018

20 Fund reconciliation

Group	Balance At 01.04.2017 £	Income £	Expenditure £	Gains / (losses) £	Transfers £	Balance At 31.03.2018 £
Unrestricted funds:						
General reserve	4,732,556	13,621,770	(12,964,174)	-	(53,955)	5,336,197
Designated funds						
Fixed asset fund	7,915,554	-	-	-	95,259	8,010,813
Total unrestricted funds	12,648,110	13,621,770	(12,964,174)	-	41,304	13,347,010
Restricted funds:						
Tyne and Wear Care Alliance	-	28,200	(28,200)	-	-	-
Garfield Western Foundation	70,000	-	-	-	-	70,000
EFA - Independent Specialist Providers	-	5,721	(5,721)	-	-	-
EFA - Independent Specialist Providers	20,652	20,652	-	-	(41,304)	-
Bailey Thomas	20,000	-	-	-	-	20,000
Sir James Knott Trust	10,000	-	-	-	-	10,000
Total restricted funds	120,652	54,573	(33,921)	-	(41,304)	100,000
Total funds	12,768,762	13,676,343	(12,998,095)	-	-	13,447,010
Charity	At 01.04.2017 £	Income £	Expenditure £	Gains / (losses) £	Transfers £	At 31.03.2018 £
Unrestricted funds:						
General reserve	4,892,810	13,257,675	(12,686,109)	-	(51,579)	5,412,797
Designated funds						
Fixed asset fund	7,906,964	-	-	-	92,883	7,999,847
Total unrestricted funds	12,799,774	13,257,675	(12,686,109)	-	41,304	13,412,644
Restricted funds:						
Tyne and Wear Care Alliance	-	28,200	(28,200)	-	-	-
Garfield Western Foundation	70,000	-	-	-	-	70,000
EFA - Independent Specialist Providers	-	5,721	(5,721)	-	-	-
EFA - Independent Specialist Providers	20,652	20,652	-	-	(41,304)	-
Bailey Thomas	20,000	-	-	-	-	20,000
Sir James Knott Trust	10,000	-	-	-	-	10,000
Total restricted funds	120,652	54,573	(33,921)	-	(41,304)	100,000
Total funds	12,920,426	13,312,248	(12,720,030)	-	-	13,512,644

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 2018

21 Analysis of net assets between funds

Group fund balances at 31 March 2018 are represented by:

	Unrestricted funds	Designated funds	Restricted funds	2018	2017
	£	£	£	£	£
Tangible fixed assets	-	8,373,026	-	8,373,026	8,584,547
Investments	-	-	-	-	-
Current assets	6,723,411	-	100,000	6,823,411	6,221,440
Current liabilities	(1,387,214)	(149,718)	-	(1,536,932)	(1,534,843)
Long term liabilities	-	(212,495)	-	(212,495)	(502,382)
Total	5,336,197	8,010,813	100,000	13,447,010	12,768,762

Charity fund balances at 31 March 2018 are represented by:

	Unrestricted funds	Designated funds	Restricted funds	2018	2017
	£	£	£	£	£
Tangible fixed assets	-	8,362,060	-	8,362,060	8,575,957
Investments	20	-	-	20	20
Current assets	6,766,039	-	100,000	6,866,039	6,364,128
Current liabilities	(1,353,262)	(149,718)	-	(1,502,980)	(1,517,297)
Long term liabilities	-	(212,495)	-	(212,495)	(502,382)
Total	5,412,797	7,999,847	100,000	13,512,644	12,920,426

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

	Group 2018	Group 2017	Charity 2018	Charity 2017
	£	£	£	£
Net income / (expenditure) for the year	678,248	1,067,027	592,218	1,057,415
Interest receivable	(9,377)	(7,236)	(9,377)	(7,236)
Interest payable	15,220	20,301	15,220	20,301
Depreciation of tangible fixed assets	267,038	270,461	263,084	267,633
(Profit) / loss on disposal of tangible fixed assets	(76,977)	106	(76,977)	102
(Increase) / decrease in debtors	(1,348,697)	469,012	(1,250,353)	482,334
Increase / (decrease) in creditors	18,982	16,089	2,576	15,556
Net cash flow from operating activities	(455,563)	1,835,760	(463,609)	1,836,105

Notes to the financial statements
For The Year Ended 31 March 2018

23 Subsidiary undertakings

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

Autism Works Ltd is used for the trading activities of software testing and ESPA Research Ltd is used for academic research and non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the SOFA. Any available profits are gifted to the charity, 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 2018 £	Total 2017 £	Total 2018 £	Total 2017 £
Turnover	142,543	74,588	93,552	19,200
Cost of sales	(101,042)	(96,636)	(59,797)	(11,269)
Gross profit	41,501	(22,048)	33,755	7,931
Administrative expenses	-	-	(117,226)	(115,269)
Other operating income	-	-	128,000	139,000
Profit/(Loss) on ordinary activities	41,501	(22,048)	44,529	31,662
Retained (Loss)/Profit in subsidiary	41,501	(22,048)	44,529	31,662
The aggregate of the assets, liabilities and funds was:				
Assets	15,550	17,034	111,598	66,470
Liabilities	(19,218)	(62,203)	(173,544)	(172,945)
Reserves	(3,668)	(45,169)	(61,946)	(106,475)

Included within the operating income figure of Espa Research Limited, donations received during the year were £100,000 (2017: £111,000), with the largest donor being the Robert Luff Foundation of £100,000 (2017: £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 £121,552 (2017: £47,200) shown under trading activities (note 4).

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

24 Pensions

The charity operates a defined contribution scheme for eligible employees and contributions are charged in the statement of financial activities as they accrue. The charge for the year was £196,781 (2017: £198,611). 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 £27,758 (2017: £30,221).

25 Capital commitments

Capital expenditure for which the Group and charity had contracted for but not provided in the financial statements amounted to £Nil (2017 - £66,286).

26 Events after the end of the period

On 5 November 2018 Education and Services for People with Autism Limited completed on the purchase of a administration office at North House, Wessington Way, Sunderland SR5 3RX, which will be converted into a central administration office for all central departments. The building was purchased at market value for £696,000.

27 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 £9,100 (2017: £12,000) 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 (2017: £Nil).

Notes to the financial statements
For The Year Ended 31 March 2018

28 Financial instruments

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

	Note	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Financial assets					
Debt instruments measured at amortised cost:					
- Trade debtors	16	1,241,473	1,052,769	1,222,422	1,018,135
- Amounts owed by group undertakings	16	-	-	158,812	217,602
		<u>1,241,473</u>	<u>1,052,769</u>	<u>1,381,234</u>	<u>1,235,737</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	362,213	668,993	362,213	668,993
- Trade creditors	17/18	150,188	155,564	144,585	154,945
		<u>512,401</u>	<u>824,557</u>	<u>506,798</u>	<u>823,938</u>