

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

**REPORT AND GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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 2022

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 2022.

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 October 2019).

STRATEGIC REPORT

Objectives and Activities

The objectives of Education and Services for People with Autism Limited (ESPA) and its subsidiary undertakings are for the public benefit to promote the health and wellbeing of people with autism, learning disabilities, communication, social or behavioural conditions, by enhancing the quality of life of such persons, 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, learning disabilities, communication, social or behavioural conditions;
- Providing accommodation, support and services to meet the needs of these individuals; and
- Carrying out or commissioning of research to improve the quality of life for autistic people and publish 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 236 (2021: 224) people in a wide range of person centred services including:

- Independent Specialist Further Education College
- Residential services
- Independent Supported Living services
- Domiciliary support
- Community enablement
- Day and 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 578 highly skilled, trained and highly committed staff.

All of our services share a common vision which is to provide everyone with the highest quality autism specific support and education that is tailored to meet their needs, wishes and expectations.

Our primary objectives for the coming year are to:

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

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- 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, 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 a clear accommodation strategy that we are continuing to work towards, which has involved 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 will 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 and the quality of life they enjoy
- The growing numbers of people we support
- Feedback from individuals, families and other health and social care professionals
- Self- assessments, internal and external inspections and audits.

Public Benefit

In all the Charity's planning and activities the Trustees have reviewed and considered the Charity Commission's general guidance on public benefit. As a registered Charity, public benefit and social value are embedded within our charitable objectives and mission. ESPA provides tangible benefits to the public through providing high quality care and education for people on the autism spectrum.

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

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

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

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

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Objectives and Activities

The significant charitable activities undertaken by ESPA are:

Adult Social Care

a) Residential Homes

ESPA operates 14 residential homes across Newcastle, Sunderland and Durham. We currently support 77 (2021: 74) people in these services. Residential services currently represent 54% (2021: 56%) of the Charity's income.

Each service is unique and individually tailored to meet the needs, wishes and expectations of the individuals living there. These services range from single person apartments to shared living arrangements. Most of the people we support have challenging and complex needs. Many individuals also have additional or associated difficulties or disabilities, therefore all our services offer intensive and specialist support in highly structured, autism-specific environments. All our homes offer 24 hour person centred care and support and staffing levels are based upon the actual assessed needs of the people they support. Each person receives structured and consistent support from highly skilled, experienced and knowledgeable staff. 269 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', two have been awarded an 'Outstanding' and one was rated 'Requires Improvement'. All areas for improvement were immediately addressed.

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 the people we support remain at the heart of everything we do.

We are committed to providing each person with high quality care and support that is autism specific, person-centred, flexible and responsive. We aim to enable each person to live as independently as possible and to become a valued and respected member of their community. Everyone receives an individual package of care and support to meet their specific needs, wishes and aspirations to enable them to enjoy a lifestyle of their choice.

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

- Supported living services
- Community enablement
- A core and cluster service
- Day provision from a community hub

Over the past 12 months the Agency has maintained financial stability and represents 19% (2021: 18%) of overall income and it currently employs 118 (2021: 107) staff.

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The Domiciliary Agency is currently supporting 35 (2021:32). We have 7 supported living services, 4 community enablement services and 15 people are supported from a community hub in Stockton. Burnfoot Court, is a core and cluster service funded through Individual Service Funds (ISF's). It currently supports 5 tenants in individual bungalows.

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 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 are commissioned by Local Authorities or purchased directly through Personal Budgets, Direct Payments or Individual Service Funds. We currently support 22 (2021: 25) people for day placements from across the region. The Croft Centre is open for 44 weeks a year and it currently employs 25 (2021: 30) staff.

Education

a) Independent Specialist Further Education College

ESPA operates an Independent Specialist Further Education College that is based within the North East of England, with day sites in Sunderland, Newcastle upon Tyne and Middlesbrough. Students have access to residential accommodation in Sunderland and Newcastle. The College offers day and residential 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. In March 2022 we were supporting 102 students (2021: 94) across the sites. We offer a 38 week academic year, but can offer residential placements for up to 52 weeks and respite. The College now represents 24% (2021: 21%) of the Charity's overall income and employs 120 (2021: 147) 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 remain confident that we will see further 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.

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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, giving them the opportunity for sustainable employment and to reduce their reliance on state benefits. The company currently employs five people, three of whom have Asperger Syndrome. 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 two people and the majority of their work is carried out from a laboratory in Sunderland's Business Innovation Centre.

Achievements and Performance

The Charity's activities have continued to be dominated by another 12 months of managing the impact of the on-going Covid 19 pandemic in all our services. Our overriding priority has been the health, safety and wellbeing of everyone we support and our staff. This has impacted on performance against many strategic objectives for April 2021 to March 2022.

Despite staff facing many challenges both personally and professionally staff have remained amazingly positive. They have continued to provide exceptional and compassionate support to the people they support and each other.

Over the year our Crisis Management Team have ensured that we have consistently and proactively complied with new legislation and ever changing Government guidance. They have provided timely and clear communications to ensure we meet the requirements of all stakeholders, including Local Authorities, Public Health and CQC.

Despite the introduction of the vaccination programme we have seen an increase in Covid positive cases but with milder symptoms. Government restrictions are now gradually lifting and community activities are being resumed.

Recruitment and retention of staff is having a significant impact on ESPA. It is now becoming a critical risk across all health and social care settings. Additional Health and Government funding specifically for recruitment and retention in residential and domiciliary services have supported us to employ additional strategies to help reduce the pressure on staff teams. We also introduced a Refer a Friend Scheme in October 2021 and enhanced additional hour's payments.

The commitment and dedication of all staff across the Charity has been exceptional and highly commended by families and our Trustees. We are now becoming more confident that over the coming months the impact of the pandemic will continue to lessen and we will see people getting back to enjoying a full, meaningful and enriched quality of life.

Our organisational Risk Register and Business Continuity Plan have been systematically reviewed throughout the year. Most recent changes have reflected managing the impact of the Ukraine/Russia war. We are anticipating a financial impact due to increased costs and supplies being disrupted. We are putting strategies in place to try and reduced likelihood and risks.

Directors and Central Management

Achieving inflationary increases from Local Authorities for people in our residential services has continued to be challenging and time consuming. The Finance Department have also been trying to resolve ongoing funding issues and fee reviews that are impacting on the Charity's cash flow, with some degree of success. Inflationary increases for domiciliary services have been more realistic.

Since February 2021 we have been trying to engage with the NE12 Framework's Commissioners responsible for procuring post 16 specialist education. Since the outset of this contract inflationary increases awarded have been

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significantly lower than increased expenditure. This is not sustainable and is putting the future of the College at risk. Despite slow engagement we were able to communicate our position and provide supporting financial data. We believe other specialist Colleges are in a similar position. In February 2022 we were informed of an extension of the current contract to July 2022 giving time to procure a new 2 year interim framework. This removes the capping of fees enabling us to set realistic fees that will enable us to regain the College's financial stability. We are currently waiting for this tender opportunity to be published.

We continued to comply with the National Living Wage increase from 1st April 2021. We took the decision to apply the new hourly rate to all staff regardless of age. For domiciliary services in Newcastle and Teesside they received their contract specific hourly rate. All other salary increases were announced in September and backdated to 1st April.

We are progressing with our Accommodation Strategy, however timescales have been impacted due to the pandemic and inability to secure contractors. Westfield was sold on the 24th August 2021 and The Cloisters completed on 31st March 2022. The sale of these properties will be invested into our new developments; the studio at South Hill and Abigail House in Newcastle. Work has also restarted at Ashleigh to create all ensuite bedrooms including two respite rooms.

We have continued to populate the Data Security Protection Toolkit. This is a supportive framework to enable us to evidence compliance with the General Data Protection Regulations and provides a secure platform to access NHS mail. We have now completed and published 'Standards Met'. This document will be formally reviewed and updated annually to reflect changes and best practice.

Our full Investors in People award was due in June 2021. However, following a cost benefit analysis we made the decision not to participate. Although the scheme has support our quality assurance processes we believe that our current systems robustly inform our continuous quality improvement and on-going service and staff development.

Over the past year there has only been one published framework tender. This was for supported living and domiciliary services in North Tyneside. We submitted our application in December 2021 and are awaiting the outcome. Remaining on this framework will enable us to retain our Annitsford contract and respond to new local business opportunities. All other Authorities took the option to extend their current frameworks for a further year. A number are therefore likely to be advertised over the next 12 months.

Despite restrictions we have ensured all staff training and development has been kept up to date and without compromising on quality. Most training has been done remotely but whenever possible face to face in small groups or bubbles has been introduced. We are currently conducting a Training Needs Analysis for each service to enable us to develop bespoke training plans designed around the actual needs of the people they support.

The Positive Behaviour Support (PBS) Lead and Training Manager have updated behaviour management and PBS policies and procedures. All supporting documentation and data collection procedures are currently being reviewed. Restrictive practice audits have been concluded in all residential and supported living services to scrutinise practice and identify areas for improvement. This information will inform a review of Behaviour Support Plans and incident reporting and recording.

Liberty Protection Standards introduced in the Mental Capacity (Amendment) Act 2019 were intended to replace the Deprivation of Liberty Safeguards. There have been significant delays in its implementation and the target launch date of April 2022 was not achieved. No new date has been announced but in March 2022 the Government began a public consultation on the proposed Code of Conduct.

We have developed and maintained excellent relationships with an extensive range of health and social care professionals and agencies. These arrangements are enabling us to successfully support the more diverse and complex needs of learners and service users.

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Residential Services

All our residential services have continued to operate over the past 12 months. They have faced exceptional pressures due to Government restrictions, Covid testing, vaccination and reporting regimes and staff absences and turnover. During these challenging times staff have been outstanding in maintaining everyone's safety and well-being. They have worked creatively and innovatively to meet individual's needs and ensure people enjoyed meaningful and fun activities within ever changing Government guidelines. Throughout the year many of these have been celebrated in the Chief Executives Bulletin and commended by the Trustees.

A distressing consequence of restrictions was people not being able to spend time with their families. Staff again tried to creatively maintain contact through phones and other technology which many people found difficult. Through some Government grant funding and a legacy we bought and installed partitioned summer houses in the grounds of most of our residential services. This created a safe meeting space which most people greatly appreciated.

On the 31st March 2022 we were supporting 77 service users across our 14 residential sites and have remained financially stable. Demand for placements has increased however due to the pandemic and massive challenges with recruitment we have not been able to progress with these referrals. However, we are confident that this will change over the coming months.

CQC inspections remained suspended until January 2022 other than services rated 'Requires Improvement' or 'Inadequate'. This only applied to one of our services who remedied the area for improvement immediately after the inspection. CQC have conducted a desk top and telephone inspection. We are awaiting the report and are very confident it will regain its previous 'Good' rating. Other services have been required to complete Provider Information Returns to self-assess ongoing compliance.

Residential Managers have continued to meet across the year, primarily virtually. Meetings are now held bimonthly alternating with Clinical Meetings with our Psychiatric Partnership. In addition to providing clinical support they have also delivered specialist training on prevalent mental health disorders and management strategies.

The management quality assurance audit process has been updated to gather more information and to feed into staffs supervisions and appraisals and training. Its framework is still aligned to CQC's Key Lines of Enquiry (KLOE) but has harnessed the knowledge and expertise of other central staff and senior managers. They conduct specialist audits in their field.

In February 2022 we conducted satisfaction surveys with the people we support and their families. Overall feedback was very positive, especially around how we have maintained our person centred support during the pandemic.

ESPA College

Over the past year the College has remained open and is now back up to full numbers. Some pockets of remote learning did continue where learners were unable to attend. Staff have continued to work creatively to ensure minimal disruption to teaching and learning. This has enabled learners to achieve positive outcomes.

In March 2022 the College was supporting 87 educationally funded learners and 15 young people in the social hubs. This is an increase of 8 learners from the previous year. Demand for placements have continued to grow and our plans for Abigail House and a new studio at South Hill will create the capacity to further increase numbers.

A significant area of growth has been the creation of social hubs primarily for College leavers. We are anticipating this to continue to grow and expand in coming years. We are working towards this being discrete provisions rather than integrated into the main body of the College, although resources can be shared.

Ofsted preparations have continued as an inspection is imminent. The College's Self-Assessment Report was published in November 2021. The College has assessed itself as 'Good' in all areas against the Education Inspection Framework. Identified actions and areas for further improvement are detailed in the Quality Improvement Plan. Progress is reported in termly quality reports which are shared with all staff and Trustees.

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In 2021/22 we saw a further increase in observed teaching and learning rated as 'Good or 'Outstanding' and walk throughs are now an integral part of the quality cycle. On 24th September the College had an External Quality Assurance visit. Feedback was positive and no actions were identified.

This year the pandemic did impact on achievement rates, attendance and work experience opportunities. Strategies have now been developed to improve engagement with learners and low attendance. Lower achievements were directly linked to attendance. With the appointment of new Work Experience Coordinator and Government restrictions being lifted we are again enjoying a diverse range of work placements. Enhancing employment opportunities and improving destination outcomes remains one of the College's top priorities.

The Equality and Diversity Committee continues to meet termly. As a result of a significant increase in learners identifying as trans or non-binary the group have made some local links and staff have received specialist training. This work was recognised when the College was shortlisted for a Natspec Award in the 'Wellbeing and Mental Health' category.

A business plan has been developed to create a woodwork and horticulture enterprise in the grounds of South Hill. Named 'Eden' it will become a shared resource between the College and our neighbouring day provision. Promotional materials are being designed and the site is being developed with the aim of fully launching in September 2022.

Over the summer, thanks to Karten Media grant an interactive sensory room was installed at South Hill. This state of the art resource has become hugely popular and is being made available to others across ESPA.

Strong relationships have been maintained with Local Authority SEND Teams and local feeder schools, albeit primarily remotely. Professional partnerships have also been created with three other North East Specialist Colleges to share best practice and support continuous quality improvement.

Domiciliary Agency

All domiciliary services have continued to operate throughout the pandemic within Government restrictions. However these have been fewer in supported living services as the majority of people live on their own or with one other person. Staff have been highly creative in ensuring the people they support have stayed safe and continue to enjoy a full and meaningful life.

Stockton intended to retender the Ware Street community hub for April 2022 which we have managed since it opened 7 years ago. However, they have taken the option to extend the contract for a further year. We are confident we can make a very strong application to retain this work.

In September 2021 we opened a new supported living service for a young man living in his own tenancy in Stockton. We were also working towards developing another single person tenancy in Teesside however this contract did not proceed. However, plans are progressing towards supporting one person from Ware Street and his brother to move into a shared property in Stockton. A staff team are currently being recruited.

Burnfoot Court currently supports 5 tenants in their individual bungalows. A sixth person has been assessed for the remaining bungalow and his team is being recruited. In October 2021 the Burnfoot Court team began to deliver a 24/7 outreach service to another person living in Newcastle. In the core and cluster buildings 'Just Roaming' assistive technology has been installed which has resulted in successful reduction in night time cover.

Our supported living service in Sunderland has continued to carry a void. Despite interest from some Local Authorities these referrals did not proceed due to being incompatible with the current householders. North Tyneside are also seeking to place another tenant in the supported living service we manage in Annitsford. Again compatibility needs to be a priority. This service particularly has found recruitment and retention challenging however there is now more stability within the team.

CQC have not conducted full inspections in any of the domiciliary branches during 2021/22. Through their Provider Information Returns they have remotely assessed all branches to continue to be compliant with all requirements. Over

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the summer the Sunderland and Teesside branches had a telephone discussion specifically in line with CQC's Emergency Support Framework and a remote inspection on the 'Well-led' domain. Feedback was very positive.

In February 2022 we sent surveys to the people we support and their families. These aim to identify levels of satisfaction about people's lives and the support we provide. Any identified areas for improvement are responded to on an individual basis. Overall feedback was very positive.

Day and Vocational Services.

Over the past year The Croft Centre has remained open to day service users only. Residential service users have been supported from their homes. This has all been managed through robust risk assessments and risk management plans.

A total of 3 people have transferred from The Croft Centre to Ware Street in Stockton as this is closer to their home.

The service has remained financially stable during the pandemic despite periods of closure and reduced attendance. There is still some capacity to increase day service users but our current priority is to re-introduce our residential service users gradually and restarted the greatly missed social events.

Deliver Me Timbers is a woodwork and horticulture project. Plans are being developed to extend this provision into a larger enterprise. This is to be called 'Eden' and will become a shared resource between The Croft Centre and ESPA College.

Autism Works

Autism Works has remained productive over the past year and the team have maximised return through ongoing contracts. The pandemic only impacted on two contracts both of which were put on hold. They are expected to restart in the coming months. This has resulted in a reduction in income for this financial year however, financial forecasts are looking positive.

Strong working relationships have been maintained with Johnson & Johnson and other clients. They have also been awarded a new user acceptance testing contract from Janssen Biologics Systems for Covid vaccination data.

Autism Works is in discussion with Capgemini towards developing an academy to recruit and train Software Testers. Autism Works would do the recruitment and training with the intention of the trainees becoming permanent Capgemini employees after 18 months. Capgemini will provide the income for the enterprise through contracted work.

Predominantly the team have been working from home which has not impacted on productivity. As blended working is likely to continue this has enabled us to reduce the office space and therefore costs.

ESPA Research

During the pandemic the enterprise has continued to operate, however, income has reduced due to limited new funded research opportunities. The next 12 months are looking much more positive primarily due to a new collaboration with a Professor from Arizona State University (ASU).

In June 2021 they received an £80,000 donation from The Robert Luff Foundation who have now generously supported the enterprise for 13 years. In March 2022 we submitted our report to them on how their funding has support their research efforts and plans for next year. We remain confident of their continued financial support.

a2 Milk commissioned a further digestive study which has now been completed. The findings of all a2Milk studies are due to be published.

There are 2 new projects being developed in collaboration with ASU. The first is developing potential biomarkers suites for an objective diagnostic test for autism. The second is developing a 'What Works' intervention app for autism. This will provide research based information on pharmaceutical and nutritional interventions for use by professionals and lay people. ESPA Research will contribute to both the design of the survey and how the data is collected.

The team is also involved in establishing a collaborative group with an interest in Autoimmune Encephalitis and autism and in discussions on biological data collection following interventions delivered to individuals with Pitt Hopkins

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Syndrome. Other projects include developing a research protocol for identifying 'best responder' tests for Faecal Microbiota Transplant therapy and developing a screening test for autistic people in the criminal justice system.

Plans for future periods

Our Strategic Plan for April 2022 to March 2024 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 2022 to March 2024 have been formally approved by the Board of Trustees. Progress against objectives is monitored and reported through the Board of Trustees Meetings and the 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 implement the Charity's Accommodation Strategy
- To recruit, train and develop a high quality workforce
- To ensure compliance with legislative and contractual requirements and best practice
- To evidence best practice and the achievement of positive outcomes

Residential Services

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

Domiciliary Agency

- To ensure the Agency's financial strength to support its on-going development
- To ensure the Agency continues to meet legislative and contractual requirements and evidences best practice
- To ensure each person receives the highest quality person centred and autism specific support
- Everyone supported achieves positive personal outcomes and enjoys a good quality of life
- To remain on Local Authority frameworks and retain current contracts
- To increase income through new support contracts
- To 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 learner numbers and diversifying College activities
- Learners achieve excellent educational and personal outcomes
- To further develop College systems and activities to improve the quality of teaching and learning
- To improve employability outcomes
- To expand the social care programme for College leavers

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Day and Vocational Services

- To ensure the ongoing financial stability of day and vocational services
- To reintegrate residential service users
- 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 volunteering opportunities

Autism Works

- To maintain financial strength to support the continued growth and development of the enterprise
- To build on current contracts and secure new clients
- To develop an Academy in partnership with Capgemini
- To recruit and train a skilled workforce

ESPA Research

- To ensure the financial viability and growth of ESPA Research
- To produce high quality research for the public good
- To continue current research projects and engage in new partnerships
- To enhance marketing to raise the profile of the enterprise

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Financial Review

The consolidated statement of financial activities for the year 2021-2022 reports an operating surplus of £1.301m in comparison with £1.163m last year. This is largely a result of increased charitable activities within the organisation, which exceeded our expectations. The impact of Covid 19 remained prevalent in the financial year along with the development of a staff crisis within the social care sector. The Charity maintained safe levels of staffing for all services but the increased completion for staff will continue to be a factor within the care sector over the next 12 months. Any surpluses that we generate are used to build up funding for investment in future projects, and will enable the organisation to maintain its future strategic objectives.

In 2021-22, we generated total income for the year of £16.118m (2021: £15.332m) an increase of 5.13% on the previous year. The increase in the year was due to the continued increase in demand for College education placements and support from local authority and Government funds. During the pandemic we have seen a slight reduction in the number of people living in our care homes, new admissions has been a challenge with the staffing crisis within the care sector but occupancy levels continues to be one of our strategic objectives this year. During the year we have continued to see an increase in demand for College education placements but the challenge of the NE12 Funding Framework remains due to marginal inflationary increases and pressure on student fees. Student numbers and placement fees have increased in the year and the forecasted student numbers for 2022-23 is encouraging.

Fee income from statutory bodies represents 94.18% (2021: 94.40%) of the total income and as part of the strategic planning process, the Board of Directors and management are continuing to look at diversifying into other income streams. Adult social services increased by 3.33% to £11.45m (2021: £11.07m), which is reflective of greater demand and higher occupancy levels within the day and domiciliary care services. Education fees increased by 9.97% to £3.73m (2021: £3.39m), an increase in student numbers have impacted on this year's results. Grant income increased by 16.16%, with grants received in the year totalling £481,217 (2021: £414,259), which includes £8,700 from the Work force development fund, £373,337 from Government Covid-19 funds, £37,110 from the ESFA, £35,222 from the job retention scheme, £15,700 from Ian Karten Charitable Trust, £3,300 from Good Things and £7,848 from the EFA Capital Fund.

During 2021-22, our total charitable expenditure increased to £14.817m (2021: £14.169m), up 4.58% on the previous year. Analysis of our expenditure shows, adult social services at 69.98% (2021: 70.56%) and education fees at 28.14% (2021: 27.47%) of our total expenditure. Support costs in the year were £1.56m or 9.67% of total revenues (2021 - £1.55m, 10.13%). The current economic conditions and financial uncertainty within social care remain a challenge for ESPA, but despite marginal growth in the Education placements 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 £0.16m (2021: £0.11m) in fixed assets during the year. The main investment in the year was to address the back log of equipment and machinery within our sites and the continued investment in the organisations Information and Communications Technology (ICT).

At the end of the financial year the group has total net assets of £17.884m (2021: £16.583m) based on reporting a total net surplus of £1.301m.

The organisation continues to invest in short-term cash deposits, as these funds arise from fees received in advance. In 2022 the return on investments totalled £2.7k (2021: £0.6k), this being an increase of 365.08% (2021: 96.78% decrease). During the financial year the Charity has retained a strong cash flow due to new placements now settled in to the income stream within the local authorities, cash flow monitoring ensures that all funds will be maintained long term. The changes to the Bank of England interest rate will start to see an increase 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.

EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

Board of Trustees Report including Strategic Report For the year ended 31 March 2022

ESPA Research Limited, our trading subsidiary, recorded financial results in the year as shown in note 24. During the pandemic, we have seen a decrease in the ability to generate funds through grants and donors for the pure research activities. The results achieved in the year, although negative was controlled by mitigating risks and the company is currently working on new projects with new organisations to further their research activities. The outstanding intercompany loan is repayable on demand and the ESPA Board of Directors is reassured of the ability to meet this obligation. They continue their support for the trading subsidiary by defining its strategic objectives and will ensure the financial support required for the continued research activities it performs.

Autism Works Limited, our trading subsidiary, which was incorporated for the trading activity of IT software testing, recorded the financial results in the year as shown in note 24. During the year the enterprise team of Autism Works has successfully maintained a working relationship with Johnson & Johnson to develop new contracts, while retaining the involvement in existing contracts. Autism Works achieved marginal growth in the year and increased turnover by 5.77%, this enabled the company make 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 company continues to work on new and existing contracts with Johnson & Johnson and the ESPA Board of Directors continue their support based on the positive forecasts and the financial stability offered on future contracts.

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 nine months average budgeted expenditure, with six 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 £3.70m (2021: £3.54m), which is in line with the actual free reserves at 31 March 2022 of £9.24m (2021: £8.19m). This high level of reserves represents the trustees factoring in the effect of the heightened economic uncertainty for the next 12 months, which has increased some of the risk factors on some areas of the organisation. While the actual reserves are higher than required, our expectation is that, over the period of the strategic plan they will be in line with the required level.

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.

EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

Board of Trustees Report including Strategic Report For the year ended 31 March 2022

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

Financial sustainability is a critical issue for the care sector. The impact of Covid 19, the current social care staffing crisis, the energy and cost of living crisis has increased the risks. Our strong financial position mitigates the financial risk but as part of our assessment, the long term strategic objectives identifies that the Charity will continue to focus on the financial sustainability of the organisation. The focus being on occupancy rates, recruitment and retention and efficiency savings.

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 8th August 2022.

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. Since April 2021 there have been no changes in Board membership. 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.

Pre-pandemic The Board ordinarily met at least three times a year and holds an Annual General Meeting. However during the pandemic meetings were a combination of virtual and face to face. We intend to amend our Governing documents to enable virtual meetings to continue. All Board members give their time freely and none of them receive remuneration from the Charity. The Trustees have established a management structure to guarantee the effective governance and strategic management of ESPA and to ensure that the Charity meets its objectives. The Board delegates authority for the day-to-day management to the Chief Executive and the Finance Executive.

EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

Board of Trustees Report including Strategic Report For the year ended 31 March 2022

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

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

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, knowledge and experience. 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 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.

Staff Members

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

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

The Charity commit's to employment policies which follow best practice, based on equal opportunities in employment and aims to ensure that all employees and job applicants are treated fairly and consistently regardless of their sex, marital status, race, colour, religion, nationality or ethnic or national origins, disability, age, sexual orientation and trade union membership/non membership.

EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

Board of Trustees Report including Strategic Report For the year ended 31 March 2022

Fundraising

ESPA does not actively raise funds externally or use professional fundraisers/commercial participators to actively raise funds to further charitable activities. The Charity does sometimes receive donations from our supporters which are used to help further the lives of the individuals we support. In the course of their work some staff teams host events that showcase the talents of the people they support. Any funds raised are reinvested into resources.

We are aware of the requirements of the Charities Act 2011 in relation to statements on fundraising and are reviewing our processes to ensure compliance.

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. This was last reviewed in June 2022.

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:

- Increased competition from other providers
- Failure to attract or retain staff
- Employee absence
- Changing legislation, government policy and impact on commissioning strategies and funding.
- Major incident/investigations
- 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)
- Economic environment/government funding
- Retaining existing contracts or not being awarded new contracts

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 2022/24.

EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

Board of Trustees Report including Strategic Report For the year ended 31 March 2022

Statement of Trustees Responsibilities

The Trustees (who are also Directors of Education and Services for People with Autism Limited for the purposes of company law) 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 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company and the group will continue to operate.

The Trustees are responsible for keeping adequate 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 charitable 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, Azets 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 15 August 2023 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 2022

Charlty 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
Dr M Maskey

Chief Executive: Ms L Lane

Key Management: L Lane - Chief Executive (Retired 31.03.2023)
K T Hardy - Chief Executive
P G Cahill - Deputy Chief Executive/College Principal
M Elstob - Head of Social Care

Company Secretary: K T Hardy

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

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

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

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

Opinion on financial statements

We have audited the financial statements of Education and Services for People with Autism Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the group Statement of Financial Activities, the group and parent charitable company Balance Sheet, the group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2022, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of 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 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 trustees' annual report.

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

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

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

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 17, the trustees (who are also the directors of the parent 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 misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group 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 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

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

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of facts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Graham Fitzgerald BA FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

Accountants
Statutory Auditor
32 Brenkley Way
Blezard Business Park
Seaton Burn
Newcastle upon Tyne
NE13 6DS

15 August 2023

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 2022**

Income and Expenditure Account

		Unrestricted Funds	Restricted Funds	Total Funds 2022	Total Funds 2021
	Note	£	£	£	£
Income and endowments from:					
Donations and legacies	2	99,191	-	99,191	230,629
Charitable activities	3	15,184,775	481,217	15,665,992	14,897,608
Other trading activities	4	199,631	-	199,631	203,227
Investments	5	2,744	-	2,744	590
Other	6	150,622	-	150,622	-
Total income		15,636,963	481,217	16,118,180	15,332,054
Expenditure on:					
Charitable activities	7	14,363,166	454,369	14,817,535	14,169,147
Total expenditure		14,363,166	454,369	14,817,535	14,169,147
Net income / (expenditure)		1,273,797	26,848	1,300,645	1,162,907
Transfers between funds	21	26,848	(26,848)	-	-
Net movement in funds	21	1,300,645	-	1,300,645	1,162,907
Reconciliation of funds:					
Total funds brought forward	21	16,583,018	-	16,583,018	15,420,111
Total funds carried forward	21	17,883,663	-	17,883,663	16,583,018

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 2022

	Note	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Fixed assets					
Tangible assets	14	8,700,773	9,058,143	8,673,283	9,033,025
Investments	15	-	-	20	20
Total fixed assets		8,700,773	9,058,143	8,673,303	9,033,045
Current assets					
Debtors	16	5,953,001	3,938,896	5,963,537	3,975,190
Cash at bank and in hand		5,542,899	5,612,030	5,504,716	5,542,736
Total current assets		11,495,900	9,550,926	11,468,253	9,517,926
Current liabilities					
Creditors: amounts falling due within one year	17	(1,826,830)	(1,448,703)	(1,808,747)	(1,428,911)
Net current assets		9,669,070	8,102,223	9,659,506	8,089,015
Total assets less current liabilities		18,369,843	17,160,366	18,332,809	17,122,060
Creditors: amounts falling due after more than one year	18	(485,994)	(577,072)	(485,994)	(577,072)
Provisions for liabilities	20	(186)	(276)	-	-
Net assets		17,883,663	16,583,018	17,846,815	16,544,988
Charity Funds					
Restricted funds	21	-	-	-	-
Unrestricted funds	21	17,883,663	16,583,018	17,846,815	16,544,988
Total charity funds	21	17,883,663	16,583,018	17,846,815	16,544,988

The financial statements were approved and authorised for issue by the Board on 15 August 2023.

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 2022**

	Note	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Cash flow from operating activities	23	(166,720)	2,591,288	(148,586)	2,682,992
Net cash flow from operating activities		(166,720)	2,591,288	(148,586)	2,682,992
Cash flow from investing activities					
Receipts from sales of tangible fixed assets		370,533	-	368,133	-
Payments to acquire tangible fixed assets		(165,934)	(105,264)	(150,557)	(92,593)
Interest received		2,744	590	2,744	590
Net cash flow from investing activities		207,343	(104,674)	220,320	(92,003)
Cash flow from financing activities					
Repayment of long term loans		(87,895)	(85,380)	(87,895)	(85,380)
Interest paid		(21,859)	(24,762)	(21,859)	(24,762)
Net cash flow from financing activities		(109,754)	(110,142)	(109,754)	(110,142)
Net increase / (decrease) in cash and cash equivalents		(69,131)	2,376,472	(38,020)	2,480,847
Cash and cash equivalents at 01.04.2021		5,612,030	3,235,558	5,542,736	3,061,889
Cash and cash equivalents at 31.03.2022		5,542,899	5,612,030	5,504,716	5,542,736
Cash and cash equivalents consists of:					
Cash at bank and in hand		5,542,899	5,612,030	5,504,716	5,542,736
Cash and cash equivalents at 31.03.2022		5,542,899	5,612,030	5,504,716	5,542,736

EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

Notes to the financial statements For The Year Ended 31 March 2022

1 Accounting policies

1.1 Company information

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

The members of the company are the Trustees named on page 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 in October 2019 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. At the time of approving the financial statements, the trustees have considered the assumptions underlying those forecasts and the impact of Covid-19 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.

EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

Notes to the financial statements For The Year Ended 31 March 2022

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.

EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

Notes to the financial statements For The Year Ended 31 March 2022

1.15 Cash and cash equivalents

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

1.16 Creditors and provisions

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

1.17 Financial instruments

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

a. Financial assets

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

b. Financial liabilities

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

1.18 Fund accounting

Restricted funds

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

Unrestricted funds

a. Designated

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

b. General

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

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

EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

Notes to the financial statements For The Year Ended 31 March 2022

2 Income from donations and legacies

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2022	Total Funds 2021
		£	£	£	£
Donations		19,191	-	19,191	150,629
Donations - Robert Luff Foundation	24	80,000	-	80,000	80,000
		<u>99,191</u>	<u>-</u>	<u>99,191</u>	<u>230,629</u>

Income from donations and legacies was £99,191 (2021 - £230,629) of which £Nil (2021 - Nil) was attributable to restricted funds and £99,191 (2021 - £230,629) was attributable to unrestricted funds.

3 Income from charitable activities

	Unrestricted Funds	Restricted Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£
Adult services fees	11,446,180	-	11,446,180	11,076,901
College fees	3,734,864	-	3,734,864	3,396,231
Grants	-	481,217	481,217	414,260
Other	3,731	-	3,731	10,216
	<u>15,184,775</u>	<u>481,217</u>	<u>15,665,992</u>	<u>14,897,608</u>

Income from charitable activities was £15,665,992 (2021 - £14,897,608) of which £481,217 (2021 - £414,260) was attributable to restricted funds and £15,184,775 (2021 - £14,483,348) was attributable to unrestricted funds.

During the year the Group and Charity received no capital grants (2021 - £Nil), which has no unfulfilled conditions or other conditions attached. Other forms of grant assistance from which the Group and Charity has benefitted amounts to £481,217 (2021: £414,260).

4 Income from other trading activities

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2022	Total Funds 2021
		£	£	£	£
Garden furniture income		1,396	-	1,396	-
Subsidiary undertakings income	24	198,235	-	198,235	203,227
		<u>199,631</u>	<u>-</u>	<u>199,631</u>	<u>203,227</u>

Income from other trading activities was £199,631 (2021 - £203,227) of which £Nil (2021 - £Nil) was attributable to restricted funds and £199,631 (2021 - £203,227) was attributable to unrestricted funds.

5 Income from investments

	Unrestricted Funds	Restricted Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£
Interest received	2,744	-	2,744	590
	<u>2,744</u>	<u>-</u>	<u>2,744</u>	<u>590</u>

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 2022	Total Funds 2021
	£	£	£	£
Profit on sale of tangible fixed assets	150,622	-	150,622	-
	<u>150,622</u>	<u>-</u>	<u>150,622</u>	<u>-</u>

Other income of £150,622 (2021: £Nil) was attributable to unrestricted funds.

EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

Notes to the financial statements For The Year Ended 31 March 2022

7 Analysis of expenditure on charitable activities

	Note	Activities undertaken directly £	Support costs £	2022 £	2021 £
Adult services fees		9,571,003	797,776	10,368,781	9,997,047
College fees		3,414,426	754,900	4,169,326	3,891,680
Subsidiary undertakings expenditure	24	273,773	5,655	279,428	280,420
		<u>13,259,204</u>	<u>1,558,331</u>	<u>14,817,535</u>	<u>14,169,147</u>

£454,369 (2021 - £387,239) of the above costs were attributable to restricted funds. £14,363,166 (2021 - £13,781,908) of the above costs were attributable to unrestricted funds.

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 (Current Year)	Note	Adult services fees £	College fees £	Trading Activities £	2022 £
Governance	9	15,765	15,765	5,655	37,185
Management		114,904	114,903	-	229,807
Finance		116,770	116,769	-	233,539
Human resources		34,249	34,248	-	68,497
Maintenance		64,826	64,826	-	129,652
Training		72,036	29,162	-	101,198
Multi disciplinary team		70,205	70,206	-	140,411
Facilities (incl. rental)		19,195	19,195	-	38,390
Admin and Office costs		289,826	289,826	-	579,652
Total support and governance costs		<u>797,776</u>	<u>754,900</u>	<u>5,655</u>	<u>1,558,331</u>

Support costs are made up of:

Staff Costs	472,990	430,114	-	903,104
Other Costs	324,786	324,786	5,655	655,227
Total support and governance costs	<u>797,776</u>	<u>754,900</u>	<u>5,655</u>	<u>1,558,331</u>

Support cost (Prior Year)	Note	Adult services fees £	College fees £	Trading Activities £	2021 £
Governance	9	10,241	10,241	4,559	25,041
Management		117,606	117,606	-	235,212
Finance		114,780	114,779	-	229,559
Human resources		29,327	29,327	-	58,654
Maintenance		62,234	62,234	-	124,468
Training		38,344	15,522	-	53,866
Multi disciplinary team		64,149	64,150	-	128,299
Facilities (incl. rental)		24,239	24,240	-	48,479
Admin and Office costs		324,401	324,401	-	648,802
Total support and governance costs		<u>785,321</u>	<u>762,500</u>	<u>4,559</u>	<u>1,552,380</u>

Support costs are made up of:

Staff Costs	426,440	403,618	-	830,058
Other Costs	358,881	358,882	4,559	722,322
Total support and governance costs	<u>785,321</u>	<u>762,500</u>	<u>4,559</u>	<u>1,552,380</u>

9 Governance costs

	2022 £	2021 £
Auditor's remuneration:		
- Audit of the charity's annual accounts	29,290	18,410
- Audit of the charity's subsidiary undertakings	5,655	4,559
Trustees' indemnity insurance	2,240	2,072
	<u>37,185</u>	<u>25,041</u>

EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

Notes to the financial statements For The Year Ended 31 March 2022

10 Net income for the year

Net income is stated after charging:	2022	2021
	£	£
Depreciation of tangible fixed assets	302,658	312,625
Loss on sale of tangible fixed assets	735	80
Operating lease rentals - land and buildings	113,370	101,725
Operating lease rentals - equipment	137,897	151,734

11 Staff costs and remuneration of trustees and key management personnel

The total group staff costs and employees benefits was as follows:	2022	2021
	£	£
Wages and salaries	10,842,790	10,391,312
Social security costs	717,818	641,595
Pension costs	273,761	273,772
	<u>11,834,369</u>	<u>11,306,679</u>

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

	2022	2021
	Number	Number
Charitable activities	529	545
Management and administration of the charity	34	35
Subsidiary undertakings	7	7
	<u>570</u>	<u>585</u>

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

	2022	2021
	Number	Number
£60,001 - £70,000	-	-
£70,001 - £80,000	1	1
£80,001 - £90,000	-	-
£90,001 - £100,000	-	-
£100,001 - £110,000	1	1
	<u>2</u>	<u>2</u>

The key management personnel of the Group are the Trustees and Management listed on page 19. Total salary and employee benefits received by key management personnel during the year amounted to £329,092 (2021: £327,784) plus pension contributions of £21,207 (2021: £21,036).

The trustees neither received nor waived any emoluments during the year (2021: £Nil).

During the year no trustees (2021: Nil) were reimbursed expenses totalling £Nil (2021: £Nil), which represented accommodation, travel and subsistence expenses incurred for attendance at the Trustees' meetings. A total of £Nil (2021: £Nil) was paid directly to third parties. As permitted in the Articles of Association, Trustee indemnity insurance was purchased at a total cost of £2,240 (2021: £2,072).

12 Interest payable and similar charges

	2022	2021
	£	£
Bank loans and overdrafts	21,859	24,762
	<u>21,859</u>	<u>24,762</u>

13 Taxation

Education and Services for People with Autism Limited is a registered charity and as such its income and gains falling within s.505 ICTA 88 or s.256 TCGA 92 are exempt from corporation tax to the extent that they are applied to its charitable activities. No material corporation or deferred tax charge has arisen in its subsidiary undertakings.

EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

Notes to the financial statements For The Year Ended 31 March 2022

14 Tangible fixed assets

Group	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
Cost or valuation:						
At 01.04.2021	11,518,067	253,291	597,304	28,574	307,775	12,705,011
Additions	5,465	25,198	89,550		45,721	165,934
Transfers						-
Disposals	(363,755)	(30,197)	(78,902)	(12,338)	(35,937)	(521,129)
At 31.03.2022	11,159,777	248,292	607,952	16,236	317,559	12,349,816
Depreciation:						
At 01.04.2021	2,630,406	213,039	528,979	23,497	250,947	3,646,868
Charge for the year	204,495	19,702	35,933	4,059	38,469	302,658
Eliminated on disposals	(146,394)	(27,070)	(78,771)	(12,337)	(35,911)	(300,483)
At 31.03.2022	2,688,507	205,671	486,141	15,219	253,505	3,649,043
Net book value:						
At 31.03.2022	8,471,270	42,621	121,811	1,017	64,054	8,700,773
At 01.04.2021	8,887,661	40,252	68,325	5,077	56,828	9,058,143
Charity						
Cost or valuation:						
At 01.04.2021	11,518,067	201,748	597,304	28,574	384,125	12,649,818
Additions	5,465	9,923	89,550		45,619	150,557
Transfers						-
Disposals	(363,755)	(25,947)	(78,902)	(12,338)	(35,937)	(516,879)
At 31.03.2022	11,159,777	185,724	607,952	16,236	313,807	12,283,496
Depreciation:						
At 01.04.2021	2,630,406	185,157	528,979	23,497	248,754	3,616,793
Charge for the year	204,495	10,391	35,933	4,059	37,891	292,769
Eliminated on disposals	(146,394)	(25,936)	(78,771)	(12,337)	(35,911)	(299,349)
At 31.03.2022	2,688,507	169,612	486,141	15,219	250,734	3,610,213
Net book value:						
At 31.03.2022	8,471,270	16,112	121,811	1,017	63,073	8,673,283
At 01.04.2021	8,887,661	16,591	68,325	5,077	55,371	9,033,025

Tangible fixed assets with a net book value of £6,049,845 (2021 - £6,188,628) have been pledged as security for liabilities of the group and charity. These assets have restricted title.

EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

Notes to the financial statements For The Year Ended 31 March 2022

15 Fixed asset investments

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Market Value as at 1 April 2021	-	-	20	20
Additions	-	-	-	-
Disposal	-	-	-	-
Impairment	-	-	-	-
Market Value as at 31 March 2022	-	-	20	20

The Charity holds 100 per cent shareholdings in the two subsidiary undertakings within the Group, these are valued at cost of £20 (Espe Research Limited £10 and Autism Works Limited £10) (see note 24).

16 Debtors

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade debtors	2,808,431	1,896,540	2,731,835	1,885,392
Amounts owed by group undertakings	-	-	159,470	99,344
Other debtors	88,640	98,643	72,015	91,742
Prepayments and accrued income	3,055,930	1,943,713	3,000,217	1,898,712
	5,953,001	3,938,896	5,963,537	3,975,190

17 Creditors: amounts falling due within one year

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Bank loans and overdrafts	90,535	87,352	90,535	87,352
Trade creditors	278,234	153,581	278,234	153,581
Fees in advance	329,102	68,735	329,102	68,735
Payments received on account	589,608	651,362	588,964	650,226
Other tax and social security	264,389	172,182	263,065	164,645
Accruals and deferred income	274,962	315,491	258,847	304,372
	1,826,830	1,448,703	1,808,747	1,428,911

EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

Notes to the financial statements For The Year Ended 31 March 2022

18 Creditors: amounts falling due after more than one year

	Group 2022	Group 2021	Charity 2022	Charity 2021
	£	£	£	£
Bank loans	485,994	577,072	485,994	577,072
	<u>485,994</u>	<u>577,072</u>	<u>485,994</u>	<u>577,072</u>

Bank loans include aggregate amounts of £Nil (2021 - £Nil) 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 2022	Group 2021	Charity 2022	Charity 2021
	£	£	£	£
2.50% above Bank of England rates secured loan repayable on 22 June 2025	55,920	79,985	55,920	79,985
3.69% fixed rate secured loan repayable on 2 November 2023	430,074	497,087	430,074	497,087
	<u>485,994</u>	<u>577,072</u>	<u>485,994</u>	<u>577,072</u>

19 Operating lease

At 31 March 2022 the Charity and the Group had total commitments under non-cancellable operating leases for Land and Buildings and Equipment as follows:

	Group 2022	Group 2021	Charity 2022	Charity 2021
	£	£	£	£
Operating lease payments falling due:				
Within one year	149,850	162,762	133,217	148,873
Between one and five years	115,041	89,788	114,069	89,788
After more than five years	-	-	-	-
	<u>264,891</u>	<u>252,550</u>	<u>247,286</u>	<u>238,661</u>

20 Provisions for liabilities

	Group 2022	Group 2021	Charity 2022	Charity 2021
	£	£	£	£
At 01.04.2021	276	-	-	-
Deferred tax provision	(90)	276	-	-
At 31.03.2022	<u>186</u>	<u>276</u>	<u>-</u>	<u>-</u>

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

EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

Notes to the financial statements
For The Year Ended 31 March 2022

21 Fund reconciliation

Group (Current Year)	Balance At 01.04.2021 £	Income £	Expenditure £	Gains / (losses) £	Transfers £	Balance At 31.03.2022 £
Unrestricted funds:						
General reserve	8,189,299	15,636,963	(14,363,166)	-	(221,660)	9,241,436
Designated funds						
Fixed asset fund	8,393,719	-	-	-	(269,475)	8,124,244
Property development fund	-	-	-	-	517,983	517,983
Total unrestricted funds	16,583,018	15,636,963	(14,363,166)	-	26,848	17,883,663
Restricted funds:						
Tyne and Wear Care Alliance	-	8,700	(8,700)	-	-	-
Good Things Foundation	-	3,300	-	-	(3,300)	-
Ian Karten Charitable Trust	-	15,700	-	-	(15,700)	-
ESFA - Independent Specialist Providers	-	7,848	-	-	(7,848)	-
ESFA - Covid	-	37,110	(37,110)	-	-	-
Job retention scheme	-	35,222	(35,222)	-	-	-
Covid 19 Support funds	-	373,337	(373,337)	-	-	-
Total restricted funds	-	481,217	(454,369)	-	(26,848)	-
Total funds	16,583,018	16,118,180	(14,817,535)	-	-	17,883,663
Group (Prior Year)	Balance At 01.04.2020 £	Income £	Expenditure £	Gains / (losses) £	Transfers £	Balance At 31.03.2021 £
Unrestricted funds:						
General reserve	6,904,331	14,917,794	(13,781,908)	-	149,082	8,189,299
Designated funds						
Fixed asset fund	8,515,780	-	-	-	(122,061)	8,393,719
Total unrestricted funds	15,420,111	14,917,794	(13,781,908)	-	27,021	16,583,018
Restricted funds:						
Tyne and Wear Care Alliance	-	11,200	(11,200)	-	-	-
ESFA - Independent Specialist Providers	-	20,652	-	-	(20,652)	-
ESFA - Independent Specialist Providers	-	6,369	-	-	(6,369)	-
Job retention scheme	-	115,808	(115,808)	-	-	-
Covid 19 Support funds	-	260,231	(260,231)	-	-	-
Total restricted funds	-	414,260	(387,239)	-	(27,021)	-
Total funds	15,420,111	15,332,054	(14,169,147)	-	-	16,583,018

EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

Notes to the financial statements
For The Year Ended 31 March 2022

21 Fund reconciliation (continued)

Charity (Current Year)	At 01.04.2021 £	Income £	Expenditure £	Gains / (losses) £	Transfers £	At 31.03.2022 £
Unrestricted funds:						
General reserve	8,176,387	15,358,718	(14,083,739)	-	(219,287)	9,232,079
Designated funds						
Fixed asset fund	8,368,601	-	-	-	(271,848)	8,096,753
Property development fund	-	-	-	-	517,983	517,983
Total unrestricted funds	16,544,988	15,358,718	(14,083,739)	-	26,848	17,846,815
Restricted funds:						
Tyne and Wear Care Alliance	-	8,700	(8,700)	-	-	-
Good Things Foundation	-	3,300	-	-	(3,300)	-
Ian Kerten Charitable Trust	-	15,700	-	-	(15,700)	-
ESFA - Independent Specialist Providers	-	7,848	-	-	(7,848)	-
ESFA - Covid	-	37,110	(37,110)	-	-	-
Job retention scheme	-	35,222	(35,222)	-	-	-
Covid 19 Support funds	-	373,337	(373,337)	-	-	-
Total restricted funds	-	481,217	(454,369)	-	(26,848)	-
Total funds	16,544,988	15,839,935	(14,538,108)	-	-	17,846,815
Charity (Prior Year)	At 01.04.2020 £	Income £	Expenditure £	Gains / (losses) £	Transfers £	At 31.03.2021 £
Unrestricted funds:						
General reserve	6,890,835	14,634,568	(13,501,489)	-	152,473	8,176,387
Designated funds						
Fixed asset fund	8,494,053	-	-	-	(125,452)	8,368,601
Total unrestricted funds	15,384,888	14,634,568	(13,501,489)	-	27,021	16,544,988
Restricted funds:						
Tyne and Wear Care Alliance	-	11,200	(11,200)	-	-	-
ESFA - Independent Specialist Providers	-	20,652	-	-	(20,652)	-
ESFA - Independent Specialist Providers	-	6,369	-	-	(6,369)	-
Job retention scheme	-	115,808	(115,808)	-	-	-
Covid 19 Support funds	-	260,231	(260,231)	-	-	-
Total restricted funds	-	414,260	(387,239)	-	(27,021)	-
Total funds	15,384,888	15,048,828	(13,888,728)	-	-	16,544,988

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.

The Property Development Fund has been set up to assist in identifying funds that are not free funds and it represents funds that are required for the future development of properties.

c) Restricted funds

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

EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

Notes to the financial statements For The Year Ended 31 March 2022

22 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Restricted funds	2022
	£	£	£	£
Group fund balances at 31 March 2022 are represented by:				
Tangible fixed assets	-	8,700,773	-	8,700,773
Investments	-	-	-	-
Current assets	11,495,900	-	-	11,495,900
Current liabilities	(1,736,295)	(90,535)	-	(1,826,830)
Long term liabilities	(186)	(485,994)	-	(486,180)
Total	9,759,419	8,124,244	-	17,883,663

	Unrestricted funds	Designated funds	Restricted funds	2021
	£	£	£	£
Group fund balances at 31 March 2021 are represented by:				
Tangible fixed assets	-	9,058,143	-	9,058,143
Investments	-	-	-	-
Current assets	9,550,926	-	-	9,550,926
Current liabilities	(1,361,351)	(87,352)	-	(1,448,703)
Long term liabilities	(276)	(577,072)	-	(577,348)
Total	8,189,299	8,393,719	-	16,583,018

	Unrestricted funds	Designated funds	Restricted funds	2022
	£	£	£	£
Charity fund balances at 31 March 2022 are represented by:				
Tangible fixed assets	-	8,673,283	-	8,673,283
Investments	20	-	-	20
Current assets	11,468,253	-	-	11,468,253
Current liabilities	(1,718,212)	(90,535)	-	(1,808,747)
Long term liabilities	-	(485,994)	-	(485,994)
Total	9,750,061	8,096,754	-	17,846,815

	Unrestricted funds	Designated funds	Restricted funds	2021
	£	£	£	£
Charity fund balances at 31 March 2021 are represented by:				
Tangible fixed assets	-	9,033,025	-	9,033,025
Investments	20	-	-	20
Current assets	9,517,926	-	-	9,517,926
Current liabilities	(1,341,559)	(87,352)	-	(1,428,911)
Long term liabilities	-	(577,072)	-	(577,072)
Total	8,176,387	8,368,601	-	16,544,988

23 Notes to the Cash Flow Statement

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

	Group 2022	Group 2021	Charity 2022	Charity 2021
	£	£	£	£
Net income / (expenditure) for the year	1,300,645	1,162,907	1,301,827	1,160,100
Interest receivable	(2,744)	(590)	(2,744)	(590)
Interest payable	21,859	24,762	21,859	24,762
Depreciation of tangible fixed assets	302,658	312,625	292,769	303,345
(Profit) / loss on disposal of tangible fixed assets	(149,887)	80	(150,603)	80
Provisions less payments	(90)	17	-	-
(Increase) / decrease in debtors	(2,014,105)	1,341,303	(1,988,347)	1,417,800
Increase / (decrease) in creditors	374,944	(249,816)	376,653	(222,505)
Net cash flow from operating activities	(166,720)	2,591,288	(148,586)	2,682,992

EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

Notes to the financial statements For The Year Ended 31 March 2022

23 Notes to the Cash Flow Statement (continued)

a) Analysis of changes in net funds (current year)

	At 01.04.2021 £	Cash flows £	Non-cash changes £	At 31.03.2022 £
Cash at bank and in hand	5,612,030	(69,131)		5,542,899
Loans due within one year	(87,352)	87,895	(91,078)	(90,535)
Loans due after more than one year	(577,072)		91,078	(485,994)
	4,947,606	18,764	-	4,966,370

b) Analysis of changes in net funds (prior year)

	At 01.04.2020 £	Cash flows £	Non-cash changes £	At 31.03.2021 £
Cash at bank and in hand	3,235,558	2,376,472		5,612,030
Loans due within one year	(84,134)	85,380	(84,597)	(83,351)
Loans due after more than one year	(665,670)		84,597	(581,073)
	2,485,754	2,461,852	-	4,947,606

24 Subsidiary undertakings

The charity has two wholly owned non-charitable subsidiary undertakings ESPA Research Ltd (company number 6862992) and Autism Works Ltd (company number 7402411) which are registered in England and Wales. The registered address for both subsidiary undertakings is North House, Ferryboat Lane, Sunderland, Tyne and Wear. SR5 3RL.

Autism Works Ltd is used for the trading activities of software testing and ESPA Research Ltd is used for academic research and non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the SOFA. Any available profits are gifted to the charity, during the current financial year the subsidiaries have generated a small profit/loss 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 2022 £	Total 2021 £	Total 2022 £	Total 2021 £
Turnover	155,993	147,477	6,742	27,750
Cost of sales	(152,472)	(156,082)	-	(3,235)
Gross profit	3,521	(8,605)	6,742	24,515
Administrative expenses	-	-	(125,731)	(122,538)
Other operating income	-	-	115,510	108,000
Profit/(Loss) on ordinary activities	3,521	(8,605)	(3,499)	9,937
Corporation tax repayable/(payable)	(1,205)	1,455	-	-
Retained (Loss)/Profit in subsidiary	2,316	(7,150)	(3,499)	9,937
The aggregate of the assets, liabilities and funds was:				
Assets	135,517	80,616	79,089	76,845
Liabilities	(72,917)	(20,332)	(104,822)	(99,079)
Reserves	62,600	60,284	(25,733)	(22,234)

Included within the operating income figure of Espa Research Limited, donations received during the year were £80,010 (2021: £80,000), with the largest donor being the Robert Luff Foundation of £80,000 (2021: £80,000). 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 £35,500 (2021: £28,000) shown under trading activities (note 4).

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

EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

Notes to the financial statements For The Year Ended 31 March 2022

25 Pensions

The charity operates a defined contribution scheme for eligible employees and contributions are charged in the statement of financial activities as they accrue. The charge for the year was £273,761 (2021: £273,772). 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 £47,966 (2021: £45,522).

26 Events after the end of the period

On 15 June 2022 Education and Services for People with Autism Limited completed on the sale of a residential building at 6-7 The Cloisters, Ashbrooke, Sunderland, which was a education day service for people with autism spectrum disorders. The building was sold at market value for £400,000.

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.

28 Financial instruments

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

	Note	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Financial assets					
<i>Debt instruments measured at amortised cost:</i>					
- Trade debtors	16	2,808,431	1,896,540	2,731,835	1,885,392
- Amounts owed by group undertakings	16	-	-	159,470	99,344
- Other debtors and accrued income		2,871,642	1,798,074	2,815,993	1,753,135
- Cash at bank and in hand		5,542,899	5,612,030	5,504,716	5,542,736
		<u>11,222,972</u>	<u>9,306,644</u>	<u>11,212,014</u>	<u>9,280,607</u>
Financial liabilities					
<i>Measured at amortised cost</i>					
- Bank loans and overdraft	17/18	576,529	664,424	576,529	664,424
- Trade creditors	17/18	278,234	153,581	278,234	153,581
- Accruals		111,628	125,377	95,513	114,258
		<u>966,391</u>	<u>943,382</u>	<u>950,276</u>	<u>932,263</u>