

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

**REPORT AND GROUP FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**REGISTERED CHARITY NO: 1037868**

**COMPANY NO: 2909953**



**EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED**

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**For The Year Ended 31 March 2020**

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## EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

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### **Board of Trustees Report including Strategic Report For the year ended 31 March 2020**

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 2020.

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 is to promote for the public benefit and the relief of people with autism or associated communication, social or behavioural conditions, in particular, by

- Providing or assisting in the provision of education, training and employment opportunities for such people and advancing the education of others with autism and associated communication, social or behavioural conditions;
- Providing accommodation, support and services to meet the needs of such people; and
- Carrying out or commissioning of research into such conditions and publishing the useful results of such research

ESPA's Mission Statement is:

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

We currently support 218 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 opportunities
- Vocational opportunities

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

## **EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED**

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### **Board of Trustees Report including Strategic Report For the year ended 31 March 2020**

- Demonstrate best value.

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

We measure the success of our work by:

- The positive outcomes people achieve 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.

## EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

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### Board of Trustees Report including Strategic Report For the year ended 31 March 2020

#### 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 75 (73 in March 2019) people in these services. Residential services currently represent 60% 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. 298 staff are currently employed in the residential services.

Each individual has a Person Centred Plan which enables us to understand what is important to them and what they want from their lives. The setting of realistic personal goals ensures that individuals achieve positive outcomes in all aspects of their life. The primary measure of the success of our residential services is the positive life outcomes the individuals achieve and their families' satisfaction with the support we offer. Feedback is consistently captured through on-going dialogue, Service User Reviews and Satisfaction Surveys. Internal quality assurance processes including Senior Management Audits all support the continuous quality improvements of services, contract and Care Quality Commission (CQC) compliance and best practice. CQC inspections provide an independent assessment of quality, safety and compliance and 12 homes have been awarded an overall rating of 'Good', one has been awarded an 'Outstanding' and one was rated 'Requires Improvement' and 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 20% of overall income (19% in 2018/19) and it currently employs 107 staff.

## EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

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### Board of Trustees Report including Strategic Report For the year ended 31 March 2020

The Domiciliary Agency is currently supporting 33 people and excluding Burnfoot Court in Newcastle is delivering an average of 1000 hours of support each week. We have 7 supported living services, 6 community enablement services and 11 people are supported from a community hub in Stockton.

#### c) Day and Vocational Services

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

Everyone in our residential services has the opportunity to take full advantage of all of these day opportunities. It also offers specialist full and part-time day placements for people living at home. These placements can be commissioned by Local Authorities or purchased directly through Personal Budgets, Direct Payments or Individual Service Funds. We currently support 25 people for day placements from across the region. The Croft Centre is open for 44 weeks a year and it currently employs 30 staff.

### Education

#### a) Independent Specialist Further Education College

ESPA operates an Independent Specialist Further Education College that is based within the North East of England, with day sites in Sunderland, Newcastle upon Tyne and Middlesbrough. 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 2020 we were supporting 85 students 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 20% of the Charity's overall income (21% in 2019) and employs 107 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 we will see growth in student numbers and income in coming years. We are also continuing to significantly invest in our College buildings to offer state of the art educational and residential facilities that will provide us with the capacity for growth and 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.

## EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

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### Board of Trustees Report including Strategic Report For the year ended 31 March 2020

#### 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 Trustees are pleased to report that despite continued public sector spending cuts, ESPA has maintained its financial security throughout the year. The organisation's strategic objectives for growth, to diversify charitable activities alongside achieving efficiencies have enabled us to accommodate significant legislative and funding changes and challenges. Demand continues for our specialist services and we have seen the people we support achieve some excellent personal outcomes and enjoy a life that is meaningful to them.

In a number of Local Authority areas we have evidenced and demonstrated our ability to deliver high quality autism specific and person centred support to individuals with highly complex and challenging needs. This is enabling us to make a real difference to the lives of some of the most vulnerable people. We are confident of our continued growth across the region through partnership working with Local Authorities and health colleagues.

Since the beginning of March we have faced some very anxious and challenging times due to the Coronavirus pandemic. We anticipate that this will continue in the coming months, therefore our current over-riding priority is keeping the people we support and staff safe and well. We have implemented our Pandemic Resilience and Crisis Management Plan and all planning, decision making and communication is being managed by our highly competent Crisis Management Team. We are working in partnership with families, Local Authorities and other health and social care professionals to minimise the impact on the lives of the people we support. We are continuing to respond proactively to the ever changing situation, whilst maintaining our financial stability and business continuity.

#### Directors and Central Management

The past 12 months have continued to be challenging due to on-going financial pressures from Local Authorities and Continuing Health Care at a time where costs to the Charity are increasing. Through strong financial management and controls we have managed to cover increasing expenditure and generate a surplus which is very positive in the current climate. However, achieving realistic inflationary increases from funders has continued to be a significant challenge.

Despite these difficulties we have maintained our quality and have continued to evidence excellent outcomes for the people we support across the Charity. This has been demonstrated through our CQC reports, Local Authority audits, self-assessment reports and staff, service user and parent surveys.

We continue to comply with the National Living Wage (NLW). To ensure we recruit and retain a high quality workforce we increased our hourly rate from the NLW of £8.21 to £8.30 which represents an increase of 5.73%. We also reduced the hourly rate gap for staff under the age of 25 years by giving 30p above the NLW.

## EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

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### **Board of Trustees Report including Strategic Report For the year ended 31 March 2020**

The Board of Directors have continued to employ their skills, qualifications and experience to provide strong governance and strategic direction for the Charity. In December 2019 Dr. Berney stated his future intentions to resign as a Director due to a change in personal circumstances and we welcomed Morag Maskey as a new Director. Her professional expertise and personal experience as a parent of an autistic child will be an asset to the Board.

In August 2019 we moved into our new Head Office. This has enabled us to bring together central staff, teams and departments, which is enhancing inter-departmental working and communication. Our on-going accommodation strategy continues to focus on ensuring all our buildings remain fit for purpose and meet current and future business needs.

Due to changes in procurement processes we are in the process of making slight amendments to our Memorandum and Articles of Association. This will enable us to respond to more advertised tenders and achieve growth through new contracts.

In January 2020 we published our bi-annual Staff Survey Analysis Report. Overall feedback remains positive particularly in relation to job satisfaction, feeling a sense of achievement, relationships with colleagues and the difference they make to the lives of the people they support.

After being awarded Silver Accreditation against the Investors in People standard in June 2018 we had a very successful annual review in July 2019. They reported good overall progress against their suggested 'opportunities for improvement'.

On the 1<sup>st</sup> April 2019 our General Manager took over the strategic and line management for domiciliary services. To enable her to take on these additional responsibilities a temporary part-time Quality Managers role was created. This arrangement has worked extremely well and has continued.

ESPA has continued to meet legislative and Charity Commission requirements and best practice. Systems continue to be developed to comply with the General Data Protection Regulations (GDPR) and Employment and Health and Safety Policies and Procedures continue to be reviewed and updated. The Charity also had a second successful mandatory energy assessment (ESOS) in January 2020.

We continue to pride ourselves on our staff training programmes and our commitment to the continuous professional development of all staff. Through our new training contract we can now offer an extensive range of e-learning courses to compliment all face to face training and provide more specialised and site specific CPD.

We have continued to make a significant investment in embedding Positive Behaviour Support (PBS) in all support planning. Our Behaviour Nurse Specialist achieved his Level 7 Leadership Course at Northumbria University and 5 Managers completed the Facilitators Course. We are now working towards integrating this new learning into policies, training and practices.

The Charity has continued diversifying its marketing approaches and we now proactively use social media for celebrating stories and recruitment. We have also produced a new organisation wide brochure to disseminate to a wider audience, which will hopefully generate increased demand for placements and support.

In September 2019 we appointed a new part-time College Counsellor and in January 2020 we also welcomed a new Speech and Language Therapist.

Following a generous donation from a family we have bought a lodge on a local holiday park. Immediately this became very popular for holidays and short breaks.



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### **Board of Trustees Report including Strategic Report For the year ended 31 March 2020**

#### **ESPA College**

Despite ongoing funding challenges it has been a more positive year for the College. This has enabled the College to remain financially stable. The majority of placements are procured through a regional framework, however inflationary rises on fees have been significantly lower than our increased expenditure.

We have developed a good reputation amongst Local Authorities for supporting more complex and challenging students to achieve positive educational, vocational and personal outcomes. We are confident we can continue to build on these relationships and become the provider of choice for more students and families.

The College has followed all Government guidelines during the pandemic for specialist educational provision, therefore all of our sites have remained open. In March student numbers dropped to an average of 25 a day across the College. For those not attending, regular contact is being maintained and remote home based learning programmes have been developed. Due to the lockdown a number of the College activities, exams and end of year celebrations have been cancelled.

We have established strong working relationships with Local Authorities, SEND Teams and families across Teesside. Our current College site is restricting the cohort we can support and the curriculum we can offer. During the year we have been trying to source a more appropriate location and we are currently in discussions with Stockton to secure a lease on a property. This would increase capacity and our ability to support more challenging students which is an identified local need.

There is also a year on year increase in demand for specialist social care provision for College leavers especially for individuals who have complex needs. We already support a few people alongside the students but, we intend to develop two discrete provisions north and south of the Tyne. This is a new business opportunity and we know demand is high across the region.

In February 2020 we commissioned a mock Ofsted inspection which has assisted us to benchmark data, perceptions and understanding against the new Common Inspection Framework standards. This was a very helpful and supportive process and overall feedback was positive. Suggested areas for improvement or further development have been reflected in the College's Self-Assessment Report and Quality Improvement Plan.

The Student Committee has continued to meet regularly. This vibrant group is enabling students to influence the College's activities and enhance their learning experiences. Meetings are however currently suspended due to the pandemic. The first Parent's Forum is still to be arranged which aims to capture their views and opinions that can feed into planning.

The Advisory Board welcomed two new members with autism and specialist educational experiences. Bringing the group together has been challenging due to geography and workloads therefore we are reviewing the format of these meetings and exploring how technology could increase participation.

In March 2020 the College was delighted to hear it had been shortlisted for the Natspec's Well-being and Mental Health Award. This is an excellent achievement. Announcing the winners has been postponed until later in the year.

#### **Residential Services**

Over the past 12 months our residential services have remained financially stable. There has been some movement in terms of people moving on and new referrals with current occupancy at 92%. Referrals remain buoyant and we have seen an increase in demand for students requiring residential provision. The majority of people being referred continue to be younger people with complex needs. To enable us to support these individuals we are strategically remodelling some of our existing services to create capacity. This includes two services in Sunderland, and one in both Newcastle and North Tyneside.

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### **Board of Trustees Report including Strategic Report For the year ended 31 March 2020**

In February 2020 the General Manager hosted the first Service User Forum. This was well attended and everyone made a valuable contribution. These meetings aim to enable individuals share their thoughts, ideas and interests to inform service planning and development. These will be held 4 times a year once restrictions are lifted.

We have decided not to pursue a variation with the CQC to increase numbers for Holly House. As plans are in place for a current service user to move into supported living this will enable us to support a newly referred person in Holly View within its present registration.

Due to supporting individuals with increasingly complex and challenging needs we have developed positive working relationships with a wide range of health and social care professionals and organisations. Through this joint working we have been able to support many individuals to achieve good quality of life outcomes, progress to more independent living and stay safe in their communities.

Each resident now has a completed Spectrum Star that aims to identify and map autism specific outcomes and personal goals.

This year we anticipated that the Liberty Protection Standards would replace the Deprivation of Liberty Safeguards and we had commissioned management training. However due to delays in publishing the new Code of Practice this has been postponed.

#### **Domiciliary Agency**

We are approved providers on 7 frameworks across the North East covering 10 Local Authority areas. Over the past 12 months very few tenders and contracts have been advertised and those that have were outside the scope of our Articles of Association. The changes to our current document, approved by the Board of Directors, aims to support the future growth of domiciliary services across the region.

In October 2019 the CQC conducted an inspection at Burnfoot Court, a specialist core and cluster model in Newcastle. Overall they were awarded 'good' but recognised as 'outstanding' for Caring. This followed a similar positive audit by Newcastle's Commissioning Team. Inspections were imminent for the Middlesbrough and Sunderland branches, however all routine inspections are suspended due to the pandemic. A contract compliance review for Teesside services is also currently on hold until restrictions are lifted.

Burnfoot Court currently supports 5 tenants in individual bungalows with the 6<sup>th</sup> bungalow being vacant. Assessments however have begun for a new tenant. Outstanding partnership working especially with Newcastle's PBS Pathways Team, Care Manager, Psychiatrists and Police have enabled these highly complex individuals to sustain their community placements and proactively support them through some significant challenges.

We were selected to be part of the CQC thematic inspection in September 2019 on the use of restraint, prolonged seclusion and segregation for people with learning disabilities/autism. They gathered extensive information from staff and tenants. Their feedback was very complimentary about our non-aversive and least restrictive behaviour management practices and the quality of life we support people to enjoy.

In June 2018 our day provision in Stockton was temporarily relocated to enable the Ware Street building to be refurbished. This would enable us to support more people and significantly enhance the environment. Due to unforeseen delays the service only moved back in January 2020. The service closed during lockdown and we are working with Stockton to reopen in phases and beginning to assess potential individuals.

We have entered into discussions with a housing association and Northumberland County Council towards developing a local supported living service for identified individuals who need highly bespoke accommodation. The Association

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### **Board of Trustees Report including Strategic Report For the year ended 31 March 2020**

have the ability to spot purchase a property from the open market to an agreed specification. We are striving to source a suitable property.

Supported living services in Teesside, Sunderland and Durham have very established staff teams and are very settled. The service in North Tyneside has had more challenges in relation to recruitment and retention, but through joint working with Commissioners and families greater stability is being achieved.

#### **Day and Vocational Services**

The Croft and Deliver me Timbers continue to offer a wide range of stimulating, meaningful and fun activities. These are enjoyed by everyone we support residentially and individuals living at home funded for full and part-time day placements. Numbers of day placements have remained the same this year with 2 people leaving and 2 new starters. There continues to be a lot of demand for this service especially from families.

The Croft Centre is a real social hub and The Croft Social's parties and social events remain hugely popular and are very well attended.

In addition to the extensive menu of activities offered in the building, people are supported to access and engage in local community activities based upon their interests and wishes.

Deliver me Timbers continues to offer vocational opportunities. They create high quality wooden garden furniture and conservation products which are for sale.

In our discussions with Northumberland County Council they are keen to work with ESPA to replicate this successful model locally. These conversations will continue next year and hopefully a suitable building can be secured.

#### **Autism Works**

This has been a very busy and productive year for the trading subsidiary. They have gained an excellent reputation for high quality software testing, which has resulted in them sustaining on-going contracts, particularly on large international projects with Johnson & Johnson.

They have teamed up with 9 international Directors from within Johnson & Johnson over the past 4 months to produce a draft plan that will support Autism Works' accelerated growth. This plan will be presented to ESPA's Directors for approval.

Due to a growing pressure on staffing resources and growth in income in August 2019 we recruited an additional Software Tester. She has become an asset to the team. We anticipate continued expansion of the workforce in the coming years.

The team located to a new office building in June 2019 which provides them with additional space to accommodate a growing team. However, everyone is currently working from home which is not impacting on contracts.

#### **ESPA Research**

ESPA Research has continued to conduct and publish research designed to have a real impact on the quality of life for people on the autism spectrum and their families.

The past year has been very productive and the enterprise has retained its financial stability through another generous donation from the Robert Luff Foundation and funded research.

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### **Board of Trustees Report including Strategic Report For the year ended 31 March 2020**

The team's primary focus over the past 12 months has been the continuation of the a2milk trial for autism and ADHD. The analysis has been completed but no significant behavioural or biochemical results were found. Papers are being prepared for publication.

The team have continued to develop their suite of biomarkers for autism and have continued to publish and peer review papers and documents.

#### **Plans for future periods**

We acknowledge that the next 2-3 years will continue to be a challenging time for ESPA and other adult social care and specialist education providers. Our Strategic Plan for April 2020 to March 2022 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. Uncertainties, however, in relation to on-going restrictions due to the Coronavirus means some plans and timescales are indicative and will continue to be reviewed across the year.

ESPA's key priorities and strategic objectives for April 2020 to March 2022 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 ensure ongoing compliance with the National Living Wage (NLW)
- To implement the Charity's Accommodation Strategy
- To recruit, train and develop a high quality workforce
- To ensure compliance with legislative and contractual requirements and best practice
- To evidence best practice and the achievement of positive outcomes.

#### **Residential Services**

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

#### **Domiciliary Agency**

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

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### **Board of Trustees Report including Strategic Report For the year ended 31 March 2020**

#### **ESPA College**

- To ensure the College's financial strength in order to provide the resources to support excellence in teaching and learning
- To increase income through increased student numbers and diversifying College activities
- Students achieve excellent educational and personal outcomes
- To relocate the Teeswide College provision to increase capacity and enhance the curriculum
- To further develop College systems and activities to improve the quality of teaching and learning
- To improve employability outcomes
- To develop a new social care programme for College leavers.

#### **Day and Vocational Services**

- To ensure the ongoing financial stability of day and vocational services
- To offer an extensive menu of high quality autism specific activities within the building and community
- To extend the range of activities in direct response to people's needs, wishes and interests
- To develop more vocational and 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 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.

## EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

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### Board of Trustees Report including Strategic Report For the year ended 31 March 2020

#### Financial Review

The consolidated statement of financial activities reports an operating surplus of £1.086m for the year ended March 2020 in comparison with £0.887m last year. The Charity has managed to maintain its financial position this year and achieve a surplus, which is a satisfactory result in a challenging environment. The financial austerity within social care remains a challenge for the Charity due to continued pressure on budgetary constraints within the NHS, local authorities, and the legislative impact of the National Living Wage (NLW), but with a conservative approach to the commitment of expenditure it will enable the organisation to maintain its future strategic objectives.

In 2019-20, we generated total income for the year of £14.893m (2019: £14.168m) an increase of 5.11% on the previous year. The increase in the year was due to the increased demand for College education placements and placements within the Residential and Domiciliary Agency, this has enabled the Charity to grow the income levels of charitable activities. During the year we have continued to see an increase in demand for both College services and adult social care placements. The College has continued to be challenged with the NE12 Funding Framework 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 2020-21 is encouraging.

Fee income from statutory bodies represents 96.82% (2019: 96.65%) 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 5.23% to £11.41m (2019: £10.84m), which is reflective of higher occupancy levels and the continued demand for new placements. Education fees increased by 5.54% to £3.01m (2019: £2.85m), an increase in funding from the ESFA and an increase in student numbers have impacted on this year's results. Grant income increased by 48.38%, with grants received in the year totalling £118,656 (2019: £79,966), which includes £22,080 from the Work force development fund, £70,000 from The Wolfson Foundation and £26,576 from the EFA Capital Fund.

During 2019-20, our total charitable expenditure increased to £13.807m (2019: £13.282m), up 3.95% on the previous year. Analysis of our expenditure shows, adult social services at 70.96% (2019: 71.28%) and education fees at 27.00% (2019: 26.89%) of our total expenditure. Support costs in the year were £1.50m or 10.05% of total revenues (2019 - £1.53m, 10.83%). The current economic conditions and financial austerity within social care remain a challenge for ESPA, but despite marginal growth in the Education funding and nominal inflationary increases in Local Authority income, we have continued to remain focused on driving efficiencies and optimising costs to maintain a healthy surplus for the year.

The balance sheet remains in good shape at the current financial year end. The organisation has invested funds of £0.44m (2019: £1.03m) in fixed assets during the year. The main investment in the year was the development and completion of Phase 3 at our South Hill site, along with various other site refurbishments. These investments are part of the planned accommodation strategy within the Charity.

At the end of the financial year the group has total net assets of £15.420m (2019: £14.334m) based on reporting a total net surplus of £1.086m.

The organisation continues to invest in short-term cash deposits, as these funds arise from fees received in advance. In 2020 the return on investments totalled £18.3k (2019: £18.2k), this being an increase of 0.00% (2019: 94.06% increase). 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 Bank of England base interest rate of 0.1% will continue to reduce our return on these short term investments. The Trustees are mindful of the investment policy and the rate of return has been continually monitored during the year to ensure that we are maximising any return on such funds.

## EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

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### **Board of Trustees Report including Strategic Report For the year ended 31 March 2020**

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

Autism Works Limited, our trading subsidiary, which was incorporated for the trading activity of IT software testing, recorded the financial results in the year as shown in note 23. During the year the enterprise team of Autism Works has successfully maintained a working relationship with Johnson & Johnson to develop new contracts (Covid-19), while retaining the involvement in existing contracts. Autism Works achieved growth of 11.24% in the year with existing contracts, while still attracting interest for new future contracts from various suppliers. The impact of Covid-19 has enabled the company to review their business operations and any future impact on the staff team. The company has made distributable profits in the year and the Board have recommended that these funds are retained within the company to fund current cash flow requirements.

#### **Reserves Policy**

The reserves policy is designed to reflect the underlying risks facing the Charity and to ensure that ESPA has an appropriate level of reserves to safeguard its operation and the services to people with autism spectrum conditions.

ESPA holds restricted funds in accordance with the donors' requirements. In addition, ESPA has established a designated reserve for the management of the fixed assets of the Charity, with the future requirements of the portfolio determined in accordance with the strategic planning process.

The Trustees have considered the minimum level of free reserves i.e. excluding restricted and designated reserves, required to support the Charity's operations. The free reserves required is between three and five months average budgeted expenditure, with three months being the optimum. Relevant factors include projected financial performance including cash flow requirements, risk management and assessment of the risks to the Charity's income streams.

Following this review, the Trustees have determined that the minimum required level of free reserves is £3.45m (2019: £3.32m), which is in line with the actual free reserves at 31 March 2020 of £6.90m (2019: £6.11m). This high level of reserves represents the trustees factoring in the effect of the pandemic on income and 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**

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### **Board of Trustees Report including Strategic Report For the year ended 31 March 2020**

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**

At the date of signing these financial statements, the world is still being affected by Covid-19. Although the vaccine has been developed and implemented throughout the UK there is still no certainty that there won't be further waves of infection.

During the pandemic the Charity followed all Government and Public Health advice to protect the safety of our residents, students and staff. As a key response by the Charity a specific Covid-19 risk register was produced to ensure that immediate and long term risks were identified, along with the action required to mitigate these risks.

A key risk was financial stability, 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.



## **EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED**

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### **Board of Trustees Report including Strategic Report For the year ended 31 March 2020**

#### **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 18<sup>th</sup> March 1994 and as amended on 19<sup>th</sup> December 2012.

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

##### **Organisational Structure**

The Board of Trustees is currently made up of 7 Trustees, comprising a mix of suitable qualified members. The Trustees are appointed and then become Directors of the Company for the purpose of the Companies Act 2006. The Trustees, all of whom are also Directors of the Charity, are listed on page 19, along with the key management of the organisation. In the past 12 months there have been no changes to the Board of Directors. Their skills, qualifications and experience continue to provide strong governance towards the Charity:

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

The Board meets at least three times a year and holds an Annual General Meeting. All Board members give their time freely and none of them receive remuneration from the Charity. The Trustees have established a management structure to guarantee the effective governance and strategic management of ESPA and to ensure that the Charity meets its objectives. The Board delegates authority for the day-to-day management to the Chief Executive and the Finance Executive.

ESPA's two trading subsidiaries 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 and backgrounds. The process for recruiting new Trustees is based on an evaluation of the diverse skills and experience needed to govern the Charity. The skills mix of the Board is formally reviewed on an annual basis. On this review, the Board will identify any gaps in skills, knowledge and experience and try to identify individuals who can extend and compliment current membership. It is normal practice that before election, Trustees will receive an Induction Pack that contains everything they need to know about the Charity, their general responsibilities and key Policies and Procedures.

New Trustees are invited to spend time with the Executive Management Team as part of their induction. Prospective Trustees are also invited to visit services to further develop their understanding of the work of the Charity. They also receive additional training and updates on a regular basis relevant to their roles and responsibilities.

## **EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED**

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### **Board of Trustees Report including Strategic Report For the year ended 31 March 2020**

#### **Trustees' Indemnity**

As permitted by the Articles of Association, each of the Trustees has the benefit of an indemnity which is a qualifying third party indemnity as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year, and is currently in force.

#### **Related parties**

None of the Trustees receive remuneration or benefit from their work with the Charity. Any connection or conflicts with individuals, contractors or similar organisations are disclosed to the Board of Trustees. The only related party transaction at the year-end was with L. Moxon who works as a Consultant Trainer for ESPA and is the wife of P.M. Moxon.

#### **Staff Members**

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

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

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

#### **Fundraising**

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

#### **Risk Management**

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.

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.

## **EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED**

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### **Board of Trustees Report including Strategic Report For the year ended 31 March 2020**

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:

- Employee absences results in the inability to maintain safe staffing numbers e.g. outbreak of disease/illness, adverse weather conditions or lottery win
- A major incident/investigation
- 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 budget cuts
- Changing legislation, Government policy and impact on commissioning strategies and funding (including Brexit)
- Increased competition from other providers
- Expenditure exceeds income
- Retaining existing contracts or not being awarded new contracts
- Failure to retain or attract staff.

The risk management process demonstrates that through management review and current controls, it significantly reduces the potential impact and likelihood of risk in all areas. The Risk Register clearly defines further action to be taken within the group, which has been reflected in the strategic objectives for 2020/22.

The Risk Register is formally reviewed by the Board of Directors. It was last reviewed in March 2020.

#### **Statement of Trustees Responsibilities**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group, and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

## EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

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### **Board of Trustees Report including Strategic Report For the year ended 31 March 2020**

In so far as the Trustees are aware:

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

### **AUDITORS**

The auditors, 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 30 September 2021 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 2020**

<b>Charity Registration Number:</b>	1037868
<b>Company Registration Number:</b>	2909953
<b>Trustees and Directors:</b>	P E G Shattock (Chairman) P M Moxon Prof M Hooper R Jordan S Robinson G Young Dr M Maskey
<b>Chief Executive:</b>	Ms L Lane
<b>Key Management:</b>	L Lane - Chief Executive K T Hardy - Finance Executive P G Cahill - College Principal M Elstob - General Manager
<b>Company Secretary:</b>	K T Hardy
<b>Registered Office:</b>	North House Ferryboat Lane Sunderland Tyne and Wear SR5 3RL
<b>Auditors:</b>	Azets Audit Services 32 Brenkley Way Blezard Business Park Seaton Burn Newcastle upon Tyne NE13 6DS
<b>Bankers:</b>	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 2020 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 a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2020 and of the group's incoming resources and application of resources, including the group income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been properly prepared in accordance with the Companies Act 2006.

## **Basis for opinion**

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

## **Conclusions relating to going concern**

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

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

## **Other information**

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

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

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

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

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

## **Matters on which we are required to report by exception**

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

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

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

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

**Responsibilities of Trustees**

As explained more fully in the statement of Trustees' responsibilities set out in the Report of the Trustees, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the financial statements**

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 for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

**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.

*Azet Audit Services*

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

30 September 2021

# 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 2020

### Income and Expenditure Account

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
<b>Income and endowments from:</b>					
Donations and legacies	2	80,853	-	80,853	176,172
Charitable activities	3	14,423,219	118,656	14,541,875	13,777,585
Other trading activities	4	252,376	-	252,376	196,995
Investments	5	18,341	-	18,341	18,197
<b>Total income</b>		<b>14,774,789</b>	<b>118,656</b>	<b>14,893,445</b>	<b>14,168,949</b>
<b>Expenditure on:</b>					
Charitable activities	6	13,785,137	22,080	13,807,217	13,282,076
<b>Total expenditure</b>		<b>13,785,137</b>	<b>22,080</b>	<b>13,807,217</b>	<b>13,282,076</b>
<b>Net income / (expenditure)</b>		<b>989,652</b>	<b>96,576</b>	<b>1,086,228</b>	<b>886,873</b>
<b>Transfers between funds</b>	20	96,576	(96,576)	-	-
<b>Net movement in funds</b>	20	<b>1,086,228</b>	<b>-</b>	<b>1,086,228</b>	<b>886,873</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward	20	14,333,883	-	14,333,883	13,447,010
<b>Total funds carried forward</b>	20	<b>15,420,111</b>	<b>-</b>	<b>15,420,111</b>	<b>14,333,883</b>

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 2020

	Note	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
<b>Fixed assets</b>					
Tangible assets	13	9,265,584	9,122,211	9,243,857	9,103,346
Investments	14	-	-	20	20
<b>Total fixed assets</b>		<b>9,265,584</b>	<b>9,122,211</b>	<b>9,243,877</b>	<b>9,103,366</b>
<b>Current assets</b>					
Debtors	15	5,280,199	3,917,237	5,392,990	4,063,110
Cash at bank and in hand		3,235,558	3,492,761	3,061,889	3,357,612
<b>Total current assets</b>		<b>8,515,757</b>	<b>7,409,998</b>	<b>8,454,879</b>	<b>7,420,722</b>
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	16	(1,695,301)	(1,447,979)	(1,648,198)	(1,425,934)
<b>Net current assets</b>		<b>6,820,456</b>	<b>5,962,019</b>	<b>6,806,681</b>	<b>5,994,788</b>
<b>Total assets less current liabilities</b>		<b>16,086,040</b>	<b>15,084,230</b>	<b>16,050,558</b>	<b>15,098,154</b>
Creditors: amounts falling due after more than one year	17	(665,670)	(750,267)	(665,670)	(750,267)
<b>Provisions for liabilities</b>	19	<b>(259)</b>	<b>(80)</b>	<b>-</b>	<b>-</b>
<b>Net assets</b>		<b>15,420,111</b>	<b>14,333,883</b>	<b>15,384,888</b>	<b>14,347,887</b>
<b>Charity Funds</b>					
Restricted funds	20	-	-	-	-
Unrestricted funds	20	15,420,111	14,333,883	15,384,888	14,347,887
<b>Total charity funds</b>	20	<b>15,420,111</b>	<b>14,333,883</b>	<b>15,384,888</b>	<b>14,347,887</b>

The financial statements were approved and authorised for issue by the Board on 30 September 2021.

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 2020

	Note	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Cash flow from operating activities	22	337,771	73,438	290,310	(33,943)
<b>Net cash flow from operating activities</b>		<b>337,771</b>	<b>73,438</b>	<b>290,310</b>	<b>(33,943)</b>
Cash flow from investing activities					
Receipts from sales of tangible fixed assets		4,854	100	4,854	100
Payments to acquire tangible fixed assets		(444,331)	(1,030,370)	(435,390)	(1,017,540)
Interest received		18,341	18,197	18,341	18,197
<b>Net cash flow from investing activities</b>		<b>(421,136)</b>	<b>(1,012,073)</b>	<b>(412,195)</b>	<b>(999,243)</b>
Cash flow from financing activities					
Receipts from issue of new long term loans		-	700,000	-	700,000
Repayment of long term loans		(146,338)	(166,071)	(146,338)	(166,071)
Interest paid		(27,500)	(20,105)	(27,500)	(20,105)
<b>Net cash flow from financing activities</b>		<b>(173,838)</b>	<b>513,824</b>	<b>(173,838)</b>	<b>513,824</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(257,203)</b>	<b>(424,811)</b>	<b>(295,723)</b>	<b>(519,362)</b>
<b>Cash and cash equivalents at 01.04.2019</b>		<b>3,492,761</b>	<b>3,917,572</b>	<b>3,357,612</b>	<b>3,876,974</b>
<b>Cash and cash equivalents at 31.03.2020</b>		<b>3,235,558</b>	<b>3,492,761</b>	<b>3,061,889</b>	<b>3,357,612</b>
<b>Cash and cash equivalents consists of:</b>					
Cash at bank and in hand		3,235,558	3,492,761	3,061,889	3,357,612
<b>Cash and cash equivalents at 31.03.2020</b>		<b>3,235,558</b>	<b>3,492,761</b>	<b>3,061,889</b>	<b>3,357,612</b>

## EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

### Notes to the financial statements For The Year Ended 31 March 2020

#### 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. SRS 3RL.

The members of the company are the Trustees named on page 19. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

##### 1.2 Basis of preparation

The Group and Charity financial statements have been prepared in accordance with the Statement of Recommended Practice: "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting standard applicable in the UK and Republic of Ireland (FRS 102)" (SORP) issued on 16 July 2014 and the "Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102). They also comply with the reporting requirements of the Companies Act 2006 and the Charities Act 2011.

The Group and Charity constitutes a public benefit entity as defined by FRS 102.

The Group and Charity financial statements have been prepared on a going concern basis, under the historical cost convention, modified to include certain items at fair value.

The principal accounting policies applied in the preparation of the Group and Charity financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

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

##### 1.3 Going Concern

In order to assess the appropriateness of the going concern assumption basis, the Trustees have considered the Group's financial position, reserves and forecasts for the foreseeable future. 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 2020

#### 1.6 Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- a. Costs of raising funds includes the costs associated with any fund raising and publicity.
- b. Expenditure on charitable activities includes costs of grant awards and other direct costs incurred towards achieving the Charity's charitable objectives.
- c. Expenditure on governance relate to the corporate management of the organisation. They include the audit fee and insurance costs for the corporate management.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

#### 1.7 Allocation of support cost

All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. Where support costs cannot be directly attributed to one or more categories they are apportioned on the basis of time spent. The analysis of these costs is included in note 7.

#### 1.8 Operating leases

Operating lease rentals are charged to the SOFA on a straight line basis over the term of the lease.

#### 1.9 Pension costs

The Charity operates a defined contribution scheme for the benefit of its employees. Pension contributions payable for the year are recognised as an expense and as a liability, after deducting amount already paid.

#### 1.10 Foreign currency

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

#### 1.11 Taxation

The Charity is an exempt Charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Taxation that may arise within the Group through its subsidiary undertakings is accounted in accordance with FRS 102 section 29 'Income tax'.

#### 1.12 Tangible fixed assets and depreciation

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

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

Asset Category	Rate
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

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### Notes to the financial statements For The Year Ended 31 March 2020

#### 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 2020

### 2 Income from donations and legacies

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2020	Total Funds 2019
		£	£	£	£
Donations		853	-	853	76,172
Donations - Robert Luff Foundation	23	80,000	-	80,000	100,000
		<u>80,853</u>	<u>-</u>	<u>80,853</u>	<u>176,172</u>

Income from donations and legacies was £80,853 (2019 - £176,172) of which £Nil (2019 - Nil) was attributable to restricted funds and £80,853 (2019 - £176,172) was attributable to unrestricted funds.

### 3 Income from charitable activities

	Unrestricted Funds	Restricted Funds	Total Funds 2020	Total Funds 2019
	£	£	£	£
Adult services fees	11,406,440	-	11,406,440	10,839,248
College fees	3,013,141	-	3,013,141	2,854,910
Grants	-	118,656	118,656	79,966
Other	3,638	-	3,638	3,461
	<u>14,423,219</u>	<u>118,656</u>	<u>14,541,875</u>	<u>13,777,585</u>

Income from charitable activities was £14,541,875 (2019 - £13,777,585) of which £118,656 (2019 - £79,966) was attributable to restricted funds and £14,423,219 (2019 - £13,697,619) was attributable to unrestricted funds.

During the year the Group and Charity received no capital grants (2019 - £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 £118,656 (2019: £79,966).

### 4 Income from other trading activities

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2020	Total Funds 2019
		£	£	£	£
Garden furniture income		1,621	-	1,621	1,735
Subsidiary undertakings income	23	250,755	-	250,755	195,260
		<u>252,376</u>	<u>-</u>	<u>252,376</u>	<u>196,995</u>

Income from other trading activities was £252,376 (2019 - £196,995) of which £Nil (2019 - £Nil) was attributable to restricted funds and £252,376 (2019 - £196,995) was attributable to unrestricted funds.

### 5 Income from investments

	Unrestricted Funds	Restricted Funds	Total Funds 2020	Total Funds 2019
	£	£	£	£
Interest received	18,341	-	18,341	18,197
	<u>18,341</u>	<u>-</u>	<u>18,341</u>	<u>18,197</u>

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

### 6 Analysis of expenditure on charitable activities

	Note	Activities undertaken directly	Support costs	2020	2019
		£	£	£	£
Adult services fees		9,038,390	758,831	9,797,221	9,467,055
College fees		2,995,196	733,272	3,728,468	3,571,391
Subsidiary undertakings expenditure	23	277,130	4,398	281,528	243,630
		<u>12,310,716</u>	<u>1,496,501</u>	<u>13,807,217</u>	<u>13,282,076</u>

£22,080 (2019 - £42,525) of the above costs were attributable to restricted funds. £13,785,137 (2019 - £13,239,551) of the above costs were attributable to unrestricted funds.

# EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

## Notes to the financial statements For The Year Ended 31 March 2020

### 7 Allocation of support costs

Support costs are allocated to activities on a relevant basis to the nature of the underlying cost, including headcount, time spent or in proportion to resources used.

Support cost (Current Year)	Note	Adult services fees	College fees	Trading Activities	2020
		£	£	£	£
Governance	8	10,118	10,118	4,398	24,634
Management		111,293	111,294	-	222,587
Finance		122,954	122,953	-	245,907
Human resources		32,047	32,047	-	64,094
Maintenance		61,054	61,055	-	122,109
Training		38,916	13,356	-	52,272
Multi disciplinary team		63,674	63,674	-	127,348
Facilities (incl. rental)		52,269	52,268	-	104,537
Admin and Office costs		266,506	266,507	-	533,013
Total support and governance costs		758,831	733,272	4,398	1,496,501

Support costs are made up of:

Staff Costs	429,938	404,379	-	834,317
Other Costs	328,893	328,893	4,398	662,184
Total support and governance costs	758,831	733,272	4,398	1,496,501

Support cost (Prior Year)	Note	Adult services fees	College fees	Trading Activities	2019
		£	£	£	£
Governance	8	10,528	10,528	4,261	25,317
Management		128,185	128,185	-	256,370
Finance		119,282	119,282	-	238,564
Human resources		33,285	33,285	-	66,570
Maintenance		63,322	63,321	-	126,643
Training		17,024	5,973	-	22,997
Multi disciplinary team		66,192	66,192	-	132,384
Facilities (incl. rental)		43,726	43,726	-	87,452
Admin and Office costs		289,074	289,074	-	578,148
Total support and governance costs		770,618	759,566	4,261	1,534,445

Support costs are made up of:

Staff Costs	427,290	416,238	-	843,528
Other Costs	343,328	343,328	4,261	690,917
Total support and governance costs	770,618	759,566	4,261	1,534,445

### 8 Governance costs

	2020	2019
	£	£
Auditor's remuneration:		
- Audit of the charity's annual accounts	18,528	19,320
- Audit of the charity's subsidiary undertakings	4,398	4,261
Trustees' indemnity insurance	1,708	1,736
	24,634	25,317

### 9 Net income for the year

Net income is stated after charging:	2020	2019
	£	£
Depreciation of tangible fixed assets	299,952	280,993
Loss on sale of tangible fixed assets	(3,848)	93
Operating lease rentals - land and buildings	181,137	190,483
Operating lease rentals - equipment	136,689	135,747

## EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

### Notes to the financial statements For The Year Ended 31 March 2020

#### 10 Staff costs and remuneration of trustees and key management personnel

The total group staff costs and employees benefit's was as follows:

	2020	2019
	£	£
Wages and salaries	10,093,673	9,628,358
Social security costs	615,378	609,709
Pension costs	270,338	230,964
	<u>10,979,389</u>	<u>10,469,031</u>

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

	2020	2019
	Number	Number
Charitable activities	541	544
Management and administration of the charity	34	32
Subsidiary undertakings	7	7
	<u>582</u>	<u>583</u>

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

	2020	2019
	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 £326,496 (2019: £349,959) plus pension contributions of £21,061 (2019: £21,208).

The trustees neither received nor waived any emoluments during the year (2019: £Nil).

During the year 4 trustees (2019: 3) were reimbursed expenses totalling £1,350 (2019: £1,174), which represented accommodation, travel and subsistence expenses incurred for attendance at the Trustees' meetings. A total of £655 (2019: £357) was paid directly to third parties. As permitted in the Articles of Association, Trustee indemnity insurance was purchased at a total cost of £1,708 (2019: £1,736).

#### 11 Interest payable and similar charges

	2020	2019
	£	£
Bank loans and overdrafts	27,500	20,105
	<u>27,500</u>	<u>20,105</u>

#### 12 Taxation

Education and Services for People with Autism Limited is a registered charity and as such its income and gains falling within s.505 ICTA 88 or s.256 TCGA 92 are exempt from corporation tax to the extent that they are applied to its charitable activities. No material 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 2020

### 13 Tangible fixed assets

Group	Freehold land and buildings £	Short leasehold buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
Cost or valuation:							
At 01.04.2019	11,118,034	64,289	267,887	588,542	28,574	308,776	12,376,102
Additions	362,177		12,710	55,006		14,438	444,331
Transfers							
Disposals		(64,289)	(31,886)	(26,158)			(122,333)
At 31.03.2020	11,480,211	-	248,711	617,390	28,574	323,214	12,698,100
Depreciation:							
At 01.04.2019	2,228,201	64,287	202,170	510,959	15,381	232,893	3,253,891
Charge for the year	194,295		25,759	37,955	4,059	37,884	299,952
Eliminated on disposals		(64,287)	(31,885)	(25,155)			(121,327)
At 31.03.2020	2,422,496	-	196,044	523,759	19,440	270,777	3,432,516
Net book value:							
At 31.03.2020	9,057,715	-	52,667	93,631	9,134	52,437	9,265,584
At 01.04.2019	8,889,833	2	65,717	77,583	13,193	75,883	9,122,211
Charity							
Cost or valuation:							
At 01.04.2019	11,118,034	64,289	236,148	588,542	28,574	306,934	12,342,521
Additions	362,177		5,035	55,006		13,172	435,390
Transfers							
Disposals		(64,289)	(31,886)	(26,158)			(122,333)
At 31.03.2020	11,480,211	-	209,297	617,390	28,574	320,106	12,655,578
Depreciation:							
At 01.04.2019	2,228,201	64,287	188,038	510,959	15,381	232,309	3,239,175
Charge for the year	194,295		20,454	37,955	4,059	37,110	293,873
Eliminated on disposals		(64,287)	(31,885)	(25,155)			(121,327)
At 31.03.2020	2,422,496	-	176,607	523,759	19,440	269,419	3,411,721
Net book value:							
At 31.03.2020	9,057,715	-	32,690	93,631	9,134	50,687	9,243,857
At 01.04.2019	8,889,833	2	48,110	77,583	13,193	74,625	9,103,346

Tangible fixed assets with a net book value of £6,298,885 (2019 - £6,179,847) 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 2020

### 14 Fixed asset investments

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Market Value as at 1 April 2019	-	-	20	20
Additions	-	-	-	-
Disposal	-	-	-	-
Impairment	-	-	-	-
Market Value as at 31 March 2020	-	-	20	20

The Charity holds 100 per cent shareholdings in the two subsidiary undertakings within the Group, these are valued at cost of £20 (Espa Research Limited £10 and Autism Works Limited £10) (see note 23).

### 15 Debtors

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Trade debtors	2,464,290	1,821,790	2,456,413	1,811,912
Amounts owed by group undertakings	-	-	227,913	219,037
Other debtors	78,893	54,493	69,050	49,716
Prepayments and accrued income	2,737,016	2,040,954	2,639,614	1,982,445
	5,280,199	3,917,237	5,392,990	4,063,110

### 16 Creditors: amounts falling due within one year

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Bank loans and overdrafts	84,134	145,875	84,134	145,875
Trade creditors	191,817	171,767	191,620	169,585
Fees in advance	300,262	284,668	272,512	282,168
Payments received on account	673,763	369,282	670,286	367,265
Other tax and social security	166,802	177,499	155,986	166,741
Accruals and deferred income	278,523	298,888	273,660	294,300
	1,695,301	1,447,979	1,648,198	1,425,934

# EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

## Notes to the financial statements For The Year Ended 31 March 2020

### 17 Creditors: amounts falling due after more than one year

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Bank loans	665,670	750,267	665,670	750,267
	<u>665,670</u>	<u>750,267</u>	<u>665,670</u>	<u>750,267</u>

Bank loans include aggregate amounts of £6,135 (2019 - £29,954) 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 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
2.50% above LIBOR secured loan repayable on 22 June 2025	103,995	126,339	103,995	126,339
0.75% above LIBOR secured loan repayable on 2 November 2023	561,675	623,928	561,675	623,928
	<u>665,670</u>	<u>750,267</u>	<u>665,670</u>	<u>750,267</u>

### 18 Operating lease

At 31 March 2020 the Charity and the Group had total commitments under non-cancellable operating leases for Land and Buildings and Equipment as follows:

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Operating lease payments falling due:				
Within one year	139,770	178,175	116,723	155,128
Between one and five years	96,700	33,105	96,700	33,105
After more than five years	-	-	-	-
	<u>236,470</u>	<u>211,280</u>	<u>213,423</u>	<u>188,233</u>

### 19 Provisions for liabilities

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
At 01.04.2019	-	-	-	-
Deferred tax provision	259	80	-	-
At 31.03.2020	<u>259</u>	<u>80</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 2020

## 20 Fund reconciliation

Group (Current Year)	Balance At 01.04.2019 £	Income £	Expenditure £	Gains / (losses) £	Transfers £	Balance At 31.03.2020 £
Unrestricted funds:						
General reserve	6,107,814	14,774,789	(13,785,137)	-	(193,135)	6,904,331
Designated funds						
Fixed asset fund	8,226,069	-	-	-	289,711	8,515,780
Total unrestricted funds	14,333,883	14,774,789	(13,785,137)	-	96,576	15,420,111
Restricted funds:						
Tyne and Wear Care Alliance	-	22,080	(22,080)	-	-	-
The Wolfson Foundation	-	70,000	-	-	(70,000)	-
ESFA - Independent Specialist Providers	-	20,652	-	-	(20,652)	-
ESFA - Independent Specialist Providers	-	5,924	-	-	(5,924)	-
Total restricted funds	-	118,656	(22,080)	-	(96,576)	-
Total funds	14,333,883	14,893,445	(13,807,217)	-	-	15,420,111
Group (Prior Year)	Balance At 01.04.2018 £	Income £	Expenditure £	Gains / (losses) £	Transfers £	Balance At 31.03.2019 £
Unrestricted funds:						
General reserve	5,336,197	14,088,983	(13,239,551)	-	(77,815)	6,107,814
Designated funds						
Fixed asset fund	8,010,813	-	-	-	215,256	8,226,069
Total unrestricted funds	13,347,010	14,088,983	(13,239,551)	-	137,441	14,333,883
Restricted funds:						
Tyne and Wear Care Alliance	-	42,525	(42,525)	-	-	-
Garfield Western Foundation	70,000	-	-	-	(70,000)	-
ESFA - Independent Specialist Providers	-	22,638	-	-	(22,638)	-
ESFA - Independent Specialist Providers	-	14,803	-	-	(14,803)	-
Bailey Thomas	20,000	-	-	-	(20,000)	-
Sir James Knott Trust	10,000	-	-	-	(10,000)	-
Total restricted funds	100,000	79,966	(42,525)	-	(137,441)	-
Total funds	13,447,010	14,168,949	(13,282,076)	-	-	14,333,883

# EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

Notes to the financial statements  
For The Year Ended 31 March 2020

## 20 Fund reconciliation (continued)

Charity (Current Year)	At 01.04.2019 £	Income £	Expenditure £	Gains / (losses) £	Transfers £	At 31.03.2020 £
Unrestricted funds:						
General reserve	6,140,683	14,444,034	(13,503,609)	-	(190,273)	6,890,835
Designated funds						
Fixed asset fund	8,207,204	-	-	-	286,849	8,494,053
Total unrestricted funds	14,347,887	14,444,034	(13,503,609)	-	96,576	15,384,888
Restricted funds:						
Tyne and Wear Care Alliance	-	22,080	(22,080)	-	-	-
The Wolfson Foundation	-	70,000	-	-	(70,000)	-
ESFA - Independent Specialist Providers	-	20,652	-	-	(20,652)	-
ESFA - Independent Specialist Providers	-	5,924	-	-	(5,924)	-
Total restricted funds	-	118,656	(22,080)	-	(96,576)	-
Total funds	14,347,887	14,562,690	(13,525,689)	-	-	15,384,888
Charity (Prior Year)	At 01.04.2018 £	Income £	Expenditure £	Gains / (losses) £	Transfers £	At 31.03.2019 £
Unrestricted funds:						
General reserve	5,412,797	13,793,724	(12,995,922)	-	(69,916)	6,140,683
Designated funds						
Fixed asset fund	7,999,847	-	-	-	207,357	8,207,204
Total unrestricted funds	13,412,644	13,793,724	(12,995,922)	-	137,441	14,347,887
Restricted funds:						
Tyne and Wear Care Alliance	-	42,525	(42,525)	-	-	-
Garfield Western Foundation	70,000	-	-	-	(70,000)	-
ESFA - Independent Specialist Providers	-	22,638	-	-	(22,638)	-
ESFA - Independent Specialist Providers	-	14,803	-	-	(14,803)	-
Bailey Thomas	20,000	-	-	-	(20,000)	-
Sir James Knott Trust	10,000	-	-	-	(10,000)	-
Total restricted funds	100,000	79,966	(42,525)	-	(137,441)	-
Total funds	13,512,644	13,873,690	(13,038,447)	-	-	14,347,887

## Fund descriptions

- a) Unrestricted funds      The General reserve represents the free funds of the charity which are not designated for particular
- b) Designated funds      The Fixed asset fund has been set up to assist in identifying those funds that are not free funds and it
- 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 2020

### 21 Analysis of net assets between funds

Group fund balances at 31 March 2020 are represented by:

	Unrestricted funds	Designated funds	Restricted funds	2020
	£	£	£	£
Tangible fixed assets	-	9,265,584	-	9,265,584
Investments	-	-	-	-
Current assets	8,515,757	-	-	8,515,757
Current liabilities	(1,611,167)	(84,134)	-	(1,695,301)
Long term liabilities	(259)	(665,670)	-	(665,929)
<b>Total</b>	<b>6,904,331</b>	<b>8,515,780</b>	<b>-</b>	<b>15,420,111</b>

Group fund balances at 31 March 2019 are represented by:

	Unrestricted funds	Designated funds	Restricted funds	2019
	£	£	£	£
Tangible fixed assets	-	9,122,211	-	9,122,211
Investments	-	-	-	-
Current assets	7,409,998	-	-	7,409,998
Current liabilities	(1,302,104)	(145,875)	-	(1,447,979)
Long term liabilities	(80)	(750,267)	-	(750,347)
<b>Total</b>	<b>6,107,814</b>	<b>8,226,069</b>	<b>-</b>	<b>14,333,883</b>

Charity fund balances at 31 March 2020 are represented by:

	Unrestricted funds	Designated funds	Restricted funds	2020
	£	£	£	£
Tangible fixed assets	-	9,243,857	-	9,243,857
Investments	20	-	-	20
Current assets	8,454,879	-	-	8,454,879
Current liabilities	(1,564,064)	(84,134)	-	(1,648,198)
Long term liabilities	-	(665,670)	-	(665,670)
<b>Total</b>	<b>6,890,835</b>	<b>8,494,053</b>	<b>-</b>	<b>15,384,888</b>

Charity fund balances at 31 March 2019 are represented by:

	Unrestricted funds	Designated funds	Restricted funds	2019
	£	£	£	£
Tangible fixed assets	-	9,103,346	-	9,103,346
Investments	20	-	-	20
Current assets	7,420,722	-	-	7,420,722
Current liabilities	(1,280,059)	(145,875)	-	(1,425,934)
Long term liabilities	-	(750,267)	-	(750,267)
<b>Total</b>	<b>6,140,683</b>	<b>8,207,204</b>	<b>-</b>	<b>14,347,887</b>

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

	Group 2020	Group 2019	Charity 2020	Charity 2019
	£	£	£	£
Net income / (expenditure) for the year	1,086,228	886,873	1,037,001	835,243
Interest receivable	(18,341)	(18,197)	(18,341)	(18,197)
Interest payable	27,500	20,105	27,500	20,105
Depreciation of tangible fixed assets	299,952	280,993	293,873	276,061
(Profit) / loss on disposal of tangible fixed assets	(3,848)	93	(3,848)	93
Provisions less payments	179	80	-	-
(Increase) / decrease in debtors	(1,362,962)	(1,011,398)	(1,329,880)	(1,074,045)
Increase / (decrease) in creditors	309,063	(85,111)	284,005	(73,203)
<b>Net cash flow from operating activities</b>	<b>337,771</b>	<b>73,438</b>	<b>290,310</b>	<b>(33,943)</b>

## EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

### Notes to the financial statements For The Year Ended 31 March 2020

#### 23 Subsidiary undertakings

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

Autism Works Ltd is used for the trading activities of software testing and ESPA Research Ltd is used for academic research and non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the SOFA. Any available profits are gifted to the charity, during the current financial year the subsidiaries have generated a small profit on its trading activities but these have been retained in the year to fund current working capital.

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

	Autism Works Limited		ESPA Research Limited	
	Total 2020 £	Total 2019 £	Total 2020 £	Total 2019 £
Turnover	186,057	167,260	36,698	-
Cost of sales	(145,622)	(120,777)	(5,263)	7,704
Gross profit	40,435	46,483	31,435	7,704
Administrative expenses	-	-	(122,960)	(122,424)
Other operating income	-	-	108,000	128,000
Profit/(Loss) on ordinary activities	40,435	46,483	16,475	13,280
Corporation tax repayable/(payable)	(7,683)	(8,133)	-	-
Retained (Loss)/Profit in subsidiary	32,752	38,350	16,475	13,280
The aggregate of the assets, liabilities and funds was:				
Assets	194,388	145,293	116,130	81,886
Liabilities	(126,954)	(110,611)	(148,321)	(130,552)
Reserves	67,434	34,682	(32,191)	(48,666)

Included within the operating income figure of Espa Research Limited, donations received during the year were £80,000 (2019: £100,000), with the largest donor being the Robert Luff Foundation of £80,000 (2019: £100,000). These funds are unrestricted and have been shown within the Group total of donations and legacies (note 2), with the balance of operating income and turnover of £28,000 (2019: £28,000) shown under trading activities (note 4).

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

#### 24 Pensions

The charity operates a defined contribution scheme for eligible employees and contributions are charged in the statement of financial activities as they accrue. The charge for the year was £270,338 (2019: £230,964). 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 £43,069 (2019: £34,025).

#### 25 Capital commitments

Capital expenditure at the balance sheet date for which the Group and charity had contracted for but not provided in the financial statements amounted to £Nil (2019 - £224,055).

#### 26 Events after the end of the period

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

#### 27 Related party transactions

The charity has taken advantage of the exemption conferred by paragraph 33.1A of FRS 102, 'related party transactions', that transactions with wholly owned subsidiaries do not need to be disclosed.

During the year education consultancy work to the value of £3,550 (2019: £5,400) has been charged to Education and Services for People with Autism Limited by L. Moxon. L. Moxon is the wife of P.M. Moxon, who is a trustee of the Charity. At the year end, the outstanding balance owed to L. Moxon was £Nil (2019: £Nil).

# EDUCATION AND SERVICES FOR PEOPLE WITH AUTISM LIMITED

## Notes to the financial statements For The Year Ended 31 March 2020

### 28 Financial instruments

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

	Note	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
<b>Financial assets</b>					
<i>Debt instruments measured at amortised cost:</i>					
- Trade debtors	15	2,464,290	1,821,790	2,456,413	1,811,912
- Amounts owed by group undertakings	15	-	-	227,913	219,037
		<u>2,464,290</u>	<u>1,821,790</u>	<u>2,684,326</u>	<u>2,030,949</u>
<i>Equity instruments measured at cost less impairment:</i>					
- Fixed asset unlisted investments	14	-	-	20	20
<b>Financial liabilities</b>					
<i>Measured at amortised cost</i>					
- Bank loans and overdraft	16/17	749,804	896,142	749,804	896,142
- Trade creditors	16/17	191,817	171,767	191,620	169,585
		<u>941,621</u>	<u>1,067,909</u>	<u>941,424</u>	<u>1,065,727</u>