

NORTH EAST AUTISM SOCIETY
(company limited by guarantee)

Report and Financial Statements

30th April 2019

NORTH EAST AUTISM SOCIETY

Charity No: 1028260

CONTENTS

Company No: 02859620

	Page
Report of the Trustees for the year ended 30th April 2019	2
Reference and Administration Details	8
Independent Auditor's Report	12
SOFA, Balance Sheet and Statement of Cash Flows	14
Notes on the accounts	17

Report of the Trustees for the year ended 30th April 2019

The Trustees present their report and accounts for the year ended 30th April 2019.

The financial statements comply with the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with financial reporting standards applicable in the UK and Republic of Ireland (FRS102) (effective January 2015).

We are pleased to report a range of successes in relation to our work this year. In relation to our specialist services, it has been a very positive year. The achievements of our children, young people and adults have been nothing short of inspiring. We work very flexibly with our local authority colleagues, as we realise that together we must be creative in designing new services and finding new ways to meet the needs of an ever growing population. We are immensely proud of our staff and the determination that they have shown in facing up to these very testing conditions. Through them, we continue to demonstrate the effectiveness and professionalism of our work. We provide services at a realistic and reasonable cost and so far, that has served us well.

The Society has continued to gain experience and specialist knowledge in the field of education. The Society's schools at The North East Centre for Autism at Aycliffe, and Thornhill Park School in Sunderland, both experienced an unprecedented increase in referrals. It seemed clear that the demand for specialist school places was increasing. During the year under review the society commenced the initial tendering of contracts to build a four classroom extension at our school in Aycliffe. It was hoped that this would enable the Society to offer an additional 24 places by September. The building work has since been completed, and we are still in the process of obtaining an Ofsted inspection of our Aycliffe extension. Also during the year under review Sunderland City Council approved through their cabinet the sale of Tudor Grove, Portland Road which was a former pupil referral unit. Post year end we were able to complete the purchase, and refurbishment and we will move "Thornhill Park School" to its new premises in January 2020.

During the year under review we had discussion with two local authorities over developing education provision in their areas. We are confident that two small teaching units will be developed during 2020 in those areas.

Thornbeck College continues to provide highly specialist support to students through a range of academic and vocational options. They had 23 students on the roll during the year under review, and provided a wide range of courses and learning opportunities.

We continue to provide high quality residential care for children and young people. In the year under review we commenced alteration work at our Aycliffe Centre which saw the creation of 8 new individual apartments for children. The number of parents requesting residential places has remained fairly constant in recent years. The cuts to funding however have resulted in a radical reduction in the number of children moving to take up placements. In short, the demand and the need for such placements is still strong but lack of funding is resulting in families having to struggle in some very difficult circumstances.

The Society has a range of residential homes for adults as well as providing Supported Living placements in partnership with a number of Housing Providers. These services have been very well complimented by professionals as well as the CQC. They provide very high standards of care and support to adults who often need highly specialised support.

The Social and Vocational Programmes offered by the Society are very well used and are highly regarded. The programmes are offered in a range of locations which reflect the interests and needs of our students. We have provided support to more than 90 adults during the year under review.

Purpose and activities

The Society's objectives are:-

"To promote the welfare, development and advancement of children, young people and adults with physical and/or learning disabilities and in particular those affected by autism within the United Kingdom of Great Britain and Northern Ireland."

The Mission Statement is as follows:

"Working together to inspire, support and equip people with autism and other examples of neurodiversity to fulfil their potential in life"

We have four core values which underpin our approach to achieving this mission:

- To have our learners and service users at the heart of the organisation
- To operate a fair, respectful and honest culture
- To strive for the highest quality
- To operate with integrity

The Trustees are confident that the charitable aims of the Society satisfy the principles of public benefit as defined in the Charities Act 2006 and they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

We review our aims, objectives and activities each year. This report looks at what we have achieved and the outcomes of our work within the previous 12 months. We report on the benefits brought to the groups of people we are set up to help. The review also helps us ensure our aims, objectives and activities remain focused on our stated purposes.

Our Volunteers

During the year under review we had a total of 25 volunteers involved in a diverse range of activities from Fund Raising and Events, to driving or escorting service users to and from college. We have been really grateful for their help and commitment, especially those who have been able to give their time over a longer period.

Our Fundraising Practices

The Society employs two professional bid writers, who worked extremely hard during the year under review. The grants received have significantly assisted us in purchasing new properties and/ or refurbishing and maintaining our existing premises.

We have an events co-ordinator who arranges fund raising events, but who also encourages participation in regional and national events, by people who raise sponsorship for the Society. We manage any direct appeals to the public very carefully so that none of our methods could be seen as intrusive or persistent. As ever we are grateful to the many companies, organisations, groups and individuals across the North East whose generosity has been stunning.

Strategic Report

Achievements and Performance

During the year under review, much of our work focussed on generating additional school places. As stated, we have post year end purchased a school in Sunderland and refurbished it. The school will provide our children with many additional facilities and it is all on one level, making the whole site much more accessible. The school will allow us to offer up to 35 additional places in the medium term. In preparation for this growth, the Society recruited and trained a significant number of additional staff. Although the opening of the new school was delayed from September 2019 to January 2020, it did allow extra time for new staff to train and gain experience. Similarly the new extension to our school at Aycliffe meant that we had to recruit extra staff. They too have had extra time for training as the extension will not be in use until January 2020.

The Society developed a partnership with Stockton Council during the year under review. We planned with them, a very successful conference with nationally recognised speakers. The conference took place at the beginning of June 2019. We will be developing joint work with the authority during 2020.

Partnerships working with Redcar and Cleveland during the year under review, led to the Society leasing a base at South Bank on Teesside. We will be developing plans with Redcar and Cleveland during 2020.

During 2019 we commenced feasibility work into the development of our farm in County Durham. The Society will develop a social enterprise based at the site and utilising more of the land and assets.

Financial Review

Results

The accounts have been produced in accordance with the Accounting and Reporting by Charities Statement of Recommended Practice (revised 2015). They incorporate the pension commitments of the North East Autism Society Retirement Security Plan a defined benefit scheme as required by Financial Reporting Standard 102.

Total income of the Society increased by 10.4% to £21,360,944 while total expenditure increased by 12.9% to £20,132,349 to produce net income for the year of £1,228,595. Income has increased due to the increased number of service users, particularly within our schools and care homes. Expenditure has increased with the additional staffing to meet the needs of these additional service users, and as a result of staff pay increases. It should be noted that the total income includes £399,636 of grants and donations. The total expenditure includes a net credit of £228,000 (2018 net credit £226,000) in respect of pension fund adjustments.

Actuarial pension fund gain during the year totalled £592,000 (2018 a gain of £772,000) and after allowing for this, net movement in Society funds in the year was £1,820,595, (2018 £2,291,901).

At 30th April 2019 the Society's Retirement Security Plan pension scheme had a fund deficit under FRS102 valuation requirements of £535,000 (2018 £1,224,000).

No major capital development took place and capital expenditure during the year of £291,556 was largely replacement and upgrading existing fixed assets.

Total unrestricted accumulated funds at 30th April 2019 are £21,562,892. The Society intends in the future to use its funds, less the amount set aside for operational reserves, held in fixed assets and incurred on the repayment of loans, on improving the Society's services. We are currently seeking to sell a land holding at Carley Hill, Sunderland. This will afford us the opportunity to consolidate and stabilise our finances and possibly reduce/repay our borrowings, but in doing so we will ensure that going forward we hold a sufficient level of free reserves so as to sustain the Society's long term operations.

By way of investment, the Society continues to utilise short term cash deposits as the available funds arise, mainly from fees received in advance. Interest received on cash deposits during the year totalled £18,934 (2018 £6,106).

Key Performance Indicators (KPI's)

The society measures a number of KPI's to measure its performance.

	2018/19	2017/18
Fee Income growth	11.4%	4.8%
Staff turnover	19.7%	21.8%
Staff sickness	1.7%	2.1%
Debtor's days outstanding	51 days	53 days

Reserves Policy

Reserves are set aside to provide financial stability and to support the Society's long term Strategic Plan. The Trustees have forecast that the level of free reserves required to sustain the Society's operations will be equivalent

NORTH EAST AUTISM SOCIETY
TRUSTEE'S REPORT
For the year ended 30th April 2019

to a minimum of two month's budgeted expenditure, at 30th April 2019 this amounted to £3,550,000. The policy is reviewed by the Trustees as part of the strategic planning process.

At 30th April 2019, excluding fixed assets and the Retirement Security Plan, there were unrestricted reserves of £3,793,649 (2018 £2,358,139). At 30th April 2019 there is no shortfall but during 2019/20 there will be a shortfall due to the capital investment this will be made good from the surplus generated each year and is forecast to be reached by 2022.

At 30th April 2019 the company held cash balances of £4,331,346, which is offset by a bank loan of £1,582,323 that was due a final repayment in December 2019 and £172,917 of other loans. The bank loan has been refinanced on the 24th December 2019 based upon a 10 year amortisation profile with a 3 year commitment.

Restricted funds at 30th April 2019 were £83,374. (2018 £51,690).

Investment Policy

The Society introduced a Treasury Management Strategy. The Society has the power to invest funds not immediately required for its general purpose in such investments as it deems fit for the purpose.

Society's investment objectives continue to be to:

- Generate income to further the objects of the Charity
- Safeguard the assets and business continuity of the Charity
- Comply with the conditions attached to restricted funds
- Ensure working capital and restricted reserves are always readily available in cash
- Meet the requirements of the Reserves Policy and the Strategic Plan

Whilst ensuring that the Trustees fulfil their fiduciary responsibilities concerning investments without exceeding their powers of investment.

The Society's policy continues to be to maintain cash deposits rather than to invest in stocks and shares, property or any other investment.

The policy is kept under review.

Plans for future periods

The Society will develop the two schools at Sunderland and Aycliffe respectively. At Sunderland we have much better facilities and additional staff, so we can begin to gradually increase pupil numbers in 2020. At Aycliffe our new extension will provide four additional classrooms. Using additional staff we will gradually increase pupil numbers there too.

The move of Thornhill Park School to new premises will leave our existing school building empty. We will therefore relocate the Social and Vocational Training Service currently based at our Emsworth building. The team currently at the Emsworth building are looking forward to moving to bigger better appointed premises.

The Society will work closely with Stockton Council with a view to jointly meeting the educational needs of autistic children and those with a range of other neurodiversity issues.

The Society will work closely with Redcar and Cleveland Authority in efforts to meet the needs of autistic children and those with other neurodiversity issues. The Society has leased premises in South Bank, which will become the Mackenzie Thorpe Centre. We will commence work supporting children from the centre in January 2020.

The Society will develop further its successful training academy, ANDA. We will be more active in marketing ANDA in 2020, and more systematic in bidding for work. We see the academy becoming a much more significant part of our work.

The Society will invest more time and energy in the development of New Warlands Farm as a social enterprise this year. By the summer of 2020 we will have planted 1000 apple trees to create an orchard. We have already purchased

NORTH EAST AUTISM SOCIETY
TRUSTEE'S REPORT
For the year ended 30th April 2019

an apple press and bottling plant, and would aim to gradually develop this business over the coming years. We have also drained some of the land to facilitate the growth of other fruit and vegetable crops.

The traditional services of the Society continue to be relevant and necessary, as demand for them confirms. We have however worked very creatively with local authorities, CCG's and other providers, in efforts to create and design new services, or to re-engineer those that we already have. As budgets contract and commissioners struggle to make ends meet, it is simply unsustainable that we continue to plan services based on past beliefs, past demand and past levels of funding. We understand as an organisation that we must adapt to prevailing conditions if we are to survive and thrive. To that end, we will be working in partnership with several local authorities to develop new services in their areas. This may involve us in training LA staff, supporting and mentoring them so that they can deliver more services "in house", or it may involve us in developing services in their areas. We have highly trained and experienced staff and this enables us to draw on their skills in designing and launching new services. We will continue to invest heavily in staff training and development for these and other reasons.

NORTH EAST AUTISM SOCIETY
TRUSTEE'S REPORT
For the year ended 30th April 2019

Reference and administrative details

Charity Number:	1028260
Company Number:	02859620
Registered Office:	15 Lumley Court, Drum Industrial Estate, Chester le Street, DH2 1AN

Our advisors

Auditor	RSM UK Audit LLP	1 St James' Gate, Newcastle upon Tyne, NE1 4AD
Bankers	Barclays Bank plc	PO Box 379, 71 Grey Street, Newcastle upon Tyne, NE99 1JA
	Lloyds Bank	54 Fawcett Street, Sunderland, SR1 1SF
Solicitors	Ward Hadaway	Sandgate House, 102 Quayside, Newcastle Upon Tyne, NE1 3DX

Directors and Trustees

Trustees:
Gavin Bestford (Chairman)
Malcolm Bainbridge
Dr Rakesh Chopra OBE
Jillian Crumbie
John Hodgson
Kevin McAllister
David Parker
John O'Sullivan – (Resigned with effect 28th January 2019)
Capt. Donald Walker

Key management personnel (Senior Management Team):

Chief Executive Officer
John J Phillipson

Company Secretary
John J Phillipson

Head of Care
Brian Stoker

Director of Education
Christine Dempster

Structure, Governance and Management

Governing Document

The organisation was first established as an unincorporated association under the name "Tyneside Society for Autistic Children" in 1970. By 1979 the Society had raised enough funds to purchase 21 Thornhill Park which was refurbished and opened as a school for six children. The school numbers grew and Tyne and Wear Autistic Society was incorporated and registered as a Charity in 1993. The registered charity number is 1028260 and the registered company number is 02859620. The Private Company Limited by Guarantee and not having a share capital was incorporated under the Companies Act 1985 on 6 October 1993. Members' liability is limited to £10. The Society was renamed North East Autism Society in May 2009 and is governed by the Memorandum and Articles of Association dated 1st May 2009.

Organisation

A Chief Executive is appointed by Trustees and is accountable to them for the day to day management of the Society, implementing strategic policy and plans agreed by the Board. The Chief Executive is not a Trustee but is a paid officer of the Society.

The Chief Executive is supported in managing the Society by the Senior Staff Management Team who directly manages the services of the Society.

Appointment of Trustees

In accordance with our Articles of Association, Trustees are elected by the Members of the Society at the Annual General Meeting. All Trustees must be Members of the Society but none can be in its employ i.e. receive a salary or fee. One third of the Trustees stand down annually and may offer themselves for re-election at the Annual General Meeting. The Trustees elect from their number a Chairman of the Board.

No Trustee has any financial interest in the Society. Trustees are covered by Directors and Officers Insurance while staff involved in the provision of advice and direct services are covered by Professional Indemnity Insurance.

As the Society provides services to children and vulnerable adults our Trustees are subject to enhanced Disclosure and Barring Service checks.

Trustee induction and training

New Trustees undergo an orientation meeting to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the authority and responsibilities of the Board and the decision making process. They are provided with a copy of Board minutes for the prior 18 months and of the most recent Trustees Annual Report and Accounts. In addition they are supplied with relevant Charity Commission guidance documents including the Commission's "Strategy for dealing with Safeguarding Children and Vulnerable Adults Issues in Charities".

All Trustees are updated on issues and guidance regarding charity and company law and are encouraged to attend appropriate external and internal training events.

Related parties and co-operation with other organisations

The Society is a membership organisation. On the 30th April 2019 there were 176 voting members whose details were held on our central register.

Most members are parents of children or adults with autism. The Society has however always been very keen to forge strong links with professionals and key staff in external agencies for example the NHS and Local Authorities. A

NORTH EAST AUTISM SOCIETY
TRUSTEE'S REPORT
For the year ended 30th April 2019

number of our voting members are therefore professionals with a strong interest in autism and our work. We are keen to encourage people with autism to join as members of the Society and will continue to promote this in the year ahead.

Any connection between Trustees and senior managers must be disclosed to the full board of Trustees in the same way as any other contractual relationship with a related party.

Pay policy for senior staff

The Board of Trustees and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Society on a day to day basis. All Trustees give of their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in note 10 and 12 to the accounts. The Board of Trustees benchmark salaries of senior staff against pay levels in other similar charities and the pay of all staff is reviewed annually. We attempt to reflect pay levels in accordance with the pay scales determined by the National Joint Council (NJC) for local government services.

Risk management

The Board of Trustees fully recognises its responsibility for the management of risk to the Society. The Society maintains a risk register, which is reviewed annually and it is the responsibility of the Chief Executive to give updates to the Trustees on all aspects of risk management.

Principal risks and uncertainties

The major risks to North East Autism Society are identified as:

- Income streams and cost pressures from statutory bodies and other external regulatory services, for example fees remaining frozen and inflation continues to be absorbed by providers.
- Financial challenges presented by legislative changes and employment judgements around pay for sleepovers and holiday pay.
- Potential significant increase in pension liability and/or reduction in pension asset values on the defined benefit scheme, which has been closed to new members since 9th March 2012.

Employee Involvement

The Charity encourages the involvement of its employees in its management through regular meetings of management which have responsibility for the dissemination of information of particular concern to employees (including financial and economic factors affecting the performance of the Charity) and for receiving their views on important matters of policy. A series of meetings between the CEO and staff at various sites are arranged throughout the year.

Disabled Persons

The Society is committed to employing people with disabilities. We are registered as "Disability Confident Employers" with DWP. We are pleased that the number of people employed by NEAS describing themselves as autistic, neurodiverse or disabled has increased in the period under review.

Trustees responsibilities in relation to the financial statements

The Trustees (who are also directors of North East Autism Society for the purpose of company law) are responsible for preparing the Trustees Annual 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 of its incoming resources and application of resources including the income and expenditure of the charitable company for that period. In preparing those financial statements the Trustees are required to:

NORTH EAST AUTISM SOCIETY
TRUSTEE'S REPORT
For the year ended 30th April 2019

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.
- Observe the methods and principles in the Charities SORP.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time, the financial position of the Charity which enables them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Company law also requires each of the Trustees to confirm that he or she has taken all reasonable steps to ensure that he or she is aware of all relevant audit information and to ensure that so far as he or she is aware that there is no information needed by the Company's Auditors in connection with preparing their report which has not been made available to them. Each Trustee does so confirm.

Statement as to disclosure of our auditors

A resolution to re-appoint RSM UK Audit LLP as auditors for the ensuing year will be proposed at the Annual General Meeting in accordance with the Companies Act 2006.

By order of the Board of Trustees



G Bestford (Chairman of Trustees)

Date 30th JANUARY 2020

Opinion

We have audited the financial statements of North East Autism Society (the 'charitable company') for the year ended 30 April 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 April 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 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' 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' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on pages 10 and 11, 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 misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. 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.

RSM UK Audit LLP

LUCY ROBSON (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

1 St James' Gate

Newcastle upon Tyne

NE1 4AD

Date 31/01/20

NORTH EAST AUTISM SOCIETY
STATEMENT OF FINANCIAL ACTIVITIES (Including Income & Expenditure Account)
For the year ended 30th April 2019

	Note	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Income from:					
Donations and grants	2	44,622	355,014	399,636	573,843
Charitable activities	3	20,841,436	-	20,841,436	18,666,315
Other trading activities	4	100,938	-	100,938	108,527
Investment income	5	18,934	-	18,934	6,106
Total income		21,005,930	355,014	21,360,944	19,354,791
Expenditure on:					
Cost of raising funds		167,549	-	167,549	177,599
Expenditure on charitable activities	6	19,641,470	323,330	19,964,800	17,657,291
Total Resources Expended		19,809,019	323,330	20,132,349	17,834,890
Net incoming before transfers		1,196,911	31,684	1,228,595	1,519,901
Gross transfer between funds	20	-	-	-	-
Net incoming (outgoing) resources before other losses and gains		1,196,911	31,684	1,228,595	1,519,901
Other comprehensive income					
Actuarial gain / (loss)	25	592,000	-	592,000	772,000
Net movement of funds		1,788,911	31,684	1,820,595	2,291,901
Fund Balances Brought Forward 1st May 2018		19,773,981	51,690	19,825,671	17,533,770
Balances carried forward at 30th April 2019		21,562,892	83,374	21,646,266	19,825,671

NORTH EAST AUTISM SOCIETY
BALANCE SHEET
For the year ended 30th April 2019

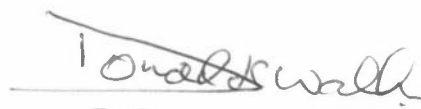
	Note	2019	2018
		£	£
Fixed Assets			
Tangible Fixed Assets	15	18,304,243	18,639,843
Current Assets			
Debtors	16	3,598,142	3,346,378
Cash at bank and in hand		<u>4,331,346</u>	<u>3,892,039</u>
		7,929,488	7,238,417
Creditors			
Amounts falling due within one year	17	<u>(3,929,548)</u>	<u>(3,139,812)</u>
NET CURRENT ASSETS		<u>3,999,940</u>	<u>4,098,605</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		22,304,183	22,738,448
Creditors			
Amounts falling due after more than one year	19	(122,917)	(1,688,777)
Net Assets excluding pension liability		22,181,266	21,049,671
Pension liability	25	(535,000)	(1,224,000)
NET ASSETS INCLUDING PENSION LIABILITY		<u>21,646,266</u>	<u>19,825,671</u>
The funds of the charity:			
Unrestricted funds:			
General funds	20	22,097,892	20,997,981
Pension Reserve	20	<u>(535,000)</u>	<u>(1,224,000)</u>
		21,562,892	19,773,981
Restricted funds:	20	<u>83,374</u>	<u>51,690</u>
TOTAL FUNDS		<u>21,646,266</u>	<u>19,825,671</u>

The financial statements were approved and authorised for issue by the Trustees of North East Autism Society on 30TH JANUARY 2020 and signed on their behalf.

Chairman of Trustees



Trustee



NORTH EAST AUTISM SOCIETY
STATEMENT OF CASH FLOWS
For the year ended 30th April 2019

	Note:	2019 £	2018 £
Cash used in operating activities	23	<u>894,155</u>	<u>1,323,437</u>
Purchase of tangible fixed assets		(291,556)	(1,797,537)
Proceeds from disposals		198	-
Interest income		18,934	6,106
Cash provided (used in) investing activities		<u>(272,424)</u>	<u>(1,791,431)</u>
Cash flows in financing activities			
Repayment of borrowing		(182,424)	(469,779)
Cash used in financing activities		<u>(182,424)</u>	<u>(469,779)</u>
Increase / (Decrease) in cash in the year		<u>439,307</u>	<u>(937,773)</u>
Cash at the beginning of the year		3,892,039	4,829,812
Total cash at the end of the year		<u>4,331,346</u>	<u>3,892,039</u>

Note 1. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparations of the financial statements are as follows:

Accounting convention

The financial statements are prepared under the historical cost convention.

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements are presented in sterling which is also the functional currency of the charity. Monetary amounts in these statements are rounded to the nearest £, except where otherwise indicated.

Going concern

The charity derives the majority of its income from agreed fees for the provision of education and support for people with autism. The ongoing demand for these services ensures the exposure to risk from the current difficult economic conditions is minimal. Cash reserves are available to meet the charity's needs as they arise, as detailed within the reserves policy. In December 2013 we put in place a flexible loan facility to help with cash-flow on capital expenditure, the loan was refinanced in December 2016. Post year end the charity has made capital investment in a new school and extension to the Aycliffe School as at cost of £1.6m. The loan has then been refinanced in December 2019 and repayments are included in budget plans. As a consequence, the Trustees believe the charity is well placed to manage its business risks successfully and thus they have adopted the going concern basis of accounting in preparing the financial statements.

Income

All income is included in the SoFA when the charity is entitled to the income, receipt is probable and the amount can be quantified with reasonable accuracy.

Voluntary income is received by way of grants, donations and gifts and is included in full in the SoFA when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Where there are performance related conditions attached to any grants or donations, income is recognised when the conditions have been met or when meeting the conditions is within the Charity's control and there is sufficient evidence that they have been met or will be met, otherwise they are deferred. When a grant condition allows for the recovery of any unexpended grant, a liability is recognised when the repayment become probable.

Where there are terms placed on income that limit the charity's discretion over how that income can be used, that income is shown as restricted income in the accounts

Donated services and facilities

In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised. Refer to the Trustees' annual report for more information about their contribution.

Investment Income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity.

Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of the fundraising team and the costs of commercial trading from the sale of refreshments.
- Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Expenditure includes any irrecoverable VAT and is reported as part of the expenditure to which it relates.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, HR, payroll and governance costs which support the charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 8.

Operating leases

The charity classifies the lease of vehicles, photocopiers and telephone equipment as operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Tangible fixed assets

Fixed assets are capitalised at cost, the Trustees have set a de-Minimis limit in respect of non-capitalisation of fixed assets of £1,000. Fixed assets are stated at cost less depreciation. Depreciation is not provided on freehold land. On other tangible fixed assets depreciation has been calculated so as to write off the cost in equal annual instalments over their estimated useful lives. The rates of depreciation are as follows:

Asset Category	Annual rate
Freehold land and buildings	2%
Lodges	4%
Furniture, fixtures	10%
Equipment	20%
Computer equipment	33%
Motor vehicles	25%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid deposit account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Fees in advance

Fees received during the year in respect of periods after 30th April 2019 the year end are included with creditors.

Financial Instruments

The charity has elected to apply the provisions of section 11 'Basic Financial Instruments' of FRS102, in full to all of its financial instruments. Financial Instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments.

Pension schemes

Defined contribution scheme

The company operates and contributes to a defined contribution pension scheme which is available to all staff after a minimum of three months service and at 30th April 2019 membership totalled 623. The pension costs charged to the statement of financial activities for this scheme reflect the contributions payable by the charity during the year.

Defined benefit scheme

The company also operates a defined benefit pension scheme (North East Autism Retirement Security Plan) which was closed to future accrual on 9th March 2012. The assets of the scheme are held separately from those of the company in an independently administered fund. At 30th April 2019 membership totalled 124, comprising 67 members with deferred benefits and 51 members in receipt of pension payments from the scheme.

The assets of the plan are measured using fair value. Plan liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The increase in present value of the liabilities of the scheme expected to arise from employee service in the period is charged to the operating surplus.

The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities, arising from the passage of time, are included in pension finance costs. Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

Restricted Funds

These represent income relating to fund raising and donations which are allocated by the donor to specific projects. Fundraising and donations are recorded when received.

Unrestricted Income Funds

These represent funds which are expendable at the discretion of the Trustees for the furtherance of the objects of the charity. Such funds may be held for the purpose of meeting the administration and operational costs of the Society. The Trustees have the power to set aside unrestricted funds for specific designated future purposes.

Critical accounting estimates and areas of judgment

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under circumstances.

Critical accounting estimates and assumptions

- The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

Note 2 Income from donations and grants

	2019 Total	2018 Total
	£	£
Donations and gifts	44,622	4,885
Grants	355,014	568,958
	<u>399,636</u>	<u>573,843</u>

The income from donations and grants was £399,636 (2018: £573,843) of which £44,622 was unrestricted (2018: £7,694) and £355,014 restricted (2018: £566,149).

Included within restricted funds, grant income included grants of £71,464 to develop the New Warlands Farm site, £197,654 of grants for the Employment Services and £44,985 towards early years family support

The Charity benefits greatly from the involvement and enthusiastic support of its many volunteers, details of which are given in our annual report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

Note 3 Income from charitable activities - unrestricted

	2019 Total	2018 Total
	£	£
Fees for the supply of services	20,706,139	18,583,903
Other income from charitable activities	135,297	82,412
	<u>20,841,436</u>	<u>18,666,315</u>

Note 4 Income from other trading activities - unrestricted

	2019 Total	2018 Total
	£	£
Fundraising	63,541	68,249
Refreshment income	37,397	40,278
	<u>100,938</u>	<u>108,527</u>

Note 5 Investment income - unrestricted

	2019 Total	2018 Total
	£	£
Interest from deposit accounts	18,934	6,106
	<u>18,934</u>	<u>6,106</u>

Note 6 Analysis of expenditure on charitable activities

	Adult Services	Children Services	2019 Total	2018 Total
	£	£	£	£
Staffing costs	9,584,550	4,994,820	14,579,370	13,018,174
Supplies and services	431,036	237,943	668,979	574,604
Premises costs	533,118	295,558	828,676	721,464
Transport Costs	456,102	365,001	821,103	648,486
Administration	213,630	146,967	360,597	340,363
Bank Loan Interest	3,883	21,498	25,381	40,597
Depreciation	336,651	264,009	600,660	534,850
Loss on sale of asset	(198)	-	(198)	-
Governance costs	104,343	55,447	159,790	148,329
Support costs	1,255,175	665,267	1,920,442	1,630,424
	<u>12,918,290</u>	<u>7,046,510</u>	<u>19,964,800</u>	<u>17,657,291</u>

Expenditure on charitable activities was £19,964,799 (2018: £17,657,291) of which £19,641,470 was unrestricted (2018: £17,438,724) and £323,330 was restricted (2018: £218,567).

Staff costs include agency staff of £451,099 (2018: £283,038) excluded from note 10

Note 7 Summary analysis of expenditure and related income for charitable activities

	Adult Services	Children Services	2019 Total	2018 Total
	£	£	£	£
Costs	(12,918,290)	(7,046,510)	(19,964,800)	(17,657,291)
Fees for the supply of services	13,550,034	7,156,105	20,706,139	18,583,903
Net cost funded from other income	<u>631,744</u>	<u>109,595</u>	<u>741,339</u>	<u>926,612</u>

Note 8 Analysis of governance and support costs

	General			
	Support	Governance	2019 Total	Basis of
	£	£	£	apportionment
Staffing costs	1,386,865	112,606	1,499,471	Fee income
Supplies and services	174,960	2,441	177,401	Fee income
Premises costs	140,447	14,308	154,755	Fee income
Administration	135,985	7,661	143,646	Fee income
Audit fees	-	19,515	19,515	Fee income
Legal and other				
professional fees	26,493	2,455	28,948	Fee income
Depreciation	25,692	804	26,496	Fee income
Pension finance cost	30,000	-	30,000	Fee income
Total	1,920,442	159,790	2,080,232	

Note 9 Net income for the year is stated after charging:

	2019	2018
	£	£
Operating leases - equipment	432,586	334,797
Depreciation	627,156	554,747
Bank Interest payable	25,382	40,597
Auditors remuneration:		
Audit fees	10,900	10,500
Accountancy services	-	-
Loss on disposal of fixed assets	(200)	-

NORTH EAST AUTISM SOCIETY
NOTES TO THE ACCOUNTS
For the year ended 30th April 2019

Note 10 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	2019	2018
	£	£
Salaries and wages	14,013,331	12,623,021
Social security costs	1,061,758	982,739
Pension costs	591,645	534,645
FRS 102 pension adjustment	(127,000)	(280,000)
Redundancy	15,000	25,109
	<u>15,423,734</u>	<u>13,885,514</u>

The number of employees whose emoluments for the year are above £60,000

	2019	2018
	No.	No.
£60,000 - £70,000	1	1
£70,000 - £80,000	-	1
£80,000 - £90,000	2	1
	<u>3</u>	<u>3</u>

Pension costs in respect of these employees are £17,026 (2018: £16,692).

Redundancy costs were for voluntary redundancies.

The key management personnel of the charity, comprise the Trustees, the Chief Executive, Director of Care and Director of Education. The total employee benefits of the key management personnel were £278,477 (2018: £273,056).

The charity purchased Professional Indemnity Insurance including cover for the Trustees costing in total £4,479 (2018: £4,016). This insurance excludes any claim arising from any wrongful act.

Note 11 Staff numbers

The average number of persons employed by the charity during the year was as follows:

	2019	2018
Trading (Fundraising)	4	4
Maintenance and Domestic	22	22
Support Staff	31	28
Governance	1	1
Service Delivery	629	576
	<u>687</u>	<u>631</u>

Note 12 Trustee remuneration and related party transactions

The charity Trustees were not paid or received payment by way of remuneration in the year (2018: £nil) neither were they reimbursed expenses during the year (2018: £nil). No charity trustee received payment for professional or other services supplied to the charity (2018: £nil). There were no related party transactions (2018: £nil).

Note 13 Ultimate Controlling Party

The charity is governed by the Board of Trustees and is not under the control of any one individual.

Note 14 Corporation Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

Note 15 Tangible Fixed Assets

	Freehold land and buildings £	Furniture fixtures & equipment £	Computers £	Motor Vehicles £	Assets under construction £	Total £
Cost or Valuation						
At 1st May 2018	21,793,445	1,666,370	271,634	23,511	-	23,754,960
Additions at cost	42,688	202,852	46,016	-	-	291,556
Disposals	-	(8,175)	-	-	-	(8,175)
Transfers	-	-	-	-	-	-
At 30th April 2019	21,836,133	1,861,047	317,650	23,511	-	24,038,341
Accumulated depreciation						
At 1st May 2018	3,775,503	1,084,814	231,289	23,511	-	5,115,117
Charge for the year	468,868	131,242	27,046	-	-	627,156
Disposals	-	(8,175)	-	-	-	(8,175)
At 30th April 2019	4,244,371	1,207,881	258,335	23,511	-	5,734,098
Net Book Value						
At 30th April 2019	17,591,762	653,166	59,315	-	-	18,304,243
At 30th April 2018	18,017,942	581,556	40,345	-	-	18,639,843

Note 16 Debtors

	2019	2018
	£	£
Fees Receivable	2,903,200	2,700,920
Prepayments and accrued income	684,196	626,451
Other Debtors	10,746	19,007
	<u>3,598,142</u>	<u>3,346,378</u>

Note 17 Creditors Amounts falling due within one year

	2019	2018
	£	£
Bank Loans	1,582,323	198,887
Sir Peter Vardy Foundation Loan	25,000	25,000
Fees received in advance	870,345	1,688,820
Trade creditors	794,411	678,325
Taxation and social security	323,848	270,865
Other creditors	39,344	33,214
Accruals	294,277	244,701
	<u>3,929,548</u>	<u>3,139,812</u>

Note 18 Deferred Income

	2019	2018
	£	£
Balance as at 1st May 2018	1,688,820	799,878
Amount released to income earned from charitable activities	(1,688,820)	(799,878)
Amount deferred in year	870,345	1,688,820
	<u>870,345</u>	<u>1,688,820</u>

Deferred income is the fee income invoiced in advance for future periods. These being a proportion of 4 weekly and quarterly invoices that fall over 2 financial years

Note 19 Creditors: Amounts falling due after more than one year

	2019	2018
	£	£
Bank Loans	1,582,323	1,739,747
Sir Peter Vardy Foundation Loan	147,917	172,917
less due within one year	(1,607,323)	(223,887)
	<u>122,917</u>	<u>1,688,777</u>

A bank loan due of £1,582,323 relates to a Barclay's facility of £2,000,000 secured on various properties including New Warlands Farm and the "Aycliffe Centre".

At 30th April 2019 the term of the facility was 3 years, instalments expected to be £18,046 monthly with a single final repayment instalment in December 2019. Interest due is 1.35% above the bank's base rate.

In December 2019 the loan was refinanced with the term of 3 years, instalments are expected to be £13,686 monthly with a single final repayment in december 2022. Interest due is 1.50% above the bank's base rate.

In April 2015 a £200,000 interest free 10 year loan was received from the Sir Peter Vardy Foundation, this loan is repayable from 2017 to 2025.

NORTH EAST AUTISM SOCIETY
NOTES TO THE ACCOUNTS
For the year ended 30th April 2019

Note 20 Analysis of charitable funds

Analysis of movement in unrestricted funds

	Balance 1 May 2018	Income	Expenditure	Actuarial Gain	Transfers	30 April 2019
	£	£	£	£	£	£
General Fund	20,997,981	21,005,930	(19,906,019)	-	-	22,097,892
Pension Reserve	(1,224,000)	-	97,000	592,000	-	(535,000)
Total	19,773,981	21,005,930	(19,809,019)	592,000	-	21,562,892

Unrestricted funds of £21,562,892 include a pension deficit of £535,000, tangible fixed assets of £18,304,243 and a loan balance of £1,730,240 which relates to funding for fixed asset purchases and improvements.

Analysis of movement in restricted funds

	Balance 1 May 2018	Income	Expenditure	Transfers	30 April 2019
	£	£	£	£	£
National Foundation for Little Sparks	2,210	14,140	(9,564)	-	6,786
Big Lottery Fund	9,920	-	(9,920)	-	-
BBC Children in Need	1,525	6,406	(7,931)	-	-
EFA asset funding	9,057	-	-	-	9,057
Durham County Council	-	14,440	(14,440)	-	-
The Charles Sharland Trust	-	10,000	(3,333)	-	6,667
Percy Bilton Grant	-	4,667	(4,667)	-	-
Hays Foundation	-	11,494	(11,494)	-	-
Nineveh Charitable Trust	-	8,000	(8,000)	-	-
Post code Lottery	-	14,070	-	-	14,070
Northumbrian Water	-	5,000	-	-	5,000
National Heritage Lottery Fund	-	32,900	-	-	32,900
Graham Wylie Foundation	-	4,980	(4,980)	-	-
Move on Tyne & Wear	-	95,620	(95,620)	-	-
Journey 2 Employment	-	26,565	(26,565)	-	-
Learning Skill LA7 ESF Community Project	-	24,423	(24,423)	-	-
Step Forward Tees Valley	-	26,045	(26,045)	-	-
FB Baily Thomas Charitable Fund	-	5,000	(5,000)	-	-
Rayne Foundation	-	20,000	(20,000)	-	-
Other	28,978	31,264	(51,348)	-	8,894
Total	51,690	355,014	(323,330)	0	83,374

NORTH EAST AUTISM SOCIETY
NOTES TO THE ACCOUNTS
For the year ended 30th April 2019

Note 20 Analysis of charitable funds

Analysis of movement in restricted funds

	Balance 1st May 2017	Income	Expenditure	Transfers	Funds 30th April 2018
	£	£	£	£	£
National Foundation for Little Sparks	18,279	0	(16,069)	0	2,210
Big lottery Fund	9,920	9,920	(9,920)	0	9,920
BBC Children in Need	0	7,320	(5,795)	0	1,525
Morrisons Foundation	0	205,350	0	(205,350)	0
Sir Jules Thorn Charitable Trust	0	49,999	0	(49,999)	0
Gardfield Weston Foundation	0	30,000	0	(30,000)	0
Invigorate Charitable Trust	0	10,000	0	(10,000)	0
Charles Sharland Trust	0	10,000	0	(10,000)	0
ACT Foundation	0	10,000	0	(10,000)	0
EFA asset funding	0	9,057	0	0	9,057
Sir James Knott Trust	0	20,000	0	(20,000)	0
Move on Tyne & Wear	0	29,193	(29,193)	0	0
Durham Works	0	58,400	(58,400)	0	0
Journey 2 Employment	0	58,471	(58,471)	0	0
LearningSkill LA7 ESF Community Project	0	8,495	(8,495)	0	0
Other	25,426	49,944	(32,224)	(14,168)	28,978
Total	53,625	566,149	(218,567)	(349,517)	51,690

Transfers of £329,517 relate to grants received to build and equip four new lodges at New Warlands Farm and £20,000 relates to grants for the development of Aycliffe apartments. The conditions of these grants have been fulfilled in the year and therefore they have been transferred from restricted to unrestricted funds.

Note 20 Analysis of charitable funds

Name of restricted fund

The National Foundation for Little Sparks	Early years family support at Aycliffe
Big Lottery Fund	Saturday morning club
BBC Children in Need	Toddler groups at Aycliffe and Stanley
EFA asset funding	Grant towards capital expenditure at college
Durham County Council	Youth group at Aycliffe
The Charles Sharland Trust	Early years family support in Stockton
Percy Bilton Grant	Sensor equipment for Lodges
Hays Foundation	Outdoor play equipment
Nineveh Charitable Trust	Grant for outdoor classroom at New Warlands Farm
Post code Lottery	Outdoor play equipment
Northumbrian Water	Grant toward apple orchard at New Warlands Farm
National Heritage Lottery Fund	Grant toward apple orchard at New Warlands Farm
Graham Wylie Foundation	Grant for safety flooring at Cedar House
Move on Tyne & Wear	ESF grant to deliver employer ability service
Journey 2 Employment	Grant to deliver a pan disability employment service
Learning Skill LA7 ESF Community Project	ESF grant to deliver employer ability service
Step Forward Tees Valley	ESF grant to deliver employer ability service
FB Baily Thomas Charitable Fund	Donation to deliver employer ability service
Rayne Foundation	Grant to deliver employer ability service
Morrison's Foundation	Grant towards building of new Lodges at New Warlands Farm
Sir Jules Thorn Charitable Trust	Grant towards building of new Lodges at New Warlands Farm
Gardfield Weston Foundation	Grant towards building of new Lodges at New Warlands Farm
Invigorate Charitable Trust	Grant towards furniture and white goods at new lodges
Charles Sharland Trust	Outdoor play equipment
ACT Foundation	Grant towards building of new Lodges at New Warlands Farm
Sir James Knott Trust	Garden project Thornhill School
Durham Works	Grant to deliver employer ability service

NORTH EAST AUTISM SOCIETY
NOTES TO THE ACCOUNTS
For the year ended 30th April 2019

Note 21 Analysis of assets and liabilities between funds

	General Fund	Pension Fund	Restricted Funds	Total
	£	£	£	£
Fixed Assets	18,304,243	0	0	18,304,243
Current Assets	7,846,113	0	83,374	7,929,487
Creditor: amounts falling due within one year	(3,929,548)	0	0	(3,929,548)
Creditor: amounts falling after more than one year	(122,917)	0	0	(122,917)
Pension Liability	0	(535,000)	0	(535,000)
Total	22,097,892	(535,000)	83,374	21,646,266

Prior year

	General Fund	Pension Fund	Restricted Funds	Total
	£	£	£	£
Fixed Assets	18,639,843	0	0	18,639,843
Current Assets	7,186,727	0	51,690	7,238,417
Creditor: amounts falling due within one year	(3,139,812)	0	0	(3,139,812)
Creditor: amounts falling after more than one year	(1,688,777)	0	0	(1,688,777)
Pension Liability	0	(1,224,000)	0	(1,224,000)
Total	20,997,981	(1,224,000)	51,690	19,825,671

Note 22 Financial instruments

The carrying amount of the Company's financial instruments at 30th April were

	2019	2018
	£	£
Financial assets:		
Trade Debtors	2,903,199	2,700,920
Other debtors	10,746	19,007
Accrued income	259,979	285,485
Total	<u>3,173,924</u>	<u>3,005,412</u>
Financial liabilities:		
Trade Creditors	794,411	678,325
Accruals	294,277	244,701
Loans payable falling due within 1 year	1,607,323	223,887
Loans payable falling in more than 1 year but less than 5 years	100,000	1,640,860
Loans payable falling due after 5 years	22,917	47,917
	<u>2,818,928</u>	<u>2,835,690</u>

Note 23 Reconciliation of surplus of income to net cash inflow from operating activities

	2019	2018
	£	£
Net movement in funds	1,228,595	1,519,901
Add back depreciation charge	627,156	554,747
Add back loss on disposal of assets	(198)	0
Deduct interest income shown in investing activities	(18,934)	(6,106)
(Increase) decrease in debtors	(251,763)	(1,372,261)
Decrease (increase) in creditors	(593,701)	853,156
Company pension contributions	(258,000)	(280,000)
Pension scheme interest cost	326,000	345,000
Pension scheme interest return	(296,000)	(291,000)
Pension scheme past service cost	131,000	0
	<u>894,155</u>	<u>1,323,437</u>

Note 24 Operating Lease commitments

As at 30th April 2019 the total future minimum lease payments under non cancellable operating leases were as follows:

	2019	2018
	£	£
Operating Equipment		
Leases which expire within 1 year	347,136	136,031
Leases which expire within 2-5 years	<u>888,531</u>	<u>84,248</u>
	2019	2018
	£	£
Land and Buildings		
Leases which expire within 1 year	72,503	82,500
Leases which expire within 2-5 years	68,918	131,335
Leases which expire over 5 years	<u>0</u>	<u>0</u>

Note 25 Pension Commitments

North East Autism Society operates a defined benefit scheme in the UK which provides both pensions in retirement and death benefits to members. Pension benefits are related to the members' final salary at retirement and their length of service.

Since 9th March 2012 the scheme has been closed to new members and future accrual.

Contributions to the scheme for the year ending 30th April 2020 are expected to be £258,000.

A full actuarial valuation of the scheme is currently being carried out as at 1st May 2019 by a qualified independent actuary.

The major assumptions used by the actuary were (in nominal terms) as follows:

	At 30/04/2019	At 30/04/2018
Discount rate	2.5%	2.6%
Inflation assumption (RPI)	3.3%	3.1%
Inflation assumption (CPI)	2.6%	2.4%
Inflation linked pension increases:		
Pension earned before 6/4/1997 (Teachers)	3.3%	3.1%
Pension earned between 6/4/1997 and 30/4/2005	3.3%	3.1%
Pension earned after 30/4/2005	2.5%	2.4%
Cash commutation	90% of maximum	90% of maximum

Assumed life expectancies on retirement at age 65 are:

		At 30/04/2019	At 30/04/2018
Retiring today	Males	20.1	20.2
	Females	22.0	22.2
Retiring in 20 years time	Males	21.4	21.6
	Females	23.5	23.7

The assets in the scheme were:

	Value at 30/04/2019 £000's	Value at 30/04/2018 £000's
Equity	6,626	6,746
Bonds	1,894	4,427
Cash	2,995	292
Fair Value of scheme assets	11,515	11,465

The actual return on assets over the period was:

	205	263
Present value of funded obligations	12,050	12,689
Fair value of scheme assets	11,515	11,465
Surplus / (deficit) in funded scheme	(535)	(1,224)

Present value of unfunded obligations	12,050	12,689
Unrecognised actuarial gains (losses)		
(Irrecoverable surplus)	11,515	11,465
Net liability in balance sheet	(535)	(1,224)

Note 25 Pension Commitments (continued)

Reconciliation of opening and closing balances of the present value of the defined benefit obligation

	30/04/2019	30/04/2018
	£000s	£000s
Benefit obligation at beginning of year	12,689	13,402
Current service cost	0	0
Interest cost	326	345
Contributions by scheme participants	0	0
Actuarial (gain)/losses	(683)	(800)
Benefits paid	(413)	(258)
Past service cost	131	0
Liabilities at end of period	<u>12,050</u>	<u>12,689</u>

Reconciliation of opening and closing balances of the fair value of scheme assets

	30/04/2019	30/04/2018
	£000s	£000s
Fair value of scheme assets at beginning of year	11,465	11,180
Interest income on scheme assets	296	291
Return on assets, excluding interest income	(91)	(28)
Contributions by employers	258	280
Contributions by scheme participants	0	0
Benefits paid	(413)	(258)
Fair value of scheme assets at end of year	<u>11,515</u>	<u>11,465</u>

The amounts recognised in the statement of financial activities

	30/04/2019	30/04/2018
	£000s	£000s
Service cost - including current service costs, past service cost and settlements	131	0
Service cost - administrative cost	0	0
Net interest on the net defined benefit liability	<u>30</u>	<u>54</u>
Total credited to net incoming resources	<u>161</u>	<u>54</u>

Remeasurements of the net defined benefit liability (asset) to be shown in OCI

	30/04/2019	30/04/2018
	£000s	£000s
Actuarial (gain)/losses on the liabilities	(683)	(800)
Return on assets, excluding interest income	91	28
Change in the amount of surplus that is not recoverable, excluding interest income	<u>0</u>	<u>0</u>
Actuarial (gain)/loss	<u>(592)</u>	<u>(772)</u>

Note 25 Pension Commitments (continued)

Sensitivity analysis

	Impact on Plan Liabilities	
	30/04/2019	30/04/2018
	£000s	£000s
Discount rate - increase by 0.25%	(523)	(574)
Rate of inflation (RPI) - increase by 0.25%	375	416
Assumed life expectancy at age 65 - increases by 1 year	362	381

Information about the characteristics of the Plan

The Scheme provides pensions in retirement and death benefits to members. Pension benefits are linked to a member's final salary at retirement and their length of service.

The Scheme closed to future accrual on 8th March 2012

The Scheme is a registered scheme under UK legislation and is subject to the scheme funding requirements in UK legislation.

The Scheme was established from 31st July 1989 under trust and is governed by the Scheme trust deed and rules dated 27th December 1997.

The Trustees are responsible for the operation and the governance of the Plan including making decisions regarding the Scheme's funding and investment strategy in conjunction with the Employer.

Information about the risks of the Plan to the Society

The Plan exposes the Society to actuarial risk such as; market (investment) risk, interest rate risk, inflation risk, currency risk and longevity risk:

The Plan does not expose the Society to any unusual Plan-specific or Society-specific risks.

Note 25 Pension Commitments (continued)

Information about the valuation of the defined benefit obligation at the accounting date Plan

The most recent formal actuarial valuation of the Plan was as at 1st May 2016. The valuation for the Plan as at 1st May 2019 is currently being carried out.

The liabilities at the reporting date have been calculated by updating the results of the formal actuarial valuation of the Plan for the assumptions as detailed in these disclosures. Allowance has been made for expected mortality over the period, as well as actual movement in financial conditions since the valuation date.

Such an approach is normal for the purposes of accounting disclosures. It is not expected that these projections will be materially different from a summation of individual calculations at the accounting date, although there may be some discrepancy between the actual liabilities for the Plan at the accounting date and those included in the disclosures.

Information about the most recent actuarial valuation and expected future cashflows to and from the Plan

The valuation as at 1st May 2016 revealed a funding deficit of £3,508,000. In the Recovery Plan dated 20th April 2017 the Society has agreed to pay contributions with the view to eliminating the shortfall by 30 April 2027.

In accordance with the Schedule of Contributions dated 20th April 2017 the Society is expected to pay contributions of £258,000 over the next accounting period. The contributions paid by the Society are reviewed every 3 years as part of each formal actuarial valuation. The Plan's next actuarial valuation is due at 1st May 2019.

In addition the Society is expected to meet the cost of administrative expenses for the Plan.

The liabilities of the Plan are based on the current value of expected benefit payment cashflows to members approximately over the next 65 years. The average duration of the liabilities is approximately 20 years.

The Plan's investment strategy

The Plan's investment strategy is to invest broadly 66% in return seeking assets and 34% in matching assets through bonds ("not geared"). This strategy reflects the Plan's liability profile and the Trustees' and Society's attitude to risk.

The Plan holds a number of annuity policies which match a portion of the pensions in payment, which have been excluded from the valuation of the assets and the liabilities.

The plan does not hold any ordinary shares issued or property occupied by the Society.

The growth assets held are expected to provide protection over inflation in the long term

Note 26 Capital Commitments

	30/04/2019	30/04/2018
	£	£
Contracted for, but not provided in the financial statements	0	0

Note 27 Post Balance Sheet Events

Following the year end the society refinanced the bank loan and invested £1.6m in the purchase of a new School in Sunderland and the building of additional classrooms at the Aycliffe School.

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