

TRUSTEES ANNUAL REPORT AND ACCOUNTS

Directors Report and Financial Statements
Year Ended 30th April 2021

Registered Charity No: 1028260
Registered Company No: 02859620

NORTH EAST AUTISM SOCIETY
(company limited by guarantee)

Report and Financial Statements

30th April 2021

NORTH EAST AUTISM SOCIETY

Charity No: 1028260

CONTENTS

Company No: 02859620

	Page
Report of the Trustees for the year ended 30th April 2021	2
Reference and Administration Details	8
Independent Auditor's Report	12
SOFA, Balance Sheet and Statement of Cash Flows	15
Notes on the accounts	18

Report of the Trustees for the year ended 30th April 2021

The Trustees present their report and accounts for the year ended 30th April 2021.

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 2019).

We are pleased to report a range of successes in relation to our work this year.

In terms of our specialist services, it has been a very positive year, however we cannot reflect on this 12-month period of working through the Covid-19 pandemic, without acknowledging the extremely difficult and unprecedented circumstances we've faced as an organisation. We are immensely proud to report that our staff demonstrated unwavering commitment, compassion and dedication to the children, young people and adults who access our services and cannot commend them highly enough for the way they navigated this period, ensuring the needs of our service users were prioritised and catered for at all times.

In the first quarter of this financial year we faced the first national lockdown. All staff across care, education and central services banded together to ensure the vulnerable individuals we support were kept safe, and we are proud to report that we did not close any of our services throughout this period. This was crucial in ensuring that everyone who accesses our services received the support and care they need, however it should be noted that our staff went above and beyond to also provide support to families and relatives who were faced with the prospect of being unable to see or visit their loved ones for an unknown period of time due to government restrictions.

Within our education services our newest school, the Mackenzie Thorpe Centre, opened in September 2020. This is a 30-place specialist education provision and we're pleased to report that we currently have 27 pupils enrolled. All of our schools, as well as our further education college, have adapted admirably to the ever-changing circumstances caused by the virus, although we were fortunate that Aycliffe School had been extended the previous financial year, while Thornhill Park School had moved to new premises allowing additional space for pupils and staff.

Our schools and college remained open throughout the peak of the pandemic, however, for parents who preferred to keep their children at home, teaching staff quickly adapted and delivered at-home learning programmes and delivered regular care packages to help families avoid busy supermarkets and feel safe.

Across Adult Day Services we have seen an increase in the number of referrals, which has in turn created further opportunities for employment within the Society. At our New Warlands Farm site, we have grown more apples, which the adults press to produce apple juice as part of a social enterprise, as well as the installation of another large polytunnel which will allow us to grow more produce on site, which is distributed among our services for use in the kitchens and, in the future, could be sold as a means of generating income for the organisation.

Care Services have generated a surplus once again, and we are extremely proud of the way our staff have responded to the extremely difficult challenges of the past year. One of the hardest hit care services was our short breaks provision, which has struggled with recruitment as a direct result of the pandemic. However, we are pleased to report that we are now offering more nights of respite care for families across the North-east, both at our New Warlands Farm and Newton Aycliffe sites.

Within our residential homes, our staff were faced with extremely challenging circumstances, particularly given the fact that many of our children, young people and adults were not able to see their families or maintain their usual routines throughout this period. They adapted brilliantly and used other means of communication to ensure our service users were able to maintain regular contact with their loved ones. Incredibly, many care staff also moved into our residential homes temporarily to minimise transmission risk, while staff from other service areas – particularly Family Support, who were unable to access the community as usual – came forward to provide backfill cover within our homes to ensure staffing numbers were maintained at the required levels and the standards of care provided remained high.

Our Family Development services were in high demand throughout the financial year, with the two-person team offering round-the-clock support to families in need via our website, social media, over the telephone and via video conference meetings. The team also adapted their working practices and hosted their weekly toddler and family group sessions virtually, rather than in person, to ensure that the support they offered was not removed.

Finally, our Employment Futures service has continued to grow rapidly and now boasts a team of 17 employees. Since its inception, the service has helped more than 800 people across the North-east to access work placements, training, education and full-time employment via a range of projects, including Moving On Tyne and Wear, the Personal Mentor Programme and the Unlock Your Potential programme. The department has also secured funding for two major projects to be launched in the next financial year: DiversityNE and Youth Employment Service North East (YESNE).

Purpose and activities

The Society's Mission Statement is as follows:

'Working together to inspire, support, celebrate and equip autistic and neurodivergent people to fulfil their potential in life'

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

- To have our learners and those accessing our services 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 2011 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 Fundraising Practices

Thanks to the hard work of our Fundraising Team, the Society has been awarded a number of substantial grants throughout this financial year, which have assisted us in maintaining and extending our work across the region. Some of the largest successful bids include project funding of £373,483 from the North of Tyne Combine Authority (NTCA) Employment & Skills Programme, for Employment Futures' DiversityNE programme which will be delivered over 3 financial years, and £34,090 from Youth Futures Foundation to fund a youth employability scheme for neurodivergent 18 to 22 year olds.

We also have an events co-ordinator who arranges a calendar of fundraising 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.

In particular we have been overwhelmed by how well our supporters have adapted to the ever-changing landscape of fundraising, due to coronavirus restrictions and the risks associated with mass public events. One example of this is our annual Walk for Autism Acceptance which we held virtually for the first time ever in April 2021, raising a total of £4,700. The annual bike ride also went ahead which raised c£6k from third party fundraising.

This year more than ever, we are so grateful to everyone who has donated or raised funds in support of our work and we'd like to mention the parents who came together to launch fundraising campaigns throughout the pandemic. More than £2,100 in aid of NEAS services and our staff was also raised by one parent, and we cannot thank him enough.

There have been no fundraising complaints during the year.

Strategic Report

Achievements and Performance

During the school under review, much of our work focussed on generating additional school places.

We have leased and refurbished and inhabited our new school in South Bank, Redcar. Our new school, Mackenzie Thorpe Centre, opened in September 2020 as part of our expansion into the Tees Valley. The Mackenzie Thorpe Centre has a responsive curriculum to ensure that it matches the needs and aspirations of all pupils by providing personalised learning programmes, taking account of their starting point and planned destination so that all pupils can participate, achieve and make progress. The centre is named after our patron, world-renowned, Middlesbrough-born artist, Mackenzie Thorpe.

We have urged North-east MPS to play their part in encouraging local authority partnerships to develop more effective support for autistic people in the region. As demand for our services grows, we're pressing ahead with a major expansion across the North-East with the creation of 250 additional jobs. Autistic children and their families have been affected disproportionately by the pandemic, and the demand for our specialist support is growing all the time.

The Society has worked through one of the most difficult periods in its history and continues to do so. The demand for our services remains strong, we have been able to keep all essential services running throughout the pandemic.

During this year we have continued to provide the majority of our services to the children and adults that we serve. Our priority has always been to deliver face-to-face, high-quality education to all of our children. The evidence is clear that being out of education causes significant harm to educational attainment, life chances, mental and physical health. The risk of harm is significantly higher in respect of our children.

Financial Review

Results

The accounts have been produced in accordance with the Accounting and Reporting by Charities Statement of Recommended Practice (updated 2019). 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 9.0% to £25,279,268 while total expenditure increased by 5.2% to £23,056,107 to produce net income for the year of £2,223,161. Income has increased due to the increased number of service users and Covid-19 funding. Expenditure has increased, however due to the pandemic, there were savings on vehicle costs which has net off against the additional staffing costs to meet the needs of these additional service users, resulting in the lower rate of increase compared to income. It should be noted that the total income includes £1,012,906 of grants and donations. The total expenditure includes a net credit of £126,000 (2020 net credit £226,000) in respect of pension fund adjustments.

At 30th April 2021 the Society's Retirement Security Plan pension scheme had a fund surplus under FRS102 valuation requirements of £206,000, however in line with FRS 102 requirements this has been capped at £nil in these financial statements (2020 deficit of £1,523,000).

Actuarial pension fund gain during the year totalled £1,603,000, capped at £1,397,000 (2020 loss of £1,214,000) and after allowing for this, net movement in Society funds in the year was £3,620,161 (2020 £55,634).

Capital expenditure during the year of £460,357, which included £147,987 for the refurbishment of the Mackenzie Thorpe Centre and £39,088 for the start of the refurbishment works at Kiora Hall, Stockton which are categorised within Assets under Construction.

Total unrestricted accumulated funds at 30th April 2021 are £25,289,949. 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 £2,231 (2020 £23,780).

Key Performance Indicators (KPI's)

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

	2020/21	2019/20
Fee Income growth	7.9%	7.8%
Debtor's days outstanding	20 days	18 days

The emissions information is not stated in the financial statements. This is a new requirement for disclosure and due to the number of residential homes, other buildings and vehicles which are used for the Society, it is a large undertaking to collate the information required and is therefore not practical. The Society is looking into a way to collate this Information going forward.

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 to a minimum of two month's budgeted expenditure, at 30th April 2021 this amounted to £4,470,000. The policy is reviewed by the Trustees as part of the strategic planning process.

At 30th April 2021, excluding fixed assets and the Retirement Security Plan fund, there were unrestricted reserves of £6,053,484 (2020 £3,641,332).

At 30th April 2021 the company held cash balances of £7,979,808, which is offset by a bank loan of £1,454,809 and £97,917 of other loans. The bank loan was refinanced on the 24th December 2019 based upon a 10 year amortisation profile with a 3 year commitment.

Restricted funds at 30th April 2021 were £32,112. (2020 £68,325).

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.

Going Concern Policy

After making appropriate enquiries, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Plans for future periods

The organisation owns a 77-acre farm in County Durham, which is currently used as a Vocational Training Centre for adults. It is our ambition to expand the existing facilities by creating a brand-new enterprise space, which will not only enhance the facilities and opportunities available to the individuals who access our services at New Warlands Farm, but also create a must-visit destination for the local community, where residents can engage with the natural environment and support the work that NEAS does.

In addition to developing our current day service programmes and providing a wider range of activities for our young people and adults, the project will also aim to address a gap in needs around the sustainable integration of young autistic and neurodivergent people into the labour market. We aim to do so through a threefold approach of supporting individuals into employment via provision of: supported internships, apprenticeships and employability skills training/employment.

This project is due to enter the public consultation phase in early 2022 and we have already begun to make significant progress with regards to the funding of this project, including the receipt of several financial pledges from major donors.

We are also in the process of purchasing a new children's home in the Tunstall Village area of Sunderland. The three children who currently live in our Wallingford home will move into this property in the new year which will provide them with a suitably adapted home and improved access to outdoor space.

Within our education services, we are eagerly anticipating the opening of our fourth school in the region. Having secured a 25-year lease with Stockton Borough Council, renovations and refurbishments of the disused Kiora Hall building, in Stockton-on-Tees, began in July 2021. Construction is on track, with the official handover date for Kiora Hall School scheduled for 11th February 2022. So far, we have received an extremely positive response from the local community and we can proudly report that 30 pupils are expected to attend the school once it opens.

Our charity patron Mackenzie Thorpe has also created a bespoke artwork for the Society which will be displayed at his namesake school and reflects the values of the organisation. The renowned artist is hoping to visit the school in early 2022 for an official school opening ceremony, as we've so far been unable to host a mass gathering due to the effects of the pandemic, which will generate some positive publicity around the school which, by that stage, will be nearing its second anniversary and should be operating at full capacity with 30 students enrolled.

As a means of expanding the support we offer to autistic and/or neurodivergent individuals and their families, our Family Development team have also launched a series of autism support hubs, in collaboration with Great North Children's Hospital. Funded by QProjects, the sessions will be delivered weekly across four locations – Byker, Nunsmoor, Galafield and Fawden – and are forecasted to support upwards of 400 families every year.

Within central services, we are also undergoing an overhaul in terms of our HR systems and will be rolling out a new digital HR system, delivered by Sage, in January 2022. As the organisation continues to grow, this will ensure that we have sufficient infrastructure in the background to assist with the day-to-day running of the organisation. Not only will this improve processes internally for the likes of staff recruitment, internal communications and the storage of sensitive, personal data, it will also improve staff access to information such as payslips, policy updates, updates from HR and documents such as the staff handbook. In line with this, we will also be implementing a new IT system across the board.

Finally, we are pleased to report that the majority of our staff have received a full course of Covid-19 vaccination and as we move forward we will continue to encourage all staff to take up the offer of a booster vaccine. This will go a long way in helping us to protect the well-being of the individuals who access our services, many of whom are vulnerable and have additional health needs.

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 (Resigned: 25 February 2021)
Dr Rakesh Chopra OBE
Jillian Crumbie
John Hodgson
Kevin McAllister (Resigned: 30 March 2021)
David Parker
Capt. Donald Walker (Resigned: 24 March 2021)
Lisa Waller (Appointed: 29 June 2021)

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 2021 there were 118 voting members whose details were held on our central register.

Most members are parents of autistic children or adults. 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 number of our voting members are therefore professionals with a strong interest in autism and our work. We are

keen to encourage autistic people 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.
- 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.
- While the Society had an exceptional financial year in these extreme circumstances, we can expect a significantly different picture in the year ahead. Wage inflation is running at 8%. Pressure for pay rises along with staff shortages will see this accelerate.

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 2021

- 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.

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

A handwritten signature in black ink, appearing to read 'G. Bestford', with a horizontal line drawn underneath the name.

G Bestford (Chairman of Trustees)

Date: 19th January 2022

Opinion

We have audited the financial statements of North East Autism Society (the 'charitable company') for the year ended 30 April 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2021 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

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' 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.

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;

NORTH EAST AUTISM SOCIETY
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTH EAST AUTISM SOCIETY
For the year ended 30th April 2021

- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Education Inspection Framework under the Education and Inspections Act 2006, Keeping Children Safe in Education under the Education Act 2002, the Care Act 2014 and health and safety. We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and reviewing income transactions around the year end to consider if it is recorded in the correct period.

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.

Lucy Robson

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 21/01/22

NORTH EAST AUTISM SOCIETY
STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 30th April 2021

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Income from:					
Donations and grants	2	503,349	509,557	1,012,906	614,241
Charitable activities	3	24,189,719	-	24,189,719	22,443,879
Other trading activities	4	74,412	-	74,412	102,639
Investment income	5	2,231	-	2,231	23,780
Total income		24,769,711	509,557	25,279,268	23,184,539
Expenditure on:					
Cost of raising funds		185,972	-	185,972	205,085
Expenditure on charitable activities	6	22,324,365	545,770	22,870,135	21,709,820
Total Resources Expended		22,510,337	545,770	23,056,107	21,914,905
Net incoming before transfers		2,259,374	(36,213)	2,223,161	1,269,634
Gross transfer between funds	20	-	-	-	-
Net incoming (outgoing) resources before other losses and gains		2,259,374	(36,213)	2,223,161	1,269,634
Other comprehensive income					
Actuarial gain / (loss)	24	1,397,000	-	1,397,000	(1,214,000)
Net movement of funds		3,656,374	(36,213)	3,620,161	55,634
Fund Balances Brought Forward 1st May 2020	20	21,633,575	68,325	21,701,900	21,646,266
Balances carried forward at 30th April 2021	20	25,289,949	32,112	25,322,061	21,701,900

NORTH EAST AUTISM SOCIETY
BALANCE SHEET
For the year ended 30th April 2021

	Note	2021		2020	
		£	£	£	£
Fixed Assets					
Tangible Fixed Assets	15		19,236,465		19,515,243
Current Assets					
Debtors	16		2,499,982		2,097,512
Cash at bank and in hand			<u>7,979,808</u>		<u>5,544,972</u>
			10,479,790		7,642,484
Creditors					
Amounts falling due within one year	17		<u>(2,961,268)</u>		<u>(2,420,994)</u>
NET CURRENT ASSETS			<u>7,518,522</u>		<u>5,221,490</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			26,754,987		24,736,733
Creditors					
Amounts falling due after more than one year	19		(1,432,926)		(1,511,833)
Net Assets excluding pension liability			25,322,061		23,224,900
Pension asset / (liability)	24		-		(1,523,000)
NET ASSETS INCLUDING PENSION LIABILITY			<u>25,322,061</u>		<u>21,701,900</u>
The funds of the charity:					
Unrestricted funds:					
General funds	20		25,289,949		23,156,575
Pension Reserve	20		-		(1,523,000)
			<u>25,289,949</u>		<u>21,633,575</u>
Restricted funds:	20		<u>32,112</u>		<u>68,325</u>
TOTAL FUNDS			<u>25,322,061</u>		<u>21,701,900</u>

The financial statements were approved and authorised for issue by the Trustees of North East Autism Society on 19th January 2022 and signed on their behalf.



Chairman of Trustees

NORTH EAST AUTISM SOCIETY
STATEMENT OF CASH FLOWS
For the year ended 30th April 2021

	Note:	2021 £	2020 £
Cash used in operating activities	22	2,925,825	3,200,567
Purchase of tangible fixed assets		(460,357)	(1,866,070)
Proceeds from disposals		0	0
Interest income		2,230	23,780
Cash (used in) investing activities		<u>(458,127)</u>	<u>(1,842,290)</u>
Cash flows in financing activities			
Repayment of borrowing		<u>(32,862)</u>	<u>(144,651)</u>
Cash used in financing activities		<u>(32,862)</u>	<u>(144,651)</u>
 Increase in cash in the year		 <u>2,434,836</u>	 <u>1,213,626</u>
Cash at the beginning of the year		5,544,972	4,331,346
Total cash at the end of the year		<u>7,979,808</u>	<u>5,544,972</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 autistic individuals. 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 2019. During the year the charity has started the refurbishment of Kiora Hall as a new school. Post year end the work has continued with the intention to open the school in the first quarter of 2022. Covid-19 pandemic has not made an impact to the finances, as the majority of our services have remained open. Covid-19 funding has been received from the local authorities and health trusts. Forecasts have been made during the year informing the Trustees and Management of risks associated with the pandemic

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 2021 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 2021 membership totalled 667. 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 2021 membership totalled 118, comprising 61 members with deferred benefits and 57 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

	2021 Total	2020 Total
	£	£
Donations and gifts	12,295	6,545
Grants	509,557	607,696
Covid-19 Grants	491,054	0
	<u>1,012,906</u>	<u>614,241</u>

The income from donations and grants was £1,012,906 (2020: £614,241) of which £503,349 was unrestricted (2020: £6,545) and £509,557 restricted (2020: £607,696).

Included within restricted funds, grant income included grants of £398,376 of grants for the Employment Services, £74,861 towards early years family support, £26,320 towards the Apple Orchard at New Warlands Farm and £10,000 towards Covid-19 costs.

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

	2021 Total	2020 Total
	£	£
Fees for the supply of services	24,088,369	22,323,284
Other income from charitable activities	101,350	120,595
	<u>24,189,719</u>	<u>22,443,879</u>

Note 4 Income from other trading activities - unrestricted

	2021 Total	2020 Total
	£	£
Fundraising	40,157	69,755
Refreshment income	34,255	32,884
	<u>74,412</u>	<u>102,639</u>

Note 5 Investment income - unrestricted

	2021 Total	2020 Total
	£	£
Interest from deposit accounts	2,231	23,780
	<u>2,231</u>	<u>23,780</u>

Note 6 Analysis of expenditure on charitable activities

	Adult Services	Children Services	2021 Total	2020 Total
	£	£	£	£
Staffing costs	10,824,764	6,142,942	16,967,706	15,959,619
Supplies and services	421,856	324,448	746,304	722,544
Premises costs	497,766	297,719	795,485	763,848
Transport Costs	437,807	362,462	800,269	971,165
Administration	258,581	212,555	471,136	392,136
Bank Loan Interest	2,476	19,057	21,533	30,328
Depreciation	363,882	333,013	696,895	623,998
Loss on sale of asset	-	-	-	-
Governance costs	85,290	54,529	139,819	144,270
Support costs	<u>1,360,903</u>	<u>870,085</u>	<u>2,230,988</u>	<u>2,101,912</u>
	<u>14,253,325</u>	<u>8,616,810</u>	<u>22,870,135</u>	<u>21,709,820</u>

Expenditure on charitable activities was £22,870,135 (2020: £21,709,820) of which £22,324,365 was unrestricted (2020: £21,087,075) and £545,770 was restricted (2020: £622,745).

Staff costs include agency staff of £319,157 (2020: £402,778) excluded from note 10

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

	Adult Services	Children Services	2021 Total	2020 Total
	£	£	£	£
Costs	(14,253,325)	(8,616,810)	(22,870,135)	(21,709,820)
Fees for the supply of services	<u>15,170,049</u>	<u>8,918,320</u>	<u>24,088,369</u>	<u>22,323,284</u>
Net cost funded from other income	<u>916,724</u>	<u>301,510</u>	<u>1,218,234</u>	<u>613,464</u>

Note 8 Analysis of governance and support costs - 2021

	General Support	Governance	2021 Total	Basis of apportionment
	£	£	£	£
Staffing costs	1,199,945	91,988	1,291,933	Fee income
Supplies and services	499,611	3,581	503,192	Fee income
Premises costs	277,828	29,508	307,336	Fee income
Administration	123,366	10,985	134,351	Fee income
Audit fees	21,222	2,358	23,580	Fee income
Legal and other professional fees	48,960	-	48,960	Fee income
Depreciation	36,055	1,399	37,454	Fee income
Pension finance cost	24,000	-	24,000	Fee income
Total	2,230,987	139,819	2,370,806	

Note 8 Analysis of governance and support costs - 2020

	General Support	Governance	2020 Total	Basis of apportionment
	£	£	£	£
Staffing costs	1,268,081	85,198	1,353,279	Fee income
Supplies and services	370,204	4,018	374,222	Fee income
Premises costs	206,418	21,738	228,156	Fee income
Administration	183,528	9,576	193,104	Fee income
Audit fees	-	20,380	20,380	Fee income
Legal and other professional fees	34,932	1,662	36,594	Fee income
Depreciation	28,224	1,699	29,923	Fee income
Pension finance cost	11,000	-	11,000	Fee income
(Profit) on disposal of asset	(475)	-	(475)	Fee income
Total	2,101,912	144,271	2,246,183	

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

	2021 £	2020 £
Operating leases - equipment	488,060	536,321
Depreciation	739,135	655,069
Bank Interest payable	21,533	30,328
Auditors remuneration:		
Audit fees	17,000	15,000
Accountancy services	-	-
Loss on disposal of fixed assets	-	200

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

	2021	2020
	£	£
Salaries and wages	16,139,999	15,257,648
Social security costs	1,277,977	1,163,248
Pension costs	579,951	656,393
FRS 102 pension adjustment	(150,000)	(237,000)
Redundancy	1,622	2,147
	<u>17,849,549</u>	<u>16,842,436</u>

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

	2021	2020
	No.	No.
£60,000 - £70,000	3	2
£70,000 - £80,000	-	-
£80,000 - £90,000	1	1
£90,000 - £100,000	1	1
	<u>5</u>	<u>4</u>

Pension costs in respect of these employees are £21,193 (2020: £17,366).

Redundancy costs were for voluntary redundancies.

The key management personnel of the charity, comprise the Trustees, the Chief Executive, Head of Care Services and Director of Education. The total employee benefits of the key management personnel were £291,235 (2020: £284,032).

The charity purchased Professional Indemnity Insurance including cover for the Trustees costing in total £3,525 (2020: £5,375). 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:

	2021	2020
Trading (Fundraising)	4	3
Maintenance and Domestic	25	23
Support Staff	43	42
Governance	1	1
Service Delivery	686	675
	<u>759</u>	<u>744</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 (2020: £nil), one Trustee received a expenses of £224 during the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil) There were no related party transactions (2020: £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 2020	23,370,965	2,084,261	343,338	-	-	25,798,564
Additions at cost	58,344	287,561	66,751	8,613	39,088	460,357
Disposals	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
At 30th April 2021	23,429,309	2,371,822	410,089	8,613	39,088	26,258,921
Accumulated depreciation						
At 1st May 2020	4,699,842	1,306,680	276,799	-	-	6,283,321
Charge for the year	490,621	199,427	47,293	1,794	-	739,135
Disposals	-	-	-	-	-	-
At 30th April 2021	5,190,463	1,506,107	324,092	1,794	-	7,022,456
Net Book Value						
At 30th April 2021	18,238,846	865,715	85,997	6,819	39,088	19,236,465
At 30th April 2020	18,671,123	777,581	66,539	-	-	19,515,243

Note 16 Debtors

	2021	2020
	£	£
Fees Receivable	1,355,112	1,116,486
Prepayments and accrued income	1,135,897	956,949
Other Debtors	8,973	24,077
	<u>2,499,982</u>	<u>2,097,512</u>

Note 17 Creditors Amounts falling due within one year

	2021	2020
	£	£
Bank Loans	94,800	48,756
Sir Peter Vardy Foundation Loan	25,000	25,000
Fees received in advance	701,071	503,252
Trade creditors	909,121	1,138,952
Taxation and social security	370,632	346,633
Other creditors	52,891	49,754
Accruals	807,753	308,647
	<u>2,961,268</u>	<u>2,420,994</u>

Note 18 Deferred Income

	2021	2020
	£	£
Balance as at 1st May 2020	503,252	870,345
Amount released to income earned from charitable activities	(503,252)	(870,345)
Amount deferred in year	<u>701,071</u>	<u>503,252</u>
	<u>701,071</u>	<u>503,252</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

	2021	2020
	£	£
Bank Loans	1,454,809	1,462,672
Sir Peter Vardy Foundation Loan	97,917	122,917
less due within one year	<u>(119,800)</u>	<u>(73,756)</u>
	<u>1,432,926</u>	<u>1,511,833</u>

A bank loan due of £1,454,809 relates to a Barclay's facility of £2,000,000 secured on various properties including New Warlands Farm and the "Aycliffe Centre".

In December 2019 the loan was refinanced with the term of 3 years, instalments are c£9,700 monthly with a single final repayment in December 2022. Interest due is 1.50% above the bank's base rate.

In April 2020 the loan was given a 12 month capital repayment holiday due to the potential impact of the Covid-19 pandemic, the repayments re-commenced in March 2021.

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 2021

Note 20 Analysis of charitable funds

Analysis of movement in unrestricted funds

	Balance 1 May 2020	Income	Expenditure	Actuarial Gain	Transfers	Funds 30 April 2021
	£	£	£	£	£	£
General Fund	23,156,575	24,769,711	(22,636,337)	-	-	25,289,949
Pension Reserve	(1,523,000)	-	126,000	1,397,000	-	-
Total	21,633,575	24,769,711	(22,510,337)	1,397,000	-	25,289,949

Unrestricted funds of £25,289,949 include a pension gain of £nil , tangible fixed assets of £19,236,465 and a loan balance of £1,552,726 which relates to funding for fixed asset purchases and improvements.

Analysis of movement in restricted funds

	Balance 1 May 2020	Income	Expenditure	Transfers	Funds 30 April 2021
	£	£	£	£	£
National Foundation for Little Sparks	2,243	1,308	(3,551)	-	-
The Charles Sharland Trust	10,000	-	-	-	10,000
Post code Lottery	5,488	-	(5,488)	-	-
National Heritage Lottery Fund	947	26,320	(27,267)	-	-
BBC Children in Need	5,505	16,502	(14,217)	-	7,790
Paul Hamlyn Foundation	8,334	-	(3,512)	-	4,822
Mercers Trust	8,000	30,000	(33,000)	-	5,000
Community Foundation	2,825	10,000	(12,825)	-	-
National Lottery Community Fund	5,790	18,587	(24,377)	-	-
Move on Tyne & Wear	-	82,740	(82,740)	-	-
Youth Futures Foundation	-	34,090	(34,090)	-	-
DSA	-	25,000	(25,000)	-	-
Good Things Foundation	-	3,630	(3,630)	-	-
County Durham Community Fund	-	8,889	(8,889)	-	-
Gateshead Council LA6	-	27,993	(27,993)	-	-
Durham Works	-	48,840	(48,840)	-	-
DWP	-	168,636	(168,636)	-	-
Other	19,193	7,022	(21,715)	-	4,500
Total	68,325	509,557	(545,770)	0	32,112

Note 20 Analysis of charitable funds

Name of restricted fund

The National Foundation for Little Sparks	Early years family support at Aycliffe
The Charles Sharland Trust	Outdoor play equipment
Post code Lottery	Outdoor play equipment
National Heritage Lottery Fund	Grant toward apple orchard at New Warlands Farm
BBC Children in Need	Toddler groups at Aycliffe and Stanley
Paul Hamlyn Foundation	Ideas and Pioneers Fund for think tank
Mercers Trust	Grant for family development
Community Foundation	Grant towards youth groups
National Lottery Community Fund	Grant towards youth groups
Move on Tyne & Wear	ESF grant to deliver employer ability service
Youth Futures Foundation	Grant to deliver employer ability service
DSA	Grant to deliver employer ability service
Good Things Foundation	Grant to deliver employer ability service
County Durham Community Fund	Grant to deliver employer ability service
Gateshead Council LA6	Grant to deliver employer ability service
Durham Works	Grant to deliver employer ability service
DWP	Grant to deliver employer ability service

Note 20 Analysis of charitable funds

Analysis of movement in restricted funds

	Balance 1 May 2019	Income	Expenditure	Transfers	Funds 30 April 2020
	£	£	£	£	£
National Foundation for Little Sparks	6,786	18,287	(22,830)	-	2,243
EFA asset funding	9,057	-	(9,057)	-	-
Durham County Council	6,667	10,000	(6,667)	-	10,000
Post code Lottery	14,070	-	(8,582)	-	5,488
Northumbrian Water	5,000	-	(5,000)	-	-
National Heritage Lottery Fund	32,900	-	(31,953)	-	947
BBC Children in Need	-	15,728	(10,223)	-	5,505
Paul Hamlyn Foundation	-	15,735	(7,401)	-	8,334
Mercers Trust	-	30,000	(22,000)	-	8,000
Persimmon Charitable Trust	-	5,000	(5,000)	-	-
Community Foundation	-	4,840	(2,015)	-	2,825
Garfield Weston Foundation	-	50,000	(50,000)	-	-
Beatrice Laing Trust	-	30,000	(30,000)	-	-
Wolfsen Foundation	-	60,000	(60,000)	-	-
Screfix Foundation	-	5,000	(5,000)	-	-
National Lottery Community Fund	-	9,920	(4,130)	-	5,790
Move on Tyne & Wear	-	96,789	(96,789)	-	-
Journey 2 Employment	-	12,035	(12,035)	-	-
Step Forward Tees Valley	-	44,428	(44,428)	-	-
Virgin Money	-	46,081	(46,081)	-	-
Durham Works	-	47,850	(47,850)	-	-
DWP	-	65,182	(65,182)	-	-
Other	8,894	40,821	(30,522)	-	19,193
Total	83,374	607,696	(622,745)	0	68,325

Note 20 Analysis of charitable funds

Name of restricted fund

National Foundation for Little Sparks	Early years family support at Aycliffe
EFA asset funding	Grant towards capital expenditure at college
Durham County Council	Youth group at Aycliffe
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
BBC Children in Need	Toddler groups at Aycliffe and Stanley
Paul Hamlyn Foundation	Ideas and Pioneers Fund for think tank
Mercers Trust	Grant for family development
Persimmon Charitable Trust	Toddler groups
Community Foundation	Grant towards youth groups
Garfield Weston Foundation	Grant towards Aycliffe School extension
Beatrice Laing Trust	Grant towards Aycliffe School extension
Wolfsen Foundation	Grant towards Aycliffe School extension
Screfix Foundation	Grant towards Tudor Grove School refurbishment
National Lottery Community Fund	Grant towards youth groups
Move on Tyne & Wear	ESF grant to deliver employer ability service
Journey 2 Employment	Grant to deliver a pan disability employment service
Step Forward Tees Valley	ESF grant to deliver employer ability service
Virgin Money	Grant to deliver employer ability service
Durham Works	Grant to deliver employer ability service
DWP	Grant to deliver employer ability service

Note 21 Analysis of assets and liabilities between funds

	General Fund	Pension Fund	Restricted Funds	Total
	£	£	£	£
Fixed Assets	19,236,465	-	-	19,236,465
Current Assets	10,447,678	-	32,112	10,479,790
Creditor: amounts falling due within one year	(2,961,268)	-	-	(2,961,268)
Creditor: amounts falling after more than one year	(1,432,926)	-	-	(1,432,926)
Pension Asset	-	-	-	-
Total	25,289,949	-	32,112	25,322,061

Prior year

	General Fund	Pension Fund	Restricted Funds	Total
	£	£	£	£
Fixed Assets	19,515,243	-	-	19,515,243
Current Assets	7,574,159	-	68,325	7,642,484
Creditor: amounts falling due within one year	(2,420,994)	-	-	(2,420,994)
Creditor: amounts falling after more than one year	(1,511,833)	-	-	(1,511,833)
Pension Liability	-	(1,523,000)	-	(1,523,000)
Total	23,156,575	(1,523,000)	68,325	21,701,900

Note 22 Reconciliation of surplus of income to net cash inflow from operating activities

	2021 £	2020 £
Net movement in funds	2,223,160	1,269,635
Add back depreciation charge	739,135	655,070
Add back loss on disposal of assets	-	-
Deduct interest income shown in investing activities	(2,230)	(23,780)
(Increase) decrease in debtors	(402,470)	1,500,628
Decrease in creditors	494,230	25,014
Company pension contributions	(150,000)	(237,000)
Pension scheme interest cost	201,000	298,000
Pension scheme interest return	(177,000)	(287,000)
Pension scheme past service cost	-	-
	<u>2,925,825</u>	<u>3,200,567</u>

Note 23 Operating Lease commitments

As at 30th April 2021 the total future minimum lease payments under non cancellable operating leases were as follows:

	2021 £	2020 £
Operating Equipment		
Leases which expire within 1 year	470,245	433,690
Leases which expire within 2-5 years	<u>555,484</u>	<u>844,645</u>
	2021	2020
Land and Buildings	£	£
Leases which expire within 1 year	98,353	88,440
Leases which expire within 2-5 years	288,974	59,795
Leases which expire over 5 years	<u>6,750</u>	<u>15,436</u>

Note 24 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 2022 are expected to be £258,000.

A full actuarial valuation of the scheme took place as at 1st May 2019 by a qualified independent actuary.

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

	At 30/04/2021	At 30/04/2020
Discount rate	1.9%	1.6%
Inflation assumption (RPI)	3.3%	2.5%
Inflation assumption (CPI)	2.6%	2.0%
Inflation linked pension increases:		
Pension earned before 6/4/1997 (Teachers)	3.3%	2.5%
Pension earned between 6/4/1997 and 30/4/2005	3.3%	2.5%
Pension earned after 30/4/2005	2.5%	2.5%
Cash commutation	90% of maximum	90% of maximum

Assumed life expectancies on retirement at age 65 are:

		At 30/04/2021	At 30/04/2020
Retiring today	Males	20.2	20.1
	Females	22.1	22.0
Retiring in 20 years time	Males	21.6	21.5
	Females	23.7	23.6

The assets in the scheme were:

	Value at 30/04/2021 £000's	Value at 30/04/2020 £000's
Equity	8,867	6,572
Bonds	3,782	4,121
Cash	391	446
Fair Value of scheme assets	13,040	11,139
The actual return on assets over the period was:	2,007	(335)
Present value of funded obligations	(12,834)	(12,662)
Fair value of scheme assets	13,040	11,139
Surplus / (deficit) in funded scheme	206	(1,523)
Present value of unfunded obligations	-	-
Unrecognised actuarial gains (losses)	-	-
(Irrecoverable surplus)	206	-
Net assets / (liability) in balance sheet	-	(1,523)

Note 24 Pension Commitments (continued)

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

	30/04/2021	30/04/2020
	£000s	£000s
Benefit obligation at beginning of year	12,662	12,050
Current service cost	-	-
Interest cost	201	298
Contributions by scheme participants	-	-
Actuarial losses	227	592
Benefits paid	(256)	(278)
Past service cost	-	-
Liabilities at end of period	<u>12,834</u>	<u>12,662</u>

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

	30/04/2021	30/04/2020
	£000s	£000s
Fair value of scheme assets at beginning of year	11,139	11,515
Interest income on scheme assets	177	287
Return on assets, excluding interest income	1,830	(622)
Contributions by employers	150	237
Contributions by scheme participants	-	-
Benefits paid	<u>(256)</u>	<u>(278)</u>
Fair value of scheme assets at end of year	<u>13,040</u>	<u>11,139</u>

The amounts recognised in the statement of financial activities

	30/04/2021	30/04/2020
	£000s	£000s
Service cost - including current service costs, past service cost and settlements	-	-
Service cost - administrative cost	-	-
Net interest on the net defined benefit liability	<u>24</u>	<u>11</u>
Total credited to net incoming resources	<u>24</u>	<u>11</u>

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

	30/04/2021	30/04/2020
	£000s	£000s
Actuarial (gain)/losses on the liabilities	227	592
Return on assets, excluding interest income	(1,830)	622
Change in the amount of surplus that is not recoverable, excluding interest income	<u>206</u>	<u>-</u>
Actuarial (gain)/loss	<u>(1,397)</u>	<u>1,214</u>

Note 24 Pension Commitments (continued)

Sensitivity analysis

	Impact on Plan Liabilities	
	30/04/2021	30/04/2020
	£000s	£000s
Discount rate - increase by 0.25%	(539)	(547)
Rate of inflation (RPI) - increase by 0.25%	216	203
Assumed life expectancy at age 65 - increases by 1 year	385	380

Estimation of next period's surplus or (deficit)

	30/04/2021	30/04/2020
	£000s	£000s
Service cost - including current service costs, past service cost and settlements	-	-
Service cost - administrative cost	-	-
Net interest on the net defined benefit liability	(6)	23
Total credited to net incoming resources	(6)	23

Information about the characteristics of the Plan

The Plan 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 Plan closed to future accrual on 8th March 2012

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

The Plan was established from 31st July 1989 under trust and is governed by the Plan's 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 Plan's funding and investment strategy in conjunction with the Society.

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 24 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 2019.

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 2019 revealed a funding deficit of £2,515,000. In the Recovery Plan dated 29th April 2020 the Society has agreed to pay contributions with the view to eliminating the shortfall by 31 December 2025.

In accordance with the Schedule of Contributions dated 20th April 2020 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 2022.

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 17 years.

The Plan's investment strategy

The Plan's investment strategy is to invest broadly 60% in return seeking assets and 40% 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 25 Capital Commitments

	30/04/2021	30/04/2020
	£	£
Contracted for, but not provided in the financial statements	-	-

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