

autism.west midlands

Report and Financial Statements

Year ended 31 March 2017

Charity number: 517077

Company number: 1953344

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Consolidated Financial Statements

Year ended 31 March 2017

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Charity Reference and Administrative Details

Year ended 31 March 2017

Charity registration number: 517077

Company registration number: 1953344

Board of Trustees

Gurdip Singh #
Justine Morton #~ (Chair)
John Drozd #~
Glenys Jones
Ashok Roy
Paul Jackson # (resigned 5th December 2016)
Philip Jordan #~

Member of the Finance Committee
~ Member of Senior Staff Remuneration Committee

Senior Management

Chief Executive Officer	Philip Middlewood
Director of Finance and Resources (Company Secretary)	Jason Johnson (from 12 th September 2016)
Director of Operations	Fabrizio Donati (from 4 th July 2017)

Registered Office

Regent Court, George Road, Edgbaston, Birmingham, B15 1NU

Auditors

Michael Kay & Company Limited, 2 Water Court, Water Street, Birmingham B3 1HP

Solicitors

Bates Wells & Braithwaite London LLP, 10 Queen Street Place, London EC4R 1BE

Bankers

The Co-operative Bank plc, 118/120 Colmore Row, Birmingham, B3 3BA

Trustees' Annual Report (including Directors Report and Strategic Report)

Year ended 31 March 2017

The Trustees present their report and the audited financial statements of the charity for the year ended 31 March 2017. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014 (as amended by Update Bulletin 1 published on 2 February 2016).

Trustees of the charity

The directors of the charitable company are its trustees for the purposes of charitable law. The trustees who have served during the year and since the year end can be seen on page 1 in the 'Charity Reference and Administrative Details'.

Objectives and activities

The objectives of the charity are for the public benefit to promote, maintain, improve and advance the education, development, health and welfare of people with autism and/or other related conditions.

To further the objectives we:

- Provide facilities, services and resources of all kinds including education, health, housing, employment, welfare and care, information, advice and other support services;
- Provide information, guidance, advice, training and support to families and carers;
- Provide information, guidance, advice, training and support to professionals working with people affected by autism;
- Cause to be written and printed or otherwise reproduced and circulated or otherwise disseminated gratuitously or otherwise, periodicals, magazines, books, leaflets or other literature or films, videos, recorded tapes, computer-generated media or teaching schemes;
- Raise public awareness of autism and the needs of people with autism and how to support them;
- Alone, or with other organisations, seek to influence public opinion and make representations to and seek to influence governmental and other bodies and institutions regarding the reform, development and implementation of appropriate policies, legislation and regulations provided that all such activities shall be confined to those which an English and Welsh charity may properly undertake.

Our mission statement is:

To provide specialist support and advice to people of all ages with Autism and their families, living in the West Midlands, enabling them to meet their full potential.

Our Values are:

- **We are passionate and committed** – doing the best we can for people and families
- **We are supportive** – making sure we look after one another, and respect others' views
- **We are creative and flexible** – finding the best solutions, innovating and embracing change
- **We are fair, transparent and open** – in all that we deal with and each other
- **We are specialists** - we understand people with autism and their families and put this understanding into practice.

Trustees' Annual Report (incorporating Strategic Report)

Year ended 31 March 2017

Public Benefit Statement

All of our charitable objectives promote the education, welfare and care of people with autism and those that care for them. These activities are undertaken to further the charitable purposes for the public benefit. The Trustees are confident that the charitable aims satisfy the principles of public benefit as defined in the Charities Act 2006.

The main activities of the Charity are:

- Residential care and supported living – we operate six residential services across the West Midlands which provide residential care to 58 adults with autism. Three are in Birmingham, two in Solihull and one in Droitwich.
- Community services – our range of support services includes: information resources and strategies, autism awareness sessions, family training, sibling workshops, parent support groups, family activities and events. Our employment and personal development service, Aspire, has over 12 years' experience of supporting adults with Asperger Syndrome in employment, education and personal development.

We remain the principal autism charity in the West Midlands and continue to provide specialist advice and support to people with autism and their families through a wide range of services.

Strategic Report

Achievement and performance

During this year significant progress has been made in reducing the costs of operating the charity and in streamlining how we deliver our services. Administrative costs have reduced by approximately 5% of total income through redundancies, not replacing a number of posts and through reviewing contracts, purchasing and general efficiency. The payroll function has been brought in house successfully bringing about significant savings and improvement in the quality and control of payroll.

The charity has been restructured to bring together all delivery services into one directorate, facilitating improvements in the joined up delivery and sharing of practice and information. Finance, maintenance, reception and the helpline have also been brought together into a separate directorate under a new Director of Finance and Resources.

Communications within the charity and across services have improved through the use of monthly bulletins and staff meetings. Resources have been moved from external facing awareness raising, publicity, external training and research facilitation towards ensuring internal practice and delivery of our specialist expert support remains of high quality and seeks continual improvement.

The Family Services team and Shropshire team have been brought together as a single team, sharing knowledge and experience for the benefit of adults and families that are supported by these teams. We were successful in securing a contract through competitive tender to continue to provide our family support in Shropshire, which secures this work for up to 3 years. We were also successful in partnering with a national children's charity to continue to provide autism support in Sandwell, providing much needed continuity and autism specialist support to families.

Autism Connect continues to be supported by the Department of Health and its user numbers have now increased to over 15,000. The charity worked with Birmingham Airport and OCS to produce a very successful Autism assistance video to support families and people with autism when visiting the airport.

The charity recognises the significant contribution that our 24 volunteers bring to the work that Autism West Midlands does. Volunteers support us with back office functions such as reception, finance and administration. Additionally volunteers have been instrumental in supplementing paid outreach support workers in some of our service with adults or children with Autism. These include befriending, mentoring and support groups. We are really grateful for their help and commitment in delivering our vital services.

Trustees' Annual Report (incorporating Strategic Report)

Year ended 31 March 2017

Financial review

The financial performance during the year to 31 March 2017 reflects a turnaround from previous year's results despite the challenging operating environment.

Net income increased by £97,000 (1.5%) to £6,391,000 (2016: £6,294,000) following a reduction in voids which were partially offset by the continued reduction in income for some of the 'non statutory' services we offer.

The resources expended during the year to 31 March 2017 were £6,078,000 (2016: £6,237,000) a decrease of £159,000. The reduction in costs is outlined in the Strategic Report on page 3. Expenditure reductions have more than offset the cost pressures associated with the National Living Wage, rent and rate rises and increased provisions made for property maintenance.

At 31 March 2017, the Charity, as custodian trustee, held £382,452 on behalf of service users in individual separate accounts at the Co-operative bank.

Capital expenditure during the year was £22,000 (2016: £20,000)

At the 31 March 2017 the charity held cash balances of £367,000 (2016: £215,000) which is partially offset by an interest free loan from the Shirley Foundation £215,000 (2016: £395,000) of which £6,000 is payable in the next year.

Reserves

The Trustees have adopted a reserves policy which they consider appropriate to ensure the continued ability of the Charity to meet its objectives. No changes were made to the reserves policy during the year. The charity aims to build free reserves equivalent to three months of total unrestricted resources expended. At 31 March 2017 that level should be £1,380,000 and the current level of free reserves is £944,000. The unrestricted funds at 31 March 2017 are in surplus in the sum of £1,595,000 (2016: £1,245,000) after taking into account the revaluation reserve of £651,000 (2016: £651,000).

Financial Risk

The largest risk to be identified is how the current economic climate has and will impact on the social care sector. This includes the income streams and cost pressures from statutory bodies and other external regulatory services. The risk is managed through the budgeting process which identifies where project shortfalls may arise giving rise to scenario analysis, allowing the senior management team and trustees to have good quality information to make informed decisions.

Future Plans

The Charity has agreed a strategy for 2017 – 2020 which focuses efforts on providing high quality support to adults, children and families. The five strategic goals of the strategy are:

1. Deliver high quality, specialist support to enable people to live fulfilling lives
2. Provide seamless support for people and families as they progress through life
3. Sustainable growth to meet more peoples needs
4. Harnessing community support and goodwill to help people and families with Autism
5. Operating an efficient, viable charity offering good value.

The charity will continue to provide adult social care through either the provision of registered care homes or supported living, and will continue to provide employment and family support and training. High profile external awareness raising, research facilitation, publications and commercial training will not continue to be a priority for the charity since these needs are being met elsewhere and the charity's resources are best utilised on meeting the needs of people and families through direct support and provision. The charity aims to increase its reach through providing more adult support, in particular supported living, through working in partnership with local authorities, families, people with autism and other stakeholders. The charity is also committed to meeting the needs of families in supporting their child with autism, and in continuing to support people into employment.

Trustees' Annual Report (incorporating Strategic Report)

Year ended 31 March 2017

Future Plans (continued)

These services are increasingly under threat from funding reductions so the charity will be seeking close partnerships with funders, companies and other partners to help support this highly valued and important work.

The charity has prepared an operating plan for the year 2017/18 setting key actions and performance measures to track progress against the strategic goals and objectives. The Board will monitor progress against this operating plan on a regular basis.

Structure, Governance and Management

Governing Document

The Charity is a charitable company limited by guarantee and was set up on 7 October 1985. It is governed by a Memorandum and Articles of Association. Its objects are to improve the conditions of life for persons who experience mental or physical impairments or disorders in the region of the West Midlands, in particular persons who have Autistic Spectrum Disorders, whether or not these conditions are associated with other disabilities, during the whole of their lives including their care, welfare, treatment, education, family and social interests. In setting our objectives and planning our activities the trustees have given careful consideration to the Charity Commission's guidance on public benefit.

Appointment of Trustees

Details of Trustees are listed on page 1. The Board of Trustees may fill vacancies arising during the year by appointing Trustees themselves but any Trustee so appointed shall retain their office only until the next Annual General Meeting when they shall be eligible for re-election. Otherwise, Trustees shall be appointed at a General Meeting by the members of autism.west midlands. Any appointments are made with due regard to the broad range of relevant skills required by the Board of Trustees and the specialist skills and experience offered by the applicant Trustee. No Trustee reclaimed any expenses from the Charity during the year.

Trustee Induction and Training

Each Trustee undertakes induction training which comprises visits to each service, induction meetings with all senior staff and service leaders, being issued with corporate policies and procedures and mentoring by an existing Trustee during the induction period. Individual Trustee training is undertaken by Trustees on a needs basis.

Organisation

The governing body of the Charity is the Board of Trustees which may have up to 12 members. The Board currently has 6 members and has met four times during the year. The Chief Executive and the other members of the senior management team attend all Trustee meetings. The Chief Executive is empowered by the Trustees to manage the day to day operations of the charity. The Board of Trustees has established two committees; a Finance and Audit Committee to consider more detailed financial information and oversee the risk and audit processes, and a Remuneration Committee for the consideration and setting of pay for the senior management team.

Related Parties

The Charity is the sole member of SPARC Autism. The Charity also owns 100% of the issued share capital in autism.west midlands (sales) Limited and Autism Central Limited both of which have not traded during the year to 31 March 2017.

Trustees' Annual Report (incorporating Strategic Report)

Year ended 31 March 2017

Structure, Governance and Management (continued)

Statement of Trustees' Responsibilities

The Charity Trustees (who are also the directors of autism.west midlands for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Charity Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charitable company and the group and the incoming resources and application of resources, including the net income or expenditure, of the group for the period. In preparing those financial statements, the Board of Trustees is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and the group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Risk and Internal Control

The Board of Trustees has overall responsibility for ensuring that the Charity has appropriate systems of controls, financial and otherwise. It is also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. It is also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- the Charity is operating efficiently and effectively;
- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained and financial information used within the Charity or for publication is reliable;
- the Charity complies with relevant laws and regulations.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- an annual budget approved by the Board of Trustees;
- regular consideration by the Board of Trustees of financial results, variances from budget, non-financial performance indicators and benchmarking reviews;
- delegation of authority and segregation of duties;
- identification and management of risks.

Trustees' Annual Report (incorporating Strategic Report)

Year ended 31 March 2017

Structure, Governance and Management (continued)

The Board of Trustees has introduced a formal risk management process to assess business risks and implement risk management strategies and this is managed by the Finance and Audit Committee. This involved identifying the types of risks the Charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks.

Employee involvement

The Charity's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interest.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Disabled persons

The Charity's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and activities.

Disclosure of information to auditors

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditors are unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditors

In accordance with the company's articles a resolution proposing that Michael Kay & Company Limited be re-appointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board of Trustees on 18th September 2017.



Justine Morton
Chair of Trustees

**AUDITORS' REPORT TO THE MEMBERS OF
autism.west midlands**

Independent Auditors' Report to the members of autism.west midlands

We have audited the financial statements of autism.west midlands for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Balance Sheets, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard, FRS102 (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable for smaller entities).

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 auditors' 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 6, 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.

We have been appointed auditor under the Companies Act 2006 and report in accordance with this act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the group's and the parent charitable company's affairs as at 31st March 2017, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

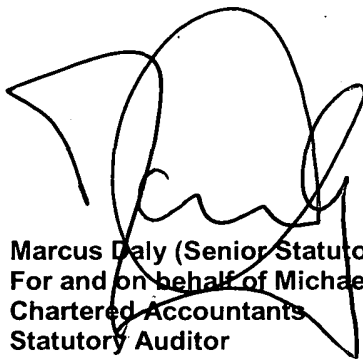
In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**AUDITORS' REPORT TO THE MEMBERS OF
autism.west midlands (continued)**

Matters on which we are required to report by exception

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.



Marcus Daly (Senior Statutory Auditor)
For and on behalf of Michael Kay & Company Ltd
Chartered Accountants
Statutory Auditor

18th September 2017
2 Water Court
Water Street
Birmingham B3 1HP

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
Including a consolidated Income and Expenditure Account
Year ended 31 March 2017

INCOMING RESOURCES	Note	Unrestricted funds	Restricted funds	Total 2017	Total 2016
		£000	£000	£000	£000
Income					
Donations and legacies	2	127	-	127	65
Charitable activities	3	5,735	519	6,254	6,212
Other trading activities	4	10	-	10	17
Investment income		-	-	-	-
Total income		5,872	519	6,391	6,294
Expenditure on:					
Raising funds		(33)	-	(33)	(64)
Charitable activities	5	(5,489)	(556)	(6,045)	(6,173)
Total Expenditure		(5,522)	(556)	(6,078)	(6,237)
Net income/(expenditure)		350	(37)	313	57
Other recognised gains and losses					
Revaluation of tangible fixed assets		-	-	-	-
Net movement in funds	17	350	(37)	313	57
Total funds brought forward	17	1,245	37	1,282	1,225
Total funds carried forward	17	1,595	-	1,595	1,282

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

The Statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 13 to 25 form part of these financial statements.

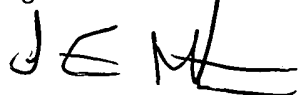
CONSOLIDATED CHARITY BALANCE SHEET

Year ended 31 March 2017

	Notes	Group		Company	
		2017	2016	2017	2016
		£000	£000	£000	£000
Fixed assets					
Tangible assets	12	1,548	1,578	1,548	1,578
Investments	13	-	-	-	-
		<u>1,548</u>	<u>1,578</u>	<u>1,548</u>	<u>1,578</u>
Current assets					
Debtors	14	643	619	623	626
Cash at bank and in hand		367	215	348	193
		<u>1,010</u>	<u>834</u>	<u>971</u>	<u>819</u>
Creditors: (amounts falling due within one year)	15	(754)	(915)	(745)	(906)
Net current assets / (liabilities)		<u>256</u>	<u>(81)</u>	<u>226</u>	<u>(87)</u>
Total assets less current liabilities		<u>1,804</u>	<u>1,497</u>	<u>1,774</u>	<u>1,491</u>
Creditors: amounts falling due after more than one year	16	(209)	(215)	(209)	(215)
Net assets		<u><u>1,595</u></u>	<u><u>1,282</u></u>	<u><u>1,565</u></u>	<u><u>1,276</u></u>
Charity Funds:					
Restricted income funds	17	-	37	-	37
Unrestricted funds	17	944	594	914	588
Revaluation reserve	17	651	651	651	651
Total funds		<u><u>1,595</u></u>	<u><u>1,282</u></u>	<u><u>1,565</u></u>	<u><u>1,276</u></u>

The financial statements were approved and authorised for issue by the Board of Trustees on 18th September 2017.

Signed on behalf of the Board of Trustees



Justine Morton
Chair of Trustees

The notes on pages 13 to 25 form part of these financial statements.
Company registration number: 1953344

STATEMENT OF CONSOLIDATED CASH FLOWS

Year ended 31 March 2017

	Note	2017		2016	
		£000	£000	£000	£000
Net cash inflow/(outflow) from operating activities	20	354		(6)	
Interest paid		-		-	
Net cash flow from operating activities			354		(6)
Cash flow from investing activities					
Interest received		-		-	
Receipts from sales of tangible fixed assets		-		-	
Payments to acquire tangible fixed assets		(22)		(20)	
Net cash outflow from investing activities			(22)		(20)
Cash flow from financing activities					
Repayment of long term loans		(180)		(180)	
Net Cash outflow from financing activities			(180)		(180)
Net increase / (decrease) in cash and Cash equivalents	21		152		(206)
Cash and Cash equivalents at the beginning of the year			215		421
Cash and Cash equivalents at the end of the year			367		215

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

1 Summary of significant accounting policies

a) General information and basis of preparation

Autism.west midlands is a company limited by guarantee in England. The liability of each member is limited to £1, being the amount that each member undertakes to contribute to the assets of the Company in the event of its being wound up while he or she is a member or within one year after he or she ceases to be a member. The address of the registered office is given in the charity information on page 1 of the financial statements. The nature of the charity's operations and principal activities are to promote, maintain, improve and advance the education, development, health and welfare of people with autism and/or other related conditions.

The Charity constitutes a public benefit entity as defined by FRS102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £000.

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

The charity adopted SORP (FRS102) in the current year and an explanation of how transition to SORP (FRS102) has affected the reported financial position and performance is given in note 23.

The financial statements consolidate the results of the Charity and its wholly owned subsidiary undertakings SPARC Autism, Autism Central Limited and autism.west midlands (sales) Limited on a line by line basis. No separate Statement of Financial Activities and income and expenditure account for the Charity has been prepared for the parent company as permitted by Section 408 of the Companies Act 2006.

b) Funds

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

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

Restricted funds are funds which are to be used in accordance with specific instructions imposed by donors or which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income and gains are allocated to the appropriate fund.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

1 Summary of significant accounting policies (continued)

c) Income recognition

All incoming resources are recognised in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in the income at their fair value when their economic value is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included on the financial statements for volunteer time in line with the SORP (FRS102). Further detail is given in the Trustees' Annual Report.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt or if the costs to undertake such valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

Gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Fixed asset gifts in kind are recognised when received and are included at fair value. They are not deferred over the life of the asset.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in the exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

1 Summary of significant accounting policies (continued)

d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make a payment to third parties, it is probable that the 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 include the cost of fundraising and the costs of commercial trading from the sale of autism merchandise.
- Expenditure on charitable activities includes residential care, supported living, community services and their associated direct and indirect support costs.
- Other expenditure represents those items not falling into the categories above.

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

e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in the support of expenditure on the objectives of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Overheads have been allocated on a basis of staff time.

Fund-raising cost are those incurred in seeking voluntary contributions and do not include the cost of disseminating information support of the charitable activities.

The analysis of these costs is included in note 6.

f) Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold buildings	nil
Long leasehold buildings	nil
Motor vehicles	3 years
Fixtures, fittings & computer equipment	3 to 5 years

Freehold and leased properties are stated at deemed cost. The charity has taken advantage of the option provided by FRS102 to restate freehold and leasehold properties at deemed cost at 1st April 2015 being the fair value at the date of transition to SORP (FRS102). The basis for determining fair value is disclosed in more detail in note 12 to the accounts.

No depreciation is provided on freehold and leasehold land and buildings as, in the opinion of the trustees, any element of depreciation would not be material.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

1 Summary of significant accounting policies (continued)

g) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Investments in subsidiaries are measured at cost less impairment.

Current asset investments are short term highly liquid investments and are held at fair value. These include cash on deposit and cash equivalents with maturity of less than one year.

h) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

i) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

j) Impairment

Assets not measured at fair value are reviewed for any indication that the assets may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit and loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

k) Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

l) Operating leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

m) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for the service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

NOTES TO THE FINANCIAL STATEMENTS**Year ended 31 March 2017****1 Summary of significant accounting policies (continued)****n) Tax**

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

o) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

p) Judgements and key sources of estimation uncertainty

The trustees are required to make judgements, estimates and assumptions in application of the charity's accounting policies that have significant effect on the amounts recognised in the financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the periods which estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2 Income from donations and legacies

	2017 £000	2016 £000
Gifts	97	65
Legacies	30	-
	<u>127</u>	<u>65</u>

All income from donations and legacies for both 2016 and 2017 was unrestricted.

3 Income from charitable activities

	Unrestricted Funds 2017 £000	Restricted Funds 2017 £000	Total 2017 £000	Total 2016 £000
Local Authorities	5,006	299	5,305	5,230
Health, Trusts and Users	729	220	949	982
	<u>5,735</u>	<u>519</u>	<u>6,254</u>	<u>6,212</u>

Income from charitable activities attributable to unrestricted funds was £5,735,000 (2016: £5,646,000) and restricted funds £519,000 (2016: £566,000).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

4 Income from other trading activities

	Total 2017 £000	Total 2016 £000
Trading shop	8	12
Fundraising events	2	5
	<u>10</u>	<u>17</u>

All income from other trading activities for both 2016 and 2017 was unrestricted.

5 Analysis of expenditure on charitable activities

	Direct Costs £000	Support Costs £000	Total 2017 £000	Total 2016 £000
Autism Services	<u>5,436</u>	<u>609</u>	<u>6,045</u>	<u>6,173</u>

£5,489,000 (2016: £5,596,000) of the above costs were attributable to unrestricted funds and £556,000 (2016: £577,000) were attributable to restricted funds.

6 Allocation of support costs

	Raising Funds £000	Expenditure on Charitable activities Autism Services £000	Total £000
Management	2	248	250
HR	1	184	185
IT	—	39	39
Finance	1	131	132
Governance	—	7	7
	<u>4</u>	<u>609</u>	<u>613</u>

Governance costs comprise £7,000 audit fees (2016: £7,000).

Support costs are allocated to each of the activities based on staff time.

7 Net Income/(Expenditure) for the Year

	2017 £000	2016 £000
This is stated after charging:		
Auditors' remuneration (including expenses):		
Audit fee	7	7
Depreciation	52	49
Accrued costs for dilapidations	113	15
Operating lease rentals		
- Land and Buildings	209	205
- Vehicles and equipment	62	61
	<u></u>	<u></u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

8 Trustees' and key management personnel remuneration and expenses

The Charity Trustees neither received nor waived any remuneration from employment with the Charity or its subsidiaries in the year (2016: £nil). SPARC Autism, a subsidiary of autism.west midlands incurred clinical fees which were payable to trustees in the course of normal charitable activities for the value of £23,840 (2016: £10,200). No other Charity Trustee received payment for professional or other services supplied to the charity.

The total amount of employee benefits received by key management personnel is £171,953 (2016: £171,564). Key management personnel comprises the Chief Executive Officer, Director of Operations and Director of Finance and Resources. For 2016 the key management personnel comprised Chief Executive Officer, Deputy Chief Executive Officer and HR manager.

The trustees did not have any expenses reimbursed during the year (2016: £nil)

9 Staff costs and employee benefits	2017	2016
	£000	£000
Wages and salaries	3,637	3,769
Social Security costs	252	274
Pension Costs	29	31
	<u>3,918</u>	<u>4,074</u>

The average monthly numbers of employees and full time equivalent (FTE) during the year was as follows:

	2017		2016	
	Number	FTE	Number	FTE
Raising funds	1	1	3	3
Resources employed on charitable activities	264	201	253	192
Governance	2	2	2	2
	<u>267</u>	<u>204</u>	<u>258</u>	<u>197</u>

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

	2017	2016
	Number	Number
£80,000-£90,000	<u>1</u>	<u>1</u>

10 Related party transactions

SPARC Autism (company number 8414424) was formed in February 2013 to provide specialist adult autism diagnostic and assessment services for the West Midlands. SPARC Autism is a registered charity (charity number 1160495) limited by guarantee. SPARC Autism is currently working with four West Midlands Local Authorities and charges a standard fee for each assessment.

Two of the Trustees of autism.west midlands (Dr Glenys Jones and Dr Ashok Roy) are also Directors of SPARC Autism.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

11 Corporation Taxation

The charity and its subsidiaries are exempt from tax on income and gains falling within section 505 of the taxes Act 1988 or section 252 of the Taxation of Chargeable Gain Act 1992 to the extent that these are applied to its charitable objectives.

12 Tangible fixed assets (Company and Group)

	Land and buildings £000	Motor vehicles £000	Furniture, fixtures and fittings £000	Total £000
Cost				
At 1 April 2016	1,490	8	1,040	2,538
Additions for year	-	5	17	22
Disposals	-	-	-	-
At 31 March 2017	1,490	13	1,057	2,560
Depreciation				
At 1 April 2016	-	6	954	960
Charge for year	-	3	49	52
Elimination on disposal	-	-	-	-
At 31 March 2017	-	9	1,003	1,012
Net book value				
At 31 March 2017	1,490	4	54	1,548
At 31 March 2016	1,490	2	86	1,578

The closing net book value includes fixed assets used for direct charitable purposes in the sum of £1,548,000 (2016: £1,578,000).

Land and buildings at deemed cost is analysed as follows:

	2017 £000	2016 £000
Freehold	490	490
Long leasehold	1,000	1,000
	1,490	1,490

On a historical cost basis freehold land and buildings would be included at £180,000 (2016: £180,000) and long leasehold land and buildings would be included at £659,000 (2016: £659,000).

Fair value of the freehold and long leasehold properties were appraised by firms of independent Chartered Surveyors, Gardiner Boffey Surveyors Limited – RICS and Jones Lang Lasalle, inc. – MRICS, respectively.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

13 Fixed asset investments

The investment represents 100 ordinary shares of £1 in autism.west midlands (sales) Limited and 1 ordinary share of £1 each in Autism Central Limited. Both companies are wholly owned subsidiaries which have been dormant since incorporation.

14 Debtors: amounts falling due within one year

	Group		Company	
	2017	2016	2017	2016
	£000	£000	£000	£000
Trade debtors	469	421	447	391
Amounts due from subsidiary undertakings	-	-	3	37
Prepayments and accrued income	174	154	173	154
Other debtors	-	44	-	44
	<u>643</u>	<u>619</u>	<u>623</u>	<u>626</u>

15 Creditors: amounts falling due within one year

	Group		Company	
	2017	2016	2017	2016
	£000	£000	£000	£000
The Shirley Foundation loan	6	180	6	180
Trade Creditors	152	262	144	253
Other taxation and social security	59	60	59	60
Accruals and deferred income	424	292	423	292
Other Creditors	113	121	113	121
	<u>754</u>	<u>915</u>	<u>745</u>	<u>906</u>

16 Creditors: amounts falling due after more than one year

	Group		Company	
	2017	2016	2017	2016
	£000	£000	£000	£000
The Shirley Foundation loan	209	215	209	215
	<u>209</u>	<u>215</u>	<u>209</u>	<u>215</u>

The Shirley Foundation loan is unsecured and interest free. Following discussions with the Foundation, repayment terms for the for the next 12 months are £500 per month and then £15,000 per month thereafter.

Debt maturity analysis:	2017	2016
	£000	£000
Due within one year	6	180
Due within two to five years	209	215
	<u>215</u>	<u>395</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

17 Total Funds

Unrestricted funds - Group

	2016 £000	Income £000	Expenditure £000	2017 £000
General Funds	594	5,872	5,522	944
Revaluation Reserve	651	-	-	651
	<u>1,245</u>	<u>5,872</u>	<u>5,522</u>	<u>1,595</u>

Restricted funds - Group

	Balance at 1 April 2016 £000	Income £000	Expenditure £000	Balance at 31 March 2017 £000
ACT Foundation	35	120	(155)	-
Department of Health	-	35	(35)	-
Birmingham and Solihull Mental Health Trust	-	27	(27)	-
Shropshire Council	-	126	(126)	-
Sandwell Borough Council	-	66	(66)	-
Solihull Primary Care Trust	2	6	(8)	-
Sandwell Primary Care Trust	-	10	(10)	-
Worcestershire County Council	-	9	(9)	-
Walsall County Council	-	76	(76)	-
Birmingham City Council	-	20	(20)	-
Dudley Borough Council	-	2	(2)	-
The Bailey Thomas Charitable Fund	-	8	(8)	-
GJW Turner Trust	-	3	(3)	-
Other Small funds	-	11	(11)	-
	<u>37</u>	<u>519</u>	<u>(556)</u>	<u>-</u>

The restricted funds represent income that may be expended only on the restricted uses described by the donor. More detail is given below in respect of the larger restricted funds that existed during the year.

ACT Foundation – Family outreach workers delivering support programmes in Staffordshire, Warwickshire and Birmingham.

Sandwell Borough Council – Family outreach worker for Sandwell to support families with children on the Autism Spectrum. Short breaks project in Sandwell for young people with Autism Spectrum Disorders.

Shropshire Council – Specialist activities for children and young people with Autism aged 0 – 18 years. Autism Development Co-ordinators delivering training and development support for children, parents, carers and professionals in Shropshire.

Walsall County Council – Befriending service for adults with autism in Walsall.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

18 Analysis of group net assets by fund

	Revaluation Reserve	Unrestricted Income	Restricted Income	Total
	£000	£000	£000	£000
Tangible assets	651	897	-	1,548
Current assets	-	1,010	-	1,010
Current liabilities	-	(754)	-	(754)
Long term liabilities	-	(209)	-	(209)
	<u>651</u>	<u>944</u>	<u>-</u>	<u>1,595</u>

19 Guarantees and other financial commitments

Operating leases – lessee

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2017		2016	
	Land and buildings	Other	Land and buildings	Other
	£000	£000	£000	£000
Expiring				
Within one year	73	6	23	7
In two to five years	265	81	184	111
In more than five years	370	-	547	-
	<u>708</u>	<u>87</u>	<u>754</u>	<u>118</u>

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

	2017	2016
	£000	£000
Net income for the reporting period (as per the statement of financial activities)	313	57
Adjustments for:		
Depreciation charges	52	49
Interest paid	-	-
Loss on sales of assets	-	24
Increase in debtors	(24)	(102)
Increase/(Decrease) in creditors in one year	13	(34)
Net cash provided by/(used in) operating activities	<u>354</u>	<u>(6)</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

21 Analysis of net funds/debt

	1 April 2016 £000	Cash flow £000	31 March 2017 £000
Net cash			
Total cash and cash equivalents	215	152	367
	<u>215</u>	<u>152</u>	<u>367</u>
Debt			
Debts falling due within one year	(180)	174	(6)
Debts falling due after more than one year	(215)	6	(209)
	<u>(395)</u>	<u>180</u>	<u>(215)</u>
Net debt	<u>(180)</u>	<u>332</u>	<u>152</u>

22 Reconciliation of net cash flow to movement in net debt

	2017 £000	2016 £000
Increase/(Decrease) in cash in the year	152	(206)
Cash outflow from decrease in debt	180	180
Movement in net debt for the year	<u>332</u>	<u>(26)</u>
Opening net debt	(180)	(154)
Closing net debt	<u>152</u>	<u>(180)</u>

23 First-time adoption of SORP (FRS102)

The charity has adopted the SORP (FRS102) for the first time in the year ended 31 March 2017. The effect of transition from SORP (2005) to SORP (FRS102) is outlined below:

Changes in accounting policies

Consequential changes in accounting policies resulting from the adoption of FRS102 were as follows:

1. Freehold and leasehold land and buildings have been restated at deemed cost at the date of transition of 1st April 2015. Deemed cost is fair value of those assets at that date.
2. Holiday pay owing to employees at the balance sheets date is being accrued for.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

23 First-time adoption of SORP (FRS102) (continued)**Reconciliation of total charity funds**

Adjustments to previously reported total charity funds at the date of transition to SORP (FRS102) were as follows:

	£000
Total charity funds at 1 April 2015 under SORP (2005)	1,597
Restatement of land and buildings at deemed cost	(342)
Holiday pay accrual	(30)
Total charity funds at 1 April 2015 under SORP (FRS102)	<u>1,225</u>

Adjustments to previously reported total charity funds at the end of the comparative period were as follows:

	£000
Total charity funds at 31 March 2016 under SORP (2005)	1,651
Property revaluation	(342)
Depreciation	5
Holiday pay accrual	(32)
Total charity funds at 31 March 2016 under SORP (FRS 102)	<u>1,282</u>

Reconciliation of comparative period net income

Adjustments to previously reported net income in the comparative period were as follows:

	£000
Net income for the year ended 31 March 2016 under SORP (2005)	54
Depreciation	5
Holiday pay accrual	(2)
Net income for the year ended 31 March 2016 under SORP (FRS102)	<u>57</u>

24 Monies held as custodian

At 31 March 2017, the Charity, as custodian trustee, held £382,452 on behalf of service users in individual separate accounts at the Co-operative bank.