



Epilepsy Society Limited

**Group Financial Statements
and Annual Report
for the year ended
31 March 2021**

**The Chalfont Centre
Chesham Lane, Chalfont St Peter,
Buckinghamshire SL9 0RJ**

**Registered charity: 206186
Company limited by guarantee: 492761**

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The last year has undoubtedly been dominated by the pandemic. We have had to find new and often radical ways to deliver the three core pillars of our Society – research, advocacy, and care. At every level our focus has been about survival in the face of an invisible enemy. And it has shown us just what we are capable of.

There is nothing like a crisis for cutting through the periphery to address what is needed in the here and now. On a day-to-day basis, our staff have responded magnificently, the ever present threat of Covid-19 sharpening our resolve and our resilience. Their response was greatly enhanced by the clinical support from our UCL and UCLH partners and the Francis Crick Institute.

There have of course been tough decisions. Although we took advantage of the government's furloughing scheme, with voluntary income down by almost 50 per cent, a small number of redundancies were necessary across the organisation. We have had to tighten our belt.

This is nothing new. For many years we have been looking to address an underlying deficit in order to put the charity on a more sustainable footing for the future. We had an ambitious five-year fundraising programme in place to address the deficit, but unfortunately this was the first victim of the pandemic, with major events across the country cancelled or postponed. We have had to think again.

The charity is fortunate in that it has a wonderful legacy, courtesy of its founding fathers - an extensive estate that was originally orchards and farmland to provide employment for people with epilepsy. In recent times we have sold a small amount of the land to strengthen our financial foundations. But we are now looking in more detail at how that legacy can help ensure the longevity of the charity and realise our courageous plans to make epilepsy irrelevant for future generations.

Across our research, care and advocacy teams, we have been working strategically to look at how we, as a charity, should evolve and best support people with epilepsy, keeping pace with the needs of those with epilepsy and the services provided in other conditions such as Alzheimer's, dementia, cancer and heart disease. Epilepsy has always been considered a 'Cinderella condition' but we know that our research and care services have the potential to elevate epilepsy care to new heights.

Today, our research focusses on important but specific areas: genomics, neuroimaging, neuropathology, pharmacology and health service research. We have a rich source of invaluable data across all these areas but historically our work has been siloed.

We plan to move to a big data-driven intelligent approach that combines information from each strand of our work. We want to develop a unique personalised platform that gives each person a 360 degree assessment using every piece of innovative diagnostic equipment at our disposal. It will be a first in the world for epilepsy.

Complex care at the Epilepsy Society will progress from solely residential to focus also on rehabilitation, enablement and independence. As well as establishing a nationally renowned centre of excellence, supporting people with refractory epilepsy and complex care needs, we will provide a support/outreach service for nursing teams in community.

No longer will we be purely an 'end destination' for people with complex epilepsy. Instead we will be a step of hope in a pathway that leads back to life in the community.

And working very much in tandem with research and care, our advocacy team will continue to work at government level to raise the voices of people with epilepsy.

Our legacy can - and should - make this happen. It is our responsibility to ensure that the treasure buried in our site is used to its best advantage for the very people the charity was established to support. Our founding fathers would not, today, be investing in farmland and orchards. They would be investing in research and care that promises hope for future generations. And that is what we must do.

The last 12 months have seen us come through the worst of times with a very strong vision and I look forward to beginning to make that vision a reality in the coming year. A special vote of thanks is due to the CEO and her leadership team for bringing that vision closer to reality in the face of such unprecedented conditions.

A handwritten signature in blue ink, appearing to read 'Peter Worthington', written in a cursive style.

Peter Worthington
Chairman

It could be on your left arm. Or it could be on your right. Whichever it is, most of us now are lucky enough to bear a small mark – a pinprick even – that is a testament to the wonderful power of science that is helping to guide us out of the pandemic and make the world a safer place.

We know we are not yet out of the woods. We know there is still a long way to go before all ages, in all places around the world, are fully vaccinated. But as the ledger closed on this financial year, all of us in the world of epilepsy were able to breathe a small sigh of relief.

The 113 people who live at Chalfont and the surrounding area, whose complex epilepsy and disabilities make them among the most vulnerable in society, had been vaccinated, along with an offer of vaccination to all our staff. And the 600,000 people with epilepsy across the UK were also promised their first vaccine as a part of the government's priority group six.

For me, an abiding memory of early 2021 will be the socially distanced queues of staff and residents, waiting in masks to be vaccinated at our medical centre by our wonderful team of neurologists. Everyone rolled their sleeves up. And, of course, the relief of our followers on social media, as they awaited a call up by their own GPs for their jab. There was anxiety, but there was also joy.

The real joy for me is that the power of the scientific response to the pandemic has been mirrored throughout the charity. We have not allowed ourselves to be beaten by the virus. Words could never do justice to our gratitude for the selfless way in which our care staff put residents' safety and happiness ahead of their own. Or the way our medics led from the front in a truly integrated model of care, injecting confidence in an uncertain world with rigorous testing and tracing.

And the rest of the team, too, has worked tirelessly from their bedrooms, their sofas, their lofts and their spare rooms, to meet the new challenges of a world paused by a pandemic. The fact that most of us have not seen each other for the best part of a year, has not stopped us working creatively and collaboratively to ensure that our services have continued.

Our Helpline has been there at a time when it has been ever more important. But fundraising has been hit hard by the pandemic. With many major fundraising events cancelled, our fundraising team has gone virtual with exciting new events including a 2.6 challenge and our very own Challenge 100 which brought in just short of £100,000. A tribute to both our staff and supporters.

We also ventured into new territory with a hard-hitting fundraising campaign on Facebook, highlighting the uncomfortable reality that seizures can be fatal. Campaigning around grief and loss is never easy but the campaign generated an unprecedented level of support and to date over 18,700 people have pledged to help us stop epilepsy deaths with over 400 becoming regular givers to support our vital research, with many setting up monthly direct debits to support our vital research.

We are beyond grateful to everyone who chooses to turn compassion and sorrow into hope for future generations.

We are so often confronted by this choice in fundraising and campaigning. Do we speak up about difficult and painful subjects, or do we keep silent knowing that we leave unanswered the question that a young woman with epilepsy asked recently on live television: "Where is the hope?"

Every day we are trying to answer that question and provide hope for people with epilepsy. It has been the impetus for our new, focused Vision for the charity with its three clear priorities-research, advocacy and care.

We have seen during the pandemic what transformational change can come from a surge in investment in scientific research. We are actively campaigning for the Government to make comparable transformational investments in epilepsy research through its Life Sciences Strategy. And we are continually fundraising to make progress so that the potential benefits of our research can reach all those who need it.

There is hope too in the dedication, care and expertise of our amazing Care and Medical Services staff here at Chalfont. Their dedication has been a beacon to lighten the dark days of the pandemic; and their commitment to improvement and sharing their expertise across the country, and indeed the whole world, has been inspiring. We owe them all a debt of gratitude.

And finally, our advocacy team provides hope by challenging injustices and campaigning for a better world for people with epilepsy.

In the past year, you may have seen the Epilepsy Society both on television and in the media, speaking up for people with epilepsy. In the last 12 months, the charity and many of its supporters have continued to be the victims of malicious and coordinated attacks on social media, with internet trolls sending flashing images with the intent of causing a seizure.

We have been campaigning hard for this type of abuse to be included in the government's Online Safety Bill. We have been working with the Department for Culture, Sport and Media, the Law Commission and the newly appointed social media regulators, Ofcom.

Now our campaign has been taken up by the Daily Express, who are working with us to highlight the horrors of this behaviour. And the international footballing community – many of whom are victims of online racial abuse – are standing side by side with us.

I began this letter with a testament to the power of science in forcing the virus into retreat. The shot in the arm that has helped release us all from lockdown. This brings me to our latest Safe Mum, Safe Baby campaign.

This year, the Commission for Human Medicines raised the alarm that some of the commonly prescribed epilepsy drugs could increase the risk of harm for a developing infant during pregnancy. This means that some women may have to choose between drugs that will control their seizures, and drugs that will safeguard their baby but may mean a seizure during their pregnancy - itself potentially dangerous.

This is not fair on the women and it is not fair on future generations. Nor is it fair on their doctors. We need better options. And research may provide them.

With the support of many MPs, and many young women with epilepsy who want hope for the future, we are working closely with the Department of Health to raise awareness of this terrible choice, and to move it towards the top of the Government's agenda.

I think it was Charles Dickens who said "It was the best of times, it was the worst of times". I would like to re-word that sentiment with the injection of hope that we all feel for the future. It has been the worst of times, and it will soon be the best of times. The best really is yet to come.

We are so grateful for all your support in fundraising, campaigning and volunteering, keeping us strong and bringing hope for the future to everyone with epilepsy.



Clare Pelham
Chief Executive

The Trustees are pleased to present their report for the year ended 31 March 2021 which provides a commentary on these results and the operations of the Epilepsy Society during the year, which are set out in the audited financial statements following this report. The report also acts as the Society's strategic report and the Directors' Report for the year.

The Trustees' Report covers a range of areas and these are set out as follows:

a) Principal Activities	h) Fundraising Activities
b) Charitable Objectives, Values and Strategy	i) Engagement with Stakeholders
c) Achievements and Future Plans	j) Employment and Volunteers
d) Principal Risks	k) Insurance, Health and Safety and Energy Reporting
e) Operational Performance	l) Governance, the Board and Executive Officers
f) Key Performance Indicators	m) Statement of the Trustees' Responsibilities
g) Financial Review	n) External Auditors

a) Principal Activities

Activities

Under section 17 of the Charities Act 2011, the Trustees have a duty to have due regard to the public benefit guidance published by the Charity Commission. During the year, the Trustees have acted in accordance with this requirement and they are satisfied that all the activities of the Society are for the public benefit.

There are in excess of 600,000 people with epilepsy in the UK. The Society undertakes a variety of activities for the benefit of those people. The main areas of these activities are:

- **Medical research**

The Epilepsy Society has a strong commitment to medical research which will provide practical treatments for epilepsy. The Society's world-leading research activities are carried out through a tri-partite arrangement between the Society, the Life and Medical Sciences department at University College London ('UCL') and the National Hospital for Neurology and Neurosurgery at University College London Hospitals ('UCLH'). This co-operation allows for seamless research integrating basic, clinical and translational aspects in one cohesive group working for the ultimate benefit of all people with epilepsy.

The priority areas in which we will continue to concentrate our efforts are first to ascertain risks, clarify underlying causes and identify clinically-relevant genetic markers for people with epilepsy; second to improve therapeutic options with a clear view to provide in the not so distant future personalised treatment to people with epilepsy.

- **Information, education and support services**

Through our helpline and parallel on-line services, the Society provides information, help and support to people who have epilepsy. We provide training to health care professionals, pharmaceutical companies, schools and individuals, through which we aim to support people with epilepsy and increase awareness of the condition and seizure first aid. Our external affairs function also raises awareness of issues for people with epilepsy and advocates on behalf of them.

- **Medical services**

The Sir William Gowers Assessment and Treatment Unit, run by UCLH in collaboration with the Society, is recognised as the leading centre for medical services to people with epilepsy in the United Kingdom and has one of the largest clinical throughputs in Europe. It provides a range of specialist epilepsy services, including diagnostic services such as electroencephalogram recording and an epilepsy-dedicated MRI scanner facility. The Centre also has a Therapeutic Drug Monitoring unit, which is currently the primary provider of anti-seizure medication level assays to the NHS.

- **Residential, domiciliary and nursing care services**

During the year, we ran seven residential care homes, one of which also provides nursing care, for people with epilepsy including people with complex epilepsy and associated conditions such as autism, mental ill health and learning disabilities. We also provide domiciliary care to people living in supported living accommodation and in their homes within the community.

Structure

Epilepsy Society ('the Society') was established in 1892 as the National Society for the Employment of Epileptics. The name was subsequently changed to the National Society for Epilepsy and in 2017 to the Epilepsy Society. The Society is a charitable company limited by guarantee. It is governed by its Memorandum and Articles of Association and it is registered as a charity with the Charity Commission (charity number 206186).

The Society has two wholly-owned subsidiaries - Epilepsy Enterprises Limited and NSE Facilities Limited. Epilepsy Enterprises Limited is the Society's trading company and it carries on commercial activities, such as merchandising, with a view to raising money for the charity. NSE Facilities Limited was incorporated in 2000 to build the Gowers Centre and to manage the healthcare services provided by UCLH within it. However, this is now being done directly by the Epilepsy Society and therefore this subsidiary is effectively dormant. The Boards of each subsidiary consist of two Trustees.

b) Charitable Objectives, Values and Strategy

The Society's strategy is set by the Board of Trustees and they also agree the vision and objectives following discussions with stakeholders including the staff who work for the Society.

Our Charitable Objective

The Society's charitable objective is to secure a full life for everyone affected by epilepsy and other neurological conditions. Under the Society's constitution, we will try to do this by:

- promoting acceptance of people with epilepsy and other neurological conditions, and challenging discrimination against them;
- preventing the development of epilepsy and other neurological conditions;
- seeking effective treatments for epilepsy and other neurological conditions; and
- providing services to people with epilepsy and other neurological conditions.

Our Values

We aim to fulfil this objective while meeting our values, which are being:

Caring

Accountable

Improving

Respectful

Open

whilst putting the person with epilepsy at the centre of everything that we do.

Our Strategy

Our strategy to meet our charitable objective and aims is based on 3 areas as set out in the diagram below:



Advocacy

Advocacy means understanding the individual and collective needs of persons affected by epilepsy so that their voices are heard and then promoting, representing and protecting those needs into our national and local communities. The Society's Advocacy Strategy sets out the framework within which it seeks to ensure that those voices are heard. Advocacy is carried out by the Society's in-house team from its headquarters at the Chalfont Centre.

Research

Research to us means investigating the causes of epilepsy so that ultimately the condition can be eliminated, prevented, or successfully treated and managed as set out in our Research Strategy. Our research will be person centred so that "every person is the research project" where the objective is to improve that individual's outcomes and quality of life. It will therefore focus on translational research in a clinical setting and will be undertaken collaboratively with leading research and clinical centres across the UK and internationally. Our strategy is to build on the genomics and other leading research carried out at Chalfont which is internationally recognised and renowned.

Leading best practice in care and support

Leading best practice in care & support means exemplifying best practice through a person-centred approach to the provision of some or all of the clinical, physical, intellectual, and emotional wishes and needs of a person affected by epilepsy to improve their quality of life.

The Society currently provides care services to 93 people based at Chalfont and a floating service to around 20 people living in Aylesbury or elsewhere in Buckinghamshire. The Society's Care & Support Strategy will articulate the avenues through which that care will be provided. This will flow from the wishes and preferences of people with epilepsy enabling them to live their lives as they choose. It will likely include innovative support to enable greater independence including through assistive technology, better environmental design, and a wide range of physical, cognitive and other therapies.

Our strategy is to provide ancillary services that support the provision of care to people affected by epilepsy that might otherwise not be available and signposting them to services that do exist. This includes continuing to provide and, if possible, expand our national helpline and associated on-line services. The strategy also includes the provision of medical services in partnership with UCLH.

Public benefit

The Charities Act 2011 requires the Society to have due regard to public benefit guidance published by the Commission in determining the activities undertaken by the charity. The Trustees confirm through this report

that they have complied with this requirement. Research carried out and funded by the Society meets the Charity Commission's test for Public Benefit. In addition, the application of the results of the research is not restricted by gender, ethnicity, religion, or ability to pay and in that respect the public at large benefit. Other services that the Society carries out in care, helping people through support and advice and providing medical services all comply with the public benefit test too.

c) Achievements and Future Plans

This has been an unprecedented and challenging year for the Society that has seen reduced activity and an organisational restructure. However, looking at each of our services in turn, we consider some of the main achievements to be:

Research

The research carried out by the Society in collaboration with UCL continues to reflect the worldwide reputation that the Chalfont Centre enjoys. The main focus of the research continues to be genomics but work on improving epilepsy diagnosis and treatment through MRI scanning and on global health issues around epilepsy are also significant.

We have also initiated a global project into a rare epilepsy condition. This involves sequencing and analysing 700 DNA samples from partners around the world as well as in the UK. This process is well under way.

Despite the restrictions imposed on the Society by COVID-19, we did manage to fulfil our pledge made last year around sequencing to the tune of 622 new DNA samples.

Medical Services

The Chalfont Centre is unique in the services we provide in conjunction with UCLH. We act as an expert referral centre for the NHS for people with epilepsy who benefit from coming to Chalfont, where we can run a wide range of diagnostic tests in one place, such as MRI and EEG. It is also convenient for people with epilepsy who have complex needs or need care and require tests over a few days to stay in our 24-bed inpatient facility. During 2020/21, medical services were significantly impacted by the COVID-19 pandemic. Restricted services started in September 2020 and will take some time to build back to previous levels.

In line with last year's plan, a review with UCLH around medical services provided at Chalfont was conducted to ensure that governance is provided in the right place, it operates in the best way for patients and that a new agreement is financially viable for the Society. Towards the end of 2020/21 a new service level agreement was finalised and signed by both the Society and UCLH shortly after the year end.

Advocacy and Information

Our telephone helpline and online support service continues to be in increasing demand, particularly with concerns around COVID-19 and the vaccines. Our services to help people with epilepsy across the UK are highly regarded, valued, and produce extremely high levels of satisfaction from users.

As a campaigning organisation, our influence and success are going from strength to strength. In the last year we have been focusing on three major campaigns:

Zach's Law which seeks to have the deliberate dissemination of harmful tweets targeted at people with epilepsy in order to induce a seizure, recognised as an online harm in the government's Online Safety Bill and for the government to issue clear guidance as to how such behaviour can be successfully prosecuted.

Safe Mum Safe Baby campaign which is calling for more research to establish why some babies are born with preventable disabilities caused by their mother's epilepsy drugs during pregnancy. We hope this will lead to safer medicines that will not mean women choosing between those that control their seizures and those that safeguard their unborn baby.

Free Flu Vaccine campaign which seeks to ensure that people with epilepsy are automatically included in the free flu vaccine group each year. It is currently only given for free at the discretion of a person's GP.

Across all three of our campaigns, we have met with MPs, policy makers, the Law Commission and Ofcom as well as raising the issues through the national media. We have hosted online roundtable discussions with leading voices and raised both written and oral questions in parliament. The Department of Health and Social Care has asked for our Safe Mum Safe Baby campaign to contribute to their Women's Health Strategy Call for Evidence. We are also in continuous dialogue with the social media companies to raise concerns around online harms and to press for urgent self-regulation.

Care

Over the course of 2020/21, Epilepsy Society like all health and social care providers faced unprecedented challenges from the global COVID-19 pandemic. The Society supports people whom because of age, complexity of care or co-morbidities are exceptionally vulnerable, so COVID-19 presented a significant threat. However, the crisis was well managed through the commitment of support worker teams, setting up a disused service as an isolation area and robust testing/surveillance via our relationship with UCLH and the Crick Institute. This was a demonstration of the outcomes that can be achieved through integrated care with close working between social care support teams and clinicians/medical colleagues. Both families and people we support have been supportive and appreciative of the dedication from teams in these challenging times. All of the people we support have had both vaccinations and we have rolled out the programme with the workforce.

All services have maintained their 'Good' rating in all domains which is positive and fulfils our aim at the beginning of the year, although obviously with COVID-19 there has not been the opportunity for onsite inspections. The focus is re-establishing processes that would normally consider business as usual in care services. As we work alongside the national roadmap out of COVID-19 restrictions and as noted in last year's accounts we continue to seek to establish person centred working at the core of all we do so that people can lead a full life with individualised support.

Fundraising

The expectations for 2020/21 were for significant growth in fundraising based on a new, ambitious 5 year fundraising strategy, but then the COVID pandemic hit. Biting cuts to staff and investment had to be made in order to make up for the lost income primarily as a result of less community & events activity (e.g., the cancelled London Marathon) and a lack of opportunity to build new substantial relationships with potential major donors and companies. That said the digital skills of the team came to the fore and we had surprising, but hugely welcome success with virtual fundraising in a very crowded market. Not least our Challenge 100 which raised nearly £100k and the Charity's annual Purple Day raised over £50k.

Of great success too was our Facebook Accelerator Programme which has brought onboard hundreds of new regular givers through hard-hitting videos and continues to perform successfully. Legacy income after a slow start to the year picked up hugely towards the end of the year as probate delays eased to generate £997k being one of the Society's highest annual legacy receipts.

Once the effects of the pandemic abate, we will continue to develop and deliver the 5 year fundraising strategy incorporating learnings to date. We are confident that once we are able to restart investment in fundraising significant opportunities exist that will increase net fundraising income in the coming years thus allowing us to invest in our vital Research, Advocacy and Care services.

The Epilepsy Society has its own fundraising team who work tirelessly and passionately, with the support of all staff, to raise as much money as possible to help those affected by Epilepsy. No professional fundraisers or commercial participators were engaged this year.

Land & Estates

The Estates team has played an important role in the Society's wider response to the unprecedented challenges created by the pandemic. The team has provided support to frontline care staff throughout including deep cleaning and sanitising of core facilities and opening up at short notice a temporary isolation ward for COVID positive residents at the peak of the pandemic. As we emerged into the Spring, the team has supported the Care Services team in the coordination of family visit rooms.

The Society's Estate includes over 50 buildings of varying ages and states of repair and a significant area of agricultural land which combined, extends to over 300 acres. Many of the older buildings are not fit for purpose and are expensive to maintain and there is an ongoing challenge of how to prioritise the use of limited budgets to undertake both responsive and planned maintenance across the Estate. Inevitably this means making difficult decisions and it is not possible to undertake everything we would like to do. Significant upward movements in the wholesale gas and electricity markets have also resulted in very large increases in our utility bills which adds to the already acute pressure on our budgets.

Given the financial challenges, it is important that we continue with our strategy of maximising the potential of our non-care related land and buildings. We rent a few buildings to local businesses, and this generates a modest but important income to the Society. We also rent a number of football pitches to the local football club. The income is very helpful but importantly the Society understands the significance of this facility and we want to continue to work closely with and support the local community where we can.

We have sold off small tranches of land over the last few years. Whilst this helps our short-term investment in services and charitable activities it is not a sustainable long or medium term strategy.

In 2020/21 we submitted a response to Buckinghamshire Council's call for brownfield sites. We believe that there is potential for some of the Society's non-care related Estate to be use for good quality, well designed residential development which would include the provision of affordable housing for local people.

We are also continuing to work up our proposals for a development across a wider area that would include new research and medical facilities. These proposals would enable the Society to reinvest receipts into further world leading research into epilepsy which would make a difference to the lives of so many people. Whilst the work is at an early stage, we expect the proposals to crystallise over the next 12 months and we will be working closely with the local community and other key stakeholders as we develop our ideas.

Staff

During the last 12 months the Society has focussed on ensuring it has adequate numbers of staff on the front-line given the global pandemic and our challenges with support worker recruitment. While, we have been unable to review pay due to a significant drop in our fundraising income, we have focussed our available funds to retain and attract support workers. As a result, we were able to pay bonuses to existing front-line staff to thank them for their continued hard work and also to new support workers as an incentive to join and retain them during our most difficult months in care services. This practice was also in line with other providers within the care sector.

Future Plans

Looking to the future, our plans are ambitious as we try to fulfil our new vision. The focus is on expanding our research, particularly in the genomics field, to provide significant benefits for many of the 600,000 people with epilepsy in the UK and increasing our campaigning and influencing activities to make a real impact on how people with epilepsy are treated and how the condition is understood generally.

In particular, in the next year, we intend to:

- strengthen our external affairs team to engage with Government at a higher level and more widely to achieve changes that make a real impact on the lives of people with epilepsy;
- press on with sequencing many of the 6,000 DNA samples we have and provide individual treatment for patients where analysis of the samples already sequenced produces translational results. We intend to strengthen and expand our research team to increase the level of research and speed of analysis and diagnosis arising from sequencing samples;
- continue to improve the way in which we provide care for the 113 people with epilepsy who live on our estate and the wider surrounding area. This includes focussing on person-centred care across our care homes and services, maintaining at least 'good' ratings from the CQC in all services and improving the quality of support;
- be confident in the quality of service that is delivered through our internal measurements, so that people are leading the best lives they can with the support from Epilepsy Society;
- maintain our overall rating of 'Good' in all domains with our inspectorate, CQC, in addition to having good quality ratings with the local authority 'Provider Assessment and Market Management Solution (PAMMS)' inspections;
- ensure continuity and consistency of support by engaging fewer agency staff;
- invest in fundraising and grow income in all areas particularly in community & events, major donors and trusts on the assumption the effects of the pandemic ease. We will be looking to grow the supporter base significantly and ensuring all those that support Epilepsy Society in whatever way have a great supporter experience;
- continue to review with UCLH, the medical services provided at Chalfont to ensure that the clinical governance provided is in place and appropriate they operate in the best way for service users and that they are financially viable for the Society;
- continue to drive epilepsy up the political agenda and to push home the goals of our three campaigns. We intend to: have malicious tweets directed at people with epilepsy included as an online harm; have people with epilepsy included in the free flu vaccine; secure greater funding for research into the potential teratogenicity of epilepsy medications;
- at all times, we seek to raise awareness of epilepsy among the public in order to increase understanding of the condition and how to support someone with seizure first aid.

We are hugely grateful to the thousands of people who choose to support Epilepsy Society during such difficult times for everyone. It really is very much appreciated and makes a huge difference to the support we are able to give all those affected by epilepsy.

Long term plans

The Trustees have continued to consider the longer term future and plans of the Society. The Epilepsy Society's estate is large and runs to 300 acres. The vast majority of the site is farmland which produces a very modest return financially. The main site consists of over 50 buildings of varying ages and states of repair. Many of the older buildings are not fit for purpose and are expensive to maintain.

On-site care facilities are essential for our residents with complex epilepsy and associated conditions. However, many of these facilities are old and costly to maintain and not at all ideal for the best possible care and support of the people who live there.

The maintenance of such a large estate is a significant burden for the Society. As can be seen from these accounts, the Society's business as usual operations have continued to be loss making and the reserves are modest, so not only is it a constant struggle to break even, but the safety net for the Society is relatively small. We have sold off small tranches of land over in recent years, which helps short term investment in services and charitable activities, but this is not financially sustainable as a long or medium term strategy.

Our financial situation means that our beautiful estate - which was a generous gift to the Society more than a century ago – now presents a significant cost burden. The Trustees have a responsibility to make the best use of assets for the beneficiaries of today and tomorrow and so have been acting to release capital from the land to ensure we can achieve the ambitious aims we have. In 2021/22, the focus for Trustees and the management board will be to secure the necessary planning permissions to facilitate development of the site.

This development would include a new research and medical centre to reflect the standing of Chalfont worldwide in this area and free up capital to invest at a significantly higher level in the research that can make so much difference to the lives of people with epilepsy in the future. We have engaged with external professional parties and recruited a new Director of Land & Estates to progress the plan and expect to be in a position to submit plans over the coming 12 months.

d) Principal Risks

The principal risks and uncertainties for the Society and the Group are nearly identical and are managed together. The Society identifies and sets out the major strategic risks to which the Group could be exposed and then identifies controls and establishes action plans to mitigate them.

The Society considers a wide range of risks that would impact on the Society, its residents, its staff and its beneficiaries. They cannot all be listed here, but the major risks that would have the most impact are:

- **harm to people** – we need to keep people with epilepsy, our staff, visitors, contractors and customers safe and there is always a risk that despite our safeguards and training, an incident happens that means someone is seriously hurt. This risk is managed through individual risk assessments and continuous monitoring of service delivery as well as external inspection processes. Compliance is ensured through health and safety audits and more general oversight by the Health & Safety committee;

- **the impact of COVID-19 on residents** – we need to continue to run our care service in a way that reduces the risk of COVID-19 to our residents and staff. However, many aspects of this are outside our control and the risk of serious illness, notwithstanding the successful roll out of the vaccine programme to all residents, across a number of residents remains very real. To mitigate this risk, there is extensive use of PPE and infection control procedures. Both staff and residents we support are subject to PCR testing and staff undertake lateral flow testing in addition. Isolation areas are available following any transmission. Clear policy for family and community visits are in place. Also, the vaccination programme is complete for people we support and at 74% for permanent staff as at May 2021 for the first dose of the vaccination.
- **estate management** – managing an ageing estate with tired infrastructure effectively with limited budget resource presents a key financial strain on the Society such that key upgrades and repairs / maintenance may be delayed to future years or not undertaken. To mitigate this, critical responsive maintenance is prioritised and minimal planned maintenance for the fabric of the buildings and core infrastructure is undertaken;
- **land deal** – we need to ensure land assets are effectively utilised for charitable purposes and the Society's long term ambitions. This will involve effective communication of social and business case for change of use for land and realisation of value.
- **organisational data and supporter consent** – we need to continue to safeguard and uphold the integrity of data held by the Society. Ongoing review of organisational data is performed, and staff participate in GDPR awareness training where necessary. External outsourced support (Protecture) work with staff to provide information and support on handling data such as, why we hold certain data and for how long it should be held.
- **the Society becomes unsustainable financially in the long term** - financial management is a key element of the Trustees' responsibilities. Finances for a charity are always at risk from a sudden downturn. If the Trustees do not take appropriate action in situation of that type, the Society could become unsustainable. Work is ongoing now to secure the land deal.
- **inability to attract, train and retain staff** - this applies to staff in all areas, but particularly in care, where there is a shortage of people willing to work for the salaries that the sector can afford to offer, and in research, where we need highly trained professionals to progress work in areas such as genomics and who are much in demand across the various research sectors. To mitigate this, we use regular agency workers in services with high volume on vacancies. Protocols are in place to manage potentially unsafe staffing levels and escalation procedures in place to ensure managers and on call managers out of hours have clear guidance to follow. Rotas are reviewed each day for the next 48 hours to ensure that cover is within safe staffing levels and a suitable balance between permanent/bank staff and agency workers.

e) Operational Performance

Our Year in Numbers

- Over £1.5 million invested into our research programme
- 3,223 helpline calls answered, 1,999 emails answered
- 5,026 information resources sent out
- 2 million visitors to our website (of which around 862,000 went to our online support pages)
- 168,994 engagements on social media
- Another 540 whole DNA genome sequences analysed
- More than 90 academic papers published by the Chalfont Centre
- 7 out of 7 of care services rated 'good' by CQC

f) Key Performance Indicators

During 2020/21 the Society did not set Key Performance Indicators (KPIs) due to COVID-19. However, a new set of performance indicators have been agreed and approved by the Board of Trustees for 2021/22 against which performance of the Charity will be measured.

g) Financial Review

From a financial point of view, the Society has continued to manage its resources effectively during 2020/21 and provided the services it had planned to its beneficiaries. There was an overall deficit for the group of £1.2m (excluding net gains on investments) compared to a budget deficit of £5m and deficit of £2.1m in 2019/20. During 2020/21, due to COVID-19, the Society's income and cost generating activities were significantly impacted, which, coupled with a focused effort to reduce the cost base of the charity resulted in an overall deficit reduction. In 2019/20, the Society established a designated reserve to manage the spending of the proceeds from the sale of land to Audley developments and in the year, it used £1.0m (2020: £1.1m). Further details of the designated reserve can be found in note 17 to the accounts.

Selling off parts of the estate is a short-term answer and is not sustainable solution going forward. As a result, the Trustees continue to follow strategies that make the best use of our assets for the benefit of people with epilepsy throughout the UK.

The Society recognised two significant financial movements during 2020/21. Firstly, an actuarial loss on its defined benefit pension scheme of £1.908m (2020: £970k gain) and, secondly, an upwards revaluation of its farmland of £2.24m (2020: £nil).

Income

Group income overall has fallen by £1.2m from 2019/20 to £16.0m. The impact of COVID has resulted in a reduction in donations to £1.5m (2020: £1.6m) and care fees to £10.7m (2020: £11.4m) as a result of not being able to fill a minimum of seven beds at any one time throughout the year due to ongoing restrictions. The Society expects to return to full capacity by Q3 of 2021/22. Notwithstanding COVID, generating income from care and services continued to be difficult due to pressure on fees from Local Authorities.

Due to the external environment and the Society's drive to achieve a break even position the focus in 2020/21 was around identifying and realising cost reductions. The majority of the savings required to eliminate the Society's financial deficit were put in place during the year and now further efforts are required across the business to identify where the remaining savings can be put in place.

Donations and legacies total £3.4m in 2020/21 and this is £444k higher compared to 2019/20. The majority of this difference is due to gifts in kind of £342k, relating to advertising however the net impact to income of this is zero. General donations are down by £525k this year, due to the effects of COVID and particularly the cancellation of fundraising events such as the London Marathon have contributed to this fall.

This year we received £329k in relation to COVID grants which is shown in grant income to cover the additional expenditure incurred during the pandemic and the net position is therefore nil. Legacy income is £206k higher compared to last year which varies each year.

Expenditure

As with the Society's income, overall, the Society's costs have decreased to £17.1m this year from £19.2m last year. This is mainly due (£1.8m) to a reduction in the level of activity relating to care and medical services as a result of the restrictions imposed from COVID. We expect these costs to rise as we progress through 2021/22 as restrictions ease and income generating activities resume.

While we expect income to rise during 2021/22, due to the necessary drive to achieve cost savings it is not expected that costs will rise at the same rate.

Funds and reserves

In line with Charity Commission guidance, the Trustees aim to have an appropriate level of reserves to allow the Society to continue to operate through a temporary fall in income levels. To help meet that aim the Society has a reserves policy, approved by the Board, which sets minimum levels of reserves.

The policy states that the Society shall maintain a level of 'free reserves' that covers all the annual expenditure of the Society (based on current projected costs for the year excluding depreciation) for at least four months and expenditure of the Society excluding care and medical service costs (where there is an established flow of income) for at least nine months. Free reserves are defined within the policy and are consistent with the reporting requirements of the SORP.

Total reserves for the Group have decreased from £26.2m last year to £25.2m at 31 March 2021 reflecting in part the spending of some of the land sale proceeds from 2018/19. The reserves comprise restricted reserves of £2.8m, a negative pension reserve of £9.6m, a revaluation reserve of £2.2m and unrestricted funds of £29.8m, of which £8.3m sits in a designated reserve. Free reserves, which exclude funds held as fixed assets, total £15.8m at 31 March 2021 (2020: £15.5m).

The Trustees believe that while the Society continues to generate a deficit it has sufficient working capital to fund operations for the foreseeable future and gives them time to take appropriate action to reduce costs in the unlikely event that income falls significantly. Furthermore, it provides sufficient time for management to progress work around the land deal.

In 2019/20, the Trustees reviewed the funds received as part of the sale of land to Audley and decided that a designated reserve should be set up to keep track of the use of the funds for four purposes. Accordingly, a balance of £10.4m was transferred into designated funds as at 1 April 2019. Since 2019/20 expenditure of £2.1m is attributable to the designated reserve and therefore the balance at 31 March 2021 is £8.3m.

Details of fund movements for the year are set out in note 17 and restricted reserves are detailed in note 19 to the accounts.

Balance Sheet

The significant movements in the Balance Sheet since 31 March 2020 are in investments, cash, and the pension liability. All other assets and liabilities have only fluctuated as a result of day-to-day activities.

Investments At 31 March 2021 the Society instructed RICS accredited surveyors to perform a valuation on its **investment** in Skippings farmland. This resulted in an upwards revaluation of £2.24m, which was recognised in the Statement of Financial Activities.

Cash The Society's cash at bank and in hand decreased from £18.7m to £16.3m at 31 March 2021. The decrease was primarily due to funding the pension scheme deficit for the year and the deficit generated from core activities. The Society has an investment policy approved by the Trustees which limits investments to mainstream banks and financial institutions to manage the counterparty risk, which is also managed by placing limits on deposits with individual institutions. The funds are currently held in short-term accounts so that they are available to meet the needs of the Society.

Pension The Society is responsible for a defined benefit pension scheme, which is now closed to new members, but has a significant liability as a result of the number of pensioners and deferred members covered by the Scheme. The deficit is recorded on the Balance Sheet in accordance with FRS102 and a comprehensive deficit reduction plan is in place. The primary reason for the increase in the deficit from £8.7m last year to £9.6m this year is due to an increase in the value of liabilities. This is as a result of changes to the financial assumptions leading to a lower assumed discount rate and a higher assumed rate of inflation, both of which have contributed to the increase in liabilities. This has been partially offset by a gain on the assets due to higher than assumed investment returns over the period and by contributions made by the Society.

Going concern review

As identified in the risk section above, COVID-19 has had, and will continue to have, significant impacts on the operations of the Society. One potential impact is a reduction in voluntary income. The Trustees have reviewed the financial sustainability of the Society in some detail this year and, in particular, have considered expected cashflows for 18 months after the date of signing of these accounts. As the ongoing impact of COVID-19 is uncertain, they have also stress-tested the cashflow based on a number of scenarios (including their responses to them) and are satisfied that in all cases the Society remains able to meet its obligations to at least 31 March 2023 and that these accounts should be prepared on a going concern basis.

h) Fundraising Activities

Like most charities, the Society raises funds from voluntary sources such as donations, fundraising events, legacies and grants. We rely on the commitment, hard work and generosity of supporters, donors and fundraisers to provide the money to enable us to provide the services for people with epilepsy throughout the UK.

The Society has its own fundraising team who generally support fundraisers in the community, obtain donations from individuals and make applications to trusts. The Society only puts on small scale events of its own and generally does not employ professional fundraisers or commercial participators.

The Society follows the Fundraising Regulator's Code of Practice, aspires to apply the highest standards in its fundraising activities and is a member of the Institute of Fundraising.

Our code of conduct for the Society or its supporters fundraising takes all reasonable steps to protect vulnerable people and members of the public from intrusion into their privacy, persistent requests and undue pressure.

We received 21 formal complaints about our fundraising activities during the year. All have been dealt with sensitively and as appropriate according to our complaints policy and procedures.

i) Engagement with Stakeholders

The Trustees, who are Directors for the purposes of the Companies Act, confirm that in accordance with Section 172 (1) of the Companies Act they act in a way they consider most likely to achieve the purposes of the Company. In making this assessment, the Trustees consider the relevant actions of the Board, and engagement with all stakeholders is described throughout the annual review. Taking the areas required for disclosure in turn:

The likely consequences of any decision in the long term

Epilepsy Society's long-term sustainability is considered by the Trustees as set out in the Funds position and reserves policy and Going concern sections on pages 15 and 16. Risk management is also discussed further in the report, on page 12 and 13.

The interests of the company's employees

This is detailed on page 17 under the Employment and Volunteers section.

The need to foster the company's business relationships with suppliers, customers and others

Epilepsy Society maintains a positive relationship with its suppliers, ensuring all non-disputed invoices are paid within 30 days - in line with Epilepsy Society's agreed payment terms. Our business partnerships are further outlined in the Fundraising activities section on pages 16 and 17. Lived experience sits at the heart of all we do, in particular working with our beneficiaries, and all of our engagement with key stakeholder groups involves consideration of this, including board discussions.

The impact of the company's operations on the community and environment

Epilepsy Society's environmental reporting is detailed on page 18.

The desirability of the company maintaining a reputation for high standards of business conduct

Epilepsy Society has a compliance assurance framework to manage regulatory and legal risk and is committed to complying with all applicable laws and regulations relating to fraud, bribery and corruption.

j) Employment and Volunteers

The Society employs more than 250 staff and encourages volunteers to help us a range of ways. We have in place an operational Equality and Diversity Policy to ensure that no job applicant, employee or volunteer receives less favourable treatment, is discriminated against or is disadvantaged as a result of any of the 9 characteristics set out in the Equality Act.

The Society aims to be a place where staff and volunteers enjoy working, are involved in establishing the Society's approach and help to provide high quality services to people with epilepsy. We want staff to feel supported and have a range of support mechanisms in place to provide them with help when they need it.

Learning and development is a key element of looking after our staff and giving them the skills to carry out their roles to a high standard. All staff take part in regular training on key competencies and there is a range of courses for staff wanting to progress or advance their skills.

k) Insurance, Health and Safety and Energy Reporting

Health and safety is very important to the Society. We are committed to the care of our residents, staff and volunteers and providing a healthy, safe environment for every person who uses or provides our services. We operate safe systems of work and provide Health and Safety training to staff at all levels of the Society. Health and Safety issues are reviewed regularly both by the management team and the Board of Trustees.

The Society maintains a range of insurance policies to protect the association against various risks. These are reviewed before renewal each year and cover is adjusted to take account of changing risks and Value for Money. The policies include cover for members of the Board and officers against liabilities in relation to the Society and its activities.

Under the Energy and Carbon Report Regulations, we are required to include Streamlined Energy and Carbon Reporting. This information is set out below.

UK greenhouse gas emissions and energy use data	Year ended 31 March 2021	Year ended 31 March 2020
Energy consumption used to calculate emissions (kWh)	5,426,330	5,483,305
Energy consumption break down:		
<ul style="list-style-type: none"> • gas (kWh) • electricity (kWh) • transport fuel (litres) 	<p>3,521,333</p> <p>1,892,678</p> <p>1,270</p>	<p>3,984,695</p> <p>1,498,610</p> <p>6,000</p>

UK greenhouse gas emissions and energy use data	Year ended 31 March 2021	Year ended 31 March 2020
Emissions in metric tonnes CO2e:		
Gas and electricity	1,126.69	1,111.50
Owned transport	2.56	15.60
Total	1,129.25	1,127.10
Intensity ratios in metric tonnes CO2e:		
Per staff member (276)	1.51	4.04
Per resident (94)	6.05	11.66
	(Based on average usage per resident being 4 x that of staff member)	

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting. The chosen intensity measurement ratios are based on numbers of staff and number of residents, which the Trustees believe are the most appropriate measurements.

We aim to reduce the energy usage by undertaking energy efficiency measures. In 2019/20, decisions made that had a positive impact on energy usage included closing one care home and moving residents in vacant rooms in other care homes we run and replacing some of the old communal boilers with new more energy efficient ones. We intend to review our usage across our site as lockdown measures ease in the current year and introduce further measures to reduce our carbon footprint.

l) Governance, the Board and Executive Officers

The Society is governed by its Articles of Association which set out the composition of the Board, the classes of membership and the retirement by rotation of Trustees. The Society currently has around 100 voting members.

The Board has to be made up of between 6 and 16 Trustees of whom no more than 4 Trustees may be co-opted. Currently, there are 11 Trustees who are listed on page 56 and meet quarterly. They delegate some authority to their three Committees: Audit, Governance & Risk; Finance, Performance & Resources; and Appointments & Remuneration. Each Committee is chaired by a Trustee and the membership is composed of a number of other Trustees.

The Board is responsible for setting the strategic direction of the Society and ensuring that it is properly controlled, the risks are managed, it is financially sustainable and that it delivers charitable outcomes for people with epilepsy in the UK.

The Trustees have a broad range of skills and expertise and are recruited through open advertisement. The Board resolved to extend the time that Trustees are allowed to serve on the Board by three years from six to nine years. Trustees will continue to be elected for terms of three years up to a maximum of nine years. The Board agreed to reserve the right to extend the maximum time served on the Board beyond nine years in exceptional circumstances. Such reappointments will be made in accordance with the guidance contained within the Charity Governance Code at Chapter 5.7.4. The Charity Governance Code is due to be considered in detail by the Audit, Governance and Risk Committee during 2021/22 with the view to publishing details on the Society's website confirming how it is adhered to.

The Board delegates the day to day operations to the Chief Executive Officer, who is supported by five Directors who are also listed on page 56. The pay of the Directors is reviewed annually by the Board of Trustees with the salaries being benchmarked against pay levels in other not for profit organisations of a similar size.

m) Statement of Trustees' Responsibilities

The Trustees, who are also directors of the Epilepsy Society for the purpose of company law, are responsible for preparing the Trustees' annual report, which includes the strategic report, and the Financial Statements for the Group and the Society 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. They must not approve the Financial Statements unless they are satisfied that these give a true and fair view of the state of affairs of the charitable company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the Group for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the Financial Statements on a going concern basis, unless it is inappropriate to presume that the charitable company will continue to operate.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the Financial Statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Society and the Group and therefore for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Trustees is aware at the time the report is approved:

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

n) External Auditors

Crowe U.K. LLP were appointed as the Society's auditors by a General Meeting of members of the Society. Crowe has expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

This Trustee's annual report was approved by the Board of Trustees on 18 October 2021 and is signed on their behalf by:



Peter Worthington
Chairman

Opinion

We have audited the financial statements of the Epilepsy Society for the year ended 31 March 2021 which comprise the Group and Parent Statements of Financial Activities, Group and Parent Balance Sheets, and Consolidated Cash Flow Statement and the related notes 1 to 23 to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charitable company's affairs as at 31 March 2021 and of 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and 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 trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 our 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 strategic report and the directors' 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 light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- adequate and proper accounting records have not been kept 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 trustees' responsibilities statement set out on page 19 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 group and 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Care Quality Commission (CQC) regulations, employment legislations, taxation legislations and anti-fraud, bribery and corruption legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included review of grant expenditure monitoring in place, enquiries of management, and the Audit, Governance and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, recording the impact of the CQC regulatory reviews and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.



Tim Redwood
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

Date: 3 December 2021

Consolidated Statement of Financial Activities (including Income and Expenditure Accounts) for the year ended 31 March 2021

	Note	31 March 2021			31 March 2020
		Unrestricted funds	Restricted funds	Total funds	Total funds
		£'000	£'000	£'000	£'000
Income from					
Donations and legacies	3	2,215	1,151	3,366	2,922
Charitable activities	4	11,692	-	11,692	13,529
Other trading activities	5	306	-	306	404
Investments	6	150	-	150	204
Other		442	-	442	95
		14,805	1,151	15,956	17,154
Expenditure on:					
Raising funds	3	(908)	-	(908)	(723)
Charitable activities:					
Care	4	(11,443)	(281)	(11,724)	(12,706)
Research	4	(1,199)	(316)	(1,515)	(1,528)
Medical services	4	(1,822)	(73)	(1,895)	(2,703)
Help, information and advocacy services	4	(436)	-	(436)	(689)
Other	4	(234)	(35)	(269)	(2)
		(15,134)	(705)	(15,839)	(17,628)
Trading activities	5	(27)	-	(27)	(429)
Other costs	8	(353)	-	(353)	(444)
Total expenditure		(16,422)	(705)	(17,127)	(19,224)
Net gains on investments	14	2,226	-	2,226	-
Net income/(expenditure) for the year		609	446	1,055	(2,070)
Transfers between funds	17	10	(10)	-	-
Other recognised gains/(losses):					
Actuarial (losses)/gains on defined benefit pension scheme	20	(1,908)	-	(1,908)	970
Net movement in funds	17	(1,289)	436	(853)	(1,100)
Reconciliation of funds:					
Total funds brought forward	17	23,764	2,315	26,079	27,179
Total funds carried forward	17	22,475	2,751	25,226	26,079

	Note	31 March 2021		31 March 2020	
		Group £'000	Society £'000	Group £'000	Society £'000
Fixed assets					
Intangible assets	12	125	125	-	-
Tangible assets	13	15,474	14,283	16,114	14,884
Investments	14	4,440	6,886	2,200	4,646
		20,039	21,294	18,314	19,530
Current assets					
Stock		15	-	60	44
Debtors	15	1,419	1,441	1,356	1,364
Cash at bank and in hand		16,330	16,006	18,675	18,343
		17,764	17,447	20,091	19,751
Liabilities					
Creditors: Amounts falling due within one year	16	(3,022)	(3,022)	(3,618)	(3,613)
Net Current assets		14,742	14,425	16,473	16,138
Total assets less current liabilities		34,781	35,719	34,787	35,668
Net assets excluding pension liability		34,781	35,719	34,787	35,668
Defined benefit pension scheme liability	20	(9,555)	(9,555)	(8,708)	(8,708)
Total net assets		25,226	26,164	26,079	26,960
The funds of the charity					
Restricted income funds	19	2,751	2,751	2,315	2,315
Unrestricted funds	17	21,527	22,465	23,163	24,044
Designated fund	17	8,263	8,263	9,309	9,309
Pension reserve	17	(9,555)	(9,555)	(8,708)	(8,708)
Revaluation reserve		2,240	2,240	-	-
Total unrestricted funds		22,475	23,413	23,764	24,645
Total charity funds		25,226	26,164	26,079	26,960

The financial statements on pages 25 to 55 were approved by the Trustees on 18 October 2021 and signed on their behalf by:



Peter Worthington
Chairman



Peter Goodfellow
Treasurer

The notes on pages 28 to 55 form part of these accounts

	31 March 2021	31 March 2020
	£'000	£'000
Cash flows from operating activities:		
Net cash provided by operating activities	(2,262)	(1,455)
Cash flows from investing activities:		
Dividends, interest and rents from investments	150	204
Purchase of property, plant and equipment	(233)	(249)
	(83)	(45)
Cash flows from financing activities:		
Repayments of borrowing	-	(47)
Capital element of finance lease rentals	-	(118)
	-	(165)
Change in cash and cash equivalents in the year	(2,345)	(1,665)
Cash and cash equivalents at beginning of the year	18,675	20,340
Cash and cash equivalents at end of the year	16,330	18,675

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

Group	31 March 2021	31 March 2020
	£'000	£'000
Net income for the year	1,055	(2,070)
Adjustments for:		
Depreciation and amortisation	734	711
Dividends, interest and rents from investments	(150)	(204)
Pension deficit service and interest costs	220	313
Pension deficit contributions	(1,281)	(199)
(Profit)/loss on sale of fixed assets	14	-
Investment revaluation	(2,240)	-
Decrease/(increase) in stocks	45	3
(Increase)/decrease in debtors	(63)	(712)
Increase/(decrease) in creditors	(596)	703
Net cash provided by operating activities	(2,262)	(1,455)

The Society has taken advantage of the exemption that allows it to prepare a Group cashflow and not a separate cash flow for the Society.

1. Legal status

The Society is a company limited by guarantee (registered number 492761). The Directors of the Company are the Trustees set out on page 56. In the event of the Society being wound up, the liability in respect of the guarantee is limited to £1 for each member of the Society.

The Society is registered as a charity with the Charity Commission (charity number 206186).

2. Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (FRS102), the Companies Act 2006 and applicable accounting standards (FRS102). The charity is a Public Benefit Entity as defined by FRS102.

The Trustees consider that there are no material uncertainties regarding the charity's ability to continue as a going concern. In arriving at this view, the Trustees have considered the risks presented by the impacts of COVID and the timing of future cash flows. They have considered a range of scenarios and consider that, having taken account of these scenarios (including actions that would be taken in response to risks crystallising), the impact of COVID and the likely timings cash flows over the coming 12 months does not create uncertainties around the assessment of the charity as a going concern.

b) Significant judgements and estimates

In preparing these financial statements, management has made judgements in the application of the Society's accounting policies which materially affect the amounts recognised in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key areas subject to judgement and estimation are as follows:

- **Legacy income**

Judgement is applied in the consideration of the likelihood of receipt and reliability of measurement of amounts receivable in respect of legacies to which the charity has established entitlement at the balance sheet date. Subsequent events are monitored to identify those which give additional information about conditions as at the balance sheet date which would warrant adjustment to the financial statements.

- **Pension scheme accounting**

Judgement is applied in the selection of the valuation assumptions applied to the Society's defined benefit pension schemes as set out in note 20.

- **Cost of land & buildings**

The Group has revalued its farmland as at 31 March 2021 in accordance with its accounting policies. As is normal for this sort of exercise, there is a significant element of judgement used and a number of assumptions made by the Society's professional valuers in arriving at their valuation.

- **Bad and doubtful debts**

The Group provides against rent arrears of current and former tenants and other miscellaneous debts to the extent that they are considered to be irrecoverable.

c) Basis of Consolidation

The Group financial statements consolidate the financial statements of the Society, and its wholly owned subsidiaries, Epilepsy Enterprises Limited and NSE Facilities Limited, at 31 March 2021 with intra group loan and trading account balances and other intra group transactions being eliminated.

A summary of the key accounting policies, which have been applied consistently across all entities, is set out below.

d) Income

The Group recognises revenue when its receipt is probable as per section 23 of FRS102. All income is included in the Statement of Financial Activities when the Group is legally entitled to the income, is reasonably certain of receipt and the amount can be measured with reasonable accuracy.

Legacies' entitlement is recognised when it is probable that it will be received i.e. there has been grant of probate; the executors have established that there are sufficient assets in the estate, after settling any liabilities, to pay the legacy; and any conditions attached to the legacy are either within the control of the charity or have been met.

Income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable, and its amount can be measured reliably. Additionally, it is receivable when the conditions for receipt of agreed donation or grant funding have been met. Where terms and conditions have not been met or uncertainty exists as to whether the charity can meet the terms or conditions otherwise within its control, the income is not recognised but deferred as a liability until it is probable that the terms or conditions imposed can be met.

Donated services totalling £341,501 are included as a gift in kind and an expense and are included at their estimated value to the charity where this is reasonably quantifiable and measurable. In accordance with the Charities SORP (FRS 102), the general time of volunteers is not recognised.

e) Funds

Unrestricted funds are funds that are expendable at the discretion of the Trustees in furtherance of the general objects of the Society and which has not been designated for other purposes.

Designated funds comprise unrestricted funds that have been put aside at the discretion of the Trustees for particular purposes (see note 17). Each Designated fund is applied by the Board of Trustees on the recommendation of the Finance, Performance and Resources Committee.

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

f) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with use of the resources. Overheads have been allocated on appropriate bases such as staff numbers, income or expenditure.

g) Tangible fixed assets

Land and buildings are held at cost less accumulated depreciation. All other tangible fixed assets are held at cost less accumulated depreciation.

h) Intangible fixed assets

Intangible assets are identifiable non-monetary assets without physical substance. The Group's intangible assets comprise IT software and licences. These are stated at cost less accumulated amortisation. The cost includes cost of asset purchase and other directly attributable costs.

The threshold for capitalisation is £1,000 for a single asset or group of assets.

i) Depreciation and amortisation of fixed assets

Freehold land is not depreciated.

Other assets are depreciated, on a straight line basis over the useful economic life of the assets from the date of acquisition, as follows:

- | | |
|--|-------------------|
| • Freehold buildings used for the Society's operational activities | 50 years |
| • Leasehold buildings | Life of the lease |
| • Furniture, machinery and equipment | 4-10 years |
| • Computer equipment and telephones | 3 or 5 years |
| • Vehicles | 5 years |

Intangible assets are amortised on a straight line basis over the useful economic life of the asset as follows:

- | | |
|---|------------------------------|
| • Software licences | 3 years |
| • Other licences, trademarks, rights etc. | over their identifiable life |

j) Investments

The Group's investment in farmland is stated at market value. A desktop valuation is carried out annually at the balance sheet date by a RICS registered valuer. A full external valuation of the Estate including all property and land will be obtained at least every three years or if there is likely to be a material change in the value. An external valuation was performed as at 31 March 2021 on the farmland and a significant upwards movement in value was recognised. Investments in the subsidiaries are stated at cost. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

k) Impairment

The Group carries out an impairment review of individual tangible assets and cash generating units at each reporting date. The review takes into account internal and external indicators of impairment.

Where an indicator of impairment exists an impairment, assessment is performed where the carrying amount is compared to the recoverable amount. If the carrying amount of an asset or cash generating unit exceeds the recoverable amount then the loss is charged to the SOFA as expenditure and as a separate line within operating expenditure where it is considered to be material.

l) Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability of another entity. The Group accounts for its financial instruments using sections 11 and 12 of FRS102. Basic financial instruments are initially recognised at transaction price and in subsequent years at amortised cost. Financial instruments that do not meet the criteria of basic financial instruments are initially recognised at fair value and in subsequent years are measured at fair value at the end of each reporting period with any changes in fair value being recognised in the SOFA. The Group's financial instruments are all currently classified as basic.

Financial assets are derecognised when the rights to the cash flows from the asset expire or are settled. Financial liabilities are derecognised when the obligation is discharged, cancelled or expired. Any difference between the consideration paid or received and the amounts derecognised are recognised in the SOFA.

Financial assets measured at fair value held by the Group and Society at the year-end were £4.44m.

m) Stock

Stock comprises goods for resale and is valued at the lower of cost or net realisable value after making due allowance for obsolete or slow moving items.

n) Taxation

The Society is a registered charity and is exempt from Corporation Tax on its income and gains to the extent that they are applied to its charitable purposes. The subsidiaries aim to distribute any taxable profits in full to the Society through Gift Aid so will only provide for a tax liability where this is not possible.

o) VAT

The majority of expenditure is subject to VAT, which the Society is unable to reclaim. This expenditure is therefore shown inclusive of VAT. VAT can be reclaimed by the Society under the partial exemption method for certain other activities and this recovery is recognised in the SOFA during the year. Where the activities of the Society's subsidiaries relate to taxable supplies, VAT can be reclaimed, and this expenditure is shown net of VAT. The balance of VAT payable to or recoverable at the year-end is included in the Balance Sheet as a current liability or asset.

p) Pension costs

The Society operates a defined benefit pension scheme for permanent employees, which was closed to new entrants in 2006 and it is recognised according to section 28 of FRS102. The assets, liabilities and movements in the surplus or deficit of the scheme are calculated by qualified independent actuaries as an update to the latest full actuarial valuation.

q) Provisions

The Group provide for liabilities when:

- there is a present legal or constructive obligation, resulting from a past event, at the balance sheet date;
- it is probable that a transfer of economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

3. Voluntary income and costs of raising funds

Group	31 March 2021			31 March 2020
	Income and direct costs	Support costs	Total income and costs	Total income and costs
	£'000	£'000	£'000	£'000
Income:				
Donations and fundraising	1,482	-	1,482	1,551
Legacies	997	-	997	791
Grants	887	-	887	580
Total income	3,366	-	3,366	2,922
Expenditure:				
Costs of raising funds	(723)	(185)	(908)	(723)
Net funds raised	2,643	(185)	2,458	2,199

The above income was all in the Society, which also received £25k in gift aid, giving income of £3,391k.

4. Charitable activities

The Group carries on a range of charitable activities, some of which are funded from Local Authorities, Care Commissioning Groups and NHS Trusts. Others are funded from grants and voluntary income. These are grouped below in the following categories:

- **Care services** - the Society ran 6 care homes and a support service for people in supported housing or their own homes
- **Research** - the Society carries out research in conjunction with UCL and UCLH to help people with epilepsy. The major investment is in genomic research but other related research is also undertaken
- **Medical services** - the Group provides services and facilities for people with epilepsy to UCLH and other NHS trusts including a 24 bed in-patient facility, a pharmacy, therapeutic drug monitoring, MRI, other diagnostic assessments, an on-call doctor service and direct therapeutic services
- **Help, information and advocacy services** - the Society provides help and support to people with epilepsy through a helpline, online assistance, provision of information, signposting, training for professionals and advocacy and awareness raising activities.

The income and costs from these activities are set out below:

	31 March 2021 Group	31 March 2020 Group
	£'000	£'000
Care services		
Income	10,673	11,402
Direct costs	(9,026)	(9,491)
Support costs	(2,698)	(3,215)
Total costs	(11,724)	(12,706)
Net expenditure	(1,051)	(1,304)
Research		
Income	-	-
Direct costs	(1,144)	(976)
Support costs	(371)	(552)
Total costs	(1,515)	(1,528)
Net expenditure	(1,515)	(1,528)
Medical		
Income	1,002	2,038
Direct costs	(1,471)	(2,095)
Support costs	(424)	(608)
Total costs	(1,895)	(2,703)
Net expenditure	(893)	(665)
Help, information, and advocacy		
Income	17	89
Direct costs	(303)	(498)
Support costs	(133)	(191)
Total costs	(436)	(689)
Net expenditure	(419)	(600)

Other charitable activities

Income	-	-
Direct costs	(269)	(2)
Support costs	-	-
Total costs	(269)	(2)
Net expenditure	(269)	(2)

Total charitable activities

Income	11,692	13,529
Direct costs	(12,213)	(13,062)
Support costs	(3,626)	(4,566)
Total costs	(15,839)	(17,628)
Net expenditure	(4,147)	(4,099)

5. Other trading activities

The Group carry out a limited amount of other trading activities to raise funds for the Society. Some of these activities are carried out through the Society's subsidiary, Epilepsy Enterprises Limited. A breakdown of these activities is set out below:

Group	31 March 2021		31 March 2020	
	Income and direct costs £'000	Support costs £'000	Total income and costs £'000	Total income and costs £'000
Income:				
Fundraising events and lotteries	-	-	-	40
Merchandise	8	-	8	23
Coffee shop	-	-	-	64
Rental income and overnight charges	298	-	298	277
Total income	306	-	306	404
Expenditure:				
Costs of fundraising	-	-	-	(15)
Costs of sales - merchandise and shop	(4)	(4)	(8)	(53)
Letting costs	(123)	(163)	(286)	(361)
Net surplus/(deficit)	179	(167)	12	(25)

The Society's trading activities exclude the merchandise and coffee shop above, £5,000 of rental income (2020: £5,000) and £7,000 of support costs (2020: £9,000).

6. Investment income

Group	31 March 2021	31 March 2020
	Group £'000	Group £'000
Income from farmland	93	33
Other sundry lease income	32	88
Interest receivable and dividends	25	83
Total	150	204

7. Support costs

Support costs allocated to the activities of the charity represent the running costs of the Society. This includes substantial costs of managing our large and ageing estate including depreciation of the unused buildings. As a result, the Trustees are of the opinion that the total support costs allocated do not reflect a reasonable reflection of the costs of providing the services. The costs have been split out below between normal running costs and additional costs that the charity currently incurs in maintaining its estate.

7. Support costs (continued)

	31 March 2021	31 March 2020
	Group	Group
	£'000	£'000
Corporate, finance and governance costs	1,843	1,470
HR and IT costs	572	765
Depreciation of non-function specific assets	87	61
Estates and office services costs	624	1,177
Normal support costs	3,126	3,473
Additional costs¹:		
Depreciation of non-function specific assets	51	51
Estates and land costs	759	1,512
Total allocated support costs	3,936	5,036
Allocated to		
Raising funds	185	189
Charitable activities:		
Care	2,698	3,215
Research	371	552
Medical services	424	608
Help, information and advocacy services	133	191
Total charitable activities	3,626	4,566
Other trading activities	125	281
Total allocated support costs	3,936	5,036

¹ these costs represent expenditure on estate maintenance that arise only because of the nature of the Society's estate and depreciation of disused buildings together with costs of consultants and advisors employed to further the development or sale of part of the Society's estate.

8. Other income and expenditure

Other expenditure

The Society operates a defined benefit pension arrangement called the Epilepsy Society Pension and Life Assurance Scheme (the "Scheme"). Details of the Scheme are set out in note 20. The Scheme has been closed to new members for a number of years and at 31 March 2021 only had 6 active members. The Society makes employer contributions for these employees and significant deficit contributions into the Scheme which are accounted for as a cost in the normal way.

The major administration costs of running the Scheme are paid for directly by the Society rather than the Scheme. These costs, which total £133,000, together with the pension service costs and the pension interest costs are treated as other expenditure in the accounts as the Trustees do not consider it appropriate to class these costs totalling, £353,000, as support for its activities.

9. Employee information

Employees costs during the year were:

	31 March 2021	31 March 2020
	Group	Group
	£'000	£'000
Employee Costs		
Wages and salaries	8,519	8,589
Social Security costs	705	725
Pension costs	242	234
Apprentice Levy	27	28
Total	9,493	9,576

Employer deficit contributions of £1,281,000 (2020: £199,000) were paid into the Society's defined benefit pension scheme during the year as described in note 20. During the year Epilepsy Society paid £62,000 (2020: £nil) of redundancy costs. These expenses were approved by the Trustees for payment.

The average number of people employed during the year was:

	31 March 2021	31 March 2020
	Group	Group
Residential and domiciliary care services	212	205
Research and medical Services	18	27
Communication, information and marketing	9	9
Fundraising	8	8
Administration and management	29	31
Total	276	280

The Society also employs staff on bank arrangements where hours to be worked are agreed on an ongoing basis between the employee and the Society. The numbers above exclude bank workers, whose hours averaged 57 full-time workers during the year.

The number of people of higher paid staff including key personnel with emoluments for the year which fell into the following bands were:

	31 March 2021	31 March 2020
	Group	Group
More than £60,000 but not more than £70,000	3	1
More than £70,000 but not more than £80,000	1	2
More than £80,000 but not more than £90,000	1	2
More than £90,000 but not more than £100,000	-	1
More than £100,000 but not more than £110,000	-	-
More than £110,000 but not more than £120,000	-	-
More than £120,000 but not more than £130,000	-	-
More than £130,000 but not more than £140,000	1	-
More than £140,000 but not more than £150,000	-	1

10. Trustees and Executive Officers

Details of Trustees and Executive Officers are set on page 56 of these Financial Statements. Trustees do not receive any remuneration and during the year one Trustee claimed expenses of £28 (2020: three Trustees claimed £140).

The table in note 9 setting out employees in pay bands includes the Chief Executive Officer and other Executive Officers whose remuneration totalled more than £60,000 in the year. All Executive Officers are employed on contracts that are the same as those used for other staff and benefits, including pensions, on the same basis.

The total emoluments received by the Chief Executive Officer and other Executive Officers identified as key management personnel was £563k (2020: £615k) represented by salary of £472k (2020: £526k), national insurance of £57k (2020: £64k) and pension contributions of £34k (2020: £25k).

11. Net income

Net income is stated after charging/(crediting):

	31 March 2021 Group	31 March 2020 Group
	£'000	£'000
Depreciation of tangible fixed assets	711	710
Amortisation of Intangible fixed assets	23	1
Operating lease rentals:		
office equipment	6	11
External auditor's remuneration excl VAT:		
audit of the financial statements	29	29
for other services	2	2
Rental Income	421	397

12. Fixed assets: intangible assets

	31 March 2021		31 March 2020	
	Software & systems		Software & systems	
	Group	Society	Group	Society
	£'000	£'000	£'000	£'000
Cost				
At 1 April	200	200	200	200
Additions	147	147	-	-
Disposals	(76)	(76)	-	-
At 31 March	271	271	200	200
Accumulated Amortisation				
At 1 April	(200)	(200)	(199)	(199)
Charge for the year	(23)	(23)	(1)	(1)
Disposals	77	77	-	-
Transfers	-	-	-	-
At 31 March	(146)	(146)	(200)	(200)
Net book value				
At 31 March	125	125	-	-

13. Fixed assets: tangible assets

Group	31 March 2021				
	Freehold land & buildings	Fixtures, fittings, furniture & equipment	Computer & other equipment	Vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost:					
At 1 April 2020	20,909	846	3,396	208	25,359
Additions	-	12	75	6	93
Disposals	-	(152)	(71)	(49)	(272)
Transfers	-	-	-	-	-
At 31 March 2021	20,909	706	3,400	165	25,180
Accumulated depreciation:					
At 1 April 2020	(5,667)	(625)	(2,771)	(182)	(9,245)
Charge for the year	(417)	(68)	(219)	(14)	(718)
Disposals	-	151	58	49	258
Transfers	1	-	(5)	-	(4)
At 31 March 2021	(6,083)	(542)	(2,937)	(147)	(9,709)
Net book value:					
At 31 March 2021	14,826	164	463	18	15,471
At 31 March 2020	15,242	221	625	26	16,114

The land and buildings held by the Group and the Society were valued as at 31 March 2019 by Carter Jonas, a qualified RICS valuer, who valued the total land and buildings held by the Group at that date at £52.5 million.

13. Fixed assets: tangible assets (Continued)

Society	31 March 2021				
	Freehold land & buildings	Fixtures, fittings, furniture & equipment	Computer & other equipment	Vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost:					
At 1 April 2020	19,145	841	3,396	208	23,590
Additions	-	12	75	6	93
Disposals	-	(152)	(71)	(49)	(272)
Transfers	-	-	-	-	-
At 31 March 2021	19,145	701	3,400	165	23,411
Accumulated depreciation:					
At 1 April 2020	(5,129)	(624)	(2,771)	(182)	(8,706)
Charge for the year	(379)	(67)	(217)	(12)	(675)
Disposals	-	151	58	49	258
Transfers	-	-	(5)	-	(5)
At 31 March 2021	(5,508)	(540)	(2,935)	(145)	(9,128)
Net book value:					
At 31 March 2021	13,637	161	465	20	14,283
At 31 March 2020	14,016	217	625	26	14,884

14. Fixed assets: investments

	Society Farmland	Group Total
	£'000	£'000
Cost or valuation:		
At 1 April 2020	2,200	2,200
Movement in fair value for the year	2,240	2,240
At 31 March 2021	4,440	4,440
At 31 March 2020	2,200	2,200

The Society owns 222 acres of farmland that is rented out under an agricultural lease and treated as an investment. A revaluation gain of £2,240k on the Society's farmland was recognised at 31 March 2021. The basis of the valuation is for full vacant possession and takes into account similar land in the locality in line with the comparable approach generally accepted for valuation for agricultural property.

The Society has investment of fully paid up share capital in subsidiary NSE Facilities limited of £2,446k, which is eliminated on consolidation.

A £14k loss was recognised on various fixed asset disposals during 2020/21 and included within net gains/(losses) on investments resulting in a net gain of £2,226k.

Further information about the Society's investment in subsidiaries is set out in note 22.

15. Debtors

	31 March 2021		31 March 2020	
	Group	Society	Group	Society
	£'000	£'000	£'000	£'000
Due within one year				
Residential and Domiciliary Care Services	252	252	540	540
Less: Provision for bad and doubtful debts	(67)	(67)	(71)	(71)
	185	185	469	469
Medical Services Receivable	176	175	155	155
Rent Receivable	101	101	27	27
Other Receivables	(5)	(5)	17	16
VAT Refundable	-	-	1	-
Prepayments & Accrued Income	962	962	687	687
Intra group debtors	-	23	-	10
Total due within one year	1,419	1,441	1,356	1,364

16. Creditors: Amounts falling due within one year

	31 March 2021		31 March 2020	
	Group	Society	Group	Society
	£'000	£'000	£'000	£'000
Bank loan	-	-	32	32
Trade creditors	314	314	989	988
Finance lease obligations	-	-	86	86
Amounts owed to employees	261	261	333	333
Taxation and social security	218	218	236	236
Amounts held for residents and tenants	53	53	40	40
VAT payable	15	15	-	-
Other creditors	179	179	237	237
Accruals and deferred income	1,982	1,982	1,665	1,661
Intra group creditors	-	-	-	-
Total Creditors: Amounts falling due within one year	3,022	3,022	3,618	3,613

16. Creditors: Amounts falling due within one year (Continued)

The bank loan above was fully repaid during 2020. At 31 March 2021, the Society had no obligation (2020: £32,000).

	31 March 2021	31 March 2020
	Group £'000	Group £'000
Within one year	-	32
One year or more but less than two years	-	-
Two years or more but less than five years	-	-
Total borrowings	-	32

17. Fund movements

Group	31 March 2021					
	At 1 April	Income	Expenditure	Transfers	Gains and losses	At 31 March
	2020 £'000	£'000	£'000	£'000	£'000	2021 £'000
General funds	23,163	14,805	(16,422)	(5)	(14)	21,527
Designated funds	9,309	-	-	(1,046)	-	8,263
Revaluation reserve	-	-	-	-	2,240	2,240
Pension reserve	(8,708)	-	-	1,061	(1,908)	(9,555)
Total unrestricted funds	23,764	14,805	(16,422)	10	318	22,475
Restricted funds	2,315	1,151	(705)	(10)	-	2,751
Total funds	26,079	15,956	(17,127)	-	318	25,226

Group	31 March 2020					
	At 1 April	income	expenditure	Transfers	Gains and losses	At 31 March
	2019 £'000	£'000	£'000	£'000	£'000	2020 £'000
General funds	34,289	16,124	(18,118)	(9,132)	-	23,163
Designated funds	-	-	-	9,309	-	9,309
Pension reserve	(9,560)	-	-	(118)	970	(8,708)
Total unrestricted funds	24,729	16,124	(18,118)	59	970	23,764
Restricted funds	2,450	1,030	(1,106)	(59)	-	2,315
Total funds	27,179	17,154	(19,224)	-	970	26,079

17. Fund movements (Continued)

During 2019/20, The Trustees decided to create a designated fund to ensure that the proceeds from the sale of a tranche of our land to Audley in March 2019 would be used for the purposes they had agreed. The designated

Society	31 March 2021					
	At 1 April 2020	Income	Expenditure	Transfers	Gains and losses	At 31 March 2021
	£'000	£'000	£'000	£'000	£'000	£'000
General funds	24,044	14,805	(16,365)	(5)	(14)	22,465
Designated funds	9,309	-	-	(1,046)	-	8,263
Revaluation reserve	-	-	-	-	2,240	2,240
Pension reserve	(8,708)	-	-	1,061	(1,908)	(9,555)
Total unrestricted funds	24,645	14,805	(16,365)	10	318	23,413
Restricted funds	2,315	1,151	(705)	(10)	-	2,751
Total funds	26,960	15,956	(17,070)	-	318	26,164

Society	31 March 2020					
	At 1 April 2019	Income	Expenditure	Transfers	Gains and losses	At 31 March 2020
	£'000	£'000	£'000	£'000	£'000	£'000
General funds	35,113	16,091	(18,028)	(9,132)	-	24,044
Designated funds	-	-	-	9,309	-	9,309
Pension reserve	(9,560)	-	-	(118)	970	(8,708)
Total unrestricted funds	25,553	16,091	(18,028)	59	970	24,645
Restricted funds	2,450	1,030	(1,106)	(59)	-	2,315
Total funds	28,003	17,121	(19,134)	-	970	26,960

fund is used for a combination of four purposes:

- To invest in the backlog of works needed on the Society's ageing estate;
- To make one-off payments to the Society's pension scheme in 2020/21 and 2022/23 as part of the deficit reduction plan;
- To pay for consultants and legal costs incurred in possible development of the Society's land;
- To fund the Society's research programme to the extent that fundraising income fails to do so.

During the year, the Society incurred £1,182k in expenditure in these areas and this amount has been transferred out of the reserve during the year.

18. Fund assets and liabilities

The analysis of net assets between funds is set out below:

	Group		Society	
	31 March 2021		31 March 2021	
	Unrestricted funds	Restricted funds	Unrestricted funds	Restricted funds
	£'000	£'000	£'000	£'000
Tangible and intangible fixed assets	14,396	1,200	13,205	1,200
Investments	4,440	-	6,886	-
Current assets	16,213	1,551	15,896	1,551
Current liabilities	(3,019)	-	(3,019)	-
Defined benefit pension liability	(9,555)	-	(9,555)	-
Total net assets at 31 March 2021	22,475	2,751	23,413	2,751

	Group		Society	
	31 March 2020		31 March 2020	
	Unrestricted funds	Restricted funds	Unrestricted funds	Restricted funds
	£'000	£'000	£'000	£'000
Tangible and intangible fixed assets	14,884	1,230	13,654	1,230
Investments	2,200	-	4,646	-
Current assets	19,006	1,085	18,666	1,085
Current liabilities	(3,618)	-	(3,613)	-
Defined benefit pension liability	(8,708)	-	(8,708)	-
Total net assets at 31 March 2020	23,764	2,315	24,645	2,315

The designated fund at 31 March 2021 is all represented by current assets (cash at bank) and is included in unrestricted funds above.

19. Restricted funds

The Society receives donations and grants that can only be used for specified purposes. The Society maintains records for each donation or grant given in this way and allocates costs against those funds. To allow the table below summarises the types of activities the income is received in respect of. In some cases, actual restrictions are more specific than the general categories used in this table.

Group and Society	31 March 2021				
	At 1 April 2020	Income	Costs	Transfers	At 31 March 2021
	£'000	£'000	£'000	£'000	£'000
Specific genomics research	518	523	(197)	-	844
General genomics research	-	120	(120)	-	-
Specific other research	30	114	-	-	144
General research	191	78	-	-	269
MRI IT upgrade	15	-	-	-	15
Helpline service	205	23	(72)	-	156
Care services and activities	110	288	(281)	(9)	108
The New House	1,230	-	(30)	-	1,200
Other areas	16	5	(5)	(1)	15
Total restricted funds	2,315	1,151	(705)	(10)	2,751

The costs above include £10,000 (2020: £59,000) relating to capital purchases.

Group and Society	31 March 2020				
	At 1 April 2019	Income	Costs	Transfers	At 31 March 2020
	£'000	£'000	£'000	£'000	£'000
Specific genomics research	668	592	(742)	-	518
General genomics research	-	228	(228)	-	-
Specific other research	97	30	(97)	-	30
General research	136	57	(2)	-	191
MRI IT upgrade	76	-	(2)	(59)	15
Helpline service	93	112	-	-	205
Care services and activities	103	11	(4)	-	110
The New House	1,260	-	(30)	-	1,230
Other areas	17	-	(1)	-	16
Total restricted funds	2,450	1,030	(1,106)	(59)	2,315

The nature of the restriction on these funds can be understood from the table above with the exception of "The New House", which represents donations that were received in prior years for the building of a block of 12 supported flats for people with epilepsy. The depreciation on the capital asset, which is still subject to the restrictions, is charged to the fund.

The prior year figures above set out the element of the 2020 Statement of Financial Activities that relate to restricted income and expenditure. All other items in the prior year SOFA relate to unrestricted funds.

20. Pensions

Epilepsy Society (the Company) operates a defined benefit pension arrangement called the Epilepsy Society Pension Scheme (the Scheme) to 241 permanent employees. The Scheme provides benefits based on final salary and length of service on retirement, leaving service or death. The Company also operates a defined contribution scheme but this is not included in these disclosures.

The Scheme is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Scheme is carried out at least once every three years to determine whether the Statutory Funding Objective is met. As part of the process the Company must agree with the Trustees of the Scheme the contributions to be paid to meet any shortfall against the Statutory Funding Objective and to pay for the future accrual of benefits.

The most recent comprehensive actuarial valuation of the Scheme was carried out as at 31 March 2019 and the next valuation of the Scheme is due as at 31 March 2022. In the event that the valuation reveals a larger deficit than expected the Company may be required to increase contributions above those set out in the existing Schedule of Contributions. Conversely, if the position is better than expected, it is possible that contributions may be reduced.

The Company expects to pay contributions of £300,000 in the year to 31 March 2022, plus the cost of the Pension Protection Levy and the expenses of operating the Scheme.

The Scheme is managed by a board of Trustees appointed in part by the Company and in part from elections by members of the Scheme. Trustees have responsibility for obtaining valuations of the fund, administering benefit payments and investing the Scheme's assets. The Trustees delegate some of these functions to their professional advisers where appropriate.

The effect of the judgment regarding equalisation of guaranteed minimum pensions for past transfers has been accounted for as a past service cost during the period.

There were no plan amendments, curtailments or settlements during the period.

The Scheme exposes the Company to a number of risks:

- Investment risk. The Scheme holds investments in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, short-term volatility can cause additional funding to be required if a deficit emerges.
- Interest rate risk. The Scheme's liabilities are assessed using market yields on high quality corporate bonds to discount the liabilities. As the Scheme holds assets such as equities the value of the assets and liabilities may not move in the same way.
- Inflation risk. A proportion of the benefits under the Scheme are linked to inflation. Although the Scheme's assets are expected to provide a good hedge against inflation over the long term, movements over the short-term could lead to deficits emerging.
- Mortality risk. In the event that members live longer than assumed a deficit will emerge in the Scheme.
- Member options. Certain benefit options may be exercised by members without requiring the consent of the Trustees or the Company, for example exchanging pension for cash at retirement. In this example, if fewer members than expected exchange pension for cash at retirement then a funding strain will emerge.

The principal actuarial and main financial, assumptions used to calculate the Scheme liabilities are:

Group and Society	31 March 2021	31 March 2020
	%age pa	%age pa
Salary increase rate	2.95	2.00
CPI pension increases (fixed at 3%)	3.00	3.00
CPI pension increases (between 3% and 5%)	3.45	3.20
CPI pension increases (maximum 5%)	2.85	1.95
CPI pension increases (maximum 2.5%)	2.15	1.60
Discount rate	1.85	2.25
RPI increase rate	3.50	2.80
CPI increase rate	2.95	2.00
Tax free cash on commutation	20.00	20.00

The CPI for pension increases figures above set out the assumption used for pension increases dependent on the increase clause within members' pension conditions.

20. Pensions (continued)**Assets held in the scheme**

The Scheme invests funds in range of assets to produce an investment return. At 31 March 2021, the share of assets based on the valuation at that date is as follows:

Group	31 March 2021	31 March 2020	31 March 2019
Equities	57%	44%	66%
Gilts and bonds	7%	34%	21%
Property	3%	-	1%
Cash	5%	17%	12%
Other assets	28%	5%	-
Total	100%	100%	100%

The actual gross return on the assets over the period was £3,330,000 (2020: £277,000). The assets do not include investment in the shares of the Society or any Group company.

Under FRS102, the expected return on assets is the same as the discount rate used to value the liabilities. However, the assets and liabilities will not generally change in the same manner over time and are also unlikely to change in the same way as other measures of the funding position such as that used for scheme funding or assessing solvency.

Amounts recognised in the Balance Sheet as at 31 March 2021

Group	31 March 2021	31 March 2020
	£'000	£'000
Fair value of employer assets	30,775	28,006
Present value of funded liabilities	(40,330)	(36,714)
Net liability	(9,555)	(8,708)

Amounts recognised in the Statement of Financial Activities for the year ended 31 March 2021

Group	31 March 2021	31 March 2020
	£'000	£'000
Current service cost	33	85
Past service cost	5	-
Interest on Scheme liabilities	806	909
Interest on Scheme assets	(624)	(681)
Total	220	313

20. Pensions (continued)**Re-measurements for the year ended 31 March 2021**

Group	31 March 2021	31 March 2020
	£'000	£'000
Gain/(loss) on scheme assets in excess of interest	2,706	(404)
Experience gains/(losses) on liabilities	(6)	1,239
Gains/(losses) from changes to assumptions:		
Due to changes to demographics assumptions	-	(184)
Due to changes to financial assumptions	(4,608)	319
Total actuarial gains/(losses) per SOFA	(1,908)	970

Reconciliation of fair value of the Society's assets

Group	31 March 2021	31 March 2020
	£'000	£'000
Fair value of assets at 1 April 2020	28,006	29,027
Interest on assets	624	681
Employer contributions	1,281	199
Contributions by Scheme participants	11	13
Benefits paid	(1,851)	(1,465)
Administration costs	(2)	(45)
Return on scheme assets less interest	2,706	(404)
Fair value of assets at 31 March 2021	30,775	28,006

Reconciliation of the Society's defined benefit obligation

Group	31 March 2021	31 March 2020
	£'000	£'000
Defined benefit obligation at 1 April 2020	(36,714)	(38,591)
Current service cost	(31)	(40)
Past service cost	(5)	-
Contribution by Scheme participants	(11)	(13)
Interest cost	(806)	(909)
Benefits paid	1,851	1,465
Experience gains/(losses) on liabilities	(6)	1,239
Changes to demographic assumptions	-	(184)
Changes to financial assumptions	(4,608)	319
Defined benefit obligation at 31 March 2021	(40,330)	(36,714)

20. Pensions (continued)**Sensitivity of the value of liabilities**

As with most defined benefit pension schemes, the value of the liabilities in the Scheme would be different if assumptions were changed. The table below sets out the impact on the Scheme's liabilities if the main assumptions were changed:

Adjustments to assumptions	Approximate (increase)/ decrease in liabilities
	£'000
Discount rate – increased by 0.5%	(2,832)
Inflation – increased by 0.5%	940
Commutation – remove 20% allowance	1,862

21. Operating leases

The Society has a number of non-cancellable operating leases for printers and office equipment. Details are set out below:

	31 March 2021	31 March 2020
	Group	Group
	£'000	£'000
IT and office equipment		
Within one year	5	8
One year or more but less than two years	1	6
More than two years but less than five years	-	-
Total operating leases	6	14

22. Subsidiaries

The Society owns 100% of the share capital in two subsidiaries, Epilepsy Enterprises Limited and NSE Facilities Limited, who gift aid any taxable profits to the Society. Both subsidiaries' registered office and place of business is the same as the Society as set out on page 56. A summary of their activities and results for the year is set out below:

22. Subsidiaries (continued)**Epilepsy Enterprises Ltd**

The main activities of the company are the sale of goods and services in order to raise funds for the charity and other related trading activities. A summary of its Income Statement and a summarised Statement of Financial Position are set out below:

Statement of income	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
Turnover	12	91
Cost of sales	(3)	(47)
Administrative expenses	(6)	(15)
Profit on ordinary activities	3	29

The Statement of Changes in Equity recognised a Gift Aid payment of £24,838 (2020: £49,000)

Statement of Financial Position	As at 31 March 2021	As at 31 March 2020
	£'000	£'000
Fixed assets	-	4
Stock	15	16
Debtors	1	2
Cash at bank	16	22
Creditors: amounts falling due within one year	(22)	(13)
Total net assets	9	31
Share capital (2 ordinary shares of £1 each)	-	-
Accumulated profit	9	31
Total reserves	9	31

22. Subsidiaries (continued)**NSE Facilities Ltd**

This company is inactive other than owning the building, the Gowers Centre, from which medical services are provided to the UCLH NHS Foundation Trust. A summary of its Income Statement and a summarised Statement of Financial Position are set out below:

Statement of income	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Turnover	-	-
Operating costs	(37)	(37)
Loss on ordinary activities	(37)	(37)

The Statement of Changes in Equity recognised a Gift Aid payment of £nil (2019: £nil)

Statement of Financial Position	As at 31 March 2021 £'000	As at 31 March 2020 £'000
Tangible fixed assets	1,191	1,227
Intra group debtors	-	-
Cash at bank	308	309
Creditors: amounts falling due within one year	(2)	(2)
Total net assets	1,497	1,534
Share capital	2,446	2,446
Accumulated loss	(949)	(912)
Total reserves	1,497	1,534

The share capital comprises 2 'A' ordinary shares of £1 each and 2,446,000 'B' ordinary redeemable shares of £1 each. The tangible fixed assets related wholly to buildings are reported at cost less accumulated depreciation.

23. Related party transactions

During the year, the Society received a Gift Aid distribution from Epilepsy Enterprises Limited of £24,838 (2020: £49,000). At 31 March 2021, Epilepsy Enterprises Limited owed the Society £23,031 (2020: £9,646) and the balance between NSE Facilities Limited and the Society was £nil (2020: £nil).

Registered Office: Chesham Lane, Chalfont St Peter
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Patron: Her Majesty, The Queen

President: The Rt Hon Countess Howe

Board of Trustees

Peter Worthington	Chairman
Richard Murley	Vice Chairman
Peter Goodfellow	Treasurer
Catherine Alcock	
Christopher Blue	Resigned 11 December 2020
Deborah Wheeler	
Andrew Farrell	
Prof Andrew George	
Dr James Hagan	
Prof Stephen Smith	
Madani Sow	
Michael Stone	

Management Board

Chief Executive	Clare Pelham	
Director of Care Services	Jonny Anders-Cannon	
Director of Fundraising	Claire Glazebrook	to 2 April 2020
Interim Director of Fundraising	Gordon Craig	from 6 April 2020
Director of Medical and People Services	Rachel Perowne	to 8 January 2021
Chief Financial Officer	Paul Rennard	to 31 October 2020
	Simon Hawkins	from 1 February 2021
Medical Director	Prof Ley Sander	
Director of Land and Estates	Martin Summersgill	to 18 November 2020
	Kevin Bourner	from 1 March 2021

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