



**Epilepsy Society**  
**Group Financial Statements**  
**and Annual Report**  
**for the year ended**  
**31 March 2022**

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

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

**Contents**

	<b>Page</b>
Chairman's Review	1
Letter from the Chief Executive	3
Trustees' Annual Report (Strategic Report and Directors' Report)	5
Independent Auditor's Report	21
Consolidated Statement of Financial Activities	25
Balance Sheets	26
Consolidated Cashflow Statement	27
Notes to the Financial Statements	28
Trustees, Officers and Advisors	55

There is no denying that over the last few years the Epilepsy Society, along with the rest of the world, has been through choppy and uncharted waters. For a long time, it feels we have been surfing an unprecedented wave, holding our nerve and hoping that calmer and more gentle times would follow. The sad death of Her Majesty Queen Elizabeth, the Society's Patron, has momentarily upset that hope. We all extend our condolences to the Royal Family.

Queen Elizabeth was patron of the Society for seven decades. Our tribute to her, and our thanks, are published on our website and further extended in the CEO's report following.

Our heartfelt best wishes for a long and successful reign are also extended to her son and successor King Charles III. It is our hope that His Majesty will see fit to continue the patronage provided by his mother.

Turning to more mundane matters, I am happy to report that, as a charity, our breathing is at last returning to normal. Whilst we are not out of the woods, it no longer feels as though the surrounding water is quite so turbulent or the horizon out of sight. Achieving long term financial stability continues as a key objective for the Society and its charitable work.

There's a way to go but there are some very positive signs that we are weathering the storm. Our operational deficit has shrunk from £2m in 2019/20 to £1.2m last year, and is now at a much healthier £0.2m. Similarly, our overall costs have reduced from £17.1m down to £16.9m. It's small steps but we are heading in the right direction, and this is largely due to good housekeeping, efficiencies and a welcome, if slight increase in income.

Income levels for our care services grew by £400k, from £10.7m to £11.1m; medical services by £600k from £1.0m to £1.6m; and voluntary income held its own at £3.4m, an increase on the previous year. And I would like to commend all our staff for this gradual up turn which is undoubtedly down to their hard work and dedication. Recruitment levels have continued to be a challenge in our care services and in research. Both areas require very specific people – care workers with empathy and unrivalled people skills; scientists with a passion for genomics and other innovative streams of research in epilepsy. And we have employed recruitment specialists to help us find the very best using creative strategies to both attract and retain new staff.

Of course, we are indebted to our wonderful, existing staff who have made huge sacrifices in recent years to keep the charity afloat and to safeguard the people in our care. Whilst we have managed to award some pay increases, it never seems to reach the levels that the care sector should be accorded. The increases made are more than well deserved and over-due. I am pleased to see that our basic rate of pay has now gone up to £10 an hour. This, too, has been long overdue. On behalf of the Board, I would like to thank each and every one of our staff for their service, patience and loyalty.

All this is enabling us to plan for 2022/23 with a break-even budget. But, as trustees of course, it is our duty to look to the future and plan for the ongoing stability of the charity. And that remains a considerable challenge.

As it stands, the charity is not sustainable in the long-term. As with many charities and care providers, external financial pressures are imposing a huge burden – fall-out from the longstanding lack of proper attention to care sector funding arrangements generally, now exacerbated by the pandemic, the cost-of-living crisis, the war in Ukraine and general economic conditions. And while it is reassuring that we are currently keeping our head above water, we still need to be more robust in order to ensure we can support our beneficiaries in years to come and that epilepsy becomes irrelevant in their lives.

Epilepsy Society is more fortunate than many charities. We have a wonderful legacy at our headquarters in Buckinghamshire - a 300-acre site bequeathed to us by our founding fathers and which has been our home for 130 years. But with privilege comes responsibility and as trustees, we have been looking carefully at how we can best use this asset for the benefit of those we support, and as originally intended.

In 1892, investment in land meant that people with epilepsy could find meaningful employment through agriculture; they could enjoy fresh air, exercise and good nutrition away from the smoke of London. But today investment must be in research, in new treatments and innovative devices that could revolutionise the lives of people with epilepsy.

So as trustees we have been exploring options that could help us to release the wealth from our land and transform it into life-changing treatments.

I wish there were a magic wand but there isn't. But we believe that by developing the site in a way that is sympathetic to the environment and that will enhance the surrounding neighbourhood, we will not only benefit people with epilepsy in the UK and globally, but we will also bring new facilities and opportunities to the local community.

There is a way to go but this time next year, I feel hopeful that I will be able to share these plans with you more fully and tell you how we will be developing better outcomes for people with epilepsy, with the charity on solid ground for the long-term future. Challenging times, yes, but also exciting times. Time to make a difference.

**Peter Worthington**  
**Chairman**

This year, 2022, is a particularly poignant year for all of us at the Epilepsy Society. Not only are we marking our 130<sup>th</sup> anniversary, but we are also mourning the sad loss of Her Majesty the Queen after 70 years as our patron.

Both milestones are timely reminders of the importance of longevity, resilience and fortitude, qualities that we know the late Queen had in abundance, and ones which, I believe, our charity also displays unequivocally.

Our archives are home to boxes of beautifully preserved papers and photographs, documenting the founding of the Epilepsy Society by visionary doctors who saw a better future for people with epilepsy and had the courage to go out and build it.

Documentation of today's events is, by contrast, more instant and universally accessible. Times have changed. At our headquarters in Buckinghamshire, we celebrated both the Queen's Platinum Jubilee and our big birthday, with a street party enjoyed by residents, staff, friends and family. We did not know then that it would be the last royal occasion that we would celebrate during her reign.

We shared the photos across our social media platforms and, within minutes, some 1,000 people around the UK had 'liked' our posts, including, significantly, the Queen via her official Twitter account @RoyalFamily. It's a concept that would have been unimaginable even two decades ago.

But, in the same way as our founding fathers, so much of what we do at the Epilepsy Society is about turning the unimaginable into a reality. Across all three pillars of the charity – advocacy, research and care – we reach further than the hand can stretch to make the impossible possible. This year has been no exception.

With the pandemic still a large feature of everyday life, we have moved mountains to bring about change. One of our biggest achievements in our advocacy work has undoubtedly been our campaign to change the law to safeguard people with epilepsy from internet trolls.

Our Twitter account and those of many of our followers, are regularly attacked by keyboard warriors who send malicious flashing images to try to trigger seizures in people with epilepsy. We have worked with MPs from across Parliament to ensure that the government's new Online Safety Bill, addresses this issue and makes such abuse a criminal offence. The Bill is still being scrutinised before it becomes law, but we believe this will be the first time a law has been specifically passed to protect people with epilepsy.

Our work at the Epilepsy Society is very much about detail, but there is also an element of time travel in what we do. We employ the most innovative and advanced technology to understand some of the mysteries of the past. And we transform lives through our research.

One of the most exciting areas of our work is showing how, for some people, a simple genetic test can be used to unlock their epilepsy even after many years, leading to better treatments. One recent example comes from a study of over 1,000 people with complex epilepsy and associated disabilities that enabled our researchers to identify eight people with a mutation in a single gene – SCN1A – which can cause the severe childhood condition, Dravet syndrome. Not only did the diagnosis bring relief to their families, but it also meant that their treatment and care could be optimised, even as adults. And, of course, our broader ambition is that genetic screening in epilepsy becomes routine practice across the NHS, particularly for those with intractable epilepsy.

But our science doesn't just address the past. Our researchers are very much trying to mitigate future risks for people with epilepsy.

Most people are aware of how the lives of thousands of families have been devastated by the epilepsy medication, sodium valproate – a very effective drug in controlling seizures, but one which can cause physical and neurodevelopmental harm to babies during pregnancy. But other commonly prescribed epilepsy medications also elevate risk to unborn babies and we believe science could do better to support young women with epilepsy.

We believe that genetic testing could help to remove the risks faced by many young women during pregnancy by identifying which women are at risk from which drugs. We are working hard to persuade the government and pharmaceutical companies to invest in research that could stop babies being born with preventable disabilities. It is a bold but vital campaign. With knowledge comes responsibility, and we owe it to future generations to invest in the science to resolve this problem.

We also owe it to future generations to address the impact of climate change on the care and support of people with epilepsy. In recent years, our Director of Genomics, Professor Sanjay Sisodiya has raised concerns, particularly about the effect of rising temperatures on those with heat-sensitive epilepsy.

During COP26 last year, when world leaders met to discuss the challenges of climate change, he highlighted the need for neurological conditions – and all human health – to be on the climate change agenda.

Of course, underpinning everything we do is our fundraising programme which has needed to adapt due to ever-challenging circumstances.

The pandemic altered the landscape in fundraising, with major events such as the London Marathon cancelled, and coffee mornings and fayres shelved to keep Covid at bay. Then, just as a cautious light of normality appeared on the horizon, our fundraising efforts faced new challenges.

We have all been dismayed at the appalling cost to humanity caused by the war in Ukraine and, understandably, much charitable-giving has been directed to supporting the millions displaced from their homes by bombs and artillery. Simultaneously, everyone's pockets have been hit hard by the steep rise in the cost of living. And, like all charities, we feel the pinch as everyone tightens their belts. But we will get through it together. All is not doom and gloom.

Whether it is advocacy, research or care, we refuse to be limited by our horizons and will always strive to go further, do better, achieve more for people with epilepsy. And we can do no better than follow the example of our late patron. At 96, Her Majesty harnessed the most sophisticated animation technology to unlock the secrets of her handbag for a bear called Paddington. The challenges we face in epilepsy are enormous, but we feel confident that in the knowledge of Her lifelong support of the Epilepsy Society our innovation, drive and determination will ultimately unlock epilepsy.

**Clare Pelham**  
**Chief Executive**

The Trustees are pleased to present their report for the year ended 31 March 2022 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, and around 70 million people world-wide. The Society undertakes a variety of activities for the benefit of those people, the main areas being:

- **Medical research**

The Epilepsy Society has a strong commitment to medical research which will lead to new and improved treatments for people with 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 current priority areas in which we will continue to concentrate our efforts include first to ascertain risks, clarify underlying causes and identify clinically-relevant genetic markers for people with epilepsy; second to improve therapeutic options with an ultimate goal of bringing personalised treatments to all people with epilepsy, based on their individual genetic make-up.

- **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 both online and face-to-face training to health care professionals, pharmaceutical companies, schools and individuals. This enables us to increase support for people with epilepsy in the community, increase awareness of the condition and promote seizure first aid. Our external affairs team also raises awareness of issues for people with epilepsy and advocates on behalf of them through policy and media work and via social media.

- **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 the UK's only 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. Monitoring is via both blood and saliva samples.

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

We have six residential care homes, one of which also provides nursing care, for people with complex epilepsy and associated conditions. We also provide domiciliary care to people living in supported living accommodation and in their homes within the community.

### Structure

The Epilepsy 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, the management of healthcare services is now being done directly by the Epilepsy Society, and therefore this subsidiary is effectively dormant and the only financial transactions relate to the depreciation of the property. 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***

while 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 three areas shown in the diagram below:



### Advocacy

In the context of our Strategy, Advocacy means understanding the individual and collective needs of people affected by epilepsy and ensuring that their voices are heard through effective campaigning and representation in the media, parliaments and through social media. 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

At the Epilepsy Society, our research means investigating the causes of epilepsy so that ultimately the condition can be prevented, or successfully treated and managed as set out in our Research Strategy. We aim for our research to be person-centred and integrated so that a "person is at the centre of a research project" with an objective to improve that individual's outcomes and quality of life. We focus on cutting-edge translational research in a clinical setting, undertaken collaboratively with leading research and clinical centres across the UK and internationally. Our strategy is to build on the genomic work 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 and support means developing good 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 an additional service to around 20 people living in in Aylesbury or elsewhere in Buckinghamshire. The Society sets out to empower people to live as full a life as possible in a supportive environment. People are encouraged to live their lives as they choose. Greater independence will be encouraged through assistive technology, better environmental design, and a wide range of physical, cognitive and other therapies. Our ability to do this is, however, constrained by the limits on funding provided by public authorities.

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 to meet the demands of wider demographics through new communication channels such as webchat, and by opening at weekends. The strategy also includes the provision of vital medical services in partnership with UCLH, such as the crucial work of monitoring drug levels in people with epilepsy, and MRI scans supporting treatment and research regimes.

**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**

Our activities this year continued to be impacted by the effects of the pandemic, but nonetheless we continued to achieve and make good progress in all strategically important areas:

**Research**

The Chalfont Centre is a major hub for clinical and translational epilepsy research and continues at the forefront of research excellency. The main focus of our research is people with epilepsy. Our primary motivation is to improve the lives of people with epilepsy by developing novel diagnostics approaches and tailored treatment to the individual. Despite restrictions arising from the COVID pandemic, groundbreaking research into the brain structure and functioning, the outcome of people with epilepsy in different settings, and the genetic determinant of having seizures have been carried out in close collaboration with UCL Queen Square Institute of Neurology.

We have also initiated a global project into a rare epilepsy condition, and have sequenced DNA samples from partners around the world as well as in the UK, creating the biggest such study ever undertaken. Analyses are well under way and have already shown new aspects of the genetics of the epilepsies that will inform the care of people with epilepsy, as well as helping us understand its biology more clearly.

Despite the restrictions imposed on the Society by COVID-19, we have continued to undertake sequencing and analysis, and submitting and publishing 23 papers on epilepsy genetics.

**Medical Services**

Chalfont Centre is a standard-setting centre in all aspects of epilepsy care. The Centre plays a leading role in assessing people with epilepsy, including inpatient assessment, through Sir William Gowers Assessment Centre, which we run in conjunction with UCL Hospitals NHS Foundation Trust. The impact of the COVID-19 pandemic was still felt during 2021/22, but this was eased towards the year's second half, and we are now returning to pre-pandemic occupancy levels.

The new service level agreement that was finalised and signed by the Society and UCLH in April 2021 is working well and supporting our joint working as planned.

**Advocacy and Information**

Our telephone helpline and online support service continues to be in increasing demand, particularly as people are forced to wait long periods in between hospital appointments. We have produced extra resources to support people over long waits and also to help them adapt to online medical appointments. 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 two major campaigns:

First, our Zach's Law campaign 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. We have garnered cross-party support from MPs for the campaign which has also been championed by The Daily Express as part of their own 'Unmask the trolls' campaign. We have also received widespread coverage across broadcast media, including the BBC and Sky.

We are also in continuous dialogue with the social media companies to raise concerns around online harms and to press for urgent self-regulation. We have organised a cross-platform round table to try to encourage a collaborative solution to online trolling and the risk of flashing images triggering seizures, both maliciously and unintentionally.

Second, our Safe Mum Safe Baby campaign is calling for more research to establish why some babies are born with preventable disabilities caused by their mother's epilepsy drugs during pregnancy. This follows a report by the Commission on Human Medicines and a review by medicines regulators, the MHRA. 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. We have carried out a petition calling for greater funding into research. This resulted in 1500 signatures which are to be presented to the government.

Across both our campaigns, we have met with MPs, policy makers, the Law Commission and Ofcom. 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.

### **Care**

The health and social care sector has continued to operate in a challenging environment over the course of 2021/22 following the opening waves of the pandemic in the previous year. Whilst a combination of the successful vaccination programme and widespread testing has enabled people to be lifted out of the prolonged periods of lockdown, there have been national workforce challenges that have also affected the care operations at the Society. Despite all of this the commitment and drive of the teams supporting people continues to define our success in care services following the pandemic. People have once again begun to enjoy being with friends & family, having short breaks or longer holidays, meeting together for major events such as the late Queen's Jubilee, recommencing college courses or getting involved in their hobbies and interests. People are at the heart of what we seek to achieve in care and whilst services remain vigilant to the ongoing threat of COVID, it has been great to see people once again living their lives.

From a quality perspective, we continue to work on a range of initiatives to raise the standard of support for people, be that safeguarding leads in each house through to developing person centred support plans with individuals. Colleagues have developed new ways to assess the quality of service offered in the houses to ensure that we maintain our 'Good' ratings from CQC across all of the houses. As we continue to evolve we will increasingly seek to meet the needs of people affected with complex epilepsy support needs, to make the best use of the expertise in medical and therapeutic services alongside our social care knowledge, to offer truly integrated care.

**Fundraising**

We hoped to 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 eased, however there was no swift bounce back from the worst of the pandemic and no significant resurgence in interest in community & events. Times remained uncertain for most of the year and beyond Christmas which made the fundraising landscape a difficult one. Therefore we continued to hold down costs and only invest where we could rely on an associated return on short-term income. The London Marathon, held in October, was a notable highlight providing a much-needed reminder of how great it would be when things returned to normal. 38 runners raised over £85,000 for Epilepsy Society. Legacy income of £1.1m was an area of welcome growth with the expected upturn, as predicted, primarily due to the passing of the Baby Boomer generation and delays in probate, due to the pandemic, easing.

Recruitment, as with many other sectors, was an issue for the charity sector too. We lost a few members of our small fundraising team for a number of valid reasons and difficulties in recruitment meant gaps were left affecting income.

All charities were having to work hard to standstill in fundraising terms. This was reflected in our Challenge 100 virtual event. We had ambitious plans for year two of this event which raised £93,000 last year at the height of the pandemic and this year raised £100,000. It remained difficult to grow new partnerships and bring on-board new supporters, but long-term companies and individuals stuck by us despite tough economic times. The pharmaceutical sector has been particularly supportive and there were lovely examples of corporate partners such as Bahlsen, our locally-based, but globally-reaching, biscuit company and Home Move Box giving each of our hardworking frontline care staff a 'goody box' by way of saying thank you for their service during the pandemic. Regular Giving through direct debits and responses to our appeals held-up well, and the final fundraising total for Purple day was £58,000, which was £8,000 more than last year.

The new virtual world inspired us to hold an inaugural Supporter Conference in July which was well attended and allowed us to thank those who couldn't attend in-person, and to show what a difference their support was making.

It was great to re-open the coffee shop, now named the Phoenix Café, for the benefit of residents, staff and the local community, thanks to significant donations from a number of individuals.

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

**Land & Estates**

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. Tough decisions have to be made every day on how we use limited resources to maintain and operate the Estate and it is not possible to undertake everything we would like to do.

The Society has seen an upward shift in many of the prices quoted from supplies and sub-contractors in line with the inflationary pressures seen across the UK. We had successfully managed our exposure to the volatility of the gas and electricity markets with medium term fixed contracts only to see our supplier fail. With rocketing wholesale markets, we were fortunate to be able to enter into new fixed price contracts albeit at a significantly higher price than we had before and for a shorter term.

Our commercial tenancies have continued to generate a small but very important income stream for the Society. There have been a number of lease renewals over the last 12 months including a new lease for Chalfont Saints FC. The Society has been based in Chalfont for 130 years and our ongoing commitment to supporting the local football club is another example of our close association with the local community which we are very proud of.

The work of the team is diverse and extensive. One of many successes over the last 12 months has been the reopening of the Recreation Hall. Sadly, the Society had to close the building a few years ago due to the cost of repairs needed to the roof. However, with the support of a local donor for which we are very grateful, we have now undertaken the repairs and were able to reopen the facility in June 2022.

The safety and wellbeing of our residents, staff and visitors is very important to us. Our previous CCTV system was creaking with age, so we have recently updated the system with a new site-wide suite of cameras.

We are also continuing to work up options for how we could potentially better use some of our non-operational estate and generate value to reinvest into our core business. Our emerging proposals include investment in new research and medical facilities and growing the team of expert researchers. These proposals would enable the Society to undertake further world leading research into epilepsy which would make a difference to the lives of so many people. We expect the proposals to crystallise over the next 6 - 12 months and we will be working closely with the local authority and other key stakeholders as we develop our ideas.

#### **Future Plans**

At the Epilepsy Society, our plans are ambitious as we try to fulfil our vision to enable people with epilepsy to lead the lives they want to live. Research is key to bringing hope of seizure freedom to all those with the condition and this is where we must focus our energies. We aim to expand our research, particularly in the genomics field, to provide significant benefits for many of the 600,000 people with epilepsy in the UK. We will also be increasing our campaigning and influencing activities to address issues which affect people with epilepsy. We continue to work in financially challenging times, but within this context we hope to:

- strengthen our external affairs team to engage with Government and ensure that we push epilepsy up the political agenda and are a strong voice for the epilepsy community;
- press on with sequencing many of the 6,000 DNA samples we have and provide more personalised treatment for people where our analysis produces translational results;
- continue to improve the way in which we provide person-centred care for the 93 people with epilepsy who live on our estate and the wider surrounding area. We are always looking at ways to improve our quality of support and address the widespread recruitment challenges in care services. This includes reducing the number of agency staff we engage so as to ensure continuity and consistency 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 regulator CQC, as well as good quality ratings with the local authority 'Provider Assessment and Market Management Solution (PAMMS)' inspections;

- continue to work in partnership with UCLH in its provision of the medical and related therapeutical services provided at Chalfont, ensuring that services are optimally provided for users, whilst being financially viable for the Society;
- invest in fundraising and grow income in all areas particularly in community and events, major donors and trusts, always recognising wider challenges of external factors such as the cost of living crisis and the pressures these can present for our beneficiaries;
- continue to drive epilepsy up the political agenda and to push home the goals of our campaigns. We intend to ensure that the Government includes a new offence to tackle internet trolls through its Online Safety Bill, and secure funding for vital research into the risks associated with all epilepsy medications during pregnancy;
- 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 hope to work with other charities and agencies involved in the care of people with epilepsy, to clarify messaging around seizure first aid and promote our own 'Calm, Cushion, Call' campaign.

We are hugely grateful to the thousands of people who have continued to support Epilepsy Society during challenging times. It 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 only produces a modest return financially. The main site consists of over 50 buildings of varying ages, many of which are dilapidated. This means that the site is very expensive to maintain and is a drain on our resources.

On-site care facilities are essential for residents with complex epilepsy and associated conditions. However, many of these facilities are also old and costly to maintain and not 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 reserves are modest and it is a constant struggle to break even. We must therefore look at more innovative ways of making the charity robust and sustainable for the long-term future.

We are fortunate to have been bequeathed a 300-acre site by our founding fathers and it is our responsibility as a charity to make best use of that asset. In the coming year, we therefore hope to secure planning permission for part of our site that will release the capital needed for us to invest in the future.

Development would include a new research and medical centre to reflect the standing of Chalfont worldwide in this area, and would allow us to invest at a significantly higher level in the research that could revolutionise the lives of people with epilepsy in the future.

## d) Principal Risks

The principal risks and uncertainties to which the Society and Group are exposed are very similar and managed through the same processes. The major strategic risks, that is those that have the potential to adversely impact the Group in achieving its future strategic objectives, are listed below. They are identified, classified, managed and reported on. The most effective controls to manage the risks are identified and plans to mitigate the risks to ensure the furtherance of the Society's objectives are established and implemented.

**Death or harm to any person under the Society's social or clinical care** – we need to keep people with epilepsy, our staff, visitors, contractors and customers safe. 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, the continuous monitoring of service delivery, internal audits and the external inspection process, as well as internal controls applied by UCL and UCLH. Compliance is ensured through health and safety audits, local oversight by the Health & Safety committee, and general oversight by the Board and its Committees.

**Failure to achieve and maintain long-term financial sustainability** - financial management is a key element of the Trustees' responsibilities, as is ensuring the long-term financial viability of the charity. Like many others, the charity was not immune from the financial impact of the recent pandemic. To sustain its long-term future and ensure that the charity is in a stable position to continue to deliver its services and further its objectives, it is seeking to utilise its land assets to support the delivery of the charity's purposes.

**Inability to attract, train and retain staff** - this applies to staff in all areas, but particularly in care, where there is a shortage of suitable people across the sector, 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 the risk of potentially unsafe staffing levels, particularly in our care services, we use a mixture of bank and regular agency workers in those services with high volume on vacancies. We have also recruited recruitment specialists who are developing and introducing innovative and creative strategies to recruit and retain staff. Protocols are in place to manage potentially unsafe staffing levels, and escalation procedures are in place to ensure managers and on call managers have clear guidance to follow. Forward rotas are reviewed each day to ensure that we are operating within safe staffing levels, with an appropriate balance between permanent/bank staff and agency workers.

**Failure in cyber and digital security** – cyber risk poses a real and ever-increasing threat against the charity's operations. This is particularly the case following the pandemic, which led to increased levels of remote management and delivery of many of the charity's core non-care operations, as well as the increasing use and application of technology throughout the charity. To guard the charity against a cyber-attack, and to mitigate the risk of cyber and digital security failure, vulnerability tests have been carried out, the charity has strengthened its digital security and is on the journey to become Cyber Essentials Plus certified.

**Failure in data security** – safeguarding and upholding the Society's data and the integrity of its data is of paramount importance, not least due to the amount of highly sensitive data the Society handles in its delivery of medical services and social care services. Staff undertake GDPR training and are regularly provided with tips, guidance and support to reduce data loss and exposure and to ensure they handle data in a way which is both sensitive, efficient and protective. Protecture (the Society's external DPO) works with all staff, through a cohort of Data Champions, to conduct risk assessments, provide guidance and advice, and develop and implement action plans to offset risk and improve the handling of data.

**Failure to execute Society's key strategic objectives** – trustees are responsible for the strategic direction of the charity, whilst implementation has increasingly been delegated and devolved as executive capacity expands. To ensure that the Society's vision becomes reality, and to offset the risk of implementation failure, the charity develops actions and implementation plans that are subject to evaluation and ongoing monitoring by trustees at both Committee and Board level.

## e) Operational Performance

### Our Year in Numbers

- Just under £1.8 million invested into our research programme
- 3,235 helpline calls answered, 1,359 emails answered
- 4,988 information resources sent out
- 36 awareness raising training courses (since May 2021), delivered to over 700 delegates
- Over 1 million visitors to our website (based on Google data which excludes cookie opt outs)
- 3.2m reach on Facebook and Instagram; 4.4m impressions on Twitter
- Another 1700 whole DNA genome sequences analysed
- Over 90 academic papers published by our researchers
- 7 out of 7 of care services rated 'good' by CQC

## f) Key Performance Indicators

KPIs were set for the 2021/22 year for both strategic and operational ambitions. The strategic KPIs, all of which are directed to achieving longer term financial stability, covered reviewing our land assets and using them in the best way possible for the charity and our objectives; developing strategies in the area of care and research; and delivering key financial targets in fund-raising and bottom-line profitability. Operational KPIs were set against quality measures in our Care Services; Income to direct cost ratios in our fund-raising activities; targeted reductions in our use of agency staff; a reduction in the level of our central services costs as a percentage of income; and making progress in our key advocacy work.

There has been significant progress against all these strategic and operational measures throughout the year as outlined below. The finalisation of strategic plans and the review of our land assets will be concluded during the 2022/23 fiscal year, and the overall financial results in this report show good progress against those specific targets, notably in our operational bottom line improvement (£1,171k deficit in 2020/21 reducing to £213k in 2021/22), and our ratio of Donations, Fundraising and Legacy income to direct costs improving from 3.4 in 2020/21 to 3.5 in 2021/22. Although the inspection regime has been impacted by the pandemic, we have maintained a "Good" CQC rating across all of our regulated services. The staffing crisis in social care has affected us too, so we haven't been able to reduce our agency usage as much as we would have liked, but we have made great progress in our two major advocacy campaigns, "Zach's Law" and "Safe Mum, Safe Baby".

## g) Financial Review

2021/22 saw further financial progress for the Society, as the operational deficit continued the trend of recent improvement and reduced from £1,171k (before the investment property revaluation of £2,226k) in 2020/21 to £213k in 2021/22.

As the impacts of COVID lessened, income levels for our care services grew by £400k, from £10.7m to £11.1m, and medical services grew by £600k from £1.0m to £1.6m. Voluntary income held firm at £3.4m, very slightly up on the 2020/21 result.

During the year we spent a further £807k (2021: £1,046k) from the designated reserve set up in 2019 from the sale of land to Audley developments, see note 17 for more details.

Finally, there was a significant movement on the pension deficit based on the actuarial valuation as at 31 March 2022; this resulted in a gain of £2.9m (2021: £1.9m loss). The pension scheme deficit remains significant at £6.5m (2021: £9.5m) and subject to volatility given current market conditions; see note 20 for details.



**Income**

Total income for the Society was up 4.5%, from £16.0m to 16.7m, driven primarily by an increase in our income from charitable activities. Donations and fundraised income was up from £1.5m to £1.6m, and legacies were up too, from £1.0m to £1.1m. Grant income fell slightly as some arrangements came to an end. Donations include £311k of goods in kind income related to internet advertising, with the same value showing as expenditure in our costs of raising funds.

Our care services saw a welcome return to pre-pandemic levels of occupancy, with voids well below the minimum of 7 beds that we saw in 2020/21 due to COVID-19 restrictions.

A further impact of COVID-19 restrictions being eased was that we were able to return to pre-pandemic levels of rental income (see note 11).

**Expenditure**

The long running programme to reduce central and operational costs continued into this financial year, and our overall costs reduced from £17.1m to £16.9m, despite increasing cost pressures from inflation. These costs also include the effects of a pay increase to staff of at least 3% (it was a larger increase for our employees who were impacted by National Living Wage increases), effective from 1st February 2022, which we were delighted to be able to offer our hard-working teams.

Despite that pay increase, our overall wage bill was down from £9.5m to £9.1m (see note 9), driven in the main by a reduction in the number of people employed, from 276 in 2020/21 to 266 in 2021/22.

**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 temporary reductions in income levels or increases in costs. 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 increased from £25.2m last year to £27.9m at 31 March 2022, with by far the biggest driver of this increase being the movement on the pension fund deficit. The reserves comprise restricted reserves of £3.0m, a negative pension reserve of £6.6m, a revaluation reserve of £2.2m and unrestricted funds of £29.2m, of which £7.5m sits in a designated reserve.

Free reserves, which exclude funds held as fixed assets, total £15.5m at 31 March 2022 (2021: £15.8m), and this represents 9 months of total budgeted expenditure for 2022/23 and 18 months of total expenditure excluding care and medical services costs. Although these levels of cover are significantly higher than those set by the reserves policy, the Trustees are comfortable with the position because approximately half of the free reserves balance is the £7.5m of designated reserves, which is held separately for specific uses.

With an operationally break-even budget signed off for 2022/23, excluding one-off pension deficit contributions and expenditure related to our future land strategy, the Trustees believe that the Society has sufficient working capital to fund operations for the foreseeable future, and sufficient time to take any appropriate action if any income or expenditure lines were to suddenly move adversely.

In 2019/20, the Trustees established a designated reserve to support and keep track of the use of the funds for four specific purposes and a balance of £10.4m was transferred into designated funds as at 1 April 2019. Since 2019/20 expenditure of £2.9m has been attributed to the designated reserve and so the balance at 31 March 2021 is £7.5m.

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**

Cash balances remained very stable across 2021/22, finishing at £16.3m (2021: £16.3m). The most significant change in the Balance Sheet from 2020/21 is the movement in the defined benefit pension scheme, where the liability has reduced from £9.6m to £6.6m. The main driver for this reduction is the increased assumptions around discount rates, RPI and CPI, which have significantly reduced the calculated future liabilities for the scheme (by £3.5m). This decrease in liabilities is £3m higher than the reduction in the value of the scheme assets, which fell by £500k.

### **Going concern review**

Although COVID-19 still continues to affect the business in many ways, it is a much more manageable and predictable environment than over the last two years across our care, research and advocacy activities, and the central functions that support them. However, the Trustees still continue to review the financial sustainability of the Society in some detail and, in particular, have considered expected cashflows for several years after the date of signing of these accounts. Additionally, they have reviewed the potential impact of a number of scenarios, including a rapid fall in care services contribution, higher expenditure in areas such as research, and differing rates of growth in our fund-raised income. The Trustees consider there are no material uncertainties regarding the charity's ability to continue as a going concern, and therefore are satisfied that in all cases the Society remains able to meet its obligations to at least 31 March 2024 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 12 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 13.

#### **The interests of the company's employees**

This is detailed on pages 17 and 18 under the Employment and Volunteers section.

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

Epilepsy Society always seeks to maintain 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 most important stakeholders, people with epilepsy. All of our engagement with key stakeholder groups involves consideration of this, including Board and Committee 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 in 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 part of making sure our staff are fulfilled in their roles, and have the skills required to carry out their roles to a high standard. All staff take part in regular training on key competencies, on line and in person, 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 remains a very important matter for 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, the Audit, Governance and Risk Committee and the Board of Trustees.

The Society maintains an appropriate range of insurance policies to protect it against the various insurable risks it faces. Each policy is reviewed before renewal each year and cover is adjusted, sometimes by taking out new and additional cover, to take account of changing risks and Value for Money considerations. 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 2022	Year ended 31 March 2021
Energy consumption used to calculate emissions (kWh)	4,743,862	5,426,330
Energy consumption break down:		
<ul style="list-style-type: none"> <li>• gas (kWh)</li> <li>• electricity (kWh)</li> <li>• transport fuel (litres)</li> </ul>	<p>3,164,181</p> <p>1,579,681</p> <p>3,059</p>	<p>3,521,333</p> <p>1,892,678</p> <p>1,270</p>
UK greenhouse gas emissions and energy use data	Year ended 31 March 2021	Year ended 31 March 2020
Emissions in metric tonnes CO <sub>2</sub> e:		
Gas and electricity	911.06	1,126.69
Owned transport	7.34	2.56
<b>Total</b>	<b>918.40</b>	<b>1,129.25</b>
Intensity ratios in metric tonnes CO <sub>2</sub> e:		
Per staff member - 264 in 2022 (276 in 2021)	1.42	1.51
Per resident - 96 in 2022 (94 in 2021)	5.67	6.05
	(Based on average usage per resident being 4 x that of staff member)	(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 efficiency measures and reducing wastage on site.

During 2021/22, we are pleased to report that energy consumption has reduced significantly across the site. This has been partly aided by an increase in flexible working arrangements for many of our staff outside of our care services. We have also continued our programme of boiler replacement, with newer more energy efficient models, and this will continue as others approach end of life. Transport vehicle numbers have also decreased this year, but that is not expected to continue as we do need to continue transport provision to support the people with epilepsy that we serve.

### **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 14 Trustees who are listed on page 55 and meet quarterly. They delegate some authority to their three Committees: Audit, Governance & Risk; Finance, Performance & Resources; and Appointments & Remuneration. These delegation areas, and appropriate levels of authorisation, are captured in a Schedule of Delegation which is reviewed by all Committees and approved by the Board. 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. Consideration of the Charity Governance Code by the Audit, Governance and Risk Committee will continue into 2022/23.

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 27 September 2022 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 2022 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 2022 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](http://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 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: 7 November 2022

## Consolidated Statement of Financial Activities (including Income and Expenditure Accounts) for the year ended 31 March 2022

	Note	31 March 2022		31 March 2021	
		Unrestricted	Restricted	Total funds	Total funds
		funds	funds		
		£'000	£'000	£'000	£'000
<b>Income from</b>					
Donations and legacies	<b>3</b>	2,459	914	3,373	3,366
Charitable activities	<b>4</b>	12,758	-	12,758	11,692
Other trading activities	<b>5</b>	293	-	293	306
Investments	<b>6</b>	178	-	178	150
Other		73	-	73	442
		<b>15,761</b>	<b>914</b>	<b>16,675</b>	<b>15,956</b>
<b>Expenditure on:</b>					
Raising funds	<b>3</b>	(1,039)	-	(1,039)	(908)
<b>Charitable activities:</b>					
Care	<b>4</b>	(11,300)	(50)	(11,350)	(11,724)
Research	<b>4</b>	(1,281)	(493)	(1,774)	(1,515)
Medical services	<b>4</b>	(1,684)	-	(1,684)	(1,895)
Help, information and advocacy services	<b>4</b>	(478)	(62)	(540)	(436)
Other	<b>4</b>	(1)	(32)	(33)	(269)
		<b>(14,744)</b>	<b>(637)</b>	<b>(15,381)</b>	<b>(15,839)</b>
Trading activities	<b>5</b>	(13)	-	(13)	(27)
Other costs	<b>8</b>	(454)	-	(454)	(353)
<b>Total expenditure</b>		<b>(16,251)</b>	<b>(637)</b>	<b>(16,888)</b>	<b>(17,127)</b>
Net gains on investments	<b>14</b>	-	-	-	2,226
<b>Net income/(expenditure) for the year</b>		<b>(490)</b>	<b>277</b>	<b>(213)</b>	<b>1,055</b>
<b>Transfers between funds</b>	<b>17</b>	-	-	-	-
<b>Other recognised gains/(losses):</b>					
Actuarial (losses)/gains on defined benefit pension scheme	<b>20</b>	2,929	-	2,929	(1,908)
<b>Net movement in funds</b>	<b>17</b>	<b>2,439</b>	<b>277</b>	<b>2,716</b>	<b>(853)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward	<b>17</b>	22,475	2,751	25,226	26,079
<b>Total funds carried forward</b>	<b>17</b>	<b>24,914</b>	<b>3,028</b>	<b>27,942</b>	<b>25,226</b>

	Note	31 March 2022		31 March 2021	
		Group £'000	Society £'000	Group £'000	Society £'000
<b>Fixed assets</b>					
Intangible assets	<b>12</b>	92	92	125	125
Tangible assets	<b>13</b>	14,969	13,814	15,474	14,283
Investments	<b>14</b>	4,440	6,886	4,440	6,886
		<b>19,501</b>	<b>20,792</b>	<b>20,039</b>	<b>21,294</b>
<b>Current assets</b>					
Stock		16	-	15	-
Debtors	<b>15</b>	1,837	1,847	1,419	1,441
Cash at bank and in hand		16,253	15,936	16,330	16,006
		<b>18,105</b>	<b>17,783</b>	<b>17,764</b>	<b>17,447</b>
<b>Liabilities</b>					
<b>Creditors:</b> Amounts falling due within one year	<b>16</b>	(3,114)	(3,108)	(3,022)	(3,022)
<b>Net Current assets</b>		<b>14,991</b>	<b>14,675</b>	<b>14,742</b>	<b>14,425</b>
<b>Total assets less current liabilities</b>		<b>34,492</b>	<b>35,467</b>	<b>34,781</b>	<b>35,719</b>
<b>Net assets excluding pension liability</b>		<b>34,492</b>	<b>35,467</b>	<b>34,781</b>	<b>35,719</b>
Defined benefit pension scheme liability	<b>20</b>	(6,550)	(6,550)	(9,555)	(9,555)
<b>Total net assets</b>		<b>27,942</b>	<b>28,917</b>	<b>25,226</b>	<b>26,164</b>
<b>The funds of the charity</b>					
<b>Restricted income funds</b>	<b>19</b>	<b>3,028</b>	<b>3,028</b>	<b>2,751</b>	<b>2,751</b>
Unrestricted funds	<b>17</b>	21,768	22,743	21,527	22,465
Designated fund	<b>17</b>	7,456	7,456	8,263	8,263
Pension reserve	<b>17</b>	(6,550)	(6,550)	(9,555)	(9,555)
Revaluation reserve		2,240	2,240	2,240	2,240
<b>Total unrestricted funds</b>		<b>24,914</b>	<b>25,889</b>	<b>22,475</b>	<b>23,413</b>
<b>Total funds</b>		<b>27,942</b>	<b>28,917</b>	<b>25,226</b>	<b>26,164</b>

The financial statements on pages 25 to 54 were approved by the Trustees on 27 September 2022 and signed on their behalf by:



**Peter Worthington**  
Chairman



**Peter Goodfellow**  
Treasurer

The notes on pages 28 to 54 form part of these accounts

	31 March 2022	31 March 2021
	£'000	£'000
<b>Cash flows from operating activities:</b>		
Net cash provided by operating activities	(144)	(2,262)
<b>Cash flows from investing activities:</b>		
Dividends, interest and rents from investments	178	150
Purchase of property, plant and equipment	(111)	(233)
	<b>67</b>	<b>(83)</b>
<b>Change in cash and cash equivalents in the year</b>	<b>(77)</b>	<b>(2,345)</b>
Cash and cash equivalents at beginning of the year	16,330	18,675
<b>Cash and cash equivalents at end of the year</b>	<b>16,253</b>	<b>16,330</b>

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

Group	31 March 2022	31 March 2021
	£'000	£'000
<b>Net income for the year</b>	<b>(213)</b>	<b>1,055</b>
<b>Adjustments for:</b>		
Depreciation and amortisation	650	734
Dividends, interest and rents from investments	(178)	(150)
Pension deficit service and interest costs	211	220
Pension deficit contributions	(287)	(1,281)
(Profit)/loss on sale of fixed assets	-	14
Investment revaluation	-	(2,240)
Decrease/(increase) in stocks	(1)	45
(Increase)/decrease in debtors	(418)	(63)
Increase/(decrease) in creditors	92	(596)
<b>Net cash provided by operating activities</b>	<b>(144)</b>	<b>(2,262)</b>

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, current inflation levels and forecasts, and the timing of future cash flows. They have modelled a range of scenarios and consider that, having taken account of these scenarios (including actions that would be taken in response to any crystallization of risk), the likely timings of cash flows over the 12 months from date of signing do 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.

- **Value of investment properties**

The Group revalued its farmland as at 31 March 2021 in accordance with its accounting policies. As is normal for this sort of exercise, there was 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 2022 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.

Income from care fees is recognised when the care services related to that income have been delivered, taking into account the time period that the invoices relate to.

Legacies' entitlement is recognised when it is probable that it will be received i.e. the charity has been informed that 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 £311,955 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 a mix of the most appropriate bases of staff numbers, income or expenditure.

**g) Tangible fixed assets**

All 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
• Fixtures, fittings, furniture, and equipment	4-10 years
• Computer and other equipment	3-10 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 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. The most recent external valuation was performed as at 31 March 2021 on the farmland. A desktop revaluation is performed in the intervening years. 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.

**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**

Most 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 2022		31 March 2021	
	Income and direct costs	Support costs	Total income and costs	Total income and costs
	£'000	£'000	£'000	£'000
<b>Income:</b>				
Donations and fundraising	1,585	-	<b>1,585</b>	1,482
Legacies	1,108	-	<b>1,108</b>	997
Grants	680	-	<b>680</b>	887
<b>Total income</b>	<b>3,373</b>	-	<b>3,373</b>	<b>3,366</b>
<b>Expenditure:</b>				
Costs of raising funds	(759)	(280)	<b>(1,039)</b>	(908)
<b>Net funds raised</b>	<b>2,614</b>	<b>(280)</b>	<b>2,334</b>	<b>2,458</b>

The above income was all in the Society, which also received £2k in gift aid, giving income of £3,375k.

### 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 supported living service for people in supported housing or their own homes.
- **Research** - the Society carries out research, in conjunction with UCL and UCLH, to take forward the prevention and treatment of the condition of 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, therapeutic drug monitoring, MRI, other diagnostic assessments, an on-call doctor service and direct therapeutic services such as occupational therapy and art therapy.
- **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:

	<b>31 March 2022</b>	<b>31 March 2021</b>
	<b>Group</b>	<b>Group</b>
	<b>£'000</b>	<b>£'000</b>
<b>Care services</b>		
Income	11,057	10,673
Direct costs	(8,154)	(9,026)
Support costs	(3,196)	(2,698)
Total costs	(11,350)	(11,724)
<b>Net expenditure</b>	<b>(293)</b>	<b>(1,051)</b>
<b>Research</b>		
Income	-	-
Direct costs	(1,335)	(1,144)
Support costs	(439)	(371)
Total costs	(1,774)	(1,515)
<b>Net expenditure</b>	<b>(1,774)</b>	<b>(1,515)</b>
<b>Medical</b>		
Income	1,633	1,002
Direct costs	(1,142)	(1,471)
Support costs	(541)	(424)
Total costs	(1,683)	(1,895)
<b>Net expenditure</b>	<b>(50)</b>	<b>(893)</b>
<b>Help, information, and advocacy</b>		
Income	68	17
Direct costs	(336)	(303)
Support costs	(204)	(133)
Total costs	(540)	(436)
<b>Net expenditure</b>	<b>(472)</b>	<b>(419)</b>

**Other charitable activities**

Income	-	-
Direct costs	(32)	(269)
Support costs	-	-
<b>Total costs</b>	<b>(32)</b>	<b>(269)</b>
<b>Net expenditure</b>	<b>(32)</b>	<b>(269)</b>

**Total charitable activities**

<b>Income</b>	<b>12,758</b>	<b>11,692</b>
Direct costs	(10,999)	(12,213)
Support costs	(4,380)	(3,626)
<b>Total costs</b>	<b>(15,379)</b>	<b>(15,839)</b>
<b>Net expenditure</b>	<b>(2,622)</b>	<b>(4,147)</b>

## 5. Other trading activities

The Group carries 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 2022		31 March 2021	
	Income and direct costs	Support costs	Total income and costs	Total income and costs
	£'000	£'000	£'000	£'000
<b>Income:</b>				
Merchandise	11	-	11	8
Rental income and overnight charges	960	-	960	298
<b>Total income</b>	<b>971</b>	<b>-</b>	<b>971</b>	<b>306</b>
<b>Expenditure:</b>				
Costs of sales - merchandise and shop	(6)	(7)	(13)	(8)
Letting costs	(284)	(200)	(484)	(286)
<b>Net surplus/(deficit)</b>	<b>681</b>	<b>(207)</b>	<b>474</b>	<b>12</b>

The Society's trading activities exclude the merchandise and coffee shop above, £5,000 of rental income (2021: £5,000) and £5,000 of support costs (2021: £7,000).

## 6. Investment income

	31 March 2022		31 March 2021	
	Group		Group	
	£'000		£'000	
Income from farmland	107		93	
Other sundry lease income	66		32	
Interest receivable and dividends	5		25	
<b>Total</b>	<b>178</b>		<b>150</b>	

## 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 to simply allocate all the support costs in total would not provide a reasonable reflection of the costs of providing the services. Therefore, 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 2022 Group £'000	31 March 2021 Group £'000
Corporate, finance and governance costs	1,905	1,843
HR and IT costs	643	572
Depreciation of non-function specific assets	93	87
Estates and office services costs	622	624
<b>Normal support costs</b>	<b>3,263</b>	<b>3,126</b>
<b>Additional costs<sup>1</sup>:</b>		
Depreciation of non-function specific assets	51	51
Estates and land costs	1,546	759
<b>Total allocated support costs</b>	<b>4,860</b>	<b>3,936</b>
<b>Allocated to</b>		
<b>Charitable activities:</b>		
Care	3,196	2,698
Research	439	371
Medical Services	541	424
Help, information and advocacy services	204	133
<b>Total charitable activities</b>	<b>4,380</b>	<b>3,626</b>
Raising funds	280	185
Other trading activities	200	125
<b>Total allocated support costs</b>	<b>4,860</b>	<b>3,936</b>

<sup>1</sup> 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 2022 only had 5 active members (2021: 5). 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 £151,449 (2021: £133,000), together with the pension service costs and the pension interest costs are treated as other expenditure in the accounts, and together come to £454k (2021: £353k).

## 9. Employee information

Employees costs during the year were:

	<b>31 March 2022</b>	<b>31 March 2021</b>
	<b>Group</b>	<b>Group</b>
	<b>£'000</b>	<b>£'000</b>
<b>Employee Costs</b>		
Wages and salaries	8,113	8,519
Social Security costs	689	705
Pension costs	247	242
Apprentice Levy	24	27
<b>Total</b>	<b>9,073</b>	<b>9,493</b>

Employer deficit contributions of £287,000 (2021: £1,281,000) were paid into the Society's defined benefit pension scheme during the year as described in note 20. During the year Epilepsy Society accrued £20,000 (2021: paid £62,000) of redundancy costs. These expenses were approved by the Trustees for payment.

The average number of people employed during the year was:

	<b>31 March 2022</b>	<b>31 March 2021</b>
	<b>Group</b>	<b>Group</b>
Residential and domiciliary care services	211	212
Research and medical Services	12	18
Communication, information and marketing	9	9
Fundraising	6	8
Administration and management	28	29
<b>Total</b>	<b>266</b>	<b>276</b>

## 10. Trustees and Executive Officers

Details of Trustees and Executive Officers are set on page 55 of these Financial Statements. Trustees do not receive any remuneration and during the year two Trustees claimed expenses totalling £919 for travel and subsistence (2021: one Trustee claimed £28).

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 £565k (2021: £563k) represented by salary of £488k (2021: £472k), national insurance of £60k (2021: £57k) and pension contributions of £17k (2021: £34k).

## 11. Net income

Net income is stated after charging/(crediting):

	<b>31 March 2022</b>	<b>31 March 2021</b>
	<b>Group</b>	<b>Group</b>
	<b>£'000</b>	<b>£'000</b>
Depreciation of tangible fixed assets	612	711
Amortisation of Intangible fixed assets	33	23
Operating lease rentals:		
office equipment	-	6
External auditor's remuneration excl VAT:		
audit of the financial statements	31	29
for other services	14	2
Rental Income	960	421



## 12. Fixed assets: intangible assets

	31 March 2022		31 March 2021	
	Software & systems		Software & systems	
	Group	Society	Group	Society
	£'000	£'000	£'000	£'000
<b>Cost</b>				
At 1 April	271	271	200	200
Additions	-	-	147	147
Disposals	(36)	(36)	(76)	(76)
<b>At 31 March</b>	<b>235</b>	<b>235</b>	<b>271</b>	<b>271</b>
<b>Accumulated Amortisation</b>				
At 1 April	(146)	(146)	(200)	(200)
Charge for the year	(33)	(33)	(23)	(23)
Disposals	36	36	77	77
<b>At 31 March</b>	<b>(143)</b>	<b>(143)</b>	<b>(146)</b>	<b>(146)</b>
<b>Net book value</b>				
<b>At 31 March</b>	<b>92</b>	<b>92</b>	<b>125</b>	<b>125</b>

**13. Fixed assets: tangible assets**

Group	31 March 2022				
	Freehold land & buildings	Fixtures, fittings, furniture & equipment	Computer & other equipment	Vehicles	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost:</b>					
At 1 April 2021	20,909	688	3,393	156	25,146
Additions	-	17	93	-	111
Disposals	-	(57)	(70)	(45)	(172)
<b>At 31 March 2022</b>	<b>20,909</b>	<b>648</b>	<b>3,416</b>	<b>111</b>	<b>25,085</b>
<b>Accumulated depreciation:</b>					
At 1 April 2021	(6,081)	(530)	(2,927)	(136)	(9,675)
Charge for the year	(414)	(51)	(139)	(8)	(612)
Disposals	-	57	69	45	171
<b>At 31 March 2022</b>	<b>(6,496)</b>	<b>(524)</b>	<b>(2,997)</b>	<b>(99)</b>	<b>(10,116)</b>
<b>Net book value:</b>					
<b>At 31 March 2022</b>	<b>14,414</b>	<b>124</b>	<b>419</b>	<b>12</b>	<b>14,969</b>
<b>At 31 March 2021</b>	<b>14,828</b>	<b>158</b>	<b>466</b>	<b>20</b>	<b>15,471</b>

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 2022				
	Freehold land & buildings	Fixtures, fittings, furniture & equipment	Computer & other equipment	Vehicles	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost:</b>					
At 1 April 2021	19,145	688	3,393	156	23,382
Additions	-	17	93	-	110
Disposals	-	(57)	(70)	(45)	(172)
<b>At 31 March 2022</b>	<b>19,145</b>	<b>648</b>	<b>3,416</b>	<b>111</b>	<b>23,320</b>
<b>Accumulated depreciation:</b>					
At 1 April 2021	(5,507)	(530)	(2,927)	(136)	(9,100)
Charge for the year	(379)	(51)	(139)	(8)	(577)
Disposals	-	57	69	45	171
<b>At 31 March 2022</b>	<b>(5,886)</b>	<b>(524)</b>	<b>(2,997)</b>	<b>(99)</b>	<b>(9,506)</b>
<b>Net book value:</b>					
<b>At 31 March 2022</b>	<b>13,259</b>	<b>124</b>	<b>419</b>	<b>12</b>	<b>13,814</b>
<b>At 31 March 2021</b>	<b>13,638</b>	<b>158</b>	<b>466</b>	<b>20</b>	<b>14,282</b>

**14. Fixed assets: investments**

	<b>Society Farmland £'000</b>	<b>Group Total £'000</b>
<b>Cost or valuation:</b>		
At 1 April 2021	4,440	4,440
<b>At 31 March 2022</b>	<b>4,440</b>	<b>4,440</b>
<b>At 31 March 2021</b>	<b>4,440</b>	<b>4,440</b>

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.

No profit or loss was recognised on fixed asset disposals during 2021/22 (2021: £14k).

**15. Debtors**

	<b>31 March 2022</b>		<b>31 March 2021</b>	
	<b>Group £'000</b>	<b>Society £'000</b>	<b>Group £'000</b>	<b>Society £'000</b>
<b>Due within one year</b>				
Residential and Domiciliary Care Services	457	457	252	252
Less: Provision for bad and doubtful debts	(95)	(95)	(67)	(67)
	<b>362</b>	<b>362</b>	<b>185</b>	<b>185</b>
Medical Services Receivable	247	247	176	175
Rent Receivable	8	8	101	101
Other Receivables	5	5	(5)	(5)
VAT Refundable	3	-	-	-
Prepayments & Accrued Income	1,212	1,212	962	962
Amounts due from Subsidiaries	-	13	-	23
<b>Total due within one year</b>	<b>1,837</b>	<b>1,847</b>	<b>1,419</b>	<b>1,441</b>

**16. Creditors: Amounts falling due within one year**

	31 March 2022		31 March 2021	
	Group	Society	Group	Society
	£'000	£'000	£'000	£'000
Trade creditors	531	531	314	314
Taxation and social security	220	220	218	218
Amounts held for residents and tenants	51	51	53	53
VAT payable	21	21	15	15
Other creditors	207	207	179	179
Accruals and deferred income	2,084	2,077	2,243	2,243
<b>Total Creditors: Amounts falling due within one year</b>	<b>3,114</b>	<b>3,108</b>	<b>3,022</b>	<b>3,022</b>

The deferred income balance as at 1<sup>st</sup> April 2021 was £600k. All £600k of this balance was released to income during the year, and £453k received during 2021/22 was deferred to future periods because it related to services to be provided in 2022/23.

## 17. Fund movements

Group	31 March 2022					
	At 1 April 2021	Income	Expenditure	Transfers	Gains and losses	At 31 March 2022
	£'000	£'000	£'000	£'000	£'000	£'000
General funds	21,527	15,761	(16,251)	731	-	21,768
Designated funds	8,263	-	-	(807)	-	7,456
Revaluation reserve	2,240	-	-	-	-	2,240
Pension reserve	(9,555)	-	-	76	2,929	(6,550)
<b>Total unrestricted funds</b>	<b>22,475</b>	<b>15,761</b>	<b>(16,251)</b>	<b>-</b>	<b>-</b>	<b>24,914</b>
Restricted funds	2,751	914	(636)	-	-	3,028
<b>Total funds</b>	<b>25,226</b>	<b>16,675</b>	<b>(16,888)</b>	<b>-</b>	<b>2,929</b>	<b>27,942</b>

Group	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	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)
<b>Total unrestricted funds</b>	<b>23,764</b>	<b>14,805</b>	<b>(16,422)</b>	<b>10</b>	<b>318</b>	<b>22,475</b>
Restricted funds	2,315	1,151	(705)	(10)	-	2,751
<b>Total funds</b>	<b>26,079</b>	<b>15,956</b>	<b>(17,127)</b>	<b>-</b>	<b>318</b>	<b>25,226</b>

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 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 £807k (2021: £1,046k) in expenditure in these areas and this amount has been transferred out of the reserve during the year.

## 17. Fund movements (continued)

Society	31 March 2022					
	At 1 April 2021	Income	Expenditure	Transfers	Gains and losses	At 31 March 2022
	£'000	£'000	£'000	£'000	£'000	£'000
General funds	22,465	15,747	(16,200)	731	-	22,743
Designated funds	8,263	-	-	(807)	-	7,456
Revaluation reserve	2,240	-	-	-	-	2,240
Pension reserve	(9,555)	-	-	76	2,929	(6,550)
<b>Total unrestricted funds</b>	<b>23,413</b>	<b>15,747</b>	<b>(16,200)</b>	<b>-</b>	<b>2,929</b>	<b>25,889</b>
Restricted funds	2,751	914	(637)	-	-	3,028
<b>Total funds</b>	<b>26,164</b>	<b>16,661</b>	<b>(16,837)</b>	<b>-</b>	<b>2,929</b>	<b>28,917</b>

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)
<b>Total unrestricted funds</b>	<b>24,645</b>	<b>14,805</b>	<b>(16,365)</b>	<b>10</b>	<b>318</b>	<b>23,413</b>
Restricted funds	2,315	1,151	(705)	(10)	-	2,751
<b>Total funds</b>	<b>26,960</b>	<b>15,956</b>	<b>(17,070)</b>	<b>-</b>	<b>318</b>	<b>26,164</b>

**17. Fund assets and liabilities**

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

	Group		Society	
	31 March 2022		31 March 2022	
	Unrestricted funds	Restricted funds	Unrestricted funds	Restricted funds
	£'000	£'000	£'000	£'000
Tangible and intangible fixed assets	13,891	1,170	12,736	1,170
Investments	4,440	-	6,886	-
Current assets	16,247	1,858	15,925	1,858
Current liabilities	(3,114)	-	(3,108)	-
Defined benefit pension liability	(6,550)	-	(6,550)	-
<b>Total net assets at 31 March 2022</b>	<b>24,914</b>	<b>3,028</b>	<b>25,889</b>	<b>3,028</b>

	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)	-
<b>Total net assets at 31 March 2021</b>	<b>22,475</b>	<b>2,751</b>	<b>23,413</b>	<b>2,751</b>

The designated fund at 31 March 2022 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. 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 2022				
	At 1 April 2021	Income	Costs	Transfers	At 31 March 2022
	£'000	£'000	£'000	£'000	£'000
Specific genomics research	844	636	(441)	-	1,039
General genomics research	-	61	(53)	-	8
Specific other research	144	19	-	-	163
General research	269	78	-	-	347
MRI IT upgrade	15	-	-	-	15
Helpline service	156	33	(62)	-	127
Care services and activities	108	56	(49)	-	115
The New House	1,200	-	(30)	-	1,170
Other areas	15	31	(2)	-	44
<b>Total restricted funds</b>	<b>2,751</b>	<b>914</b>	<b>(637)</b>	<b>-</b>	<b>3,028</b>

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

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
<b>Total restricted funds</b>	<b>2,315</b>	<b>1,151</b>	<b>(705)</b>	<b>(10)</b>	<b>2,751</b>

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 2021 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 5 permanent employees (2021: 5). 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, as at 31 March 2022, is underway. 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 deficit contributions of £1,296,000 in the year to 31 March 2023, plus the cost of the Pension Protection Levy and the expenses of operating the Scheme. This is in line with the deficit reduction contributions agreement reached by the Society and the Scheme Trustees at the time of the 2019 actuarial valuation, which is summarised below:

- £250,000 pa, to be paid towards the Scheme in monthly instalments on or before the 19th of each calendar month following that to which the payment relates, up to 31 March 2030. This payment shall increase by 3.00% pa on 1 April 2021 and on each 1 April thereafter.
- Two lump sum payments of £1,000,000 to be paid before 19 May 2020 and 19 May 2022 respectively.
- The Employer has agreed that, no later than 19 May 2024, it will pay an additional £2,000,000 contribution to the Scheme funded by land sales; but if this is not possible, then with effect from 1 April 2024, the regular contributions will instead rise by an additional £345,000 to £626,377 per annum.

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 2022	31 March 2021
	%age pa	%age pa
Salary increase rate	3.50	2.95
CPI pension increases (fixed at 3%)	3.00	3.00
CPI pension increases (between 3% and 5%)	3.70	3.45
CPI pension increases (maximum 5%)	3.35	2.85
CPI pension increases (maximum 2.5%)	2.30	2.15
Discount rate	2.65	1.85
RPI increase rate	3.90	3.50
CPI increase rate	3.50	2.95
Tax free cash on commutation	20.00	20.00
Post-retirement mortality	S3PA tables with CMI 2018 projections using a long-term improvement rate of 1.25% pa. The initial addition is 0.5% pa.	S3PA tables with CMI 2018 projections using a long-term improvement rate of 1.25% pa. The initial addition is 0.5% pa.

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 2022, the analysis of assets based on the valuation at that date is as follows:

Group	31 March 2022	31 March 2021
	£'000	£'000
Equities	12,853	17,253
Gilts and bonds	6,767	2,277
Liability Driven Investment	8,087	4,937
Property	1,236	1,061
Cash	576	1,438
Other assets	771	3,539
<b>Total</b>	<b>30,290</b>	<b>30,775</b>

The actual gross return on the assets over the period was £617,000 (2021: £3,330,000). 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 2022**

Group	31 March 2022	31 March 2021
	£'000	£'000
Fair value of employer assets	30,290	30,775
Present value of funded liabilities	(36,840)	(40,330)
<b>Net liability</b>	<b>(6,550)</b>	<b>(9,555)</b>

**Amounts recognised in the Statement of Financial Activities for the year ended 31 March 2022**

Group	31 March 2022	31 March 2021
	£'000	£'000
Current service cost	37	33
Past service cost	-	5
Interest on Scheme liabilities	733	806
Interest on Scheme assets	(559)	(624)
<b>Total</b>	<b>211</b>	<b>220</b>

**20. Pensions (continued)****Re-measurements for the year ended 31 March 2022**

<b>Group</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
	<b>£'000</b>	<b>£'000</b>
Gain/(loss) on scheme assets in excess of interest	58	2,706
Experience gains/(losses) on liabilities	-	(6)
<b>Gains/(losses) from changes to assumptions:</b>		
Due to changes to financial assumptions	2,871	(4,608)
<b>Total actuarial gains/(losses) per SOFA</b>	<b>2,929</b>	<b>(1,908)</b>

**Reconciliation of fair value of the Society's assets**

<b>Group and Society</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Fair value of assets at 1 April</b>	<b>30,775</b>	<b>28,006</b>
Interest on assets	559	624
Employer contributions	287	1,281
Contributions by Scheme participants	10	11
Benefits paid	(1,397)	(1,851)
Administration costs	(2)	(2)
Return on scheme assets less interest	58	2,706
<b>Fair value of assets at 31 March</b>	<b>30,290</b>	<b>30,775</b>

**Reconciliation of the Society's defined benefit obligation**

<b>Group</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Defined benefit obligation at 1 April</b>	<b>(40,330)</b>	<b>(36,714)</b>
Current service cost	(35)	(31)
Past service cost	-	(5)
Contribution by Scheme participants	(10)	(11)
Interest cost	(733)	(806)
Benefits paid	1,397	1,851
Experience gains/(losses) on liabilities	-	(6)
Changes to financial assumptions	2,871	(4,608)
<b>Defined benefit obligation at 31 March</b>	<b>(36,840)</b>	<b>(40,330)</b>

**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:

<b>Adjustments to assumptions</b>	<b>Approximate (decrease)/ increase in liabilities</b>
	<b>£'000</b>
Discount rate – increased by 0.5%	(2,392)
Inflation – increased by 0.5%	1,220
Commutation – remove 20% allowance	1,510

**21. Operating leases**

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

	<b>31 March 2022</b>	<b>31 March 2021</b>
	<b>Group</b>	<b>Group</b>
	<b>£'000</b>	<b>£'000</b>
<b>IT and office equipment</b>		
Within one year	1	5
One year or more but less than two years	-	1
<b>Total operating leases</b>	<b>1</b>	<b>6</b>

**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 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:

<b>Statement of income</b>	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>
	<b>£'000</b>	<b>£'000</b>
Turnover	16	12
Cost of sales	(6)	(3)
Administrative expenses	(7)	(6)
<b>Profit on ordinary activities</b>	<b>3</b>	<b>3</b>

The Statement of Changes in Equity recognised a Gift Aid payment of £2,199 (2021: £24,838)

<b>Statement of Financial Position</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
	<b>£'000</b>	<b>£'000</b>
Stock	16	15
Debtors	3	1
Cash at bank	10	16
Creditors: amounts falling due within one year	(17)	(22)
<b>Total net assets</b>	<b>12</b>	<b>9</b>
Share capital (2 ordinary shares of £1 each)	-	-
Accumulated profit	12	9
<b>Total reserves</b>	<b>12</b>	<b>9</b>

**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:

<b>Statement of income</b>	<b>Year ended 31 March 2022 £'000</b>	<b>Year ended 31 March 2021 £'000</b>
Turnover	-	-
Operating costs	(38)	(37)
<b>Loss on ordinary activities</b>	<b>(38)</b>	<b>(37)</b>

The Statement of Changes in Equity recognised a Gift Aid payment of £nil (2021: £nil)

<b>Statement of Financial Position</b>	<b>As at 31 March 2022 £'000</b>	<b>As at 31 March 2021 £'000</b>
Tangible fixed assets	1,155	1,191
Amounts due from Subsidiaries	-	-
Cash at bank	306	308
Creditors: amounts falling due within one year	(2)	(2)
<b>Total net assets</b>	<b>1,459</b>	<b>1,497</b>
Share capital	2,446	2,446
Accumulated loss	(987)	(949)
<b>Total reserves</b>	<b>1,459</b>	<b>1,497</b>

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 £2,199 (2021: £24,838). At 31 March 2022, Epilepsy Enterprises Limited owed the Society £12,608 (2021: £23,031) and the balance between NSE Facilities Limited and the Society was £nil (2021: £nil).



**Registered Office:** Chesham Lane, Chalfont St Peter  
Buckinghamshire SL9 0RJ

**Patron:** Her Majesty, The Queen (1952-2022)

**President:** The Rt Hon Countess Howe

**Board of Trustees**

Peter Worthington	Chairman
Richard Murley	Resigned 14 December 2021
Peter Goodfellow	Treasurer
Catherine Alcock	
Deborah Wheeler	
Andrew Farrell	
Prof Andrew George	
Dr James Hagan	
Prof Stephen Smith	
Madani Sow	
Michael Stone	Resigned 14 December 2021
Andrew Gosling	Appointed 14 December 2021
Andrew Gray	Appointed 14 December 2021
Tracie Coultas-Pitman	Appointed 8 March 2022
Jacqueline Sullivan	Appointed 8 March 2022
Jane Worsley	Appointed 8 March 2022

**Management Board**

Chief Executive	Clare Pelham
Director of Care Services	Jonny Anders-Cannon
Interim Director of Fundraising	Gordon Craig from 6 April 2020
Chief Financial Officer	Simon Hawkins to 31 December 2021
	Andy James from 4 January 2022
Medical Director	Prof Ley Sander
Director of Land and Estates	Kevin Bournier

**External Auditors:** Crowe U.K. LLP  
55 Ludgate Hill  
London EC4M 7JW

**Bankers:** National Westminster Bank Plc  
44 Packhorse Road, Gerrards Cross  
Buckinghamshire SL9 8EA

<b>Legal Advisors:</b>	B P Collins 32 – 38 Station Road, Gerrards Cross Buckinghamshire SL9 8EL	Trowers and Hamblins (UK) Ltd 3 Bunhill Row London EC1Y 8YZ
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