

THE NATIONAL CENTRE FOR YOUNG PEOPLE WITH EPILEPSY CHARITABLE TRUST



Report and  
Financial  
Statements  
**Year Ended  
31 July 2015**

[youngepilepsy.org.uk](http://youngepilepsy.org.uk)



# Annual report and **financial statements**

for the year ended 31 July 2015

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# Governance, Legal & Management Information

## Constitution

Young Epilepsy is the operating name of The National Centre for Young People with Epilepsy Charitable Trust, which is a charity registered with the Charity Commission (registered number 311877) and is regulated by a scheme of the Charity Commission dated 31 October 2002, as amended by deeds of amendment dated 22 January 2004 and 21 October 2004.

The charity has one corporate Trustee: The National Centre for Young People with Epilepsy, a company limited by guarantee registered in England (number 756798). The sole purpose of the corporate Trustee is to act as Trustee of the charity.

Ultimate responsibility for the activities of the Trustee lies with the Board of Directors of the corporate Trustee.

# Our People

## Directors of the corporate Trustee

**Mrs Anna Walker CB**

Chairman

**Ms June Davies MA, BEd Hons**

Lead Trustee – Education and Residential Services, Chair of Education Governing Body

**Mr Michael Plant**

**Prof J. Helen Cross OBE, MB, ChB, PhD, FRCP, FRCPCH**

Lead Trustee – Health and Research

**Mr Michael Sydney**

Lead Trustee – Trust Board Performance

**Mr Tony Chalkley – BSC Est Man, MRICS**

Lead Trustee – Estate

**Mr Phillip Hughes – BSc, ACA**

Lead Trustee – Finance, Strategy

**Mr Benjamin Osborn**

**Dr Anita Devlin**

**Mr Michael Kirilloff**

(resigned Nov 2014)

**Mr Nigel Kennedy**

**Mrs Wendy Eadsforth**

**Mr Keith Cameron**

(appointed Feb 2015)

**Mr Murray Orr**

(appointed Feb 2015)

**Miss Vivienne Dews**

(appointed Feb 2015)

**Dr Julia Coop**

(appointed Feb 2015)

## Secretary

**Mr Christopher Trotter FCA, MA, BA Hons, DMS**

(Resigned 31/08/15)

**Ms Wendy Allan BA Hons, CPFA**

(Appointed 1/09/2015)

## Chief Executive

**Ms Carol Long BSc Hons, MSc, CQSW**

## Registered Office of the corporate Trustee

**The National Centre for Young People with Epilepsy**

**(Operating as Young Epilepsy)**

St Piers Lane,

Lingfield

Surrey, RH7 6PW

## Auditors

**BDO LLP**

Registered Auditors and Chartered Accountants

2 City Place

Beehive Ring Road

Gatwick, West Sussex, RH6 0PA

## Bankers

**Lloyds Bank plc**

Public & Community Sector

3rd Floor, 25 Gresham Street

London, EC2V 7HN

## Solicitors

**Berwin Leighton Paisner**

Adelaide House, London Bridge

London, EC4R 9HA

## Investment Managers

**Coutts & Co**

440 Strand

London, WC2R 0QS

## Directors of the corporate Trustee

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The Board members of the corporate Trustee are referred to as Trustees for the remainder of the report. The Board usually meets eight times a year and administers the charity. In this it is supported by a number of sub-committees, including an Education Governing Body. A Chief Executive is appointed to manage the charity's day-to-day operations together with her senior management team. New Trustees are appointed by Directors and may be appointed for a maximum of two terms of three years, and a third term under exceptional circumstances.

Young Epilepsy regularly seeks to refresh the Trust Board with Trustees who have the experience and expertise required to enable the charity to perform to a high level.

## Risk management

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Young Epilepsy is dependent on both public sector income and voluntary donations and, in light of on-going public sector spending cuts, is continuing to look at how to respond to this challenging situation.

The Trustees are responsible for the management of the risks faced by the charity. Risks are identified and assessed, and controls put in place to minimise their impact. The key risks would be in poor or unsafe service delivery, serious incidents affecting students and a down turn in fee income. A formal review of risk management is undertaken annually.

One of the key components of risk management within Young Epilepsy is its Audit and Risk Committee, which as a sub-committee of the Trust Board, is responsible for considering the adequacy and appropriateness of the audit arrangements, and oversight of risk management carried out by the Executive. This Committee meets three times per annum.

An induction programme is provided for new Trustees joining the Trust Board and they are provided with supporting materials including Young Epilepsy's formal governance documents. Other training courses are made available for Trustees as required, including mandatory safeguarding training.

## Employment

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Young Epilepsy is committed to the principle of equal opportunity in employment. Employment policies are designed to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, race, religion, disability or sex. As an equal opportunities employer, and holder of the Disability 'Tick' Symbol, Young Epilepsy ensures that any applicant, who has a disability and meets the minimum selection criteria, will be guaranteed an interview, and every effort will be made, if at all practicable, to offer employment opportunities for prospective or existing staff with disabilities.

## Employee consultation

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Young Epilepsy places significant value on the involvement of its employees and maintains its practice of consulting them on matters affecting them as employees.

This is achieved through formal meetings with the Staff Forum representing all staff, which was established in 2007, and informal meetings and circulation of briefing materials.

## Governance review

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The Trustees are committed to having a high-quality, effective structure of management and governance.

The key elements of which include:

- Identified roles and responsibilities for Trustees, the Board, the Chair, the Chief Executive and Executive Team and the President.
- The appointment of Lead Trustees to provide oversight of specific areas of work.
- Maximum terms of office for Trustees and a performance review process for the Board.
- Processes for Board approval of key organisational policies.

## Objectives and Activities

Established in 1897, Young Epilepsy is a national charity that is the UK's major provider of services to children and young people with epilepsy and associated learning, behavioural and emotional difficulties.

### Mission

Our mission is: 'Better futures for young lives with epilepsy and associated conditions'.

### Core values

Young Epilepsy has as its core values honesty, empathy, integrity, trust and respect. These values underpin its service delivery ethos and its internal and external working relationships.

### Strategic objectives

Young Epilepsy's strategic objectives setting the context for work in the year are:

- **Strategic Objective 1:** To provide excellent specialist education, residential and health services for the students at St Piers School, the Sure Start Centre and St Piers College, each with an education/enrichment dimension for students, and to develop and deliver a range of outstanding day and residential services.
- **Strategic Objective 2:** To be the voice and champion of childhood epilepsy through providing information, awareness, support and campaigning.
- **Strategic Objective 3:** To develop, deliver and support pioneering research that will make a difference to children and young people with epilepsy, their parents and carers.
- **Strategic Objective 4:** To use our world leading health expertise to support young people with epilepsy and other neurological conditions through the delivery of an excellent range of specialist multi-disciplinary diagnostic, assessment and rehabilitation services.
- **Strategic Objective 5:** To be a commercially astute organisation that is financially secure and that invests in the future.
- **Strategic Objective 6:** To maintain a workforce that is engaged, motivated, skilled and highly professional in all that it does.
- **Strategic Objective 7:** To operate an organisation that is efficient, effective and 'fit for purpose' to deliver our objectives.

### Principal activities

Young Epilepsy operates St Piers School, a non-maintained residential special school, and St Piers College, which provides further education for students aged 19-25. Both are based on the charity's Surrey campus, along with the Connect2 service which offers support to young adults with extremely complex needs.

The Lingfield campus is also home to the Neville Childhood Epilepsy Centre. This is a flagship facility providing diagnostic services, treatment, assessment and rehabilitation services for children and young people with epilepsy and related neurological conditions. Young Epilepsy's research programme is based here and training, teaching and professional development take place at the conference facilities.

Nationally, Young Epilepsy operates a range of services designed to support the 112,000 people aged 25 and under in the UK, who are affected by epilepsy. This includes an information service for families and professionals, a training programme for schools, the 'champions' initiative designed to raise awareness, conferences and courses.

## Public benefit

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The Trustees confirm that, in developing and reviewing the mission, values and activities of Young Epilepsy, along with future strategic objectives, due regard has been given to revised public benefit guidance issued by the Charity Commission.

The benefit to the public is incorporated in our Mission and Vision to provide better futures for young lives with epilepsy and associated conditions. The benefits of the services provided by Young Epilepsy are open to all people with referral, usually by their local authority, social services or the NHS (although occasional private pupils and students are also accepted if the service available is suitable for their needs). Support is provided to young people in the school, college, assessment and rehabilitation services by the charity, based on their assessed needs.

Access to services is only limited by the levels of specialist medical and behavioural support the Young Epilepsy campus and workforce can manage and deliver appropriately (having explored all opportunities to make reasonable adjustments), in conjunction with the access criteria of the external placement agencies. Young Epilepsy works hard to establish and maintain excellent community relations, including active engagement with the local community to mutual benefit. This includes providing the Sure Start Children's Centre for the Lingfield, Dormansland and Burstow communities under a contract with Surrey County Council. This provides childcare, training and health services to families with children aged under five.

Young Epilepsy provides a free national telephone and helpline service, together with information on the website and a range of publications.

No private benefit is gained from the activities of the charity, by either the Trustees or parties related to them. Details of any reimbursed expenses are set out in the notes to the financial statements.

## Achievements and Performance

### Education and care

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During the year, our education and care provisions received positive feedback from Ofsted and CQC inspectors. These are important achievements in a climate of real pressure on Local Authority funds, and of our own challenges recruiting and retaining care staff.

### St Piers School

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We successfully grew student numbers despite the funding pressures on our service commissioners, with student numbers rising slightly on the prior year. In the 2014/15 year, there was a maximum of 80 students in school, with 78 students in the school at year end in July 2015, compared with 76 in July 2014.

Our educational achievement was evidenced by the fact that at the end of Key Stages 2, 3, 4 and 5, all students were on or above target. This included achievement of a total of accredited courses having been completed at Stages 4 and 5 in a variety of subjects: all of the young people finishing Key Stage 4 received external accreditation (AQA) and the whole cohort of 37 young people achieved external accreditation at the end of the Key Stage 5 (Leavers).

In preparation for the future, we made substantial progress during the year on the completion of our new school project, with significant building works being completed at the very heart of our campus.

### Further Education College

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We maintained student numbers in line with the prior year. In the 2014/15 year, there was a maximum of 122 students in college, with 121 students in college at year end in July 2015, compared with 122 in July 2014. Learner referrals continued to reflect the increasing complexity of the workload.

Our educational achievement in college included 47 learners achieving a total of 63 full accredited qualifications, of which 31 students achieved Entry 2 and 14 students achieved Entry 3 level qualifications.

Student progress in year also included 90 students completing successful work experience, with 18 external employers. Our success was further evidenced by the achievements of one of our students, Edward, who was chosen as a finalist at the Creative Future Art Competition at Autech, a national conference. Edward has excelled in his studies including producing the 3D sculpture for his Art BTEC which was recognised in the competition.

We completed building a brand new Therapy and Lifeskills Centre at our college, a new outdoor BBQ area, and developed our wetlands area for outdoor learning and the study of nature. All of which will support the opportunities for our students in the future.

### Health and assessment services

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In addition to providing health services to the students at school and college, diagnostic and multi-disciplinary assessment services were provided to children with suspected epilepsy from across the UK. We carried out 15 diagnostic assessments and 51 telemetry assessments, the majority of which were on behalf of Great Ormond Street Hospital (GOSH). The longer term interdisciplinary assessments and the rehabilitation services delivered services for seven individuals, of which three led to longer term placements, and four rehabilitations.

## Other achievements

December marked the 10 year anniversary of The Prince of Wales's Chair of Childhood Epilepsy. Young Epilepsy, in partnership with UCL Institute of Child Health, and Great Ormond Street Hospital, is host to this prestigious role, and at the forefront of research into causes, treatment, and the best education interventions. During the year, Professor Helen Cross, who holds the Chair, was awarded an OBE. We also celebrated the culmination of our Darzi Fellowship, which is highlighting the desperate need for integrated services in the UK.

During the year we launched our transitions outreach, a new service supporting teenagers with epilepsy at the crucial times when they decide their education preferences or leave full time education. Our support workers help young people to stay in education, or to expand their education expectations. They also help young people access work experience and deal with emotional difficulties. They work very closely with families to ensure that young people with epilepsy are able to grow in independence. Our transitions outreach work is underway in five regions, all areas of social deprivation. Progress to date has included: supporting 89 young people referred to the service in Hampshire and 49 young people in London. This work will have tremendous impact reaching 900 young people over the life of these types of project.

We also expanded our University project where we help universities become 'epilepsy friendly'. Thanks to the funding and support of The James Lewis Foundation over the last three years, Young Epilepsy is making a real difference to students in higher education across the UK. Up to the end of July 2015, we had engaged with 163 (38%) HEIs in the UK, nearly double our initial target of 20%. Along with this over 900 copies of our Supporting Students with Epilepsy in Higher Education packs were distributed to students and HEI professionals, with a further 389 downloaded from our website. This year 352 professionals enrolled onto our free Epilepsy and Higher Education online training course.

Our national training programme has continued to deliver both study days at our campus in Surrey and bespoke training sessions across the UK. During 2014/15 we delivered 41 bespoke training sessions attended by 993 professionals. In addition the Epilepsy Education for Schools programme was delivered in 97 schools across Merseyside and Bedfordshire, reaching a further 1,336 education staff and over 20,000 pupils.

We launched our alumni programme this year. Over 80 guests attended our first event, mainly students from the past, but a few members of staff as well.

# 2014/2015

## Financial Review

Incoming resources for the year of £29.2m represent an improvement to the prior year figures (2014 - £27.5m) following a £1.2m increase in fee income and £0.6m increase in voluntary income. The fees from Local Government and Health Authorities for the education, residential and assessment services were £25.3m (2014 - £24.1m) which represents 87% of incoming resources. The increase represents a small increase in school and college attendees and continued movement towards highly complex needs students. Voluntary income of £3.3m (2014 - £2.7m) relates to a variety of activities, the largest being the New School Capital Appeal Fund which represents £1.5m (2014 - £1.4m). The increase relates to a generous unrestricted legacy of £0.6m received in the year.

Net incoming resources showed a surplus of £3.0m (2014 - £1.0m) as the charity delivered ahead of its operating budget. While the increase in fee income demonstrates the continued demand for our specialist high quality disability services, it was another year with no inflation uplift on fees. Therefore the staff pay award and non-staff cost uplifts had to be funded from contribution and a savings plan. The main items within the capital expenditure of £6.3m were £5.2m on building works for the new school and £0.7m for an additional building to the college complex both of which will be completed in 2016.

The impact of surplus for the year, after adjusting for depreciation, less the above capital expenditure was that the designated fund for building works stood at £2.1m at 31 July 2015. This fund will be fully utilised in the next financial year as the capital costs of the new school building are finalised.

The net assets base of the group and charity at the year-end is £20.7m after accounting for the FRS17 determined final salary pension scheme liability of £6m. The triennial Actuarial Valuation results for 2013 put the deficit, after a review of investment strategy at £2.6m, therefore in negotiation with the Pension Scheme Trustees, it was agreed that the current additional contributions of £332k were reasonable and therefore the funding rate will be unchanged until the impact of the valuation in the 2016/17 financial year is known.

### **Reserves policy**

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In accordance with Charity Commission guidance, the Trustees have considered the adequacy of the charity's reserves. The Charity Commission defines 'Free Reserves' as those funds which are neither restricted, designated, nor applied as functional fixed assets. At 31 July 2015, the balance of such funds stood at approximately £5.5m, which represents around 12 weeks operating expenditure at current levels. The Trustees have reviewed the level of this reserve, concluded that it was appropriate and that it would continue to be reviewed annually.

In accordance with the Charities SORP, the pension fund deficit is shown as a liability against unrestricted funds. The deficit calculation for the pension fund shows an increase in the fund, calculated in accordance with FRS17 principles, to £6m (2014 - £4.6m), as a result of falling corporate bond yields. Hence the pension deficit shown for this purpose now exceeds the unrestricted reserve. However, the pension deficit issue is not expected to crystallise in the near future and the Trustees are continuing to maintain close oversight on both the free reserve position and on future arrangements in relation to the pension scheme. The next pension scheme valuation is due in April 2016, with any revisions being required to payments being agreed and enacted thereafter.

## Designated funds

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The Trustees' policy is that a designated reserve, called the Building Fund, is maintained during this period of substantial capital expenditure. This fund represents the funds the charity has set aside to be available for the continued capital costs required for the redevelopment of the campus and at the year-end this was £2.1m.

## Investments

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The charity has investment powers under the Trustees Act 2000. During the course of the past year, there has been an unrealised gain of £25k in the charity's investments. The Trustees undertook an annual review of investments in year.

# Plans for the future

We will continue to work to achieve all of our strategic objectives, updating and refining plans as necessary. However, key things on which we will focus in the coming year will include the opening of our new education premises and managing the impacts of the Children's and Families Act.

In order to further our aim of providing excellent specialist education, in the coming year we will open a state-of-the-art new Education Resource Centre on campus. The new school building with all its tailor-made facilities, new technology and sensory spaces, swimming pool and go kart track, will not only provide a learning environment for children aged 5-19, but also provide a base for our education research projects.

The Children's and Families Act which was passed last year was meant to bring positive change, but families told us that 55% of children still do not have an Individual Healthcare Plan in place. Of those who have one, 25% of the parents were never consulted about their child's support needs. So we will continue to work closely with the All Party Parliamentary Group, and the Health Conditions in Schools Alliance to give families a greater voice.

# Statement of the **Trustees' Responsibilities**

The Trustees are responsible for preparing the annual financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the group's financial activities during the year, and of its and the charity's financial position at the end of the year (unless the charity is entitled to prepare accounts on the alternative receipts and payments basis).

In preparing the statements giving a true and fair view, the Trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently.
- Make judgments and estimates that are reasonable and prudent.
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any 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 group will continue in operation.

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

- The charity is operating efficiently and effectively.
- Its assets are safeguarded against unauthorised use or disposition.
- Proper records are maintained and financial information used within the charity or for publication is reliable.
- The charity complies with relevant laws and regulations.

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

They include:

- An annual budget approved by Trustees.
- Regular consideration by the Trustees of financial results and variance from budgets.
- Delegation of authority and segregation of duties.
- Identification and management of risks.

This report has been produced in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005.

**Signed on behalf of the Board of Trustees**



**Anna Walker**

Trustee

28 January 2016

## Independent Auditors' report for the year ended 31 July 2015

# Independent Auditors' Report

### To the Trustees of The National Centre for Young People with Epilepsy Charitable Trust

We have audited the financial statements of The National Centre for Young People with Epilepsy Charitable Trust for the year ended 31 July 2015 which comprise Group Statement of Financial Activities, the Group and Parent Charity Balance Sheets, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's Trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's Trustees 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 charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of Trustees and Auditor

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As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as Auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

#### Scope of the audit of the financial statements

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A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### Opinion on financial statements

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In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 July 2015, and of the group's incoming resources and application of resources 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 Charities Act 2011.

# Independent Auditors' report

for the year ended 31 July 2015

## Matters on which we are required to report by exception

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We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

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**BDO LLP**

Statutory Auditor

Gatwick, United Kingdom

28 January 2016

*BDO LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.*

*BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).*

# Financial Reports

for the year ended 31 July 2015

## Consolidated statement of financial activities

for the year ended 31 July 2015

Income and Expenditure	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000	2014 Total Funds £'000
<b>Incoming resources:</b>					
Donations, legacies and similar incoming resources	3	937	2,334	3,271	2,654
<i>Activities in furtherance of the charity's objects</i>					
Fees – local authorities and other supporting bodies		25,269	-	25,269	24,101
Grants		-	-	-	116
<i>Activities for generating funds</i>					
Investment income	4	126	-	126	110
Income from rents and meals		406	-	406	391
Miscellaneous		127	-	127	129
<b>Total incoming resources</b>		<b>26,865</b>	<b>2,334</b>	<b>29,199</b>	<b>27,501</b>
<b>Resources expended:</b>					
<i>Cost of generating funds</i>					
Routine programme		632	-	632	610
School Capital Appeal costs		-	195	195	250
		<b>632</b>	<b>195</b>	<b>827</b>	<b>860</b>
<i>Charitable activities</i>					
Educational, medical and residential care		24,659	695	25,354	25,631
Governance costs		55	-	55	39
<b>Total resources expended</b>	6	<b>25,346</b>	<b>890</b>	<b>26,236</b>	<b>26,530</b>
<i>Net incoming resources before transfers</i>					
Transfers	14	1,519	1,444	2,963	971
		(195)	195	-	-
<b>Net incoming resources after transfers</b>		<b>1,324</b>	<b>1,639</b>	<b>2,963</b>	<b>971</b>
<i>Other recognised gains and losses:</i>					
Net gains on investment assets	10	25	-	25	14
Actuarial loss on defined benefit pension scheme	13	(1,750)	-	(1,750)	(583)
<b>Net movement on funds</b>		<b>(401)</b>	<b>1,639</b>	<b>1,238</b>	<b>402</b>
Total funds brought forward		15,145	4,283	19,428	19,026
<b>Total funds carried forward</b>		<b>14,744</b>	<b>5,922</b>	<b>20,666</b>	<b>19,428</b>

The notes on pages 17 to 32 form part of these financial statements and all amounts relate to continuing activities.

# Consolidated **balance sheet** at 31 July 2015

	Note	2015		2014	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	9		18,057		13,061
Investments	10		3,484		6,113
			21,541		19,174
<b>Current assets</b>					
Stocks		70		70	
Debtors	11	1,844		2,317	
Cash at bank and in hand	21	6,018		3,860	
		7,932		6,247	
<b>Creditors: amounts falling due within one year</b>	12	2,768		1,416	
<b>Net current assets</b>			5,164		4,831
<b>Total assets less current liabilities &amp; Net assets excluding pension scheme liability</b>			26,705		24,005
Defined benefit pension scheme liability	13		(6,039)		(4,577)
<b>Net assets including pension scheme liability</b>			20,666		19,428
<b>Funds</b>					
Restricted funds:					
Revenue	14	1,087		3,079	
Fixed assets	14	4,835		1,204	
		5,922			4,283
Unrestricted funds:					
Designated funds	15	2,102		2,553	
Funds representing functional fixed assets	15	13,222		11,857	
Free reserves	15	5,459		5,312	
Pension reserve	15	(6,039)		(4,577)	
		14,744			15,145
<b>Total funds</b>			20,666		19,428

The financial statements were approved by the Board and authorised for issue on

**Anna Walker**

*Anna Walker*

Trustee

28 January 2016

*The notes on pages 17 to 32 form part of these financial statements*

# Charity balance sheet at 31 July 2015

	Note	2015		2014	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	9		11,112		12,107
Investments	10		3,484		6,113
			14,596		18,220
<b>Current assets</b>					
Stocks		70		70	
Debtors	11	7,671		3,277	
Cash at bank and in hand	21	6,015		3,855	
		13,756		7,202	
<b>Creditors: amounts falling due within one year</b>	12	1,640		1,415	
<b>Net current assets</b>		12,116		5,787	
<b>Total assets less current liabilities &amp; Net assets excluding pension scheme liability</b>		26,712		24,007	
Defined benefit pension scheme liability	13	(6,039)		(4,577)	
<b>Net assets including pension scheme liability</b>		20,673		19,430	
<b>Funds</b>					
Restricted funds:					
Revenue	14	5,672		4,033	
Fixed assets	14	250		250	
		5,922		4,283	
Unrestricted funds:					
Designated funds	15	2,380		2,429	
Funds representing functional fixed assets and amounts owed from subsidiary company	15	12,951		11,983	
Free reserves	15	5,459		5,312	
Pension reserve	15	(6,039)		(4,577)	
		14,751		15,147	
<b>Total funds</b>		20,673		19,430	

The financial statements were approved by the Board and authorised for issue on

**Anna Walker**

*Anna Walker*

Trustee

28 January 2016

*The notes on pages 17 to 32 form part of these financial statements*

# Consolidated **cash flow statement**

at 31 July 2015

	Note	2015 £'000	2014 £'000
Net cash inflow from operating activities	17(a)	3,805	2,006
Net movement in current assets and liabilities	17(b)	699	317
<b>Returns on investments and servicing of finance</b>			
Interest received		126	110
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(5,126)	(1,572)
Purchase of investments		(83)	(1,070)
<b>Cash outflow before use of liquid resources</b>		<b>(579)</b>	<b>(209)</b>
<b>Management of liquid resources</b>			
Decrease in long term deposits		2,737	970
<b>Increase in cash</b>		<b>2,158</b>	<b>761</b>

Deposit accounts held for long-term income generation are shown within investments in the balance sheet. These are treated as liquid resources for the purpose of the cash flow statement. As the charity has no borrowings, no further analysis of cash and liquid resources is presented as all movements are shown in the cash flow statement.

*The notes on pages 17 to 32 form part of these financial statements*

# Notes to the financial statements

for the year ended 31 July 2015

## 1 Company status

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The Company is limited by guarantee; the liability of each member in the event of the Company winding up is limited to £1. The Company is a registered charity.

## 2 Accounting policies

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- a)** The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards and with the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued March 2005 (SORP 2005).

### b) Consolidation

The statement of financial activities (SOFA) and the balance sheet consolidate the financial statements of the charity and its subsidiary undertaking (see note 19). The results of the subsidiary are consolidated on a line by line basis. No separate SOFA has been presented for the charity alone as permitted by paragraph 397 of the SORP 2005.

### c) Incoming resources

Incoming resources are accounted for on an accruals basis, except donations which are accounted for when received. Income received net of taxation recoverable is accounted for gross. Fee income from contracts is accounted for with regard to any in-year admissions and leavers along with any contractual reviews of service levels.

### d) Resources expended

Resources expended are accounted for on an accruals basis. Costs are attributed directly to activities where possible on either actual or estimated time basis. Indirect costs are shown as support costs, where these relate to the infrastructure in which charitable services are provided, including gaining support for the furtherance of the charity's objectives. Governance costs comprise those costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

### e) Fixed assets

Capital assets costing below £10,000 have been written off in the year in which the expenditure is incurred. Assets above £10,000 are capitalised in the Balance Sheet.

### f) Investments

Listed investments are shown at market value. Realised and unrealised gains on listed investments are taken to the fund to which they relate in the Statement of Financial Activities.

### g) Depreciation

Depreciation has been provided on tangible fixed assets at the following rates which are anticipated to reduce their cost to residual value by the end of their expected useful lives.

Buildings	Between 4% and 20% on cost
Plant and machinery	20% on cost
Motor vehicles	25% on reducing balance

Donated fixed assets are capitalised at their open market values at time of donation and depreciated in line with the above rates.

## Notes to the financial statements (cont)

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### 2 Accounting policies (cont)

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#### h) Stocks

Stocks are stated at the lower of cost and net realisable value, cost being calculated on a first in first out basis.

#### i) Pensions

The charity has four principal pension schemes for staff, the St Piers Lingfield Retirement Benefits Scheme, the Teachers' Pension Scheme (TPS), the NHS Pension Scheme and The Pensions Trust. The first three schemes are defined benefit schemes, which are externally funded and contracted out of the State Second Pension.

##### St Piers Lingfield Retirement Benefits Scheme

During the year, the charity operated a defined benefit scheme, which had been closed to new members on 7 April 2000, hence any liabilities will be restricted to current members only, and this number will decline over time.

The difference between the fair value of the assets held in the St Piers Lingfield Retirement Benefits Scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the charity's balance sheet as a pension scheme asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the charity is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme. The pension scheme balance is recognised net of any deferred tax balance.

##### Teachers' Pension Scheme

Pension costs in respect of the TPS charged to the SOFA are equal to the contributions paid to this arrangement. The contribution rate is calculated in such a way that it is a substantially level percentage of current and future pensionable payroll. Not less than every four years, with a supporting interim valuation in between, the Government Actuary conducts a formal actuarial review of the TPS in order to specify the level of future contributions.

Changes in the defined benefit pension scheme asset or liability arising from factors other than cash contributions by the charity are charged to the SOFA in accordance with FRS 17 'Retirement Benefits'. Under the definitions set out in Financial Reporting Standard 17 (Retirement Benefits), the Teachers' Pension Scheme is a multi-employer pension scheme. The charity is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the charity has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme.

##### NHS Pension Scheme

Contributions paid to the NHS Pension Scheme are in respect of individuals who are on short-term contracts with the charity, typically six months. Consequently, in the opinion of the Trustees, this scheme is immaterial in the context of the disclosure requirements of FRS 17 'Retirement Benefits'.

##### The Pensions Trust

A money purchase pension scheme with The Pensions Trust is available to all members of staff.

#### j) Fund accounting

The treatment of restricted and designated funds is explained in notes 14 and 15.

##### Pension reserve:

This reserve has been created within unrestricted funds in compliance with SORP 2005.

**Notes to the financial statements (cont)****3 Donations, legacies and similar incoming resources**

	2015 £'000	2014 £'000
New capital appeal – school	1,488	1,398
Projects and residential house funds	444	-
National Services Programmes	145	60
Epilepsy Infancy Study	55	100
Unrestricted income	937	506
Blagrave Trust	40	40
Research Funds	51	150
Big Lottery Fund	10	32
EFA	101	364
Other	-	4
	<b>3,271</b>	<b>2,654</b>

**4 Investment income**

	2015 £'000	2014 £'000
Investment income	114	99
Interest from bank deposit account	12	11
	<b>126</b>	<b>110</b>

**5 Employees**

	2015 £'000	2014 £'000
<b>Staff costs consist of:</b>		
Wages and salaries	18,006	17,660
Social security costs	1,273	1,486
Other pension costs	730	788
	<b>20,009</b>	<b>19,934</b>

**The average number of employees during the period was:**

Teaching and education support staff	227	216
Residential care	405	414
Medical and clinical staff	77	83
Other staff	98	109
	<b>807</b>	<b>822</b>
<b>Full time equivalent</b>	<b>668</b>	<b>675</b>

**Notes to the financial statements (cont)**

**5 Employees (cont)**

	Education, medical, therapy	Executive staff	2015 Total	2014
	No.	No.	No.	No.
<b>Number of staff with total remuneration (including settlements and benefits) greater than:</b>				
£60,000 in bands of £10,000				
£60,001-£70,000	-	-	-	2
£70,001-£80,000	2	1	3	1
£80,001-£90,000	1	1	2	3
£90,001-£100,000	-	-	-	1
£100,001-£110,000	-	-	-	1
£110,001-£120,000	-	2	2	1
£150,001-£160,000	-	1	1	-
	<b>3</b>	<b>5</b>	<b>8</b>	<b>9</b>

Contributions made in the year for the provision of money purchase benefits on behalf of 7 (2014 – 6) higher paid employees was £17,709 (2014 – £11,722). There were no (2014 – 2) higher paid staff to whom retirement benefits are accruing under defined benefit schemes.

**6 Total resources expended**

	Education, medical and residential care	Fundraising	Governance	2015 Total	2014
	£'000	£'000	£'000	£'000	£'000
Staff costs	16,097	652	-	16,749	17,133
Other direct expenditure	1,420	175	20	1,615	1,917
Support staff costs	2,953	-	-	2,953	2,801
Support costs	3,628	-	5	3,633	3,265
Auditors' remuneration	-	-	30	30	25
Depreciation	1,256	-	-	1,256	1,389
<b>2015 Total</b>	<b>25,354</b>	<b>827</b>	<b>55</b>	<b>26,236</b>	<b>26,530</b>
2014 Total	25,631	860	39	26,530	

Auditors' remuneration relates solely to audit services and is inclusive of Value Added Tax where not recovered.

## Notes to the financial statements (cont)

### 7 Trustees' transactions

The Trustees do not receive any remuneration in respect of their services. Five Trustees (2014 - nine) received expenses reimbursed in line with the Trustees Expenses Policy amounting to £5,467 (2014 - £4,345). Further costs incurred on behalf of Trustees amounted to £18,871 (2014 - £9,303) including Trustees indemnity insurance costs of £4,768 (2014 - £4,768).

### 8 Taxation

No liability to UK corporation tax arises from these accounts as the activities of the charity are exempt under S505 ICTA 1988.

### 9 Tangible assets

	Freehold land and buildings £'000	Plant and machinery £'000	Motor vehicles/tractors £'000	Assets under construction £'000	Total £'000
<b>Group</b>					
<b>Cost</b>					
At 1 August 2014	24,522	900	310	1,224	26,956
Additions	24	76	-	6,152	6,252
Transfers	270	-	-	(270)	-
<b>At 31 July 2015</b>	<b>24,816</b>	<b>976</b>	<b>310</b>	<b>7,106</b>	<b>33,208</b>
<b>Depreciation</b>					
At 1 August 2014	12,820	789	286	-	13,895
Provided for the year	1,208	33	15	-	1,256
	<b>14,028</b>	<b>822</b>	<b>301</b>	<b>-</b>	<b>15,151</b>
<b>Net book value</b>					
At 31 July 2015	<b>10,788</b>	<b>154</b>	<b>9</b>	<b>7,106</b>	<b>18,057</b>
At 31 July 2014	11,702	111	24	1,224	13,061

Freehold land and buildings have been included in the balance sheet at historic cost less the depreciation charged on the buildings.

**Notes to the financial statements (cont)**

**9 Tangible assets (cont)**

	Freehold land and buildings  £'000	Plant and machinery  £'000	Motor vehicles/ tractors  £'000	Assets under construction  £'000	Total  £'000
<b>Charity</b>					
<b>Cost</b>					
At 1 August 2014	24,522	900	310	270	26,002
Additions	24	76	-	161	261
Transfers	270	-	-	(270)	-
<b>At 31 July 2015</b>	<b>24,816</b>	<b>976</b>	<b>310</b>	<b>161</b>	<b>26,263</b>
<b>Depreciation</b>					
At 1 August 2014	12,820	789	286	-	13,895
Provided for the year	1,208	33	15	-	1,256
	<b>14,028</b>	<b>822</b>	<b>301</b>	<b>-</b>	<b>15,151</b>
<b>Net book value</b>					
At 31 July 2015	<b>10,788</b>	<b>154</b>	<b>9</b>	<b>161</b>	<b>11,112</b>
At 31 July 2014	11,702	111	24	270	12,107

All assets are held for direct charitable use.

**10 Investments**

	Group and Charity	
	2015 £'000	2014 £'000
<b>Market value as at 1 August 2014</b>		
Additions	6,113	5,999
Disposals	83	1,070
Net unrealised gains	(2,737)	(970)
	25	14
<b>Market value as at 31 July 2015</b>	<b>3,484</b>	<b>6,113</b>

The historical cost of investments at 31 July 2015 is £3,261,000 (2014: £5,891,000)

**Notes to the financial statements (cont)****10 Investments (cont)**

	<b>Group and Charity</b>	
	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
<b>The investments are analysed as follows:</b>		
Building Society Deposits	705	3,443
Coutts Deposit Account	359	358
Coutts Investment Portfolio	2,420	2,312
<b>Market value as at 31 July 2015</b>	<b>3,484</b>	<b>6,113</b>
UK Equities	1,305	1,249
Overseas Equities	527	483
Overseas Hedge Funds	2	55
Cash on deposit in UK	1,263	3,893
Bonds	280	324
Commodities	23	32
Properties	84	77
<b>Market value as at 31 July 2015</b>	<b>3,484</b>	<b>6,113</b>

The Coutts investments comprise two separate portfolios that have three to five and five to eight year objectives. Each has a wide spread across: Equities, Bonds, Alternative Investments, Property, Commodities and Cash.

**11 Debtors**

	<b>Group</b>		<b>Charity</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Operating debtors	1,163	2,091	1,163	2,091
Other debtors	457	144	11	24
Prepayments	-	82	-	82
Accrued income	224	-	224	-
Amounts owed by subsidiary undertaking	-	-	6,273	1,080
	<b>1,844</b>	<b>2,317</b>	<b>7,671</b>	<b>3,277</b>

All amounts shown under debtors fall due for payment within one year.

**12 Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Charity</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Operating creditors	2,259	514	1,131	514
Accruals and deferred income	509	902	509	901
	<b>2,768</b>	<b>1,416</b>	<b>1,640</b>	<b>1,415</b>

## Notes to the financial statements (cont)

### 13 Pension schemes

#### St Piers Lingfield Retirement Benefits Scheme

The charity operates the St Piers Lingfield Retirement Benefits Scheme which is a defined benefit scheme now closed to new members. The last formal actuarial valuation of this scheme was carried out as at 5 April 2013 and the results of that valuation have been updated to 31 July 2014 by a qualified independent actuary.

The scheme was closed to new entrants on 7 April 2000, and as such the current service cost as a percentage of pensionable payroll is likely to increase as the membership ages, although it will be applied to a decreasing pensionable payroll.

Following the last completed actuarial valuation, the employer agreed to pay annual contributions from 1 January 2014 of 17.5% of members' pensionable salaries each year as well as £9,000 per month in respect of Administrator expenses less employee contributions, plus payments to pay off the deficit of £332,000 per annum from 1 January 2014 to 30 November 2022 inclusive. The employer expects to pay £518,000 to the scheme based on the above during the accounting year beginning 1 August 2015.

The financial assumptions used by the actuary to calculate scheme liabilities under FRS 17 were as follows:

	2015	2014
Rate of increase in salaries	<b>2.00%</b>	2.00%
Rate of increase in pensions in payments	<b>3.30%</b>	3.40%
Rate of increase for deferred pensioners	<b>2.20%</b>	2.30%
Discount rate	<b>3.50%</b>	4.20%
Inflation (RPI)	<b>3.20%</b>	3.30%
Inflation (CPI)	<b>2.20%</b>	2.30%

The demographic mortality assumptions adopted at 31 July 2015 imply the following life expectancies at age 65:

	2015	2014
Mortality (Pre retirement)	<b>S2PA CMI_2014M/F [1.00%] (yob)</b>	90%/AMC00/100%AFC00
Mortality (Post retirement)	<b>S2PA CMI_2014M/F [1.00%] (yob)</b>	S1PA CMI_2013_M/F [1.00%] (yob)
Male currently age 45	<b>23.4 years</b>	23.3 years
Female currently age 45	<b>25.6 years</b>	25.7 years
Male currently age 65	<b>22.1 years</b>	21.9 years
Female currently age 65	<b>24.1 years</b>	24.2 years

The overall expected return on assets assumption of 4.6% (4.8% in 2014) has been derived by calculating the weighted average of the expected rate of return for each asset class. The following approach has been used to determine the expected rate of return for each asset class:

#### Corporate bonds

- the yield on iBoxx over 15 years AA rated sterling corporate bond index

#### Diversified growth fund

- net dividend yield on the FTSE All Share Index plus RPI inflation plus 1.5% pa dividend growth less investment expenses of 0.75% expenses

#### Cash

- current Bank of England base rate

#### Scheme expenses

- allowance for deduction of 0.75%

**Notes to the financial statements (cont)****13 Pension schemes (cont)**

	<b>Value at 2015 assets</b>	<b>% of total scheme</b>	<b>Value at 2014 assets</b>	<b>% of total scheme</b>
	<b>£'000</b>		<b>£'000</b>	
<b>The assets in the scheme were:</b>				
Bonds	<b>5,916</b>	<b>52%</b>	5,277	49%
Cash	<b>71</b>	<b>&lt;1%</b>	212	2%
Other	<b>5,473</b>	<b>48%</b>	5,272	49%
Total market value of assets	<b>11,460</b>		10,761	
Present value of scheme liabilities	<b>(17,499)</b>		(15,338)	
Net pension liability	<b>(6,039)</b>		(4,577)	
The actual return on assets over the period was	<b>666</b>		383	
			<b>2015</b>	<b>2014</b>
			<b>£'000</b>	<b>£'000</b>
<b>Analysis of changes in the value of the scheme liabilities over the year:</b>				
Opening present value of the defined benefit obligation	<b>15,338</b>		14,460	
Service cost	<b>119</b>		108	
Interest cost	<b>636</b>		659	
Member contributions	<b>69</b>		74	
Benefits paid	<b>(562)</b>		(466)	
Actuarial losses	<b>1,899</b>		503	
<b>Closing present value of the defined benefit obligation</b>	<b>17,499</b>		15,338	
			<b>2015</b>	<b>2014</b>
			<b>£'000</b>	<b>£'000</b>
<b>Analysis of changes in the value of the scheme assets over the year:</b>				
Opening market value of scheme assets	<b>10,761</b>		10,223	
Expected return on scheme assets	<b>517</b>		463	
Actuarial losses	<b>149</b>		(80)	
Employer contributions	<b>526</b>		547	
Member contributions	<b>69</b>		74	
Benefits paid	<b>(562)</b>		(466)	
<b>Closing market value of scheme assets</b>	<b>11,460</b>		10,761	

**Notes to the financial statements (cont)**

**13 Pension schemes (cont)**

	<b>2015</b>		<b>2014</b>	
	£'000	£'000	£'000	£'000
<b>Analysis of the amounts charged to Statement of Financial Activities:</b>				
Current service cost	(119)	(119)	(108)	(108)
<b>Total service cost</b>	<b>(636)</b>	<b>517</b>	<b>(659)</b>	<b>463</b>
Other finance income			(659)	
Expected return on pension scheme assets			463	
Net finance charge		(119)		(196)
<b>Total pension cost charged to the Statement of Financial Activities</b>		<b>(238)</b>		<b>(304)</b>
<b>Analysis of the actuarial (loss)/gain recognised in the Statement of Financial Activities:</b>				
Actual return less expected return on pension scheme assets		149		(80)
Experience gains and losses arising on the schemes liabilities		-		-
Changes in assumptions underlying the present value of the scheme liabilities		(1,899)		(503)
<b>Total loss recognised in the Statement of Financial Activities</b>		<b>(1,750)</b>		<b>(583)</b>
	<b>2015</b>		<b>2014</b>	
	£'000		£'000	
<b>Movement in deficit during the year:</b>				
(Deficit) in scheme at the beginning of the year	(4,577)		(4,237)	
<b>Movement in year:</b>				
Current service cost	(119)		(108)	
Net finance charge	(119)		(196)	
Contributions	526		547	
Actuarial loss	(1,750)		(583)	
<b>(Deficit) in scheme at end of year</b>	<b>(6,039)</b>		<b>(4,577)</b>	

**Notes to the financial statements (cont)****13 Pension schemes (cont)**

	2015 £'000	2014 £'000	2013 £'000	2012 £'000	2011 £'000
<b>History of experience gains and losses</b>					
Market value of scheme assets	<b>11,460</b>	10,761	10,223	9,559	8,807
Value of scheme liabilities	<b>17,499</b>	15,338	14,460	13,956	11,694
Surplus/(deficit) in the scheme	<b>(6,039)</b>	(4,577)	(4,237)	(4,397)	(2,887)
<b>Gains/(losses) arising on scheme liabilities:</b>					
Due to experience	-	-	(534)	14	-
% of liabilities	<b>0%</b>	0%	(4%)	0%	0%
Due to change of basis	<b>(1,899)</b>	503	91	(1,797)	(620)
% of liabilities	<b>(11%)</b>	(3%)	1%	(13%)	(5%)
<b>Experience gains/(losses):</b>					
Arising on scheme assets	<b>149</b>	(80)	462	(64)	482
% of assets	<b>1%</b>	(1%)	5%	(1%)	5%

The amounts shown in the table above for the value of assets at the earliest date have not been restated to include quoted securities valued at bid price rather than mid-market price.

The cumulative amount of actuarial gains and losses recognised in the Statement of Recognised Gains and Losses (since 2002) within the Statement of Financial Activities are losses of £6,161,000

**Teachers' Pension Scheme**

Under the definitions set out in Financial Reporting Standard 17 - Retirement benefits, the Teachers' Pension Scheme (TPS) is a multi-employer pension scheme. As the TPS is underwritten by central government and the organisation has no future obligation to make contributions to the scheme, this is effectively a defined contribution scheme in so far as it affects the charity. As a result, contributions to this scheme are accounted for as if the scheme was a defined contribution scheme.

The charity has set out below the information available on the scheme and the implications for the charity in terms of the anticipated contribution rates.

The employers' contribution rates for the charity's academic staff were 14.1% of pensionable salaries from 1 August 2014 to 31 July 2015.

The Teachers' Pension Scheme is a statutory, contributory, unfunded, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 1997, as amended. Contributions are credited to the Exchequer on a 'pay as you go' basis under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the scheme for the purposes of determining contribution rates.

The last valuation of the TPS related to the period 1 April 2004 to 31 March 2012. The Government Actuary's report of June 2014 revealed that the total liabilities of the scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191.5 billion. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176.6 billion. The assumed real rate of return is 3% in excess of prices and 1.25% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed gross rate of return is 5.06%.

The next formal actuarial valuation is due as at 31 March 2016.

**Notes to the financial statements (cont)**

**14 Restricted funds – Group and charity**

	As at 31 July 2014	Incoming resources	Resources expended	Transfer	As at 31 July 2015
	£'000	£'000	£'000	£'000	£'000
<b>Revenue</b>					
Research Funds	220	51	(140)	-	131
Big Lottery Project – CEIS	-	10	-	-	10
National Services Programmes	42	145	(129)	115	173
Epilepsy Infancy Study	202	55	(51)	-	206
New School Capital Appeal Fund*	1,742	1,488	(195)	(3,035)	-
Blagrave Trust	34	40	(38)	-	36
Other funds	535	444	(337)	(115)	527
EFA grants**	304	101	-	(401)	4
<b>Restricted funds wholly represented by net current assets</b>	<b>3,079</b>	<b>2,334</b>	<b>(890)</b>	<b>(3,436)</b>	<b>1,087</b>
<b>Capital</b>					
New School Capital Appeal Fund*	1,204	-	-	3,230	4,434
Griffiths**	-	-	-	401	401
<b>Restricted funds wholly represented by fixed assets</b>	<b>1,204</b>	<b>-</b>	<b>-</b>	<b>3,631</b>	<b>4,835</b>
	<b>4,283</b>	<b>2,334</b>	<b>(890)</b>	<b>195</b>	<b>5,922</b>

\* - The New School Capital Appeal Fund is split between revenue and capital funds due to the project now being in the building phase. The amount shown in the capital category represents fixed asset expenditure of which £4,184,000 has been incurred within the trading subsidiary. The charity only restricted funds therefore reflects those funds as remaining within the revenue category.

It should be noted that in 2014-15, The Foyle Foundation gave £150,000, The Henry Smith Charity gave £150,000, The Baily Thomas Charitable Fund gave £30,000 and The Equitable Charitable Trust gave £25,000.

\*\* - Griffiths is a residential refurbishment project in the building phase, partly funded by the EFA. The amount shown in the capital category represents fixed asset expenditure of which £401,000 has been incurred within the trading subsidiary. The charity only restricted funds therefore reflects those funds as remaining within the revenue category.

**Fund accounting**

Where funds are received for specific purposes set out by the donor or implied by the terms of appeal, these are shown as restricted income in the Statement of Financial Activities. Expenditure for the purposes specified is applied against the income and any amounts unexpended at the balance sheet date are shown within restricted funds. Amounts used to purchase tangible fixed assets are transferred to funds representing functional fixed assets at the time the assets are acquired.

**Capital funds**

Transfers in relation to the new school and Griffiths funds relate to the reallocation of funds amounting to £3,230,000 and £401,000 respectively expended on capitalised costs and the reimbursement of new school capital appeal costs amounting to £195,000 from unrestricted funds.

**Notes to the financial statements (cont)****15 Unrestricted funds**

Group	As at 31 July 2014	Net movement on unrestricted funds	Transfer	As at 31 July 2015
	£'000	£'000	£'000	£'000
<b>Designated funds</b>				
Building fund	2,553	-	(451)	2,102
<b>Undesignated funds</b>				
Funds representing functional fixed assets	11,857	(1,256)	2,621	13,222
Free reserves	5,312	2,512	(2,365)	5,459
Pension reserve	(4,577)	(1,462)	-	(6,039)
<b>Total unrestricted funds</b>	<b>15,145</b>	<b>(206)</b>	<b>(195)</b>	<b>14,744</b>
<b>Charity</b>				
<b>Designated funds</b>				
Building fund	2,429	-	(49)	2,380
<b>Undesignated funds</b>				
Funds representing functional fixed assets and amount owed from subsidiary company	11,983	(1,256)	2,224	12,951
Free reserves	5,312	2,517	(2,370)	5,459
Pension reserve	(4,577)	(1,462)	-	(6,039)
<b>Total unrestricted funds</b>	<b>15,147</b>	<b>(201)</b>	<b>(195)</b>	<b>14,751</b>

**Fund accounting**

The Trustees, at their discretion, may set aside funds to cover specific future costs. Such funds are shown as designated funds within unrestricted funds. Where the Trustees decide such funds are no longer required for the purposes intended, they may be released by transfer to the free reserves fund. Net transfers into unrestricted funds are represented by the transfer in of restricted fund capital items where the donor's wishes are considered to be fulfilled amounting to £nil and transfers out of funds to settle the new school capital appeal costs amounting to £195,000.

**Functional fixed assets**

This represents the fixed assets used to provide the charitable activities separately identified in order to clearly identify the free reserves of the charity.

**Designated building fund**

As per the Trustees report this has been set up to hold the operating surplus generated to fund the capital works as per the Capital Expenditure Programme approved by the Trustees. The net requirement, after grant and fundraising receipts is anticipated to be £7m in the period to the end of the 2017 financial year.

**Notes to the financial statements (cont)**

**16 Analysis of net assets between funds**

	2015		
	Unrestricted funds	Restricted Funds	Total funds
	£'000	£'000	£'000
<b>Group</b>			
Tangible fixed assets	13,222	4,835	18,057
Investments	3,484	-	3,484
Net current assets	4,077	1,087	5,164
Total assets less current liabilities	20,783	5,922	26,705
Defined benefit pension scheme liability	(6,039)	-	(6,039)
<b>Net assets</b>	<b>14,744</b>	<b>5,922</b>	<b>20,666</b>
<b>Charity</b>			
Tangible fixed assets	10,862	250	11,112
Investments	3,484	-	3,484
Net current assets	6,444	5,672	12,116
Total assets less current liabilities	20,790	5,922	26,712
Defined benefit pension scheme liability	(6,039)	-	(6,039)
<b>Net assets</b>	<b>14,751</b>	<b>5,922</b>	<b>20,673</b>
2014			
	Unrestricted funds	Restricted funds	Total funds
	£'000	£'000	£'000
<b>Group</b>			
Tangible fixed assets	11,857	1,204	13,061
Investments	6,113	-	6,113
Net current assets	1,752	3,079	4,831
Total assets less current liabilities	19,722	4,283	24,005
Defined benefit pension scheme liability	(4,577)	-	(4,577)
<b>Net assets</b>	<b>15,145</b>	<b>4,283</b>	<b>19,428</b>
<b>Charity</b>			
Tangible fixed assets	11,857	250	12,107
Investments	6,113	-	6,113
Net current assets	1,754	4,033	5,787
Total assets less current liabilities	19,724	4,283	24,007
Defined benefit pension scheme liability	(4,577)	-	(4,577)
<b>Net assets</b>	<b>15,147</b>	<b>4,283</b>	<b>19,430</b>

**Notes to the financial statements (cont)****17 Net cash inflow from operating activities and current asset and liability movement**

	2015 £'000	2014 £'000
<b>(a) Net cash inflow from operating activities</b>		
Net incoming resources	2,963	971
Adjustment for pension funding	(288)	(243)
Depreciation	1,256	1,388
Investment income	(126)	(110)
<b>Net cash inflow from operating activities</b>	<b>3,805</b>	<b>2,006</b>
<b>(b) Movement in current assets and liabilities</b>		
Increase in debtors	473	(293)
Increase in creditors	226	610
	<b>699</b>	<b>317</b>

**18 Capital commitments**

	2015 £'000	2014 £'000
Contractual	3,937	8,915
Authorised but not yet contractual	1,005	1,418
	<b>4,942</b>	<b>10,333</b>

**19 Subsidiary company**

The charity owns the whole of the issued ordinary share capital of St Piers (Services) Limited, a company registered in England. The subsidiary is used for non-primary purpose trading activities, namely to develop facilities for disabled children. All activities have been consolidated on a line by line basis in the SOFA. The results below are for the period to 31 July 2015.

	2015 £'000	2014 £'000
Turnover	-	-
Cost of sales/administrative expenses	(4)	(1)
<b>Net loss</b>	<b>(4)</b>	<b>(1)</b>
The aggregate of the assets, liabilities and funds was:		
Assets	7,393	1,078
Liabilities	(7,857)	(1,538)
	<b>(464)</b>	<b>(460)</b>

## Notes to the financial statements (cont)

### 20 Results of the parent charity

Included in the Consolidated Statement of Financial Activities are the following amounts in respect of the charity:

	2015 £'000	2014 £'000
Total incoming resources	<b>29,199</b>	27,501
Total resources expended	<b>(26,232)</b>	(26,529)
Net gain on investment assets	<b>25</b>	14
Actuarial loss on defined benefit pension scheme	<b>(1,750)</b>	(583)
<b>Net movement in funds</b>	<b>1,242</b>	403

### 21 Cash at bank and in hand

An amount of £1,000,000 is held within an Escrow account under terms of an agreement with the main contractor of the new school building.



# With special thanks to

29th May 1961 Charitable Trust  
The ACT Foundation  
The Baily Thomas Charitable Fund  
The Band Trust  
Barbara Abbott  
Big Lottery Fund  
The Blagrave Trust  
The Chidwick Trust  
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Cristina Stenbeck  
David and Christine Hodges  
The David and Claudia Harding Foundation  
DM Thomas Foundation for Young People  
The Equitable Charitable Trust  
The Eranda Foundation  
The Foyle Foundation  
Garfield Weston Foundation  
The Gerald Ronson Foundation  
Sir Harvey McGrath  
The Henry Smith Charity  
The Ingram Trust  
The James Lewis Foundation  
Next Plc  
Peter Harrison Foundation  
River Island  
Sanofi  
Sir Jules Thorn Charitable Trust  
The Sobell Foundation  
The Swire Charitable Trust  
Tree of Life Foundation  
The True Colours Trust  
The Welton Foundation  
The Westminster Foundation  
The Wolfson Foundation

**For their generous and longstanding support  
in the year to 31 July 2015**

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## **Young Epilepsy Helpline**

01342 831342 (Monday – Friday, 9am – 1pm)

[helpline@youngepilepsy.org.uk](mailto:helpline@youngepilepsy.org.uk)

Young Epilepsy is the operating name of The National Centre for Young People with Epilepsy. Registered Charity No: 311877 (England and Wales).