

**YOUNG EPILEPSY**

**THE NATIONAL CENTRE FOR YOUNG PEOPLE WITH EPILEPSY  
CHARITABLE TRUST**

Report and Financial Statements

Year Ended

31 July 2017

## **A message from our Chair of Trustees and CEO**

### **Jane Ramsey, Chair**

Over the last year, we have continued to help our young people thrive and achieve their aspirations with good education outcomes and positive transitions into adult life - this against a background of a very challenging funding environment.

Social care funding has been the subject of much public debate. We are being asked to deliver significantly more, for significantly less by local authorities who are themselves trying to do the same.

At the same time, we are still operating in a post-recessionary environment impacted by further mid-term uncertainty as a result of the upcoming exit from the European Union. This reduces consumer confidence which, in turn, impacts on fundraising in the charitable sector.

As the government reviews the role of residential special schools, local authorities are also looking to place more young people in mainstream settings, and quite rightly for most of these young people, in placements closer to their own communities. There is a need however for organisations that can support young people with more complex needs. At St Piers we continue to specialise in providing support to those students with epilepsy and associated conditions who require services that more mainstream providers may struggle to develop.

Taken together, the tough financial times and a focus on more localised services could seem like something of a perfect storm for a charity like Young Epilepsy. However, we see opportunity due to our well recognised specialist knowledge and expertise in meeting the needs of young people with neurological conditions. We have continued to invest, innovate and improve the services we provide so that we can work in partnership with those around us to make the systemic changes needed to improve the world for the young people we serve. We will keep doing so.

Since joining as Chair in late 2016, I have been deeply impressed by the dedication of our staff and the care they provide to our young people – both on our campus and across the UK. This is something we have been doing for 120 years.

We continue to receive amazing support from our donors. Their philanthropy has enabled incredible things to happen for Young Epilepsy. They have invested generously in our future and the futures of the young people we support. A fantastic example of our donors' support is through our now complete capital appeal, delivering an outstanding new, state-of-the-art school, designed for the needs of our young people. Overall £5.7 million was raised over the life of the appeal. I would like to thank our President Sir Gerald Acher, all our donors, Peter Harrison Foundation, Wolfson Foundation, Sir Harvey McGrath, the Lewis Foundation and the Ronson Foundation to name but a few. This project culminates with the celebration of an official opening of the school in February 2018.

I look forward this year to helping lay the foundations for the next 120 years of helping young people with epilepsy achieve their potential.

### **Carol Long, Chief Executive**

This year we have worked hard to adapt and set the organisation up to thrive in the future. In practical terms this has meant an increased focus on developing our Lingfield campus to become a Centre of Excellence and working closely with local authorities to explore how we can work together to best meet the needs of young people.

The success of our approach is apparent in St Piers School and St Piers College where all of our leavers are going on to a further education setting, and all of them have secured an external qualification. This is something we're incredibly proud of.

Sustaining and developing the quality of Young Epilepsy's residential provision has proven to be the most significant challenge of the last year, and central to that challenge was the difficulty in recruiting workers in to our care settings. Both internal audit and external compliance visits in the year identified issues and this led to a downgrading of our Ofsted effectiveness rating in November 2016 and for a limited period of time we faced a restriction on our residential numbers.

Our response has been to come back more determined than ever with a ruthless focus on improving the quality of our Children's Residential settings. A major recruitment drive, investment in the homes themselves and in the supervision and training of the staff teams as well as the leadership has all played its part. In June, Ofsted recognised the great progress we've made including the positive, trusting and secure relationships between children and staff. The Care Quality Commission (CQC) continue to rate us as 'Good' for our adult provision though we recognise that good levels of staffing are vital for us to retain and improve on our journey towards outstanding.

We have been working to strengthen and deepen our fundraising partnerships resulting in some fantastic support. Over the summer we were delighted to run an 'Explain Epilepsy' campaign in partnership with River Island and Epilepsy Society. We were also honoured to secure £104,000 over 3 years from Children in Need to support 200 London families. Our support in Surrey has been bolstered by Michael More-Molyneux, the Lord Lieutenant of Surrey, joining as a Vice-President which has led to successful fundraising and networking events throughout the year.

Collectively over the year our fundraising income totalled £1.1 million. Whilst this is significantly down on recent years it reflects the changes we have had in adjusting from the capital campaign to a new set of funding priorities and establishing a new team to realise these ambitions. We must say thank you to all our funders; the Big Lottery Fund, the Blagrave Trust, Comic Relief, City Bridge Trust and Children in Need, and also to those individuals, families and groups who give so generously to make this work possible. We will continue to nurture the important relationships we have developed over many years and develop new ones. Next year we will be launching a new campaign aimed at empowering young people with epilepsy and raising awareness of the often hidden condition. Our vital work would not be made possible without your continued support.

Our national outreach work continues to develop and support more young people across the UK. Our brilliant Connect and Transitions projects and the Helpline continue to provide vital support to families. Our guide for parents was launched in February and was highly commended by the BMA Patient Information Awards as well as being popular with families.

Our world-leading research programme continues to set the bar for others to follow. We have published and developed some highly impressive research. While we were saddened by the recent sad passing of Professor Brian Neville (in December 2016), we take comfort in knowing he inspired the next generation of paediatric neurologists to excel in this field. They, with our support, will provide solutions to produce the best possible care for those with epilepsy and other brain-related conditions.

As one would expect, with an organisation of our size and complexity operating within a difficult financial context, there are many challenges we face. I continue to be astounded by the positive approaches we take to overcoming them and the dedication of our staff in doing so. It is testament to the mature and well-grounded organisation we've become. Ultimately our success will be judged by our impact on the young people we serve, which I am confident has been extremely positive.

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## TRUSTEES REPORT

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. The Board members of the Corporate Trustee are referred to as 'Trustees' for the remainder of the report.

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

### Group structure

Young Epilepsy has one active wholly owned subsidiary trading company in the group, which is St Piers (Services) Limited (Company registration number 4131530), whose principal activity is the development of property for the use of disabled children.

### Mission

To provide better futures for young lives with epilepsy and associated conditions.

### Core Values

Young Epilepsy's core values are our focus on children and young people, accountability, belief in people, honesty, passion, innovation and creativity. These underpin our service delivery ethos and our internal and external working relationships.

### Objectives

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 conditions. Our objectives are:

- The advancement of public education by the provision of a special school within the meaning of the education acts and a college for further education.
- The relief of children and young persons' suffering from disabilities of mind or body with particular regard to children and young persons in need of special educational treatment by reason of disorders of the nervous system and especially epilepsy, including education, care, research, assessment and rehabilitation.

### Activities

Our main areas of work include:

- Young Epilepsy operates St Piers School, a non-maintained residential special school for young people and children aged 5-19, and St Piers College, which provides further education for students aged 19-25. Both are based on the charity's campus in Lingfield, Surrey, along with the Connect2 service which offers support to young adults with extremely complex needs.
- The 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 associated conditions. Young Epilepsy's research programme is also based here and

its conference facilities are used for training, teaching and professional development.

- Nationally, Young Epilepsy operates a range of services designed to support the 112,000 people aged 25 and under in the UK, who have epilepsy. This includes a Helpline and Information Service, individual and family outreach work, a training programme for schools, and for allied health services and for the Champions Awards programme.

### **Public Benefit**

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 and in accordance of the Charities Act 2011.

Our vision is to create better futures for young lives with epilepsy and associated conditions.

Our mission is to:

- Enable children and young people with epilepsy and associated conditions to develop their full potential through:
  - removing stigma and discrimination
  - being at the forefront of research into epilepsy
  - providing expert information, training and advice to professionals and families
  - influencing policy and thought
  - delivering unique integrated health, education and care services to support students at our Lingfield campus to achieve progression and independence.

The benefit to the public is incorporated in Young Epilepsy's Mission and Vision; we provide better futures for young lives with epilepsy and associated conditions (including autism spectrum conditions, motor & sensory impairment, and social emotional and mental health issues). Young Epilepsy provides residential, educational and health services to young people up to the age of 25. These services are open to all young people in the United Kingdom and are accessed through referral, usually by their local authorities, social services or the NHS.

Young Epilepsy also supports research that improves the lives of children and young people with epilepsy. That research is led by Professor Helen Cross, OBE, the Prince of Wales Chair for Childhood Epilepsy. The fields of research include medical interventions, psychological support and the education of young people with a disability.

Young Epilepsy also provides on-line and digital information for young people and their families as well as a range of publications which are made available for everyone nationally and internationally to support those living with Epilepsy.

Young Epilepsy works hard to establish and maintain excellent community relations. This includes providing the Sure Start Children's Centre for communities in 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.

### **The Board of Trustees**

The Board of Trustees is responsible for the governance of Young Epilepsy and ensuring that its activities are within the charitable objectives. It sets the strategic direction for the charity, the responsibility for the execution of which is delegated to the executive management of the charity through the Chief Executive officer ("CEO").

## **THE NATIONAL CENTRE FOR YOUNG PEOPLE WITH EPILEPSY CHARITABLE TRUST**

### **Trustees Report for the year ended 31<sup>st</sup> July 2017**

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New Trustees are appointed by the Board of the Corporate Trustee 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.

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. This includes mandatory safeguarding training. Trustees are not paid but are entitled to claim reasonable out of pocket expenses for costs incurred in performing their duties.

Through the year 2016/17 the Trustees, led by the Chair and supported by Compass Associates, have undertaken a review of the Governance arrangements of the Charity and through a Task and Finish Group worked to ensure that Governance structures and practice will meet the likely demands of coming years.

#### **Directors of the Corporate Trustee who serves through the year**

Ms Jane Ramsey – Chair (appointed 1 October 2016)  
Mr Keith Cameron  
Mr Tony Chalkley (resigned 29 September 2016)  
Dr Julia Coop  
Prof J. Helen Cross  
Mrs June Davies (resigned 28 Sept 2017)  
Dr Anita Devlin  
Ms Vivienne Dews  
Mr Nigel Kennedy  
Mr Murray Orr  
Mr Benjamin Osborn  
Mr Michael Plant (resigned 14 December 2016)  
Mrs Lesley Steeds (appointed 29 June 2017)  
Mr Michael Sydney (resigned 29 June 2017)  
Mrs Anna Walker CB – Chair (resigned 29 September 2016)

The Board usually meets eight times a year. In its work of governing the charity it is supported by five committees. Their remits are:

- Audit and Risk (A) – risk management, audit
- Finance Committee (F) - all matters relating to finance, funding and fundraising, asset management.
- Health Services Committee (H) – matters relating to the delivery of medical and health services
- Remuneration and Senior Appointments Committee (R) - matters relating to pay and reward across the charity and the appointment of executive Directors
- Residential Services Quality Committee (C) - matters relating to the care of children and young people in residential settings

There is an Education Governing Body (E) which discharges the statutory requirements of a Governing Body for Young Epilepsy's Educational provision; St Piers School (a non-maintained special school), St Piers College (an independent specialist provider of further education) and the Young Epilepsy Sure Start Centre.

### **Committee Membership 2017**

Trustee	Sub Committee Membership
Ms Jane Ramsey	Chair of the Board
Ms June Davies	H, A, F
Prof J. Helen Cross	H (Chair)
Mr Benjamin Osborn	H, A, F
Dr Anita Devlin	R
Mr Nigel Kennedy	R
Mr Keith Cameron	R (Chair)
Mr Murray Orr	F (Chair), A
Ms Vivienne Dews	E (Chair), A (Chair), F, R,C
Dr Julia Coop	Trustee with responsibility for Safeguarding
Mrs Lesley Steeds	E – appointed June 2017
Mr Mike Plant	E, R – resigned December 2016

The Chair, Jane Ramsey, attends sub-committee meetings on a rolling basis and is not a standing member of those committees.

### **Senior Executive Pay**

As a charity, we are careful to pay remuneration levels necessary to ensure that we attract and retain the right calibre of relevantly experienced and professionally qualified people who we need to build and run a successful and efficient charity. Setting remuneration appropriately is a difficult task and we focus on getting the balance right between being competitive and paying appropriately for a charity. We aim to:

- Pay the median range for similar organisations in the UK charity and not-for-profit sector.
- Ensure performance is formally reviewed and reported to the Remuneration Committee on an annual basis.
- Monitor charity and wider sector trends through appropriate surveys and market reports.
- Ensure that Executive pay increases are consistent with the pay increases awarded in the wider staff pay review.

The Remuneration Committee reviews Executive salaries annually. The Remuneration Committee is comprised of Trustees, who have been given delegated authority by the Board of Trustees to review, agree and propose changes to the remuneration, benefits and terms and conditions of employment of the Executive Leadership Team.

### **Employment of disabled persons**

Young Epilepsy is committed to a policy of recruitment and promotion on the basis of aptitude and ability without negative discrimination of any kind. Management actively pursues both the employment of disabled persons whenever a suitable vacancy arises and the continued employment and retaining of employees who become disabled whilst employed by the charity.

Where a current employee or volunteer becomes disabled due to illness or injury, wherever possible and reasonable, Young Epilepsy, will provide assistance with rehabilitation, adaptation of premises, modification of equipment, provision of special aids, job restructuring, retraining and/or redeployment opportunities.

### **Employee/volunteer involvement**

Information about aims and activities is disseminated to all staff and volunteers through induction, management briefings, extended use of our intranet, email and printed publications, and charity wide focus groups (town hall sessions).

While the majority of activity is undertaken by paid staff, Young Epilepsy has a small pool of dedicated volunteers who support us in a number of areas across the organisation (for instance fundraising and information service).

## **STRATEGIC REPORT**

Our strategic objectives are:

- To create a sustainable centre of excellence for SEN education, residential care and health services on the Lingfield Campus that is widely recognised for the delivery of outstanding outcomes for young people with epilepsy and associated conditions;
- To be the national champion of children and young people with epilepsy by influencing policy, improving public awareness and offering support to them, their families and professionals;
- To deliver and support pioneering health, education and social care research that will make a difference to young people with epilepsy, their parents and carers and to our practice in delivering services;
- Over time to grow and diversify our service delivery through local bases nationally through direct delivery and partnership working.

During the year we continued to make progress against these objectives.

### **Objective 1 - Our work at the St Piers Campus**

#### **Targets for the year**

- Review our approach to ensure we continue to reflect and respond to the changing needs of our young people and that, organisationally, we are geared up to support that.

#### **Our performance**

Over 200 children and young people benefited from attending our long term education, care and health services programmes at Lingfield. 64 children and young people were on roll at St Piers School through the year, 126 adults at St Piers Further Education College, and 14 adults under the age of 25 also benefited from the Connect 2 social care bridging programme. A significant number of young people with suspected epilepsy from across the UK also benefited from our diagnostic and multi-disciplinary assessment. We carried out 11 diagnostic assessments and 47 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 8 individuals – twice as many as in the previous year. Whilst it has been a difficult year on several fronts our dedicated colleagues have continued to place the students' needs first and deliver exceptional support and outcomes.

#### **St Piers School & College**

The children and young people at St Piers School, supported by the dedicated teaching and residential staff, and a new management team, have made a full transition into our purpose built specialist school. The new classrooms and the facilities have been welcomed by all and we continue to explore how we can make the most of this amazing resource.

This year we are focused on looking at our performance nationally and have become a member of the Challenge Partners network. This will enable us to further build our network and support delivery of specialist education outside of the immediate area.

In terms of our impact on the outcomes for children and young people in the school, all our leavers went on to a further education setting, and all of them secured an external qualification (BTEC Entry Level/Level 1 and the EQUALS 'Moving On' qualifications). 88% of our students to make expected or better progress across all their subject areas against agreed individual expectations which reflect the level of needs for each student. That they have done so well is a testament to their resilience, desire to learn and the quality of teaching and support.

In the Further Education College a new system of setting non accredited targets was introduced. Individualised targets were set for each student against their Education, Health and Care Plan Learning Outcomes. Over 1,300 individual objectives were set, and young people met those targets both within the College environment and, where applicable, the Residential settings. These targets reflected the needs of a rapidly changing cohort of young people with increasing levels of complex needs including Autism with associated behavioural needs and learning disabilities. The learners also worked towards their externally accredited outcomes and the College is proud that 97% of those young adults that finished their programme with us in 2017 achieved a relevant qualification.

As the holder of the Fair Train Silver award we look at our work related learning data carefully. This year there was an increase in onsite work placements, but a reduction in offsite work related learning placements over the last academic year. The factors for this include the increasingly complex needs of St Piers' learners including autism and associated behavioural needs who therefore require onsite placements, at least in their initial year with us.

For the first time we have been able to follow up the destinations for the last year of all leavers from the College in 2016 and establish how many young people have secured and sustained Education, Employment and Training. 68% moved onto further education or employment and training. Both the quality of the data and the engagement rate represent an improvement on the position in previous years.

St Piers School & College has also been working to develop its relationships in the wider sector over the last month. St Piers has joined the University of Kent Tizard Centre research project looking at transition to adult social care from residential educational settings for young people with intellectual and developmental disabilities.

### **Residential Services**

Sustaining and developing the quality of Young Epilepsy's residential provision has been the significant challenge of the last year, mainly because of difficulty in recruiting colleagues in to our care settings. Whilst this is a common issue within the sector it has been exacerbated by our location, where delivering services in a part of the country where there is almost full employment, and the increased complexity of needs of our young people has added pressures to recruiting and retaining our key support worker colleagues.

Both internal audit and external compliance visits in the year identified issues with delivery of service in the Children's residential settings, and this led to a significant downgrading of our Ofsted effectiveness rating in November 2016. This resulted in, for a limited period, a restriction on accepting new students into our children's residential services, at a critical point in the yearly admissions cycle which has impacted the numbers of students in school for 2017/18.

We were already working hard and subsequently stepped up our efforts to improve the quality of our children's residential homes. The programme has included a major recruitment drive, significant investment in the infrastructure of the Homes themselves (the House to Home initiative), and in the supervision and additional training of the staff teams working in the homes. There has also been a re-structuring of the leadership and management structure of Residential Services, increasing local accountability and boosting the capacity to manage quality in the service.

Ofsted recognised the progress that the organisation has made in its inspection visit of June 2017 where they recognised the positive, trusting and secure relationships between children and staff who have a 'desire to advocate, and do the right thing, for each child.'

During the year Young Epilepsy was also inspected by the Care Quality Commission (CQC) who confirmed in March 2017 that the overall standard of provision in the Adults Residential Homes was 'Good'.

What is clear is that our staff continue to show dedication and regard to the young people in our care and work hard to maintain an ethos of individual learning through experience and offering the children and young people who live with us a safe, happy environment, achieving the independence, progression and appropriate community access at the level right for them.

## **Objective 2 - Our national work**

### **Target for the year**

- Continue to strengthen our national profile, outreach and fundraising approach to enable us to continue to improve the support we provide throughout the UK to young people with epilepsy.

### **Our performance**

*'The support offered to children and young people has a direct impact on parents and the family as a whole. If the child feels better about their condition, then we see more acceptances and less disruption to parents, carers and siblings. For families coming to terms with this diagnosis, the support has been so positive and invaluable.'*  
*Epilepsy Specialist Nurse, London, 2017*

### **Influencing**

At a national level we have sought to highlight significant concerns, including collaborating with Epilepsy Action and Epilepsy Society, and to raise awareness of the pregnancy-related risks caused by sodium valproate. The results of our survey were sent to Government. We have continued to provide the secretariat for the All-Party Parliamentary Group on Epilepsy which in the last year has focussed on epilepsy related deaths and the Safety and inclusion of children with medical conditions in school alongside the APPG for Diabetes. Following lobbying and support from Young Epilepsy, two young people and one parent were accepted onto RCPCH's National Epilepsy Programme Board, ensuring that young people have a direct voice in the issues that concern them.

In England, we launched a survey of young people with epilepsy, and their parents and carers, on how well they are supported at school. We met with the Department for Education and Ofsted to push for further action on support for children with epilepsy at school (including a requirement for schools to publish their policies on their websites, and for Ofsted to routinely check support for children with medical conditions). This was in response to the findings of the Health Conditions in Schools Alliance (HCSA) that 9 out of 10 schools do not have medical conditions policies that comply with statutory requirements.

In Wales, we helped strengthen the Welsh Assembly Government guidance for schools on supporting children with medical conditions, with many of our recommendations being accepted as part of the consultation process. Following our submissions of evidence to the Wales Children, Young People and Education Committee, recommendations were issued to the Welsh Government for the Additional Learning Needs Code to clarify where medical needs fall under the definition of Additional Learning Needs (ALN) and for consideration to be given to aligning the age range of the medical needs schools guidance with the proposed new ALN system. The Minister, responsible for the ALN Bill currently in the Assembly, has indicated that he is open to introducing government amendments that reflect concerns raised regarding support for healthcare needs.

We have continued our work as the national champion of children and young people with epilepsy. Our guide for parents which was launched in February, has been very popular and was highly commended by the BMA Patient Information Awards. We have also provided support to young people and their schools through our campaigning and influencing work.

### **Outreach**

Our Outreach projects aim to tackle the social and emotional issues faced by children and young people with epilepsy, and their families. The current projects are either Transition projects, for young people 14-25, or Connect projects which are for children and young people any age, 0-25. Connect is more family focused with targets to engage with parents and siblings. Connect also includes awareness training for teachers and other professionals. Our referrals come from Epilepsy Specialist Nurses, School SENCOs, specialist support agencies, self-referrals, and the helpline at Young Epilepsy. In the last three years we have worked with over 628 young people and their families, and our aim is to work with another 600 before the end of 2020.

We undertake a range of interventions including one to one support (generally this is face to face but increasingly is being done through different technologies such as phone/skype/social media), bringing children and young people and their families together into mutual support groups through workshops and social activities as well as working closely with other health and education professionals. We work in a wide variety of settings including schools, hospitals, transition clinics, youth clubs, children's centres, at the family home and coffee shops.

An evaluation of the impact of the outreach projects was undertaken mid-year which showed how effective the interventions could be in supporting children and young people; following participation in the project:

- 92% are taking more responsibility for managing their medication independently
- 90% are more confident in managing, understanding and communicating their condition
- 73% are more aware of high risk behaviours
- 65% are retained in education, training or employment
- 78% are relying less on their parents

We have also continued to offer our helpline service which received 730 enquiries of which over 90% were from parents of young people with epilepsy, or professionals supporting young people and their families.

Our support for students and staff in higher education now reaches almost 50 Universities who are now members of our Epilepsy Friendly Scheme; providing free training, resources and information to higher education staff. This has ensured more than 500,000 students now have access to a member of staff with specialist training in epilepsy.

### **Objective 3 - Our research work**

#### **Target for the year**

- Continue to develop our world-renowned research programme to improve the lives and treatment of young people with epilepsy and associated conditions.

#### **Our performance**

Young Epilepsy's research programme operates under the auspices of The Prince of Wales's Chair of Childhood Epilepsy. It is a collaborative scheme between Young Epilepsy, Great Ormond Street Hospital for Children and UCL GOS – Institute for Child Health. The principle objective of research within the unit is to reduce the overall burden for children with epilepsy and aim towards better long-term outcomes.

Over the past year we have initiated 11 new research projects and been responsible for 82 peer-reviewed publications of primary research, as well as a further 26 publications of chapters, reviews and commentaries of expert opinion. In January 2017, we hosted our seventh international Paediatric Epilepsy Research Retreat for 100 researchers and collaborators from over 20 countries. In April, we held a Paediatric Epilepsy Masterclass on Sleep in Epilepsy for 50 specialist practitioners to build sleep hygiene into holistic epilepsy care.

Research projects which concluded in this year will fuel research development and future policy campaigning. Among others, these projects included the *Sussex Early Epilepsy and Neurobehaviour Study* which focussed on the wider impact of epilepsy on a child's family; *Safety, Tolerability and Efficiency of Cannabidiol* which determined that Cannabidiol is an effective add-on therapy for children with severe epilepsy; *Sleep and Memory in Focal Epilepsy* which highlighted the critical role sleep plays in memory consolidation in children with epilepsy; *Improving Epilepsy Surgery in Childhood using fMRI and EEG* which explored novel imaging techniques to improve the accuracy of lesion mapping, thereby allowing more children to be considered as surgical candidates.

Awards won across the unit included the 2017 Sydney Carter Award in Child Neurology (Helen Cross), 2018 Frank Ford Award (Helen Cross), INSAR Lifetime Achievement for Autism Research (Christopher Gillberg), L'Oreal UNESCO Women in Science Award (Manju Kurian), ICNA Young Investigator Award (Manju Kurian) and the 2016 Archibald Garrod Award (Shamima Rahman).

A major achievement this year was the launch of the European Reference Network *EpiCARE* coordinate by Professor Cross through Great Ormond Street Hospital, which aims to improve care for individuals with rare and complex epilepsies, utilising e-care to reduce any need to travel. We have also seen the launch of the *Rasmussen Syndrome Working Group* which is a multidisciplinary group based at ICH which seeks to review and improve the care pathway and outcomes for Rasmussen Syndrome patients. New projects to be launched include *What I need in School* as part of a wider scope of our educational/social research and internal auditing.

#### **Objective 4 - Ensuring sustainability**

##### **Targets for the Year**

- Build on our existing relationships to develop innovative partnerships with Commissioners and local authorities that provide long term benefits to our existing and future students.
- Review our pricing model to ensure we are fairly paid for the services we provide, while recognising the evolving commissioning priorities.

##### **Our performance**

The appointment of a Business Development Director, and the re-structuring of the business development team has meant that we have been able to work quickly to construct a different pricing strategy to ensure our prices fairly cover our costs. At the same time we have increased our transparency with the people who commission our services, and rebuilt our relationships with them, so that we can better understand their requirements; the services they require and the young people from their communities that they need us to work with. This has meant that we can ensure we are fairly paid for the work that we do, and that we should be able to provide improved value for money in a changing market.

At the end of the year Young Epilepsy restructured its operations to improve efficiencies and turnaround the financial performance of the Charity. In terms of savings this has meant an £2.7M projected reduction in spend for the coming year achieved through reducing the level of non-front line staffing in the organisation, an initial optimisation of buildings to reduce costs, and the re-negotiation of supplier contracts.

The organisation understands that this is the first stage of a longer process of rebalancing the price, cost and value equation within Young Epilepsy, and with commissioners, and has set challenging targets for the coming year with regard to financial management and performance.

## **Future Plans**

### **Key objectives in the next three years, 2017-2020**

- As a national charity our work extends beyond the St Piers campus, and we will continue to develop our research, campaigning and community support programmes for the benefit of all young people with epilepsy.
- In education, care and health work we continue to operate in a highly competitive market. Over the next three years we will ensure that all the children and young adults who come to us, receive a consistently high quality service.
- Young Epilepsy must also focus on securing income streams for the future. These income streams include placements in St Piers School and College, our health assessment and rehabilitation services and through fundraising. Key to this will be the development of new services and products that meet the needs of young people with epilepsy and associated conditions.
- We acknowledge the pressures on the public finances. This will mean improving our financial management, introducing initiatives and approaches that deliver improved income and reduce cost. Key to this work will be the optimisation of our Lingfield campus - generating the best value from the buildings and land as assets, in addition to reducing costs.

### **Key objectives in the next year 2017-18**

The focus for the coming year is on providing the best possible outcomes for all the children and young people who access our services. This means continuing to invest in our major asset – the people who work with us - and continue to develop the skills to carry out their work in an evolving national context. We will also concentrate on empowering our managers and change the culture of the organisation. We must improve our financial position rapidly by reducing costs, improving efficiency and managing and diversifying our revenue streams.

## **FINANCIAL REVIEW**

### **Income and Expenditure Review**

The financial environment in which the charity operates continues to be challenging. A combination of Commissioners' budget pressures, rising costs and the challenges of both recruiting and retaining a high quality work force and tighter regulatory inspection increasingly add to the financial pressures within the sector. Demand for the services we provide continues to be strong and the challenge for all is how to transform services to be able to consistently deliver the quality and outcomes expected and demonstrate value for money to those commissioning our services.

Results for the year are a consolidated deficit of £3.1M after charging £0.5M for restructure costs and £0.6M write off of legal and professional fees. Results in the year also benefitted from an unrealised gain of £0.3M on the investment portfolio and a £0.4M surplus of restricted fundraised income over expenditure. Underlying performance of the charity excluding these one off events in the year was £2.7M deficit.

Incoming resources for the year at £25.5M represent a £2.2M decline on prior year of £27.7M. Fees from local government and health authorities were £23.3M (2016: £24.5M). The decrease reflects a change in mix of activity, reduced student numbers in school and continued downward pressure on fees from Commissioners. Student numbers in school were affected by an in year restriction notice on children's residential services which was lifted in March 2017. The reduction in income from donation and legacies in the year of a £1.1M was driven by the winding down of the school capital appeal as the project closed.

## **THE NATIONAL CENTRE FOR YOUNG PEOPLE WITH EPILEPSY CHARITABLE TRUST**

### **Trustees Report for the year ended 31<sup>st</sup> July 2017**

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Staff costs increased by 2.5% to £20.8M in the year as the impacts of the minimum wage and difficulty recruiting and retaining staff across the sector adds to upward wage pressures. Additional cost pressures came from increased utility costs, increased spending on the maintenance of the Estate, and increased depreciation charges from the commissioning of the new school build. Total costs increased by £2.3M in the year to £28.9M (2016: £26.6M).

To be able to respond to the need to transform services to meet Commissioner expectations, plan for lower student numbers, recognising the work force challenges, reduce our cost base and improve our margins as part of a recovery plan £0.5M restructuring cost was incurred in the year.

Fixed asset additions of £12.9M in the year include the final total cost of the new school. The major investment programme in the new school was completed in the year, with the school being commissioned from September 2016. Overall we spent, after investment and financing activities, £0.7M more than we generated with our cash and cash equivalents at the year end at £3.4M (2016 £4.1M). In year we received a £0.8M loan from Surrey County Council towards the cost of the School build project. These funds are repayable between December 2017 and December 2019.

The net asset base of the group at the year end is £17.2M (2016: £20.3M) after accounting for the FRS102 determined final salary pension scheme liability of £7.3M (2016 - £7.4M). The triannual actuarial valuation results for 2016 valued the deficit, after a review of the investment strategy at £3.4M. In 2016 we agreed in negotiation with the Pension Scheme Trustee to maintain the existing rate of current contributions of £0.33M until the next valuation in the 2019/20 financial year.

#### **Fundraising**

Through our targeted fundraising activities, in 2017 we generated £1.43M in fundraising income. We had anticipated a significant drop in fundraising income compared to 2016 whilst we changed our focus from the successful capital campaign for the new St Piers School, put in place the requirements of the new Fundraising Regulator and established a new team. The funds raised helped fund our research into early onset Epilepsy and other critical projects including the Connect and Transitions outreach projects which received new funding from Children in Need. These activities positively affect our beneficiaries both at our campus and nationally.

The cost of raising this income was £0.732m generating a return of investment of almost 1:2. This equates to £1.95 for every £1 spent (2016, £3.44 for every £). We have an increased focus on generating unrestricted income in 2018 and have reduced the cost base of the fundraising team which means that next year we expect to see growth and an improving return on investment so that we can continue to support more young people through our life changing work.

#### **Investment Policy**

Young Epilepsy's investment policy is to hold assets to achieve an appropriate return with an appropriate level of risk when considered alongside its business plan and level of reserves. It has three investment objectives:

1. Total returns fall between those available from UK bonds and equities
2. Control investment risk through effective portfolio management and structure
3. Manage investment return and risk in the context of the UK economy and UK financial markets

Total investments are a mix of two managed investment portfolios and cash held across a number of UK banks. The Coutts investments comprise of 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 and cash.

### Investment Performance

The funds in which investments are held, are measured against agreed benchmark indices for each relevant holding. The performance of the investments held by Young Epilepsy as at the 31<sup>st</sup> July 2017 against each funds benchmark index is detailed in the following table.

	Valuation		Performance		Benchmark	
	31 <sup>st</sup> July 2017 £000's	31 <sup>st</sup> July 2016 £000's	31 <sup>st</sup> July 2017 %	31 <sup>st</sup> July 2016 %	31 <sup>st</sup> July 2017 %	31 <sup>st</sup> July 2016 %
Portfolio A	1,258	1,132	11.30	4.85	6.43	11.85
Portfolio B	1,600	1,396	14.66	4.22	11.08	10.33
	<u>2,858</u>	<u>2,528</u>				

Portfolio A – Aim is to grow the Charity's initial investment over a three to five year period

Portfolio B – Aim is to grow the value of the initial investment over a five to eight year period

### Reserves

Young Epilepsy relies on a mixture of income from a variety of sources to fund its activities and the continued investment in our services and facilities. The nature of our activities and the markets in which we operate have a degree of uncertainty driven by developing Commissioner models and the constraints of public funding. It is important therefore that Young Epilepsy holds sufficient reserves to ensure we can continue to fulfil our commitments. The changes in the risk faced by the charity, and hence the need to adjust reserves, could include:

- Unexpected dip in income and/or increase in expenditure
- Unplanned substantial repairs and maintenance expenditure required to our charity assets
- Need to transform our services to reflect developing commissioning strategies

When considering our reserves policy the Trustees take into account the following:

- Reserves are an inherent part of our strategic risk management process. The need for reserves will vary depending on our financial position and our assessment of the risks faced at any time.
- The importance of balancing the short term need for spending on our core programmes with the need to maintain stability in the longer term.

In accordance with Charity Commission guidance, the Trustees have considered the adequacy of Charity's reserves, which is set out below.

### Restricted Funds

These funds are tied to a specific activity by the funder or by the nature of the appeal and cannot be used to fund other activities by Young Epilepsy. More details of our restricted funds can be found in note 15 of the financial statements.

### Funds representing functional Fixed Assets

This fund is equivalent to the net book value of the land and buildings used to support Young Epilepsy charitable and commercial operations. The Trustees have designated this fund to represent the element of our reserves which are tied to our charitable assets including land and buildings. Consequently, these reserves are not available to be spent on ongoing activities.

### **Free Reserves**

The Charity Commission defines “Free Reserves” as those funds which are neither restricted, designated, nor applied as functional fixed assets. At 31 July 2017, the balance of such funds stood at approximately £0.7M which represents around 1.6 weeks operating expenditure on projected 2017/18 expenditure. The Trustees have reviewed the level of this reserve and set a target level of reserves equivalent to 8 weeks operating expenditure by July 2021.

### **Pension Reserve**

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 a decrease in the fund, calculated in accordance with accounting standards, to £7.312M (2016 - £7.386M). 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.

### **Principal Risks and Uncertainties**

The Board of Trustees is responsible for the oversight of the risks faced by the Charity. The trustees and the Audit and Risk Committee regularly review the Trusts risk position, internal controls assessment and compliance with relevant statutory and finance regulations.

Our risk management process is designed to identify the major risks that could impact on the successful delivery of our strategy. The process identifies the major risks the charity faces, the likelihood of occurrence, the significance of the risk and any mitigating controls that are in place or planned to be in place. It also seeks to identify any actions and resources required to manage these risks further.

The Board takes steps to assure itself of effective systems of control over the operations and finances of the charity that are appropriate to the scale and complexity of its activities. These controls include those to safeguard vulnerable people; financial and operational delegations and further controls to prevent and detect fraud and ensure the security of assets and the integrity of the services we provide for our beneficiaries.

Policies and procedures encompass all operations and are regularly updated.

Young Epilepsy’s service users are drawn from amongst the most vulnerable. Our reputation is critical to maintaining our status as a trusted provider. The risk of damage to our reputation through regulatory and other failings associated with the delivery of our services is managed through a robust set of performance indicators allied to the assurance mechanisms outlined above.

In common with other providers of services funded by the public sector, Young Epilepsy’s operating margins (the difference between the income from and cost of delivering services) continue to be under pressure from limited income growth and increasing costs. Failing to improve and maintain margins will not only threaten quality of service offering but also limit the amount of unrestricted funds available to invest in the future development of our services and their delivery. The Board and Executive Team monitor the financial performance of the charity through a performance dashboard and regular meetings with relevant staff.

Young Epilepsy’s closed defined benefit pension scheme is subject to risks around funding that are outside the control of the charity. The risks derive from longevity, financial asset returns, inflation and salary growth as well as broader economic factors such as quantitative easing. The continued requirement to fund the deficits has a material impact on Young Epilepsy’s ability to invest in the growth and development of its services and facilities. Young Epilepsy seeks expert advice and support to ensure that the needs of the current beneficiaries of the charity and those of its current and future pensioner populations are balanced correctly.

The strength of the charity's covenant with the pension scheme is maintained and enhanced through the management of its activities for sustainable growth.

### **Going concern**

The financial statements are drawn up on the going concern basis which assumes Young Epilepsy will continue in operational existence for the foreseeable future. Young Epilepsy substantially relies on funding from public contracts for its current and future commitments and we seek to manage the risks around this income stream. The going concern basis used in the preparation of these financial statements is based upon the expectation that Young Epilepsy's net income or net expenditure are at a level to ensure reserves and cash flow requirements are met.

The Trustees have reviewed our financial position and financial forecasts, taking into account the levels of debt, investment reserves, cash, assets and the systems of financial control and risk management. The Trustees believe that we are well placed to manage operational and financial risks successfully.

Based on their work, the Board considers Young Epilepsy's current and forecast cash resources to be sufficient to cover the working capital requirements of the charity for at least 12 months from the date of signing the accounts and has determined that it remains appropriate to continue to adopt the going concern basis in preparing the accounts.

**THE NATIONAL CENTRE FOR YOUNG PEOPLE WITH EPILEPSY CHARITABLE TRUST**  
**Statement of Trustees' Responsibilities for the Financial Statements**

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*Statement of 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 preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (the 'Charity SORP')".

Signed on behalf of the Board of Trustees



Jane Ramsey

Date: 8/3/2018

**THE NATIONAL CENTRE FOR YOUNG PEOPLE WITH EPILEPSY CHARITABLE TRUST**  
**Independent auditors report to the Trustees**

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**INDEPENDENT AUDITOR'S REPORT TO TRUSTEES OF THE NATIONAL CENTRE FOR YOUNG PEOPLE WITH EPILEPSY CHARITABLE TRUST**

*Opinion*

We have audited the financial statements of The National Centre for Young People with Epilepsy Charitable Trust for the ended 31 July 2017 which comprise the group statement of financial activities, the group and parent charity balance sheets, the group cash flow statement and the related notes 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 the Parent Charity's affairs as at 31 July 2017 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.

*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 Group and the Parent Charity in accordance with the ethical requirements 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 related to going concern*

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the Parent Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

*Other information*

The other information comprises the information included in the Trustees 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.

In connection with our audit of the financial statements, 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.

## THE NATIONAL CENTRE FOR YOUNG PEOPLE WITH EPILEPSY CHARITABLE TRUST

### Independent auditors report to the Trustees

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If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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

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

- the information contained in the financial statements is inconsistent in any material respect with the Trustees' Annual Report; or
- adequate 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.

#### *Responsibilities of Trustees*

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, and for such internal control as the Trustees determines 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's and the Parent Charity'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 Group or the parent Charity or to cease operations, or have no realistic alternative but to do so.

#### *Auditor's responsibilities for the audit of the financial statements*

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**THE NATIONAL CENTRE FOR YOUNG PEOPLE WITH EPILEPSY CHARITABLE TRUST**  
**Independent auditors report to the Trustees**

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*BDO LLP*

BDO LLP

Statutory auditor

Gatwick

United Kingdom

Date: *15 March 2018*

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

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

**THE NATIONAL CENTRE FOR YOUNG PEOPLE WITH EPILEPSY CHARITABLE TRUST**  
**Consolidated Statement of Financial Activities for the year ended 31<sup>st</sup> July 2017.**

		2017	2017	2017	2016	2016	2016
		Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
Income from:	Note	£'000	£'000	£'000	£'000	£'000	£'000
Donations and legacies	3	455	976	1,431	427	2,051	2,478
<b>Charitable activities</b>							
Fees – local authorities and other supporting bodies		23,339	-	23,339	24,516	-	24,516
<b>Investment income</b>	4	52		52	123		123
<b>Other trading activities</b>							
Income from rents and meals		478	-	478	440	-	440
Miscellaneous		210	-	210	135	-	135
<b>Total</b>		<b>24,534</b>	<b>976</b>	<b>25,510</b>	<b>25,641</b>	<b>2,051</b>	<b>27,692</b>
<b>Expenditure on:</b>							
<b>Raising funds</b>							
Routine Programme		732	-	732	720	-	720
		732	-	732	720	-	720
<b>Charitable activities</b>							
Educational, medical and residential care		27,596	603	28,199	25,106	821	25,927
<b>Total</b>	6	<b>28,328</b>	<b>603</b>	<b>28,931</b>	<b>25,826</b>	<b>821</b>	<b>26,647</b>
<b>Net gains on investment assets</b>	10	287	-	287	7	-	7
<b>Net income/(expenditure)</b>		<b>(3,507)</b>	<b>373</b>	<b>(3,134)</b>	<b>(178)</b>	<b>1,230</b>	<b>1,052</b>
<b>Transfers between funds</b>	15	6,691	(6,691)	-	-	-	-
<b>Other recognised gains and losses:</b>							
<b>Actuarial gain / (loss) on defined benefit pension scheme</b>	14	38	-	38	(1,440)	-	(1,440)
<b>Net movement in funds</b>		<b>3,222</b>	<b>(6,318)</b>	<b>(3,096)</b>	<b>(1,618)</b>	<b>1,230</b>	<b>(388)</b>
Total funds brought forward		13,126	7,152	20,278	14,744	5,922	20,666
<b>Total funds carried forward</b>		<b>16,348</b>	<b>834</b>	<b>17,182</b>	<b>13,126</b>	<b>7,152</b>	<b>20,278</b>

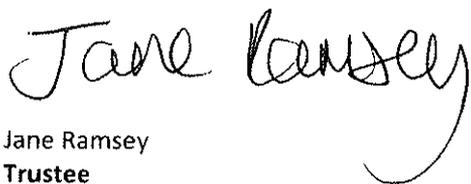
The notes on pages 23 to 38 form part of these financial statements and all amounts relate to continuing activities

**THE NATIONAL CENTRE FOR YOUNG PEOPLE WITH EPILEPSY CHARITABLE TRUST**  
**Consolidated Balance Sheet as at 31<sup>st</sup> July 2017**

**Balance Sheet**

	Note	2017		2016	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	9		22,886		21,641
Investments	10		3,922		3,592
			<u>26,808</u>		<u>25,233</u>
<b>Current assets</b>					
Stocks		72		70	
Debtors	11	804		1,014	
Cash at bank and in hand	21	3,412		4,116	
		<u>4,288</u>		<u>5,200</u>	
<b>Creditors: amounts falling due within one year</b>	12	5,569		2,769	
<b>Net current assets</b>			<u>(1,281)</u>		<u>2,431</u>
<b>Total assets less current liabilities &amp; Net assets excluding pension scheme liability</b>			<u>25,527</u>		<u>27,664</u>
Creditors falling due between one and five years	13		(1,033)		-
Defined benefit pension scheme liability	14		(7,312)		(7,386)
<b>Net assets including pension scheme liability</b>			<u>17,182</u>		<u>20,278</u>
<b>Funds</b>					
<b>Restricted funds:</b>					
Revenue	15	834		993	
Fixed Assets	15	-		6,159	
			834		7,152
<b>Unrestricted funds:</b>					
Funds representing functional fixed assets	16	22,886		15,482	
Free reserves	16	774		5,030	
Pension reserve	16	(7,312)		(7,386)	
			<u>16,348</u>		<u>13,126</u>
<b>Total funds</b>			<u>17,182</u>		<u>20,278</u>

The financial statements were approved by the Board and authorised for issue on 8 March 2018

  
Jane Ramsey  
Trustee

The notes on pages 23 to 38 form part of these financial statement

**THE NATIONAL CENTRE FOR YOUNG PEOPLE WITH EPILEPSY CHARITABLE TRUST**  
**Charity Balance Sheet for the year ended 31<sup>st</sup> July 2017**

	Note	2017		2016	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	9		22,886		11,475
Investments	10		3,922		3,592
			<u>26,808</u>		<u>15,067</u>
<b>Current assets</b>					
Stocks		71		70	
Debtors	11	799		10,054	
Cash at bank and in hand	21	3,412		4,112	
		<u>4,282</u>		<u>14,236</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>5,448</u>		<u>1,628</u>	
<b>Net current assets</b>			<u>(1,166)</u>		<u>12,608</u>
<b>Total assets less current liabilities &amp; Net assets excluding pension scheme liability</b>					
Creditors falling due between one and five years	13		(534)		-
Defined benefit pension scheme liability	14		<u>(7,312)</u>		<u>(7,386)</u>
<b>Net assets including pension scheme liability</b>			<u>17,796</u>		<u>20,289</u>
<b>Funds</b>					
Restricted funds:					
Revenue	15	834		993	
Fixed Assets	15	-		6,159	
			<u>834</u>	<u>7,152</u>	
Unrestricted funds:					
Funds representing functional fixed assets and amounts owed from subsidiary company	16	22,886		14,485	
Free reserves	16	1,388		6,038	
Pension reserve	16	<u>(7,312)</u>		<u>(7,386)</u>	
			<u>16,962</u>	<u>13,137</u>	
<b>Total funds</b>			<u>17,796</u>	<u>20,289</u>	

The financial statements were approved by the Board and authorised for issue on 8/3/2018



Jane Ramsey  
Trustee

The notes on pages 23 to 38 form part of these financial statement

**THE NATIONAL CENTRE FOR YOUNG PEOPLE WITH EPILEPSY CHARITABLE TRUST**  
**Consolidated statement of cash flows for the year ended 31<sup>st</sup> July 2017**

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	Note	2017 £'000	2016 £'000
<b>Cash flows from operating activities:</b>			
<b><i>Net cash provided by operating activities</i></b>	<b>18</b>	<u>(814)</u>	<u>2,868</u>
<b>Cash flows from investment activities:</b>			
Dividends and interest received		52	123
Purchase of tangible fixed assets		(723)	(4,792)
Sale of tangible fixed assets		24	-
Purchase of investments		(43)	(101)
<b>Net cash used in investing activities</b>		<u>(690)</u>	<u>(4,770)</u>
<b>Cash flows from financing activities</b>			
Loan		800	-
<b>Net Cash flows from financing activities</b>		<u>800</u>	<u>-</u>
<b>Change in cash and cash equivalents in the reporting period</b>		(704)	(1,902)
<b>Cash and cash equivalents brought forward</b>		4,116	6,018
<b>Cash and cash equivalents carried forward</b>		<u>3,412</u>	<u>4,116</u>

**THE NATIONAL CENTRE FOR YOUNG PEOPLE WITH EPILEPSY CHARITABLE TRUST**  
**Notes to the Financial Statements for the year ended 31st July 2017**

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**Notes to the Financial Statements**

**1. Charity status**

The charity's sole trustee is The National Centre for Young People ("the corporate Trustee"), a company which is limited by guarantee, the liability of each member in the event of the company winding up is limited to £1. The registered office of the corporate Trustee is St Piers Land, Lingfield, Surrey RH7 6PW. The charity is a registered with the Charity Commission and constitutes a public benefit entity as defined by FRS102.

**2 Accounting policies**

- a) The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments, and are in accordance with the Statement of Recommended Practice: Accounting and reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (the 'SORP'), FRS 102: The Financial Reporting Standard applicable in the UK and Ireland ('FRS 102'), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The preparation of the financial statements in accordance with FRS102 requires the Trustees to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas where assumptions or estimates were significant to the financial statements are disclosed in note 23.

**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 20). The results of the subsidiary are consolidated on a line by line basis. A separate SOFA has not been presented for the parent charity as this is not considered to be materially different from the consolidated statement of financial activities except for £601,000 (2016: £5,000) of charitable expenditure relating to legal and professional costs expended in the subsidiary undertaking.

**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

**2 Accounting policies (continued)**

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

**h) 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 FRS102 section 28. Under the definitions set out in Financial Reporting Standard 102 section 28, 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 102 section 28 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 102 section 28 "Employee benefits".

**The Pensions Trust**

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

**i) Fund accounting**

The treatment of restricted and designated funds is explained in notes 15 and 16.

**Pension reserve:**

This reserve has been created within unrestricted funds in compliance with SORP 2015.

**THE NATIONAL CENTRE FOR YOUNG PEOPLE WITH EPILEPSY CHARITABLE TRUST**  
**Notes to the Financial Statements for the year ended 31st July 2017**

**3 Donations and legacies**

	<b>2017</b>	2016
	<b>£'000</b>	£'000
New capital appeal – school	<b>87</b>	1,263
Projects and residential house funds	<b>567</b>	344
National Services Programmes	<b>57</b>	51
True Colours Trust - Epilepsy Infancy Study	<b>46</b>	-
Unrestricted income	<b>455</b>	427
Blagrave Trust	-	40
Research Funds	<b>37</b>	112
Big Lottery Fund	<b>98</b>	151
EFA	<b>84</b>	90
	<b><u>1,431</u></b>	<u>2,478</u>

**4 Investment income**

	<b>2017</b>	2016
	<b>£'000</b>	£'000
Dividend and other investment income received	<b>48</b>	113
Interest from bank deposit account	<b>4</b>	10
	<b><u>52</u></b>	<u>123</u>

**5 Employees**

	<b>2017</b>	2016
	<b>£'000</b>	£'000
Staff costs consist of:		
Wages and salaries	<b>18,552</b>	18,110
Social security costs	<b>1,359</b>	1,284
Other pension costs	<b>856</b>	871
	<b><u>20,767</u></b>	<u>20,265</u>

Included within wages and salaries are agency costs of £2,348,582 (2016 - £2,433,778) incurred during the year.

**5 Employees (continued)**

	2017	2016
	No.	No.
The average number of employees during the period was:		
Teaching and Education Support Staff	210	220
Residential Care	364	362
Medical and Clinical Staff	66	66
Other Staff	116	100
	<u>756</u>	<u>748</u>
Full time equivalent	<u>630</u>	<u>624</u>

**THE NATIONAL CENTRE FOR YOUNG PEOPLE WITH EPILEPSY CHARITABLE TRUST**  
**Notes to the Financial Statements for the year ended 31st July 2017**

Number of staff with total remuneration (including settlements and benefits) greater than:	Education, medical, therapy No.	Executive staff No.	2017 No.	2016 No.
>£60,000 in bands of £10,000				
£60,001-£70,000	4	-	4	4
£70,001-£80,000	-	-	-	1
£80,001-£90,000	-	2	2	-
£90,001-£100,000	-	1	1	1
£100,001-£110,000	-	-	-	1
£120,001-£130,000	-	1	1	1
	<u>4</u>	<u>4</u>	<u>8</u>	<u>8</u>

Contributions made in the year for the provision of money purchase benefits on behalf of 8 (2016 – 6) higher paid employees was £25,428 (2016 - £20,151). There was one, (2016 – 2) higher paid staff to whom retirement benefits are accruing under defined benefit schemes. The total remuneration paid including employer pension and national insurance contributions incurred for key management personnel amounted to £ 633,211 (2016 - £552,172).

**6 Total Resources Expended**

	Education, Medical and Residential Care £000's	Fundraising £000's	2017 Total £000's	2016 Total £000's
Staff costs	17,351	598	17,949	16,980
Other direct expenditure	1,642	134	1,776	1,500
Support staff costs	2,561	-	2,561	2,836
Support costs	5,166	-	5,166	4,073
Auditors' remuneration	25	-	25	35
Depreciation	1,454	-	1,454	1,223
2017 Total	<u>28,199</u>	<u>732</u>	<u>28,931</u>	<u>26,647</u>
2016 Total	<u>25,927</u>	<u>720</u>	<u>26,647</u>	

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

**7 Trustees' transactions**

The Trustees do not receive any remuneration in respect of their services. Six Trustees (2016 - 6) received expenses reimbursed in line with the Trustees Expenses Policy amounting to £6,820 (2016 - £5,370). Further costs incurred on behalf of Trustees amounted to £6,862 (2016 - £7,455) including Trustees indemnity insurance costs of £4,565 (2016 - £4,926).

**8 Taxation**

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

**THE NATIONAL CENTRE FOR YOUNG PEOPLE WITH EPILEPSY CHARITABLE TRUST**  
**Notes to the Financial Statements for the year ended 31st July 2017**

**9 Tangible assets**

<b>Group</b>	Freehold land and Buildings £'000	Plant and machinery £'000	Motor vehicles/ Tractors £'000	Assets Under Construction £'000	Total £'000
<i>Cost</i>					
At 1 August 2016	25,700	1,123	310	10,882	38,015
Additions	-	42	61	2,771	2,874
Transfers	12,967	415	-	(13,382)	-
Disposals	-	(93)	(39)	(175)	(307)
At 31 July 2017	<u>38,667</u>	<u>1,487</u>	<u>332</u>	<u>96</u>	<u>40,582</u>
<i>Depreciation</i>					
At 1 August 2016	15,205	864	305	-	16,374
Provided for the year	1,294	150	10	-	1,454
Disposals	-	(93)	(39)	-	(132)
	<u>16,499</u>	<u>921</u>	<u>276</u>	<u>-</u>	<u>17,696</u>
<i>Net book value</i>					
At 31 July 2017	<u>22,168</u>	<u>566</u>	<u>56</u>	<u>96</u>	<u>22,886</u>
At 31 July 2016	<u>10,496</u>	<u>259</u>	<u>5</u>	<u>10,881</u>	<u>21,641</u>

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

<b>Charity</b>	Freehold land and Buildings £'000	Plant and Machinery £'000	Motor vehicles/ Tractors £'000	Assets under Construction £'000	Total £'000
<i>Cost</i>					
At 1 August 2016	25,701	1,123	310	715	27,849
Additions	12,548	42	61	271	12,922
Transfers	418	415	0	(833)	-
Disposals	-	(93)	(39)	(57)	(189)
At 31 July 2017	<u>38,667</u>	<u>1,487</u>	<u>332</u>	<u>96</u>	<u>40,582</u>
<i>Depreciation</i>					
At 1 August 2016	15,205	864	305	-	16,374
Provided for the year	1,294	150	10	-	1,454
Disposals	-	(93)	(39)	-	(132)
	<u>16,499</u>	<u>921</u>	<u>276</u>	<u>-</u>	<u>17,696</u>
<i>Net book value</i>					
At 31 July 2017	<u>22,168</u>	<u>566</u>	<u>56</u>	<u>96</u>	<u>22,886</u>
At 31 July 2016	<u>10,496</u>	<u>259</u>	<u>5</u>	<u>715</u>	<u>11,475</u>

All assets are held for direct charitable use.

**THE NATIONAL CENTRE FOR YOUNG PEOPLE WITH EPILEPSY CHARITABLE TRUST**  
**Notes to the Financial Statements for the year ended 31st July 2017**

**10 Investments**

	Group and Charity	
	2017	2016
	£'000	£'000
Market value as at 1 August	3,592	3,484
Additions	43	101
Net unrealised gains	287	7
Market value as at 31 July	<u>3,922</u>	<u>3,592</u>

	Group and Charity	
	2017	2016
	£'000	£'000
The investments are analysed as follows:		
Building Society Deposits	705	705
Coutts Deposit Account	359	359
Coutts Investment Portfolio	2,858	2,528
	<u>3,922</u>	<u>3,592</u>

	Group and Charity	
	2017	2016
	£'000	£'000
UK Equities	1,515	1,343
Overseas Equities	587	517
Overseas Hedge Funds	181	69
Cash on deposit in UK	1,144	1,263
Bonds	381	297
Properties	84	74
Structured products	30	29
Market Value as at 31 July 2017	<u>3,922</u>	<u>3,592</u>

The Coutts investments comprise of 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**

	Group		Charity	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Operating debtors	542	705	542	705
Other debtors	139	152	134	23
Accrued income	123	157	123	157
Amounts owed by subsidiary undertaking	-	-	-	9,169
	<u>804</u>	<u>1,014</u>	<u>799</u>	<u>10,054</u>

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

**THE NATIONAL CENTRE FOR YOUNG PEOPLE WITH EPILEPSY CHARITABLE TRUST**  
**Notes to the Financial Statements for the year ended 31st July 2017**

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

	<b>Group</b>		<b>Charity</b>	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Loan	266	-	266	-
Operating creditors	4,447	2,228	1,852	1,087
Accruals and deferred income	856	541	3,330	541
	<u>5,569</u>	<u>2,769</u>	<u>5,448</u>	<u>1,628</u>

**13 Creditors: Amounts falling due over one year**

	<b>Group</b>		<b>Charity</b>	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Loan Repayable between 1-2 years	267	-	267	-
Loan Repayable between 2 - 5 years	267	-	267	-
Operating creditor repayable between 1 – 2 years	250	-	-	-
Operating creditor repayable between 2 – 5 years	249	-	-	-
	<u>1,033</u>	<u>-</u>	<u>534</u>	<u>-</u>

During the year, an interest free loan facility amounting to £800,000 was provided by Surrey County Council. The loan is repayable in three equal instalments payable on the 31st December 2017, 31st December 2018 and 31st December 2019.

**14 Pension Schemes**

**St Piers Lingfield Retirement Benefits Scheme**

The Charity operates the St Piers Lingfield Retirement Benefits Scheme (“the Scheme”) which is a defined benefit scheme now closed to new members. Pension benefits are linked to the members’ final pensionable salaries and service at their retirement (or date of leaving if earlier). The Pension Scheme Trustee is responsible for running the Scheme in accordance with the Scheme’s Trust Deed and Rules, which sets out their powers. The Pension Scheme Trustee is required to act in the best interests of the beneficiaries of the Scheme. There are three categories of pension scheme members:

- Active members: currently employed by the Employer;
- Deferred members: former active members of the Scheme who are not in receipt of a pension; and
- Pensioner members: in receipt of pension.

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.

The Pension Scheme Trustee is required to carry out an actuarial valuation every 3 years. The last full actuarial valuation of the Scheme was performed by the Scheme Actuary for the Pension Scheme Trustee as at 5 April 2016.

This valuation revealed a funding shortfall of £2,830,000. The Employer agreed to pay annual contributions of 18.05% of members’ pensionable salaries, less employee contributions, each year to meet the cost of future service accrual. In respect of the deficit in the Scheme as at 5 April 2016, the Employer has agreed to pay £332,000 pa for 8 years.

**14 Pension Schemes (continued)**

In addition, the Employer will pay £9,000 per month to cover administration expenses and 2.0% of members' pensionable salaries each year to meet the premiums for death in service lump sums associated with the Scheme.

The Employer therefore expects to pay £510,420 to the Scheme during the accounting year beginning 1 August 2017 based on a pensionable salary payroll of £596,780 as at the 31<sup>st</sup> July 2017.

The results of the most recent formal actuarial valuation as at 5 April 2016 have been updated to 31 July 2017 by a qualified independent actuary. The assumptions used were as follows:

	2017	2016
<b><u>Significant actuarial assumptions:</u></b>		
Discount rate	2.50%	2.40%
Inflation (RPI)	3.20%	2.80%
Inflation (CPI)	2.20%	1.80%
<b><u>Other actuarial assumptions:</u></b>		
Rate of increase in salaries	2.00%	2.00%
Rate of increase in pensions:		
Non Pensioners – Pre 05 benefits	3.20%	3.40%
Non Pensioners – Post 05 benefits	2.50%	2.50%
Pensioners – Pre 05 benefits	3.10%	2.90%
Pensioners – Post 05 benefits	2.50%	2.50%
Revaluation of deferred pensioners in excess of GMP	2.20%	1.80%

The demographic mortality assumptions adopted at 31 July 2017 imply the following life expectancies at age 65:

	2017	2016
<b><u>Mortality assumptions:</u></b>		
Mortality	S2PMA/S2PFA CMI 2016 1.00%	S2PMA/S2PFA CMI 2015 1.00%
<b><u>Life expectancies:</u></b>		
Male currently age 45 at 65	23.0 years	23.2 years
Female currently age 45 at 65	25.0 years	25.4 years
Male currently age 65	21.9 years	21.9 years
Female currently age 65	23.7 years	23.9 years

Under FRS102 the expected return on the schemes assets is now assessed using the discount rate underlying the valuation of the schemes liabilities, which is based on AA rated corporate bond yields.

At 31 July 2017 the discount rate used to calculate the schemes liabilities and hence the assumed rate of return on the Schemes assets was 2.5% p.a. (2016 2.4%).

**THE NATIONAL CENTRE FOR YOUNG PEOPLE WITH EPILEPSY CHARITABLE TRUST**  
**Notes to the Financial Statements for the year ended 31st July 2017**

**14 Pension Schemes (continued)**

	Value at 2017 assets £'000	% of total Scheme	Value at 2016 Assets £'000	% of total Scheme
The assets in the scheme were:				
Bonds	3,160	22%	6,853	47%
Gilts	1,793	13%	0	
Cash	158	1%	135	<1%
Annuities	1,389	10%	1,498	10%
Other	7,606	54%	6,006	41%
Total market value of assets	<u>14,106</u>		<u>14,492</u>	
Present value of scheme liabilities	<u>(21,418)</u>		<u>(21,878)</u>	
Net pension liability	<u>(7,312)</u>		<u>(7,386)</u>	
The actual return on assets over the period was:				
	(231)		1,757	
Interest income	346		447	
Return on assets less interest income	<u>(577)</u>		<u>1,310</u>	
Total return of assets	<u>(231)</u>		<u>1,757</u>	

	2017 £'000	2016 £'000
<i>Analysis of changes in the value of the scheme liabilities over the year:</i>		
Opening present value of the defined benefit obligation	(21,878)	(18,848)
Service cost	(165)	(112)
Interest cost	(521)	(653)
Member contributions	(51)	(58)
Benefits paid	582	543
Actuarial losses	615	(2,750)
Closing present value of the defined benefit obligation	<u>(21,418)</u>	<u>(21,878)</u>
<i>Analysis of changes in the value of the scheme assets over the year:</i>		
Opening market value of Scheme assets	14,492	12,809
Expected return on Scheme assets (excluding interest income)	(577)	1,310
Interest income	346	447
Employer contributions	498	505
Member contributions	51	58
Benefits paid	(582)	(543)
Administration expenses	(122)	(94)
Closing market value of Scheme assets	<u>14,106</u>	<u>14,492</u>

**THE NATIONAL CENTRE FOR YOUNG PEOPLE WITH EPILEPSY CHARITABLE TRUST**  
**Notes to the Financial Statements for the year ended 31st July 2017**

**14 Pension Schemes (continued)**

	2017		2016	
	£'000	£'000	£'000	£'000
<i>Analysis of the amounts charged to Statement of Financial Activities:</i>				
Current service cost	(165)		(112)	
Administration expenses	(122)		(94)	
Total service cost		(287)		(206)
Net finance charge		(175)		(206)
Total pension cost charged to Statement of Financial Activities		<u>(462)</u>		<u>(412)</u>

	2017	2016
	£'000	£'000
<i>Analysis of actuarial loss recognised in the Statement of Financial Activities:</i>		
Actual return on assets less interest	(577)	1,310
Actuarial losses on defined benefit obligation	615	(2,750)
Total gain/(loss) recognised in the Statement of Financial Activities	<u>38</u>	<u>(1,440)</u>

	2017	2016
	£'000	£'000
<i>Movement in deficit during the year:</i>		
(Deficit) in scheme at the beginning of the year	(7,386)	(6,039)
Movement in year:		
Current service cost	(165)	(112)
Administration expenses	(122)	(94)
Net finance charge	(175)	(206)
Contributions	498	505
Return on assets excluding interest income	(577)	1,310
Actuarial losses	615	(2,750)
(Deficit) in scheme at end of year	<u>(7,312)</u>	<u>(7,386)</u>

**Teachers' Pension Scheme**

Under the definitions set out in Financial Reporting Standard 17 - Retirement benefits, the Teacher's pension scheme (TPS) is a multi-employer pension scheme. As the TPS is underwritten by central government and the Charity 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 16.4% of pensionable salaries throughout the year (14.1% from 1 August 2015 to 31 August 2015 and 16.4% of pensionable salaries from 1 September 2015 to 31 July 2016).

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 NATIONAL CENTRE FOR YOUNG PEOPLE WITH EPILEPSY CHARITABLE TRUST**  
**Notes to the Financial Statements for the year ended 31st July 2017**

**14 Pension Schemes (continued)**

The last valuation of the TPS related to the period 1 April 2004 to 31 March 2012. A formal valuation is currently in progress with the results due to be implemented in April 2019. The Government Actuary's report of June 2015 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%.

**15 Restricted funds – Group and charity**

	As at 31 July 2016 £'000	Incoming resources £'000	Resources expended £'000	Transfer £000	As at 31 July 2017 £'000
<b>Revenue</b>					
Research Funds	115	37	(89)	(24)	39
Big Lottery Project – CEIS	63	98	(144)	-	17
National Services Programmes	133	57	(95)	(7)	88
True Colours Trust - Epilepsy Infancy	64	46	(21)	-	89
Blagrave Trust	37	-	(39)	-	(2)
Other funds	385	567	(211)	(148)	593
EFA grants	196	84	-	(270)	10
Restricted funds wholly represented by net current assets	<u>993</u>	<u>889</u>	<u>(599)</u>	<u>(449)</u>	<u>834</u>
<b>Capital</b>					
New School Capital Appeal Fund*	5,697	87	(4)	(5,780)	-
Griffiths**	462	-	-	(462)	-
Restricted funds wholly represented by fixed assets	<u>6,159</u>	<u>87</u>	<u>(4)</u>	<u>(6,242)</u>	<u>-</u>
	<u>7,152</u>	<u>976</u>	<u>(603)</u>	<u>(6,691)</u>	<u>834</u>

**THE NATIONAL CENTRE FOR YOUNG PEOPLE WITH EPILEPSY CHARITABLE TRUST**  
**Notes to the Financial Statements for the year ended 31st July 2017**

**15 Restricted funds – Group and charity (continued)**

	As at 31 July 2015 £'000	Incoming resources £'000	Resources expended £'000	Transfer £000	As at 31 July 2016 £'000
<b>Revenue</b>					
Research Funds	115	113	(113)	-	115
Big Lottery Project – CEIS	10	151	(98)	-	63
National Services Programmes	173	51	(99)	8	133
True Colours Trust -Epilepsy Infancy	206	-	(142)	-	64
New School Capital Appeal Fund*	-	1,263	-	(1,263)	-
Blagrove Trust	36	40	(39)	-	37
Other funds	543	342	(330)	(170)	385
EFA grants	4	91	-	101	196
Restricted funds wholly represented by net current assets	<u>1,087</u>	<u>2,051</u>	<u>(821)</u>	<u>(1,324)</u>	<u>993</u>
<b>Capital</b>					
New School Capital Appeal Fund	4,434	-	-	1,263	5,697
Griffiths	401	-	-	61	462
Restricted funds wholly represented by fixed assets	<u>4,835</u>	<u>-</u>	<u>-</u>	<u>1,324</u>	<u>6,159</u>
	<u>5,922</u>	<u>2,051</u>	<u>(821)</u>	<u>-</u>	<u>7,152</u>

\* - The New School Capital Appeal Fund closed in the year

\*\* - Griffiths is a residential refurbishment project which closed in the year.

**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 £6,242,000 expended on capitalised costs.

**THE NATIONAL CENTRE FOR YOUNG PEOPLE WITH EPILEPSY CHARITABLE TRUST**  
**Notes to the Financial Statements for the year ended 31st July 2017**

**16 Unrestricted funds**

	As at 31 July 2016 £'000	Net movement on unrestricted funds £'000	Transfers £'000	As at 31 July 2017 £'000
<b>Group</b>				
<b>Undesignated funds</b>				
Funds representing functional fixed assets	15,482	-	7,404	22,886
Free reserves	5,030	(3,543)	(713)	774
Pension reserve	(7,386)	74	-	(7,312)
<b>Total unrestricted funds</b>	<b>13,126</b>	<b>(3,469)</b>	<b>6,691</b>	<b>16,348</b>
<b>Charity</b>				
<b>Undesignated funds</b>				
Funds representing functional fixed assets and amount owed from subsidiary company	14,485	-	8,401	22,886
Free reserves	6,038	(2,940)	(1,710)	1,388
Pension reserve	(7,386)	74	-	(7,312)
<b>Total unrestricted funds</b>	<b>13,137</b>	<b>(2,866)</b>	<b>6,691</b>	<b>16,962</b>

	As at 31 July 2015 £000's	Net movement on unrestricted funds £000's	Transfers £000's	As at 31 July 2016 £000's
<b>Group</b>				
<b>Designated funds</b>				
Building Fund	2,102	-	(2,102)	-
<b>Undesignated funds</b>				
Funds representing functional fixed assets	13,222	(1,223)	3,483	15,482
Free reserves	5,459	952	(1,381)	5,030
Pension reserve	(6,039)	(1,347)	-	(7,386)
<b>Total unrestricted funds</b>	<b>14,744</b>	<b>(1,618)</b>	<b>-</b>	<b>13,126</b>
<b>Charity</b>				
<b>Designated funds</b>				
Building Fund	2,380	-	(2,380)	-
<b>Undesignated funds</b>				
Funds representing functional fixed assets and amount owed from subsidiary company	12,951	(1,223)	2,757	14,485
Free reserves	5,459	956	(377)	6,038
Pension reserve	(6,039)	(1,347)	-	(7,386)
<b>Total unrestricted funds</b>	<b>14,751</b>	<b>(1,614)</b>	<b>-</b>	<b>13,137</b>

**THE NATIONAL CENTRE FOR YOUNG PEOPLE WITH EPILEPSY CHARITABLE TRUST**  
**Notes to the Financial Statements for the year ended 31st July 2017**

**17 Analysis of net assets between funds**

	Unrestricted Funds £000's	2017 Restricted Funds £000's	Total Funds £000's
<b>Group</b>			
Tangible Fixed Assets	22,886	-	22,886
Investments	3,922	-	3,922
Net Current Assets	(2,115)	834	(1,281)
Total Assets Less Current Liabilities	24,693	834	25,527
Long term Liabilities	(1,033)		(1,033)
Defined Benefit Pension Scheme Liability	(7,312)	-	(7,312)
Net Assets	16,348	834	17,182
<b>Charity</b>			
Tangible Fixed Assets	22,886	-	22,886
Investments	3,922	-	3,922
Net Current Assets	(2,000)	834	(1,166)
Total Assets Less Current Liabilities	24,808	834	25,642
Long term Liabilities	(534)		(534)
Defined Benefit Pension Scheme Liability	(7,312)	-	(7,312)
Net Assets	16,962	834	17,796
	Unrestricted Funds £000	2016 Restricted Funds £000	Total Funds £000
<b>Group</b>			
Tangible Fixed Assets	15,482	6,159	21,641
Investments	3,592	-	3,592
Net Current Assets	1,438	993	2,431
Total Assets Less Current Liabilities	20,512	7,152	27,664
Defined Benefit Pension Scheme Liability	(7,386)	-	(7,386)
Net Assets	13,126	7,152	20,278
<b>Charity</b>			
Tangible Fixed Assets	5,316	6,159	11,475
Investments	3,592	-	3,592
Net Current Assets	11,615	993	12,608
Total Assets Less Current Liabilities	20,523	7,152	27,675
Defined Benefit Pension Scheme Liability	(7,386)	-	(7,386)
Net Assets	13,137	7,152	20,289

**THE NATIONAL CENTRE FOR YOUNG PEOPLE WITH EPILEPSY CHARITABLE TRUST**  
**Notes to the Financial Statements for the year ended 31st July 2017**

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

	2017 £'000	2016 £'000
<b><i>Net income/(expenditure) for the reporting period</i></b>	(3,134)	1,052
Adjustments for:		
Depreciation	1,454	1,223
Loss on disposal of tangible fixed assets	151	-
Adjustment for pension funding	(36)	(93)
(Gains) on investments	(287)	(7)
Dividends and interest from investments	(52)	(123)
(increase)/decrease in stock	(2)	-
(Increase)/decrease in debtors	210	830
Increase in creditors	882	(14)
<b><i>Net cash provided by operating activities</i></b>	<u>(814)</u>	<u>2,868</u>

**19 Capital commitments**

	2017 £'000	2016 £'000
Contractual	280	280
Authorised but not yet contractual	-	-
	<u>280</u>	<u>280</u>

**20 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 2017.

	2017 £'000	2016 £'000
Turnover	12,548	798
Cost of sales/administrative expenses	(13,149)	(803)
Net loss	<u>(601)</u>	<u>(5)</u>

The aggregate of the assets, liabilities and funds was:

Assets	6	10,299
Liabilities	(1,076)	(10,768)
	<u>(1,070)</u>	<u>(469)</u>

**21 Results of the parent charity**

Included in the consolidated statement of financial activities are the following amounts in respect of the charity:

	2017	2016
	£'000	£'000
Total incoming resources	25,510	27,692
Total resources expended	(28,328)	(26,643)
Net gain on investment assets	287	7
Actuarial loss on defined benefit pension scheme	38	(1,440)
Net movement in funds	<u>(2,493)</u>	<u>(384)</u>

**22 Cash at Bank and In Hand**

An amount of £500,000 is held within an Escrow account under terms of an agreement with the main Contractor of the new school building.

**23 Significant accounting estimates and key management judgements**

*Accounting estimates and judgements*

In preparing the financial statements within the accounting frameworks set out in note 2, the Trustees are required to adopt those accounting policies most appropriate to the charity's circumstances with a view to presenting fairly the charity's financial position. In determining and applying accounting policies Trustees make estimates and judgements and the matters set out below are considered to be the most important in understanding the judgements that have been involved in preparing the financial statements and the uncertainties that could impact the amounts reported.

*Estimation of assets useful lives*

The charge in respect of periodic depreciation is derived from determining an estimate of an assets expected useful life and the expected residual value at the end of its life. The estimates of the lives by asset category are set out in note 1(g). The useful lives and residual values are determined by management at the time the asset is acquired and reviewed annually for appropriateness.

*Provision for doubtful debts*

Provisions have been made against specific invoiced debts where the collectability of these debts is uncertain taking into account their age, activity on the account and any correspondence.

*Actuarial assumptions in respect of defined benefit pension scheme*

The application of actuarial assumptions relating to the Defined Pension Scheme is incorporated in the financial statements in accordance with FRS102. In applying FRS102, advice has been taken from an independent qualified actuary. In this context, significant judgement is exercised in a number of areas, including future change.

**TRUSTS AND SUPPORTERS**

As well as the organisations listed below for their contributions towards our work, we also extend our thanks to those organisations who wished to remain anonymous, and the thousands of generous individuals whose support makes such a huge difference to our work.

Children In Need  
Comic Relief  
City Bridges Trust  
Sport England Inspired Facilities  
True Colours Trust  
James Lewis Foundation

## ORGANISATIONAL DETAILS

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

### Directors of the Corporate Trustee

Ms Jane Ramsey – Chairman (appointed 1 October 2016)  
Mr Keith Cameron  
Mr Tony Chalkley – BSC Est Man, MRICS – (resigned 29 September 2016)  
Dr Julia Coop  
Ms June Davies MA, BEd Hons – (resigned 28 Sept 2017)  
Prof J. Helen Cross MB, ChB, PhD, FRCP, FRCPC  
Dr Anita Devlin  
Ms Vivienne Dews  
Mr Nigel Kennedy  
Mr Murray Orr  
Mr Benjamin Osborn  
Mr Michael Plant (resigned 14 December 2016)  
Mrs Lesley Steeds (appointed 29 June 2017)  
Mr Michael Sydney (resigned 29 June 2017)  
Mrs Anna Walker CB – Chairman (resigned 29th September 2016)

### Senior Officers

Ms Carol Long BSc Hons, MSc, CQSW – Chief Executive  
Mr Paul Keenleyside – Director of Education  
Mrs Rosemarie Pardington – Director of Integrated Care  
Mr Tim Moore – Business Development Director  
Mrs Vicky Kennedy – Director of Fundraising  
Mr Philip Oldfield – Director of Finance  
Mrs Sarah Stookes – Director of HR

### Secretary

Ms Wendy Allan BA Hons, CPFA (Appointed 1/09/2015, Resigned 2nd September 2016)  
Mr Philip Oldfield (Appointed 9<sup>th</sup> March 2017)

### 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