

YOUNG EPILEPSY

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

Report and Financial Statements

Year Ended

31st July 2018

THE NATIONAL CENTRE FOR YOUNG PEOPLE WITH EPILEPSY CHARITABLE TRUST
Report and Financial Statements for the year ended 31st July 2018

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THE NATIONAL CENTRE FOR YOUNG PEOPLE WITH EPILEPSY CHARITABLE TRUST

Trustees' Report for the year ended 31st July 2018

Introduction by Jane Ramsey (Chair)

I am delighted that, in the past year, we have continued to see excellent and improving outcomes for the young people at our school and college, as well as those accessing our national support services which we continue to develop.

We have also managed to put some of our recent challenges behind us. It was great to see that each of our areas of operation in Lingfield were rated good by their respective regulators. In addition, we have considerably improved our financial position with our reserve levels restored to an acceptable level.

However, considerable challenges remain. Years of austerity have taken their toll and our estate in Lingfield requires considerable investment. The demand for vital care workers continues to increase and we expect Brexit to exacerbate this situation. We remain highly vigilant to the other potential implications of Brexit.

Looking forward, I'm convinced that we now have a great opportunity to further amplify the voices of young people with epilepsy. We recently welcomed Mark Devlin as our new Chief Executive and I'm confident that Mark can build on the excellent platform left by Carol Long, to whom, alongside long-serving Trustee June Davies, we bid a fond and grateful farewell.

Finally, I'd like to warmly thank everyone who has contributed to our success. Our employees, our partners, our supporters, the communities within which we work, my fellow trustees and, of course, the young people who inspire us every day.

Administrative Details

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).

The registered address of Young Epilepsy is Young Epilepsy, St Piers Lane, Lingfield, Surrey, RH7 6PW.

During the year, the Trustees were as follows:

Ms Jane Ramsey
Ms June Davies (resigned 28th September 2017)
Prof Helen Cross
Mr Benjamin Osborn
Dr Anita Devlin
Mr Nigel Kennedy
Mr Keith Cameron
Mr Murray Orr
Ms Vivienne Dews
Dr Julia Coop
Ms Lesley Steeds
Mr John Stebbings (appointed 8th March 2018)
Mr Stephen Whittingham (appointed 26th April 2018)
Ms Claire Wood-Hill (appointed 27th September 2018)
Mr Nicholas Bell (appointed 12th December 2018)

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

The Chief Executive Officer for the full year was Ms Carol Long.

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During the year, Young Epilepsy's:

Bankers were

Lloyds Bank plc
Public & Community Sector
3rd Floor, 25 Gresham Street
London, EC2V 7HN

Solicitors were

Bryan Cave Leighton Paisner
Adelaide House
London Bridge
London, EC4R 9HA

Auditors were

BDO LLP
Registered Auditors and Chartered Accountants
2 City Place
Beehive Ring Road
Gatwick, West Sussex, RH6 0PA

Investment Managers were

Coutts & Co
440 Strand
London
WC2R 0QS

Structure, Governance and Management

Young Epilepsy is regulated by a scheme of the Charity Commission dated 31st October 2002, as amended by deeds of amendment dated 22nd January 2004 and 21st October 2004.

Young Epilepsy 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 the Trustee of the charity. The Board members of the Corporate Trustee are referred to as 'Trustees' in this report.

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

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, the responsibility for the execution of which is delegated to the executive management through the Chief Executive Officer. Trustees can serve a maximum of two terms of three years, with a third term only in exceptional circumstances.

New Trustees are recruited through an open process and are appointed by the Board of the Corporate Trustee. 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.

New Trustees receive an induction programme including mandatory safeguarding training. They are provided supporting materials including formal governance documents. Other training courses are available for Trustees as required.

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Trustees Report for the year ended 31st July 2018

The Board of Trustees meets on a regular basis. During the year, six sub-committees supported it.

- Audit and Risk Committee
- Finance Committee
- Health Services Committee
- Remuneration and Senior Appointments Committee
- Residential Services Quality Committee
- Education Governing Body

The Trustees identified the major risks to which Young Epilepsy is exposed and developed relevant managing actions. These were as follows:

- Harm to a child or young adult. This was managed by an increased focus on safeguarding, and health and safety, policies and procedures, together with the implementation of a new Case Management System.
- Inability to maintain the workforce required to meet student needs and contractual requirements. This was managed by improved recruitment and induction processes, integration of certain roles to improve efficiency, and closer working relationships with local colleges.
- Reduction in the number of students caused by decreasing demand. This was managed by increased marketing, improved quality of submissions to local authorities and streamlined admissions processes
- Poor ratings from regulators. This was managed by the development and implementation of a Quality Assurance Framework across our services.

The Remuneration and Senior Appointments Committee reviews Executive performance and remuneration annually. We aim to pay salaries at the median level for similar organisations within the 'not for profit' sector and to ensure that increases are consistent with increases awarded in the overall organisational review of remuneration.

Objectives and Activities

Our stated mission is to provide better futures for young lives with epilepsy and associated conditions.

We aim to support children and young people with epilepsy and related conditions to enable them to:

- Access education, designed to meet their needs and help them to fulfil their potential.
- Manage their health and well-being through access to the right care and support, at the right time.
- Become as independent as possible.

Our stated objectives for the 2017/18 year were to:

- Provide the best possible outcomes for the children and young people who access our services.
- Further develop the skills of our people, particularly our management population.
- Improve our financial position by reducing costs, improving efficiency, and managing and diversifying our income.

Our significant activities that contributed to the achievement of these objectives included:

- Operating St Piers School, a non-maintained residential special education school for children and young people aged five to nineteen.

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Trustees Report for the year ended 31st July 2018

- Operating St Piers College, a non-maintained residential special education college for young people aged nineteen to twenty-five.
- Provision of diagnostic services, treatment, assessment and rehabilitation services for children and young people with epilepsy and associated conditions.
- An innovative research programme in collaboration with Great Ormond Street Hospital and University College London – The Institute for Child Health.
- Operating a range of services designed to support the 112,000 children and young people with epilepsy and their families in the UK. This includes a Helpline and Information Service, individual and family outreach work, and a training programme for education and health professionals.

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

Achievements and Performance

Provide the best possible outcomes for all the children and young people who access our services

During the year, St Piers School, St Piers College and our children's residential services were each rated 'good' by OFSTED. Our adult residential services and health facility were both rated 'good' by the CQC.

In March 2018, St Piers School was assessed by Challenge Partners (a collaboration of over 400 schools with the objective of improving educational quality). The school achieved an overall evaluation of 'Outstanding', with a similar rating for 'Outcomes for Pupils'.

In January 2018, St Piers School was awarded the Quality in Careers Standard by Careers Mark.

Over the course of the year, 95% of targets within Education, Health and Care Plans (EHCPs) for the 109 St. Piers College student were achieved. This compares to 89% in 2016/17.

In St Piers School, 85%, 80% and 91% of the 54 students achieved their personal target levels in English, Maths and Science respectively. The previous year's rates were 85% for English and 93% for Maths. We experienced staffing challenges in Maths over the year. These have now been resolved.

For the first time, three students (two from St Piers College and one from St Piers School) sat the BTEC Exam in Numeracy. All three passed at Entry level 2.

During the year, our outreach services provided support to 451 children and young people with epilepsy. Of these, 90% reported that they were more confident in managing, understanding and communicating their condition as a result. In addition, 356 young people received support through our national helpline and 256 young people (excluding students of St Piers School and St Piers College) accessed our health services.

We initiated eight new research projects in the year, making a total of 27 active projects. The achievements of our research programme included:

- Positive advances in neuroimaging, crucial to accurate diagnosis, early intervention and success in surgery.
- Completion of clinical trials of new interventions including ketogenic diets for infants and Cannabidiol as a complementary therapy for Dravet Syndrome and Lennox-Gastaut Syndrome.
- Culmination of our education research programme exploring practical interventions with children and young people, their families, and teachers.

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Trustees Report for the year ended 31st July 2018

Further develop the skills of our people, particularly our management population.

During the year we supported our frontline teams to gain vocational qualifications and ensured they all received the mandatory training required. English as a Second Language courses were provided where required.

All managers in our Residential services were enrolled on a Level 5 Management Diploma and received Communication and Engagement Skills training.

We sponsored employees to complete the following training:

- Postgraduate Diploma in Paediatric Neuropsychology (2 employees)
- Masters in Autism Studies
- Diploma 5 courses in Education and Learning (2 employees)
- Diploma 3 courses in Teaching and Learning (4 employees)
- Diploma in Yoga Therapy
- Health and Social Care Diploma (67 employees)

We continued to strengthen links with local schools and colleges to help to ensure that our future employees have the skills we require.

Our approach to developing our people paid dividends with our annual attrition rate falling from 30% to 18% over the year.

We have initiated a long term programme to develop our leadership and management capability.

Improve our financial position by reducing costs, improving efficiency, and managing and diversifying income.

Our financial position improved considerably during the year thanks to a combination of successful delivery of identified efficiency savings, an improvement in underlying income and the receipt of an exceptional legacy. We ended the year with free reserves slightly above our target level of 8 weeks of planned expenditure. More detail is contained in the Financial Report.

Fundraising

Fundraising performance was strong due to the notification of legacies worth £1.9m. Unrestricted donation levels increased by 20% to £550,000 broadly in line with expectations. However restricted donations fell from £1m in 2016/17 to £600,000 in 2017/18.

The main external factors that were relevant to the achievement of our objectives were:

- The austere economic conditions within which we continue to operate.
- The growing demand for essential workers.
- The increasingly complex needs of our students.

Financial Review

Income and Expenditure

Total income for the year was £25.2m representing a slight reduction on the prior year income of £25.5m. Fees from local government and health authorities fell from £23.3m to £21.1m due to reduced student numbers in school and continued downward pressure on fees from Commissioners. However income from

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donations and legacies increased by £1.6m driven mainly by the notification of two significant legacies in the year.

Total expenditure for the year was £23.6m representing a reduction of £5.3m against the prior year. Staff costs reduced by £2.2m to £18.6m with further cost savings being made in facilities and central costs.

Overall, we achieved a consolidated surplus of £2.5m. This included £1.9m of notified legacies and an unrealised gain of £0.8m on the defined benefit pension scheme. Overall the underlying result, excluding these one-off items, was a deficit of £0.2m.

Reserves

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.

The following reserves are held.

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 (totalling £0.8m at the end of the year) can be found in note 16 of the financial statements.

Funds representing functional Fixed Assets

These funds are equivalent to the net book value of the land and buildings used to support Young Epilepsy's charitable and commercial operations. The Trustees have designated these funds (totalling £21.2m at the end of the year) as representing 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.

Pension Reserve

These funds are held to meet the future liabilities of our Final Salary Pension Scheme. The current pension scheme deficit (totalling £6.5m at the end of the year), calculated in accordance with the requirements of Section 28 of FRS 102, is shown as a liability against unrestricted funds. The deficit is due to historic improvements in longevity and reductions in investment returns. An annual payment of £330,000 is made to the fund to reduce the deficit and the situation will be reviewed again during the 2019/2020 year.

Free Reserves

Free Reserves are funds which are neither restricted or designated, nor applied as functional fixed assets. At the end of the year, Free Reserves stood at approximately £4.1m, representing around 9 weeks operating expenditure at current levels.

The Trustees have reviewed the level of the Free Reserves, and recognising that that the pension scheme deficit will not crystallise in the near future, have concluded that they are appropriate. The pension scheme position and the Free Reserves level will continue to be monitored closely.

Funding

84% (£21.1m) of our income was made up of fees from local authorities and other supporting bodies. This funding is used to provide education and residential care for the students at St Piers School and College and healthcare from our facility in Lingfield. The remaining funding (£4.1m) comes from donations, legacies, rents

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Trustees Report for the year ended 31st July 2018

and other sources and was used to provide national services, support functions and to strengthen the Free Reserves to within the target level.

Fundraising

We raise funds through appeals, events, relationship management and funding applications. All of our fundraising activity is managed internally without the involvement of commercial participators, professional fundraisers or third parties. We have voluntarily registered with the Fundraising Regulator and we comply with the regulator's code of practice. We received no complaints in the year relating to fundraising activities. Our terms of employment require reasonable behaviour at all times and all of our employees receive safeguarding training as part of their induction.

Investment Policy

During the year, Young Epilepsy divested its investment portfolio to make the final payments for the recently constructed school building. At the end of the year, all funds were held in cash deposits.

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, cash, working capital, net current 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.

Plans for the next year

Our aims for the next year are unchanged.

Our main objectives for the next year are to:

- Maintain and improve our provision of education, residential care and healthcare services at our Lingfield centre. This includes:
 - Improving outcomes for students leaving our school and college,
 - Commencing the implementation of our plans to achieve 'Outstanding' OFSTED ratings for both the school and college at the next inspections,
 - Manage the impact of the BREXIT process, including the maintenance of essential human resource levels, especially at support worker level.
 - Identifying our future facilities requirements and generating options in relation to any surplus land and buildings.
- Commence the development of a new national support service for children and young people with epilepsy and their families. The focus will be on the digital delivery of support and will build on our experience to date.

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Trustees Report for the year ended 31st July 2018

- Continue our highly respected research programme. The focus will be to further our work in understanding the impact of early interventions in all aspects of the epilepsies, and to lead research into mechanisms and translational strategies for early diagnosis and intervention.
- Fundamentally transform our fundraising approach with an aim of generating unrestricted income of over £1m in the 2019/20 year.
- Develop a new five year organisational strategy

Our significant activities to achieve these objectives will be broadly unchanged from last year.

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.

THE NATIONAL CENTRE FOR YOUNG PEOPLE WITH EPILEPSY CHARITABLE TRUST
Trustees Report for the year ended 31st July 2018

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')".

Auditors

BDO LLP have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the annual general meeting.

Signed on behalf of the Trustees on 20 May 2019.



Jane Ramsey

(Chair of the Trustees)

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Independent Auditor's Report for the year ended 31st July 2018

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 2018 which comprise the consolidated statement of financial activities, the consolidated and parent charity balance sheets, the consolidated cash flow statement and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework, which has been applied in their preparation, is in applicable in 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 2018 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.

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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. 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[s] and relevant regulations made or having effect thereunder.

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.

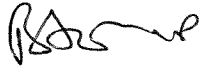
A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

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

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Trustees Report for the year ended 31st July 2018

Use of our report

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.



BDO LLP, Statutory auditor
Gatwick
United Kingdom

Date: 20 May 2019

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 31st July 2018.

	Note	2018 Unrestricted funds £'000	2018 Restricted funds £'000	2018 Total funds £'000	2017 Unrestricted funds £'000	2017 Restricted funds £'000	2017 Total funds £'000
Income from:							
Donations and legacies	3	2,419	606	3,025	455	976	1,431
Charitable activities							
Fees – local authorities and other supporting bodies		21,143	-	21,143	23,339	-	23,339
Investment income	4	12	-	12	52	-	52
Other trading activities							
Income from rents and meals		384	-	384	478	-	478
Miscellaneous		668	-	668	210	-	210
Total		24,626	606	25,232	24,534	976	25,510
Expenditure on:							
Raising funds							
Routine Programme		541	-	541	732	-	732
Charitable activities							
Educational, medical and residential care		541	-	541	732	-	732
Total		22,545	555	23,100	27,596	603	28,199
Net gains on investment assets	6	23,086	555	23,641	28,328	603	28,931
Net income/(expenditure)	10	82	-	82	287	-	287
Transfers between funds	16	1,622	51	1,673	(3,507)	373	(3,134)
Other recognised gains and losses:		90	(90)	-	6,691	(6,691)	-
Actuarial gain / (loss) on defined benefit pension scheme	15	811	-	811	38	-	38
Net movement in funds		2,523	(39)	2,484	3,222	(6,318)	(3,096)
Total funds brought forward		16,348	834	17,182	13,126	7,152	20,278
Total funds carried forward		18,871	795	19,666	16,348	834	17,182

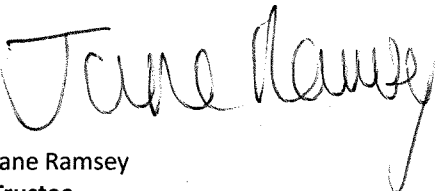
The notes on pages 19 to 35 form part of these financial statements and all amounts relate to continuing activities

THE NATIONAL CENTRE FOR YOUNG PEOPLE WITH EPILEPSY CHARITABLE TRUST
Consolidated Balance Sheet as at 31st July 2018

Balance Sheet

	Note	2018		2017 restated	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	9		21,226		22,170
Investments	10		1		3,922
			<u>21,227</u>		<u>26,092</u>
Current assets					
Stocks		21		72	
Debtors	11	2,813		804	
Cash at bank and in hand	12	4,754		3,412	
		<u>7,588</u>		<u>4,288</u>	
Creditors: amounts falling due within one year	13	<u>2,179</u>		<u>4,853</u>	
Net current assets			<u>5,409</u>		<u>(565)</u>
Total assets less current liabilities & Net assets excluding pension scheme liability			<u>26,636</u>		<u>25,527</u>
Creditors falling due between one and five years	14		(517)		(1,033)
Defined benefit pension scheme liability	15		(6,453)		(7,312)
Net assets including pension scheme liability			<u>19,666</u>		<u>17,182</u>
Funds					
Restricted funds:					
Revenue	16	<u>795</u>		<u>834</u>	
			795		834
Unrestricted funds:					
Funds representing functional fixed assets	17	21,226		22,170	
Free reserves	17	4,098		1,490	
Pension reserve	17	(6,453)		(7,312)	
			<u>18,871</u>		<u>16,348</u>
Total funds			<u>19,666</u>		<u>17,182</u>

The financial statements were approved by the Board and authorised for issue on 20 May 2019.

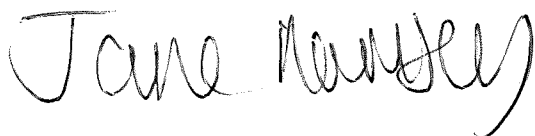

Jane Ramsey
Trustee

The notes on pages 19 to 35 form part of these financial statements

THE NATIONAL CENTRE FOR YOUNG PEOPLE WITH EPILEPSY CHARITABLE TRUST
Charity Balance Sheet as at 31st July 2018

		2018		2017 restated	
	Note	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	9		21,226		22,170
Investments	10		1		3,922
			<u>21,227</u>		<u>26,092</u>
Current assets					
Stocks		21		71	
Debtors	11	2,812		799	
Cash at bank and in hand	12	4,751		3,412	
		<u>7,584</u>		<u>4,282</u>	
Creditors: amounts falling due within one year	13	<u>2,425</u>		<u>4,732</u>	
Net current assets			<u>5,159</u>		<u>(450)</u>
Total assets less current liabilities & Net assets excluding pension scheme liability					
			26,386		25,642
Creditors falling due between one and five years	14		(267)		(534)
Defined benefit pension scheme liability	15		(6,453)		(7,312)
Net assets including pension scheme liability			<u>19,666</u>		<u>17,796</u>
Funds					
Restricted funds:					
Revenue	16	<u>795</u>		<u>834</u>	
			795		834
Unrestricted funds:					
Funds representing functional fixed assets and amounts owed from subsidiary company	17		21,226		22,170
Free reserves	17		4,098		2,104
Pension reserve	17		(6,453)		(7,312)
			<u>18,871</u>		<u>16,962</u>
Total funds			<u>19,666</u>		<u>17,796</u>

The financial statements were approved by the Board and authorised for issue on 20 May 2019.



Jane Ramsey
Trustee

The notes on pages 19 to 35 form part of these financial statements

THE NATIONAL CENTRE FOR YOUNG PEOPLE WITH EPILEPSY CHARITABLE TRUST
Consolidated Statement of cash flows for the year ended 31st July 2018

	Note	2018 £'000	2017 £'000
Cash flows from operating activities:			
<i>Net cash provided by operating activities</i>	19	<u>(370)</u>	<u>(814)</u>
Cash flows from investment activities:			
Dividends and interest received		12	52
Purchase of tangible fixed assets		(2,036)	(723)
Purchase of tangible fixed assets		-	24
Sale/(Purchase) of investments		4,003	(43)
Net cash used in investing activities		<u>1,979</u>	<u>(690)</u>
Cash flows from financing activities:			
Loan received		-	800
Loan Repayment		(267)	
Net Cash flows from financing activities		<u>(267)</u>	<u>800</u>
Change in cash and cash equivalents in the reporting period		1,342	(704)
Cash and cash equivalents brought forward		3,412	4,116
Cash and cash equivalents carried forward		<u>4,754</u>	<u>3,412</u>

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 Lane, Lingfield, Surrey RH7 6PW. The charity is 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 24.

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 22). The results of the subsidiary are consolidated on a line by line basis. No separate SOFA has been presented for the charity alone as permitted by paragraph 397 of the SORP 2005.

c) **Incoming resources**

Incoming resources are accounted for on an accruals basis, except donations which are accounted for when received. Income received net of taxation recoverable is accounted for gross. Fee income from contracts is accounted for with regard to any in-year admissions and leavers along with any contractual reviews of service levels. Legacy income is recognised when there is entitlement to the monies, certainty of receipt and the amount due is able to be measured reliably.

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. Investments in subsidiary undertakings are stated at cost.

2 Accounting policies (continued)

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 2% and 20% on cost
Plant and Machinery	20% on cost
Motor Vehicles	25% on reducing balance

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

During the year, the rate applicable to New Buildings was decreased to 2% from 4% (50 years from 25 years) and applied to properties built in the previous 25 years. This has the effect of reducing depreciation by £797,057 during the current financial year.

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 FRS 102 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 NATIONAL CENTRE FOR YOUNG PEOPLE WITH EPILEPSY CHARITABLE TRUST
Notes to the Financial statements for the year ended 31st July 2018 (continued)

2 Accounting policies (continued)

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 are explained in notes 16 and 17.

j) Fund accounting

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

3 Donations and legacies

	2018	2017
	£'000	£'000
Donations		
New capital appeal – school	-	87
Projects and residential house funds	252	567
National Services Programmes	66	57
True Colours Trust - Epilepsy Infancy Study	-	46
Unrestricted income	549	455
Research Funds	18	37
Big Lottery Fund	179	98
EFA	91	84
	1,155	1,431
Legacies		
Barbara Abbott	1,800	-
Stanley Davies	70	-
	1,870	-
Total Donations and Legacies	3,025	1,431

4 Investment income

	2018	2017
	£'000	£'000
Dividend and other investment income received	0	48
Interest from bank deposit account	12	4
	12	52

5 Employees

	2018	2017
	£'000	£'000
Staff costs consist of:		
Wages and salaries	16,538	18,552
Social security costs	1,293	1,359
Other pension costs	812	856
	18,643	20,767

Included within wages and salaries are agency costs of £1,797,804, (2017 - £2,348,582) incurred during the year.

THE NATIONAL CENTRE FOR YOUNG PEOPLE WITH EPILEPSY CHARITABLE TRUST
Notes to the Financial statements for the year ended 31st July 2018 (continued)

5 Employees (continued)

Employer's pension costs comprise the following:	2018	2017
	£'000	£'000
Teachers pension scheme	119	136
Defined contribution scheme	242	208
Defined benefit scheme	44	58
Deficit repayment for defined benefit scheme	400	445
NHS pension scheme	8	9
	812	856
	2018	2017
	No.	No.
The average number of employees during the period was:		
Teaching and Education Support Staff	198	210
Residential Care	292	364
Medical and Clinical Staff	64	66
Other Staff	90	116
	644	756
Full time equivalent	509	630

Number of staff with total remuneration (including settlements and benefits) greater than:

	Education, medical, therapy No.	Executive staff No.	2018 No.	2017 No.
>£60,000 in bands of £10,000				
£60,001-£70,000	1	-	1	4
£70,001-£80,000	-	2	2	-
£80,001-£90,000	-	1	1	2
£90,001-£100,000	-	-	-	1
£100,001-£110,000	-	2	2	-
£120,001-£130,000	-	1	1	1
	1	6	7	8

Contributions made in the year for the provision of money purchase benefits on behalf of 5 (2017 – 8) higher paid employees was £18,516 (2017 - £25,428). There are 2 (2017 – 1) higher paid staff to whom retirement benefits are accruing under defined benefit schemes. The total remuneration paid to key management personnel amounted to £595,838 (2017 - £633,211).

THE NATIONAL CENTRE FOR YOUNG PEOPLE WITH EPILEPSY CHARITABLE TRUST
Notes to the Financial statements for the year ended 31st July 2018 (continued)

6 Total Resources Expended

	Education, Medical and Residential Care £'000	Fundraising £'000	2018 Total £'000	2017 Total £'000
Staff costs	15,492	389	15,881	17,949
Other direct expenditure	779	152	931	1,776
Support staff costs	2,809	-	2,809	2,561
Support costs	3,005	-	3,005	5,166
Auditors' remuneration	36	-	36	25
Depreciation	979	-	979	1,454
2018 Total	<u>23,100</u>	<u>541</u>	<u>23,641</u>	<u>28,931</u>
2017 Total	<u>28,199</u>	<u>732</u>	<u>28,931</u>	

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

Included in Resources expended are governance costs amounting to £49,474 (2017: £48,983) which relate to audit fees, legal advice for trustees and costs associated with constitutional and statutory requirements.

7 Trustees' transactions

The Trustees do not receive any remuneration in respect of their services. Five Trustees (2017 - 6) received expenses reimbursed in line with the Trustees Expenses Policy amounting to £5,532 (2017 - £6,820). Further costs incurred on behalf of Trustees amounted to £5,040 (2017 - £6,862) including Trustees indemnity insurance costs of £5,040 (2017 - £4,565).

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 2018 (continued)

9 Tangible assets

	Freehold land and Buildings	Plant and machinery	Motor vehicles/ Tractors	Assets under Construction	Total
Group	£'000	£'000	£'000	£'000	£'000
<i>Cost</i>					
At 1 August 2017 restated	37,951	1,487	332	96	39,866
Additions	-	-	-	36	36
Transfers	120	12	-	(132)	-
Disposals	-	-	(9)	-	(9)
At 31 July 2018	<u>38,071</u>	<u>1,499</u>	<u>323</u>	<u>-</u>	<u>39,893</u>
<i>Depreciation</i>					
At 1 August 2017 restated	16,499	921	276	-	17,696
Provided for the year	803	162	15	-	980
Disposals	-	-	(9)	-	(9)
At 31 July 2018	<u>17,302</u>	<u>1,083</u>	<u>282</u>	<u>-</u>	<u>18,667</u>
<i>Net book value</i>					
At 31 July 2018	<u>20,769</u>	<u>416</u>	<u>41</u>	<u>-</u>	<u>21,226</u>
At 31 July 2017 restated	<u>21,452</u>	<u>566</u>	<u>56</u>	<u>96</u>	<u>22,170</u>

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

	Freehold land and Buildings	Plant and Machinery	Motor vehicles/ Tractors	Assets under Construction	Total
Charity	£'000	£'000	£'000	£'000	£'000
<i>Cost</i>					
At 1 August 2017 restated	37,951	1,487	332	96	39,866
Additions	-	-	-	36	36
Transfers	120	12	-	(132)	-
Disposals	-	-	(9)	-	(9)
At 31 July 2018	<u>38,071</u>	<u>1,499</u>	<u>323</u>	<u>-</u>	<u>38,893</u>
<i>Depreciation</i>					
At 1 August 2017 restated	16,499	921	276	-	17,696
Provided for the year	803	162	15	-	980
Disposals	-	-	(9)	-	(9)
At 31 July 2018	<u>17,302</u>	<u>1,083</u>	<u>282</u>	<u>-</u>	<u>18,667</u>
<i>Net book value</i>					
At 31 July 2018	<u>20,769</u>	<u>416</u>	<u>41</u>	<u>-</u>	<u>21,226</u>
At 31 July 2017 restated	<u>21,452</u>	<u>566</u>	<u>56</u>	<u>96</u>	<u>22,170</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 2018 (continued)

10 Investments

	Group and Charity	
	2018	2017
	£'000	£'000
Market value as at 1 August	3,922	3,592
Additions/(Disposals)	(4,003)	43
Net realised/unrealised gains on investments	82	287
Market value as at 31 July	<u>1</u>	<u>3,922</u>

	Group and Charity	
	2018	2017
	£'000	£'000
The investments are analysed as follows:		
Building Society Deposits	1	705
Coutts Deposit Account	-	359
Coutts Investment Portfolio	-	2,858
	<u>1</u>	<u>3,922</u>

	Group and Charity	
	2018	2017
	£'000	£'000
UK Equities	-	1,515
Overseas Equities	-	587
Overseas Hedge Funds	-	181
Cash on deposit in UK	1	1,144
Bonds	-	381
Properties	-	84
Structured products	-	30
Market Value as at 31 July 2018	<u>1</u>	<u>3,922</u>

11 Debtors

	Group		Charity	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Operating debtors	709	542	708	542
Other debtors	16	139	16	134
Amounts owed by subsidiary undertaking	-	-	-	-
Accrued income	2,088	123	2,088	123
	<u>2,813</u>	<u>804</u>	<u>2,812</u>	<u>799</u>

All amounts shown under operating debtors fall due for payment within one year. Included within Accrued Income are amounts totalling £1.87m relating to legacies of which the charity has been notified before the year end and which it expects to receive within one year.

12 Cash at Bank and In Hand

As at 31st July 2017 an amount of £500,000 was held within an escrow account under the terms of an agreement with the main Contractor of the new school building. This amount was paid in full during the year.

THE NATIONAL CENTRE FOR YOUNG PEOPLE WITH EPILEPSY CHARITABLE TRUST
Notes to the Financial statements for the year ended 31st July 2018 (continued)

13 Creditors: amounts falling due within one year

	Group		Charity	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Loan	266	266	266	266
Operating creditors	1,151	3,731	872	1,852
Accruals and deferred income	762	856	1,287	2,614
	<u>2,179</u>	<u>4,853</u>	<u>2,425</u>	<u>4,732</u>

14 Creditors: Amounts falling due over one year

	Group		Charity	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Loan repayable between 1-2 years	267	267	267	267
Loan repayable between 2-5 years	-	267	-	267
Operating creditor repayable between 1-2 years	250	250	-	-
Operating creditor repayable between 2-5 years	-	249	-	-
	<u>517</u>	<u>1,033</u>	<u>267</u>	<u>534</u>

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

15 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.

15 Pension Schemes (continued)

St Piers Lingfield Retirement Benefits Scheme (continued)

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 p.a. for 8 years.

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 £496,486 to the Scheme during the accounting year beginning 1 August 2018 based on a pensionable salary payroll of £478,695 as at the 31st July 2018.

The results of the most recent formal actuarial valuation as at 5 April 2016 have been updated to 31 July 2018 by a qualified independent actuary. The assumptions used were as follows:

	2018	2017
<u>Significant actuarial assumptions:</u>		
Discount rate	2.70%	2.50%
Inflation (RPI)	3.20%	3.20%
Inflation (CPI)	2.20%	2.20%
<u>Other actuarial assumptions:</u>		
Rate of increase in salaries	2.00%	2.00%
Rate of increase in pensions:		
Non Pensioners – Pre 05 benefits	3.10%	3.20%
Non Pensioners – Post 05 benefits	2.50%	2.50%
Pensioners – Pre 05 benefits	3.10%	3.10%
Pensioners – Post 05 benefits	2.50%	2.50%
Revaluation of deferred pensioners in excess of GMP	2.20%	2.20%

The demographic mortality assumptions adopted at 31 July 2018 imply the following life expectancies at age 65:

	2018	2017
<u>Mortality assumptions:</u>		
Mortality	S2PMA/S2PFA CMI 2017 1.00%	S2PMA/S2PFA CMI 2016 1.00%
<u>Life expectancies:</u>		
Male currently age 45 at 65	22.8 years	23.0 years
Female currently age 45 at 65	24.9 years	25.0 years
Male currently age 65	21.8 years	21.9 years
Female currently age 65	23.7 years	23.7 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.

THE NATIONAL CENTRE FOR YOUNG PEOPLE WITH EPILEPSY CHARITABLE TRUST
Notes to the Financial statements for the year ended 31st July 2018 (continued)

15 Pension Schemes (continued)

St Piers Lingfield Retirement Benefits Scheme (continued)

At 31 July 2018 the discount rate used to calculate the schemes liabilities and hence the assumed rate of return on the Schemes assets was 2.7% p.a. (2017 2.5%)

	Value at 2018 assets £'000	% of total Scheme	Value at 2017 Assets £'000	% of total Scheme
The assets in the scheme were:				
Bonds	3,160	22%	3,160	22%
Gilts	1,862	13%	1,793	13%
Cash	194	1%	158	1%
Annuities	1,320	10%	1,389	10%
Other	7,579	54%	7,606	54%
Total market value of assets	<u>14,115</u>		<u>14,106</u>	
Present value of scheme liabilities	<u>(20,568)</u>		<u>(21,418)</u>	
Net pension liability	<u>(6,453)</u>		<u>(7,312)</u>	

The actual return on assets over the period was:

	244	(231)
Interest income	350	346
Return on assets less interest income	<u>(106)</u>	<u>(577)</u>
Total return of assets	<u>244</u>	<u>(231)</u>

	2018 £'000	2017 £'000
--	---------------	---------------

Analysis of changes in the value of the scheme liabilities over the year:

Opening present value of the defined benefit obligation	(21,418)	(21,878)
Service cost	(148)	(165)
Interest cost	(530)	(521)
Member contributions	(39)	(51)
Benefits paid	650	582
Actuarial losses	917	615
Closing present value of the defined benefit obligation	<u>(20,568)</u>	<u>(21,418)</u>

Analysis of changes in the value of the scheme assets over the year:

Opening market value of Scheme assets	14,106	14,492
Expected return on Scheme assets (excluding interest income)	(106)	(577)
Interest income	350	346
Employer contributions	485	498
Member contributions	39	51
Benefits paid	(650)	(582)
Administration expenses	(109)	(122)
Closing market value of Scheme assets	<u>14,115</u>	<u>14,106</u>

15 Pension Schemes (continued)

St Piers Lingfield Retirement Benefits Scheme (continued)

	2018		2017	
	£'000	£'000	£'000	£'000
<i>Analysis of the amounts charged to Statement of Financial Activities:</i>				
Current service cost	(148)		(165)	
Administration expenses	<u>(109)</u>		<u>(122)</u>	
Total service cost		(257)		(287)
Net finance charge		<u>(180)</u>		<u>(175)</u>
Total pension cost charged to Statement of Financial Activities		<u>(437)</u>		<u>(462)</u>
		2018		2017
		£'000		£'000
<i>Analysis of actuarial loss recognised in the Statement of Financial Activities:</i>				
Actual return on assets less interest		(106)		(577)
Actuarial gains/(losses) on defined benefit obligation		<u>917</u>		<u>615</u>
Total gain/(loss) recognised in the Statement of Financial Activities		<u>811</u>		<u>38</u>
		2018		2017
		£'000		£'000
<i>Movement in deficit during the year:</i>				
(Deficit) in scheme at the beginning of the year		(7,312)		(7,386)
Movement in year:				
Current service cost		(148)		(165)
Administration expenses		(109)		(122)
Net finance charge		(180)		(175)
Contributions		485		498
Return on assets excluding interest income		(106)		(577)
Actuarial gains/(losses)		<u>917</u>		<u>615</u>
(Deficit) in scheme at end of year		<u>(6,453)</u>		<u>(7,312)</u>

Teachers' Pension Scheme

Under the definitions set out in Financial Reporting Standard 102 section 28, 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 (2017 - 16.4%).

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.

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Notes to the Financial statements for the year ended 31st July 2018 (continued)

15 Pension Schemes (continued)

Teachers' Pension Scheme (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%.

16 Restricted funds – Group and charity

	As at 31 July 2017 £'000	Incoming resources £'000	Resources expended £'000	Transfer £000	As at 31 July 2018 £'000
Revenue					
Research Funds	39	18	(26)	15	46
Big Lottery Project – CEIS	17	179	(154)	-	42
National Services Programmes	88	66	(68)	-	86
True Colours Trust - Epilepsy Infancy	89	-	(65)	30	55
Blagrave Trust	(2)	-	-	2	-
Other funds	593	252	(232)	(137)	475
EFA grants	10	91	(10)	-	91
Restricted funds wholly represented by net current assets	<u>834</u>	<u>606</u>	<u>(555)</u>	<u>(90)</u>	<u>795</u>
	As at 31 July 2016 £'000	Incoming resources £'000	Resources expended £'000	Transfer £000	As at 31 July 2017 £'000
Revenue					
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>
Capital					
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 New School Capital Appeal Fund closed in 2017

** - Griffiths is a residential refurbishment project which closed in 2017

16 Restricted funds – Group and charity (continued)

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 2017 in relation to the new school and Griffiths funds relate to the reallocation of funds amounting to £6,242,000 expended on capitalised costs.

17 Unrestricted funds

	As at 31 July 2017 £'000 restated	Net movement on unrestricted funds £'000	Transfers £'000	As at 31 July 2018 £'000
Group				
Undesignated funds				
Funds representing functional fixed assets	22,170	-	(944)	21,226
Free reserves	1,490	1,574	1,034	4,098
Pension reserve	(7,312)	859	-	(6,453)
Total unrestricted funds	16,348	2,433	90	18,871
Charity				
Undesignated funds				
Funds representing functional fixed assets and amount owed from subsidiary company	22,170	-	(944)	21,226
Free reserves	2,104	960	1,034	4,098
Pension reserve	(7,312)	859	-	(6,453)
Total unrestricted funds	16,962	1,819	90	18,871
	As at 31 July 2017 £'000 restated	Net movement on unrestricted funds £'000	Transfers £'000	As at 31 July 2018 £'000
Group				
Undesignated funds				
Funds representing functional fixed assets	15,482	-	6,688	22,170
Free reserves	5,030	(3,543)	3	1,490
Pension reserve	(7,386)	74	-	(7,312)
Total unrestricted funds	13,126	(3,469)	6,691	16,348

THE NATIONAL CENTRE FOR YOUNG PEOPLE WITH EPILEPSY CHARITABLE TRUST
Notes to the Financial statements for the year ended 31st July 2018 (continued)

17 Unrestricted funds (continued)

	As at 31 July 2017 £'000 restated	Net movement on unrestricted funds £'000	Transfers £'000	As at 31 July 2018 £'000
Charity				
Undesignated funds				
Funds representing functional fixed assets and amount owed from subsidiary company	14,485	-	7,685	22,170
Free reserves	6,038	(2,940)	(994)	2,104
Pension reserve	(7,386)	74	-	(7,312)
Total unrestricted funds	13,137	(2,866)	6,691	16,962

18 Analysis of net assets between funds

	Unrestricted Funds £000's	2018 Restricted Funds £000's	Total Funds £000's
Group			
Tangible Fixed Assets	21,226	-	21,226
Investments	1	-	1
Net Current Assets	4,614	795	5,409
Total Assets Less Current Liabilities	25,841	795	26,636
Long term Liabilities	(517)	-	(517)
Defined Benefit Pension Scheme Liability	(6,453)	-	(6,453)
Net Assets	18,871	795	19,666
Charity			
Tangible Fixed Assets	21,226	-	21,226
Investments	1	-	1
Net Current Assets	4,364	795	5,159
Total Assets Less Current Liabilities	25,591	795	26,386
Long term Liabilities	(267)	-	(267)
Defined Benefit Pension Scheme Liability	(6,453)	-	(6,453)
Net Assets	18,871	795	19,666
2017			
	Unrestricted Funds £000 restated	Restricted Funds £000 restated	Total Funds £000 restated
Group			
Tangible Fixed Assets	22,170	-	22,170
Investments	3,922	-	3,922
Net Current Assets	(1,399)	834	(565)
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

THE NATIONAL CENTRE FOR YOUNG PEOPLE WITH EPILEPSY CHARITABLE TRUST
Notes to the Financial statements for the year ended 31st July 2018 (continued)

18 Analysis of net assets between funds (continued)

	2017		Total Funds £000
	Unrestricted Funds £000 restated	Restricted Funds £000 restated	
Charity			
Tangible Fixed Assets	22,170	-	22,170
Investments	3,922	-	3,922
Net Current Assets	<u>(1,284)</u>	<u>834</u>	<u>(450)</u>
Total Assets Less Current Liabilities	24,808	834	25,642
Long term liabilities	(534)	-	(534)
Defined Benefit Pension Scheme Liability	<u>(7,312)</u>	<u>-</u>	<u>(7,312)</u>
Net Assets	<u>16,962</u>	<u>834</u>	<u>17,796</u>

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

	2018 £'000	2017 £'000
Net income/(expenditure) for the reporting period	1,673	(3,134)
Adjustments for:		
Depreciation	980	1,454
Loss on disposal of tangible fixed assets	-	151
Adjustment for pension funding	(48)	(36)
(Gains) on investments	(82)	(287)
Dividends and interest from investments	(12)	(52)
(increase)/decrease in stock	51	(2)
(Increase)/decrease in debtors	(2,009)	210
Increase/(decrease) in creditors	<u>(923)</u>	<u>882</u>
Net cash provided by operating activities	<u>(370)</u>	<u>(814)</u>

20 Capital commitments

	2018 £'000	2017 £'000
Contractual	-	280
Authorised but not yet contractual	-	-
	<u>-</u>	<u>280</u>

21 Operating Leases

Total minimum lease payments:	2018 £'000	2017 £'000
Within one year	6	2
Within two to five years	5	-
	<u>11</u>	<u>2</u>

THE NATIONAL CENTRE FOR YOUNG PEOPLE WITH EPILEPSY CHARITABLE TRUST
Notes to the Financial statements for the year ended 31st July 2018 (continued)

22 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 2018.

	2018 £'000	2017 £'000 restated
Turnover	0	11,832
Cost of sales/administrative expenses	(37)	(12,433)
Net loss	<u>(37)</u>	<u>(601)</u>

The aggregate of the assets, liabilities and funds was:

Assets	137	6
Liabilities	(1,244)	(1,076)
	<u>(1,107)</u>	<u>(1,070)</u>

23 Results of the parent charity

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

	2018 £'000	2017 £'000
Total incoming resources	25,232	25,510
Total resources expended	(24,254)	(28,328)
Net gain on investment assets	82	287
Actuarial loss on defined benefit pension scheme	811	38
Net movement in funds	<u>1,871</u>	<u>(2,493)</u>

24 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.

24 Significant accounting estimates and key management judgements (continued)

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.

25 Prior Year Adjustment

A Prior Year Adjustment has been made for the year ended 31st July 2017 relating to an overstatement of the purchase of the new school building from its subsidiary, St Piers (Services) Ltd. This has the effect of reducing the carrying value of Freehold Land and Buildings by £716,322 and increasing the amount owed by St Piers (Services) Ltd.

