



Epilepsy Society Limited

**Group Financial Statements
and Annual Report
for the year ended
31 March 2020**

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

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

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The Trustees are pleased to present their Annual Report and the Society's Group Financial Statements for the year ended 31 March 2020.

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This past financial year ended 31 March 2020 has been both fascinating and challenging. Fascinating because of the strategic refresh that resulted in decisions about the Society's future direction being deeply considered and determined. Challenging because at the year's end the Society, along with the rest of the country, was confronted with the COVID-19 pandemic.

COVID-19 Pandemic

Often, it takes a crisis to show the true mettle of an organization and its leadership. The last few months, dominated by the Covid-19 pandemic, have been, without doubt, one of the most challenging we have ever faced at the Epilepsy Society. Probably the most challenging since the Spanish Flu pandemic just after World War 1. And I have to say, I could not be prouder of the way our team have handled the unprecedented difficulties. It has, I think, been our best and finest hour.

We have a community of some of the most vulnerable people with epilepsy living in our seven homes at the Chalfont Centre. All of them have complex epilepsy and associated disabilities. Many of them also live with mobility and respiratory difficulties. They are all in the Government's high-risk group of people who needed to shield.

At the beginning of the year, none of us had heard of Covid-19. We had never had to get our heads around rates of transmission, herd immunity, 'flattening the curve' or protective personal equipment (PPE) quotas.

By the end of March, our leadership team – both medical and care – had become experts in every aspect of Covid-19, introducing exemplary codes of practice and often quite draconian measures to safeguard the health and well being of the residents in our care.

This meant closing down our site to all but the most essential care and medical staff. It meant taking the heart-breaking decision not to allow friends and families to visit loved ones, or other Society executives, at a time when our first instinct is to hold close, support and recognize those we cherish most and the frontline staff caring for them.

So our medical team went to incredible lengths to ensure we had sufficient PPE and testing availability, even when Government provision did not meet our needs. This meant that staff could wear PPE at all times, protecting residents from incoming infection, and enabling us to track and manage any outbreaks of coronavirus in the homes. These efforts have ensured that cases of Covid-19 have been kept to an absolute minimum. The frontline care staff, and the leadership of our Director of Care, as well as the Medical Director and the medical and laboratory staff from our partners at University College London, the UCL Hospitals NHS Trust and the Crick Institute, all deserve special mention here.

At the same time, we undertook an extraordinary recruitment drive to enhance our social care team and we enlisted the help of members of the local community to assist with driving test samples to London for analysis, shopping for the houses and keeping staff and residents well supplied with treats from Easter eggs to takeaways.

When there were suspected cases of Covid-19, we were able to isolate residents in our Sir William Gowers Assessment Unit, which was temporarily closed for in-patients.

It has been an extraordinary operation and humbling to witness.

No less impressive has been the swift and amazing operation to move our medical services to an online, telehealth operation, with clinics and care conducted over the phone. Many people have expressed surprise to hear from our medical team during the crisis, assuming that their epilepsy would be deprioritised in the face of the pandemic. Thanks to our wonderful neurologists, this has never been the case.

In line with Government guidelines, all research that does not relate to Covid-19, was put on hold. Our research laboratories were closed and our clinical researchers were deployed to support the NHS battling Covid-19 on the front line. But still our Medical Director worked with an international consortium, pooling expertise and knowledge to rapidly produce guidance around Covid-19 for physicians worldwide. And our non-clinical researchers continued to analyse data, review literature and write research papers from home, drawing on our rich data set to ensure that our understanding of the causes of epilepsy and its treatment continue in the background.

We are also eternally grateful that, thanks to the generosity of our supporters, we have been able to extend our dedicated Epilepsy Helpline to a five-day operation. This has been a real bonus in supporting our friends in the community who have their own personal struggles with epilepsy and the pandemic.

Strategy Refresh

Less challenging, but nevertheless quite fascinating, has been the very significant work on the Society's longer term Strategy during the past year.

For many years, the Society has struggled with an underlying financial deficit relieved intermittently by divestment of part of its extensive land estate. The Board is now focused on eliminating that deficit. In parallel, it is exploring options for using its land estate to set the Society on a more sustainable and strategically focused financial foundation.

The Trustees and executive team have worked energetically to define the three strategic pillars for that more sustainable future. These pillars are Advocacy, Care and Research. Each is directed at maintaining the Society's national, and indeed international, leadership role in delivering a better present, as well as future, for those affected by epilepsy.

Advocacy is intended to highlight issues, and generate actions, for those affected by epilepsy – as well as generating a broader societal understanding of the daily challenges faced by our beneficiaries.

Care is to be focused on setting the highest standards nationally and internationally for assessment, treatment and care of those affected by epilepsy. It includes delivering exemplary care and spreading exemplary care and best practice standards, in these specific areas. The work by the Society's team in the face of the COVID-19 pandemic is an exemplar in this sense.

Research, particularly clinically applied or translational research that has more immediate impact, is the third pillar. The research is directed to providing a better life now through personalized care for those affected by epilepsy, as well by advancing understanding of the underlying causes of epilepsy.

This work will a return to the Society's historical mission, which saw 'Chalfont Protocols' in care of those affected by epilepsy and the like disseminated nationally and internationally. We hope to work more closely with other charities in pursuit of these objectives.

The key to implementation of this refreshed strategy is achieving financial sustainability and building up financial strength and endowment. This we have recommitted to do by a greater effort at both fund-raising and by realization of value of the Society's land estate. In many ways the estate, substantially unused and subject to 'green-belt' restrictions, and now an endowment made over a century ago, has become an impediment to advancing our work to achieve the goals outlined above.

I am always proud to be Chairman of the Epilepsy Society, but right now that pride is at a new and extraordinary height. Without question, the charity is made up of the most exceptional and caring group of people, for whom the sanctity of life is paramount. I consider myself privileged to work alongside them.

Finally, may I take this opportunity to thank our trustees, executive and staff, and our many followers and donors for their unstinting support and efforts over the past year.

A handwritten signature in blue ink, appearing to read 'Peter Worthington', with a stylized flourish at the end.

Peter Worthington
Chairman

This past year has been life-changing for so many of us. Things will never be quite the same again.

We have been tested in the past months and, as our Chairman says in his Review, our staff and supporters have been amazing. They are an example to us all of utmost care and dedication. It has given me great comfort over the past months to remember that the Epilepsy Society has been here for more than a century doing our best to make the world a better place for people with epilepsy. In good times and in bad, in world wars and in recessions, we have always been steadfast.

And now there is the “new normal” where we are trying to reshape how we support people with epilepsy. We don’t quite have a blank canvas, but we do have a hand on the paint brush. The responsibility is enormous, the challenges unprecedented, and the opportunities are great.

When the metaphorical asteroid hit, the impact of the virus seemed enormous for us as a charity. It felt the timing couldn’t be worse. The London Marathon, one of our biggest fundraisers, was postponed. And Purple Day, arguably the most important date in our calendar in terms of awareness-raising, had to be scaled right back due to lockdown and social distancing.

Alongside these, a myriad of other key events were crossed off the calendar, one by one. But just as fire sweeping through a forest often generates new growth, losing our mainstay awareness-raising and fundraising events made us think more creatively and look for different opportunities.

At the Epilepsy Society we are blessed with friends. Epilepsy is a long-term condition and we have long-term relationships with people who seem to surface, just when we need them. Our modus operandi is very much planning and preparation. But the new world order is teaching us the benefits of rapid response at an exhilarating speed.

So when our old friend Peter Hook, co-founder of the iconic band Joy Division, told us, with days to go, that he was streaming a free concert for us to mark the 40th anniversary of the death of the band’s frontman Ian Curtis, we barely had time to draw breath. Ian lived with epilepsy and sadly took his own life at the age of 23.

The concert was streamed for 24 hours and in that time, generous fans from around the world donated £20,000 to the charity, enabling us to provide support to young people today who may be going through similar experiences to those endured by Ian. We could not be more grateful.

Similarly, a #twopointsixchallenge was launched at lightning speed by the organisers of the London Marathon. We had just ten days to ask people to be a ‘Home Hero’ and raise money for us around any combination of the numbers two and six. And, in spite of the anxiety and challenges that people were facing in their own lives, the response was amazing.

We had people running the marathon in their front gardens, walking long distances in high heels, hoola hooping, bench pressing and getting the family pets involved. Suddenly it was the turn of those who might never think of running the London marathon, to pick up the baton and run with it. The gap in the calendar made space for many budding Home Heroes to spread their wings and fly.

One of our most notable young supporters was eight year old Zach Eagling, who has epilepsy and cerebral palsy. He challenged himself to walk 2.6km in laps around his back yard, before his ninth birthday. And he was half-way round when things took a nasty turn.

Our Twitter account was attacked by a co-ordinated group of internet trolls, posting over 200 flashing images designed to cause seizures in people with epilepsy. They targeted several of our supporters, including Zach.

As a nation, our resilience and community spirit in the face of Covid-19 has been remarkable. As a charity, our steadfastness has proved notable. But as an eight-year-old boy, striding bravely around his back yard, with no truck for cowardly trolls hiding in the dark shadows of the internet, Zach’s grit and determination has been inspirational. And the nation got behind him.

Zach's goal was to raise £260 for the Epilepsy Society. As his story was shared across the tv and media, his Just Giving page soared, hitting £11,000 within days. Furthermore, the shameful targeting of people with epilepsy shocked and appalled the public. With the full support of Zach and his family, we renewed our campaign for Government action. Supported by our brilliant Advocacy Team, MPs and the press were soon clamouring to persuade the Government to clamp down on such behaviour through their Online Harms Bill.

We're not there yet, but 'Zach's Law'—legislation to criminalise physically harmful attacks online and to require social media platforms to have a duty of care for people with photosensitive epilepsy – is rapidly rising up the political agenda.

As a nation we won't be beaten by an invisible virus. And as a charity we won't be beaten by the vile intentions of an invisible minority who have turned technology into a tool to cause harm and distress.

This year has seen our Advocacy Team come into its own. They have been active in ensuring that epilepsy medication was available to those who needed it. Last year when widespread shortages seemed possible, we worked closely with the Department of Health and Social Care to ensure that the voices of the people with epilepsy were heard. The Secretary of State even posted a personal letter on our website. We remain in close touch on the implementation of the recommendations of the Cumberlege Review for women with epilepsy who wish to start a family. And we are working hard to persuade the Government that the flu vaccine should be available free to people with epilepsy. This is particularly important as we tackle Covid-19.

There is hardly space for me to list all the ways that our Advocacy Team has ensured that the voice of people with epilepsy is now being heard—from "Hidden Disability" badges on tube trains to seizure first aid in the workplace—awareness is growing. And a particular satisfaction for us all in these difficult times has been the way that we have been able to amplify the concerns expressed to our Helpline and online and ensure that action by public authorities has followed.

We're not out of the woods yet in responding to this pandemic. We know there are challenges ahead, lessons to learn and ways for us to improve and grow. But our inspiration is the resilience and fortitude of those we support and those who support us. So, may I close with my heartfelt thanks to our volunteers, staff, trustees and supporters everywhere. We go forward together.



Clare Pelham
Chief Executive

The Trustees are pleased to present their report for the year ended 31 March 2020 which provides a commentary on these results and the operations of the Epilepsy Society during the year, which are set out in the audited financial statements following this report. The report also acts as the Society's strategic report and the Directors' Report for the year.

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

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|-----------------------------------------------|-------------------------------------------------|
| a) Principal Activities | h) Fundraising Activities |
| b) Charitable Objectives, Values and Strategy | i) Employment and Volunteers |
| c) Achievements and Future Plans | j) Insurance and Health and Safety |
| d) Principal Risks | k) Governance, the Board and Executive Officers |
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a) Principal Activities

Objects

The Society's object is to support people living with or affected by epilepsy and other neurological conditions by:

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

Activities

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

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

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

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

- Information, education and support services** - through our helpline and parallel on-line services, the Society provides information, help and support to people who have epilepsy. We provide training to health care professionals through which we aim to broaden our reach and support to people with epilepsy. Our external affairs function also raises awareness of issues for people with epilepsy and advocates on behalf of them.

- **Medical services** – the Sir William Gowers Assessment and Treatment Unit, run by UCLH in collaboration with the Society, is recognised as the leading centre for medical services to people with epilepsy in the United Kingdom and has one of the largest clinical throughputs in Europe. It provides a range of specialist epilepsy services, including diagnostic services in the form of electroencephalogram recording facilities and an epilepsy-dedicated MRI scanner facility. The Centre also has a therapeutic drug monitoring unit, which is currently the major provider of anti-epileptic drug level assays to the NHS, and a pharmacy specialising in epilepsy.
- **Residential, domiciliary and nursing care services** – During the year, we ran seven residential care homes, one of which also provides nursing care, for people with epilepsy including people with complex epilepsy and associated conditions such as learning disabilities. We also provide domiciliary care to people living in supported living accommodation and in their homes within the community.

Structure

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

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

b) Charitable Objectives, Values and Strategy

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

Our Charitable Objective

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

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

Our Values

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

Caring

Accountable

Improving

Respectful

Open

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

Our Strategy

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



Advocacy

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

Research

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

Leading best practice in care and support

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

The Society currently provides care services to around 100 people based at Chalfont and a floating service to around 25 people living in elsewhere Buckinghamshire. The Society's Care & Support Strategy will articulate the avenues through which that care will be provided. This will flow from the wishes and preferences of people with epilepsy enabling them to live their lives as they choose. It will likely include innovative support to enable greater independence including through assistive technology, better environmental design and a wide range of physical, cognitive and other therapies.

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

Public benefit

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

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

c) Achievements and Future Plans

This has been another busy and challenging year for the Society with a wide range of achievements in all areas of our work.

We successfully restructured our Board and Committees in 2018/19 to better manage the strategy for the Society going forward and strengthened the Board with 6 new appointments. The new Board has been working together now for over 18 months and we believe that its composition puts in place a strong base to succeed with the exciting and ambitious plans that we hope to achieve over the next few years.

Looking at each of our services in turn, we consider some of the main achievements to be:

- **Research**

The research carried out by the Society in collaboration with UCL continues to reflect the worldwide reputation that the Chalfont Centre enjoys. The main focus of the research continues to be genomics, but work on improving epilepsy diagnosis and treatment through MRI scanning and on global health issues around epilepsy are also significant. During 2018/19, over 1,000 DNA samples for people with epilepsy were sequenced as part of the Government's 100,000 genomes project. Translational results for individual patients from this work have been processed during the year with very promising outcomes for some of the people with epilepsy going through the programme.

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

- **Medical Services**

The Chalfont Centre is unique in the services we provide in conjunction with UCLH. We act as an expert referral centre for the NHS for people with epilepsy who benefit from coming to Chalfont where we can run a wide range of diagnostic tests in one place such as MRI and EEG. It is also convenient for patients who have complex needs or need care and require tests over a few days to stay in our 24 bed in patient facility. During 2019/20 we continued to see a large throughput of patients receiving these services until out and inpatient facilities were temporarily closed in March 2020 due to COVID-19 restrictions.

- **Advocacy and Information**

Our telephone helpline and online support service continues to be in considerable demand and the services we provide to help people with epilepsy across the UK are highly regarded, valued and produce extremely high levels of satisfaction from users.

Our campaigning has also been successful and towards the end of the year we started strengthening our external affairs team to exert more influence on the Government and change public understanding of epilepsy in the next year. During 2019/20, one of more high profile and successful campaigns was bringing attention to the worrying practice of postings on social media platforms of content containing flashing images intended to produce seizures in people with epilepsy. We have engaged with both the Government and the social media companies and progress is being made in addressing the issue.

- **Care**

We have continued to provide good quality care services for people living at Chalfont and support services for people living independently locally. We have worked through a number of challenges during the year to improve the way in which we provide care and the service received by the people who we

support. We have had CQC inspections in most of our services during the year and we are pleased that all resulted in a 'good' rating, including the re-inspection of Russell House, which had been rated 'requires improvement' in the previous two inspections. This means we end the year with 'good' ratings in all our care homes and services.

Early in 2019/20, we closed Milton House, one of the under-occupied and out-dated care homes on our estate. This process was handled smoothly and sensitively with all residents moving to other care homes on the site.

In February and March 2020, our focus changed completely as the COVID-19 situation arose. This has been a worrying time for all, but particularly for those in care homes. However, while the risks continue to exist, we believe we have dealt with the crisis well, keeping our residents safe, arranging regular testing for residents and staff and acting quickly to isolate any positive cases. We unfortunately lost one resident to COVID-19 early in the outbreak, but since then all our residents have been kept safe. The situation has brought out the best in our staff, who have been great and carried out their roles, which were not without risk, with dedication and care. We have been supported through this period by the UCLH medical staff attached to Chalfont who have been fantastic in going over and beyond to make sure our residents were well cared for and protected from COVID-19.

- **Fundraising**

2018/19 saw significant growth in fundraising and this has been consolidated in 2019/20 with overall voluntary income up from £2.9 million to £3.0 million despite the impact of COVID-19 on donations and fundraising towards the end of the year.

We have prepared a new, ambitious 5 year fundraising plan, which was approved by the Board in December, that we hope that this will provide a springboard for higher levels of voluntary income over the next few years as it is this income that allows us to invest in research and our advocacy and helpline services. However, the achievability of the early stages of the plan is likely to be impacted by the effect of COVID-19 on voluntary income.

- **Staff**

During the year we completed a pay review for all staff across the Society, which will focussed on a significant improvement in the hourly rate we pay support workers, to benefit existing staff and improve the numbers of new people who want to come and work for us and, as a consequence, reduce the considerable spend on agency staff. It also aligned some of our working and remuneration practices to those operated across the care sector.

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

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

- strengthen our external affairs team to engage with Government at a higher level and more widely to achieve changes that make a real impact on the lives of people with epilepsy;
- press on with sequencing many of the 6,000 DNA samples we have and provide individual treatment for patients where analysis of the samples already sequenced produces translational results. We intend to strengthen and expand our research team to increase the level of research and speed of analysis and diagnosis arising from sequencing samples;
- continue to improve the way in which we provide care for the 100 people with epilepsy who live on our estate. This includes focussing on person-centred care across our care homes and services, maintaining at least 'good' ratings from the CQC in all services, improving the quality of support and consistency of

that level of service across all our care and support provision and, finally, reduce our reliance on agency staff to provide a better, more consistent experience for residents;

- continue to review with UCLH the medical services provided at Chalfont to ensure that the governance is provided in the right place, they operate in the best way for patients and that they are financially viable for the Society;
- invest in our fundraising team and continue to grow the voluntary income that the Society receives from donors, supporters and those that give their time and energy to raise money for us and try to mitigate the fall in donations and fundraising events that we have seen at the end of 2019/20 and throughout the first quarter of 2020/21;

The Trustees have also been looking at the longer term future and plans of the Society and how we support the strategy set out earlier in this report. The Epilepsy Society's estate is large and runs to 300 acres. The vast majority of the site is farmland which produces a very modest return financially. The main site consists of over 50 buildings of varying ages and states of repair. Many of the older buildings are not fit for purpose and are expensive to maintain.

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

The maintenance of such a large estate is a significant burden for the Society; and we are struggling with it. As can be seen from these accounts, while turnover is healthy, the expenditure needed to run our services is at the same level, if not higher. Our reserves are modest, so not only is it a constant struggle to break even, but the safety net for the Society is relatively small. We have sold off small tranches of land over the last 7 years, which helps short term investment in services and charitable activities, but this is not a sustainable long or medium term strategy.

Our financial situation means that our beautiful estate - which was a generous gift to the Society more than a century ago – now presents a significant cost burden. The Trustees have a responsibility to make the best use of assets for the beneficiaries of today and tomorrow and so have been acting to release capital from the land to ensure we can achieve the ambitious aims we have. In 2018/19 we worked with the local authority in their production of a draft local plan and when this was published for consultation in early 2019/20, it included an element of our site for improvement of our facilities and residential development.

During 2019/20, we made a submission in response to the consultation and have worked with local people and politicians to try to secure a larger area for development that would include a new research and medical centre to reflect the standing of Chalfont worldwide in this area and free up capital to invest at a significantly higher level in the research that can make so much difference to the lives of people with epilepsy in the future. The draft local plan has not yet been approved and its status is now uncertain. We will, however, continue to work through 2020/21 to progress the development potential of our site through a range of actions with a view of making this dream a reality.

d) Principal Risks

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

The Society maintains a risk register and a risk map which is reviewed quarterly by the Board of Trustees its Committees, Sub-committees and the Management Board. The Society's Audit, Risk and Governance Committee, which meets three or four times a year, considers the risk register and related risk issues in more detail.

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

- **the impact of COVID-19 on residents**– we need to continue to run our care service in a way that reduces the risk of COVID-19 to our residents and staff. However, many aspects of this are outside our control and the risk of serious illness across a number of residents remains very real;
- **the impact of COVID-19 on income**– in the 3 months from 1 Mar 20 to 31 May 20, the Society saw a fall of 50% in its donations and fundraising income compared to the same period in 2019 as a result of the COVID-19 situation and its consequences. It is uncertain how income will be affected through the rest of 2020/21, but there is a significant risk of income for the year being lower than originally budgeted. This risk is being addressed by progressing various fundraising initiatives that may compensate for lost income through traditional events etc and by revisiting the budget for the year to ensure our projected expenditure takes account of the probable fall in income;
- **harm to people** - we need to keep people with epilepsy, our staff, visitors, contractors and customers safe and there is always a risk that despite our safeguards and training, an incident happens that means someone is seriously hurt;
- **a poor CQC or other inspection result** - we run 6 care homes all of which are CQC rated and a number of other services that are inspected. There is a risk of a negative inspection which could mean a care home or other service would have to be put into special measures or, in extremis, closed due to non-compliance;
- **the Society becomes unsustainable financially** - financial management is a key element of the Trustees' responsibilities. Finances for a charity are always at risk from a sudden downturn. If the Trustees do not take appropriate action in situation of that type, the Society could become unsustainable;
- **irrelevance** - the Society must continue to evolve and provide services and help to people with epilepsy that is in tune with the modern world. Failure to adapt and continue to provide services that are useful and relevant would mean that the Society would struggle to survive, let alone flourish;
- **failure to realise the benefits of the research programme** - our research programmes are important to helping people with their epilepsy now and well into the future. The nature of research is that outcomes are uncertain. We make a significant investment in research and will be making more in the future, so there is always a risk that the investment doesn't produce the outcomes we and our beneficiaries want and need;
- **inability to attract, train and retain staff** - this applies to staff in all areas, but particularly in care, where there is a shortage of people willing to work for the salaries that the sector can afford to offer, and in research, where we need highly trained professionals to progress work in areas such as genomics and who are much in demand across the various research sectors.

In order to manage the risks the Society is and could be exposed to, the Trustees are responsible for ensuring that there are effective and adequate internal control systems in place. The internal control environment includes:

- **Management Control**
The strategic aims of the Society are regularly reviewed and set as part of the Business Plan, for the current year in line with the long term aspirations. These aspirations are in line with the overarching objects of the Society and with the Charities Commission Guidelines. Trustees retain an overview of the management team, which is subject to robust recruitment and selection processes to ensure efficient and effective management and quality provision of services.

- **Operational Control**

There are established systems to monitor the provision of services, supported by comprehensive internal policies, which are subject to regular review. This is supported by in-house assessments, internal auditors and external audit from regulatory authorities of the CQC and Local Authorities.

- **Financial and Independent Controls**

Management of the Society is overseen by the Board of Trustees with relevant expertise, supported by the Committees with specific responsibility for: medical and research, care, finance, health and safety and other activities of the Society.

There are established systems for financial reporting, planning and monitoring of financial performance with clearly defined delegated authorities for financial commitments for each management role in line with the Financial Regulation Policy and Terms of References for Committees and Management Board.

- **External Factors**

The Society is a member of various forums, participates in and organises conferences, seminars, presentations and events in and for the industry with the objective of ensuring a voice for the Society in commercial, legal and other regulatory environments.

- **Legal and Other Compliance Risks**

The Society fully understands the importance of compliance with relevant legal and regulatory requirements as well as good practice. Its Company Secretary has started a compliance review and, when complete, will complement individual departments' existing compliance controls and produce an action plan which will be implemented promptly.

e) Operational Performance

Our Year in Numbers

- Over £1.5 million invested into our research programme
- Another 200 whole DNA genome sequences analysed
- 900 personalised patient plans delivered as a result of genetic sequences and analysis
- More than 16 academic papers published by the Chalfont Centre
- 2 substantial influencing campaigns on issues that affect people with epilepsy
- 3,100 helpline calls answered
- Over 15,000 information resources sent out
- 2.8 million visitors to our website (of which around 2 million went to our online support pages)
- 7 out of 7 of care services rated 'good' by CQC
- 102,000 engagements on social media

f) Key Performance Indicators

The Society manages achievement of its objectives through a series of KPIs and regular reporting to its internal Management Board and the Trustee Board and its Committees. The measurements we use to track progress and identify problems are extensive, but a selection of the main ones is set out below.

Measurement	Actual	Target	Achievement
Research: papers published where substantive part of work in Chalfont	16	15	
Research: no of personalised management plans from genomics data	90	65	
Care: Number of services rated 'good' and above by CQC	7	7	
Fundraising: Return on investment	4.04:1	3.03:1	
Advocacy: No of campaigns with demonstrable impact and influence	2 campaigns	1 campaign	
Corporate: central services as %age of operational turnover	29.4%	33.1%	

g) Financial Review

From a financial point of view, the Society has continued to manage its resources effectively in order to provide the services it had planned to its beneficiaries. There was an overall deficit for the year of £2.1m compared to a surplus of £10.1m in 2018/19. However, last year's surplus was primarily as result of an accounting profit of £10.1m from the sale of a small part of our estate, whereas the deficit for this year was planned partially due to expenditure from these proceeds. In 2019/20, the Society established a designated reserve to manage the spending of the proceeds and in the year, used £1.1m. Further details of the designated reserve can be found in note 21 to the accounts.

Excluding the use of the land sale proceeds and pension scheme movements, the Society has made a modest operational deficit (2019: modest surplus). This is despite the cost of maintaining a large estate including around 50 buildings of varying ages and states of repair.

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

Income

Group income overall has fallen overall by £10.8m from 2018/19 to £17.2m, but excluding the land sale has fallen by £744k from last year. The focus the Society has placed on voluntary income and fundraising has consolidated the results from last year, with income rising by 3% to £3.0m including legacies and grants. Looking at donations and fundraising alone, we have seen an increase of £383k, 30% up on 2018/19. We were hoping to push on from this success with continued growth into 2020/21 although the fall in income due to COVID-19 will make this a challenge.

Income from care and other services, however, continues to be difficult with pressure on fees from Local Authorities affecting care income, which was down £401k to £11.4m, partially due to reduction in fees for services to existing residents and partially due to the closure of the Milton House care home.

Expenditure

Overall the Society's costs have risen from £17.9m last year to £19.2m this year. However, we are pleased to see investment in non-care charitable activities, mainly research, our helpline and advocacy, rise by £453k to £4.9m. These services are the main focus for spending voluntary income and will continue to be in the coming year.

Despite the substantial increase in voluntary income, fundraising costs continue to be controlled. Although overall they have risen by £74k to £723k, this reflects a deliberate policy to strengthen the team to deliver the 5 year plan and is below budget.

As was the case in 2018/19, operational service costs continue to rise while income falls. This is a result of inflated costs and the need and desire to provide a good and safe service for our residents and customers. Care costs in particular are continually pushed up – this year rising £806k to £12.7m, which is partially due to our pay structure changes. Clearly a model that continues to see fees decrease and costs increase cannot continue and we are working hard to persuade Local Authorities and other care funders to see the real cost of providing the services that are needed for the people who live in our care homes.

Funds and reserves

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

The policy states that the Society shall maintain a level of 'free reserves' that covers all the annual expenditure of the Society (based on current projected costs for the year excluding depreciation) for at least 4 months and expenditure of the Society excluding care and medical service costs (where there is an established flow of income) for at least 9 months. Free reserves are defined within the policy and are consistent with the reporting requirements of the SORP.

Total reserves for the Group have decreased from £27.2m last year (restated) to £26.1m at 31 March 2020 reflecting the spending of land sale proceeds from 2018/19. The reserves comprise restricted reserves of £2.3m, a negative pension reserve of £8.7m and unrestricted funds of £32.4m, of which £9.3m sits in a designated reserve. Free reserves, which exclude funds held as fixed assets, total £15.5m at 31 March 2020 (2019: £17.1m).

Free reserves represent 10.1 months of total expenditure based on this year's costs and 9.6 months based on anticipated costs in 2020/21. This is slightly down on last year (11.9 months costs) mainly as a result of the use of some of the land sale proceeds mentioned above. The Trustees believe that this puts the Society in a position where there is sufficient working capital to fund operations for the foreseeable future and gives them time to take appropriate action to reduce costs in the unlikely event that income falls significantly.

Restricted reserve income and expenditure was higher than in 2018/19 at £1.1m and £804k respectively – the latter including capital purchases, the £59k of which has been transferred from restricted reserves to unrestricted funds at the year end.

At 31 March 2019, the Society had no designated reserves. The Trustees have reviewed the funds received as part of the sale of land to Audley and decided that a designated reserve should be set up to keep track of the use of the funds for four purposes as set out in note 21 to the accounts. Accordingly, a balance of £10.4m has been transferred into designated funds as at 1 April 2019. During 2019/20 expenditure of £1.1m is attributable to the designated reserve and there the balance at 31 March 2020 is £9.3m.

Details of fund movements for the year are set out in note 21 and restricted reserves are detailed in note 23 to the accounts.

Balance Sheet

The significant movements in the Balance Sheet since 31 March 2019 are in fixed assets, cash and the pension liability. All other assets and liabilities have only fluctuated as a result of day to day activities.

Fixed Assets Tangible fixed assets have decreased from £16.6m at 31 March 2019 (restated) to £16.1m at 31 March 2020. The reduction was due to depreciation on existing assets exceeding the purchase of new assets. There were no significant movements though the change in the Society's accounting policy had a significant impact on the carrying value of assets (see note 3)

Cash The Society's cash at bank decreased from £20.3m to £18.7m at 31 March 2020. The decrease was primarily due to funding the deficit for the year. The Society has an investment policy approved by the Trustees which limits investments to mainstream banks and financial institutions to manage the counterparty risk, which is also managed by placing limits on deposits with individual institutions. The funds are currently held in short-term accounts so that they are available to meet the needs of the Society.

Pension The Society is responsible for a defined benefit pension scheme, which is now closed to new members, but has a significant liability as a result of the number of pensioners and deferred members covered by the Scheme. The deficit is recorded on the Balance Sheet in accordance with FRS102 and a comprehensive deficit reduction plan is in place. The primary reason for the reduction in the liability from £9.6m last year to £8.7m this year are changes in assumptions as a result of the triennial valuation of the scheme.

Going concern review

As identified in the risk section above, COVID-19 has had, and may continue to have, significant impacts on the operations of the Society. One potential impact is a reduction in voluntary income. The Trustees have reviewed the financial sustainability of the Society in some detail this year and, in particular, have considered expected cashflows for 18 months after the date of signing of these accounts. As the impact of COVID-19 is uncertain, they have also stress-tested the cashflow based on a number of scenarios (including their responses to them) and are satisfied that in all cases the Society remains able to meet its obligations to at least 31 March 2022 and that these accounts should be prepared on a going concern basis.

h) Fundraising Activities

Like most charities, the Society raises funds from voluntary sources such as donations, fundraising events, legacies and grants. We rely on the commitment, hard work and generosity of supporters, donors and fundraisers to provide the money to enable us to provide the services for people with epilepsy throughout the UK. The successful growth in voluntary income has been as a result of the efforts of these supporters and our staff who make it happen.

The Society has its own fundraising team who generally support fundraisers in the community, obtain donations from individuals and make applications to trusts. The Society only puts on small scale events of its own and generally does not employ professional fundraisers or commercial participators. However, during the year it did engage a professional fundraising organisation to prepare grant bids on our behalf. The total spend on this exercise was under £25k.

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

The Society received no formal complaints about its fundraising activities during the year. The Society also fully complies with GDPR and only approaches supporters who have given permission for us to do so.

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

i) Employment and Volunteers

The Society employs more than 400 staff and encourages volunteers to help us a range of ways. We have in place an operational Equality and Diversity Policy to ensure that no job applicant, employee or volunteer receives less favourable treatment, is discriminated against or is disadvantaged as a result of any of the 9 characteristics set out in the Equality Act.

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

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

j) Insurance, Health and Safety and Energy Reporting

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

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

Under the Energy and Carbon Report Regulations, we are required to include Streamlined Energy and Carbon Reporting. This information is set out below. As this is the first year of the Regulations, prior year comparatives are not required

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

UK greenhouse gas emissions and energy use data	Year ended 31 March 2020
Emissions in metric tonnes CO2e:	
Gas and electricity	1,115.5
Owned transport	15.6
Total	1,131.1
Intensity ratios in metric tonnes CO2e:	
Per staff member	4.04
Per resident	11.66

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

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

k) Governance, the Board and Executive Officers

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

The Board has to be made up of between 6 and 16 Trustees of whom no more than 4 Trustees may be co-opted. Currently, there are 12 Trustees who are listed on page 54 and meet quarterly. They delegate some authority to their four Committees: Audit; Risk & Governance; Finance, Performance & Resources; Service, Quality & Assurance; and Remuneration & Nominations. Each Committee is chaired by a Trustee and the membership is composed of a number of other Trustees.

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

The Trustees have a broad range of skills and expertise and are recruited through open advertisement. Trustees are elected for terms of 3 years and can serve for a maximum of 6 consecutive years, except Trustees who are or have been Chairman, Vice-Chairman or Treasurer, who may serve for up to 9 years.

The Board delegates the day to day operations to the Chief Executive Officer, who is supported by 6 Directors who are also listed on page 54. The pay of the executive directors is reviewed annually by the Board of Trustees with the salaries being benchmarked against pay levels in other not for profit organisations of a similar size.

l) Statement of Trustees' Responsibilities

The Trustees, who are also directors of the Epilepsy Society for the purpose of company law, are responsible for preparing the Trustees' annual report, which includes the strategic report, and the Financial Statements for the Group and the Society in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. They must not approve the Financial Statements unless they are satisfied that these give a true and fair view of the state of affairs of the charitable company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the Group for that period.

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

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

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

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

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

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

m) External Auditors

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

This Trustee's annual report was approved by the Board of Trustees on 2 October 2020 and is signed on their behalf by:



Peter Worthington
Chairman

2 October 2020

Independent Auditor's Report to the Members and Trustees of the Epilepsy Society

Opinion

We have audited the financial statements of the Epilepsy Society for the year ended 31 March 2020 which comprise the Group and Parent Statements of Financial Activities, Group and Parent Balance Sheets, and Consolidated Cash Flow Statement and the related notes 1 to 28 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 charitable company's affairs as at 31 March 2020 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 charitable company'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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- the parent company has not kept adequate accounting records; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's or the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and 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 charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



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

Date: 23 November 2020

Crowe U.K. 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.

**Statements of Financial Activities (including Income and Expenditure Accounts)
for the year ended 31 March 2020**

Group	Note	31 March 2020			31 March 2019
		Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Total funds £'000 restated
Income and endowments from					
Donations and legacies	4	1,892	1,030	2,922	2,872
Charitable activities	5	13,529	-	13,529	14,133
Other trading activities	6	404	-	404	388
Investments	7	204	-	204	152
Profit on sale of fixed assets	9	-	-	-	10,116
Other		95	-	95	353
		16,124	1,030	17,154	28,014
Expenditure on:					
Raising funds	4	(723)	-	(723)	(649)
Charitable activities:					
Care	5	(12,702)	(4)	(12,706)	(11,900)
Research	5	(457)	(1,071)	(1,528)	(1,489)
Medical services	5	(2,702)	(1)	(2,703)	(2,592)
Help, information and advocacy services	5	(689)	-	(689)	(367)
Other	5	(2)	-	(2)	(21)
		(16,552)	(1,076)	(17,628)	(16,369)
Trading activities	6	(399)	(30)	(429)	(309)
Other costs	9	(444)	-	(444)	(508)
Total expenditure		(18,118)	(1,106)	(19,224)	(17,835)
Net gains/(losses) on investments	15	-	-	-	(83)
Tax payable		-	-	-	-
Net (expenditure)/income for the year	12	(1,994)	(76)	(2,070)	10,096
Transfers between funds	21	59	(59)	-	-
Other recognised gains/(losses):					
Actuarial gains/(losses) on defined benefit pension scheme	24	970	-	970	(4)
Net movement in funds	21	(965)	(135)	(1,100)	10,092
Reconciliation of funds:					
Total funds brought forward	21	24,729	2,450	27,179	17,087
Total funds carried forward	21	23,764	2,315	26,079	27,179

**Statements of Financial Activities (including Income and Expenditure Accounts)
for the year ended 31 March 2020**

Society	Note	31 March 2020			31 March 2019
		Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Total funds £'000 restated
Income and endowments from					
Donations and legacies	4	1,941	1,030	2,971	2,920
Charitable activities	5	13,529	-	13,529	14,133
Other trading activities	6	313	-	313	296
Investments	7	204	-	204	152
Profit on sale of fixed assets	9	-	-	-	10,116
Other		104	-	104	353
		16,091	1,030	17,121	27,970
Expenditure on:					
Raising funds	4	(723)	-	(723)	(649)
Charitable activities:					
Care	5	(12,702)	(4)	(12,706)	(11,900)
Research	5	(457)	(1,071)	(1,528)	(1,489)
Medical services	5	(2,665)	(1)	(2,666)	(2,556)
Help, information and advocacy services	5	(689)	-	(689)	(367)
Other	5	(2)	-	(2)	(21)
		(16,515)	(1,076)	(17,591)	(16,333)
Other trading activities	6	(346)	(30)	(376)	(260)
Other costs	9	(444)	-	(444)	(508)
Total expenditure		(18,028)	(1,106)	(19,134)	(17,750)
Net gains/(losses) on investments	15	-	-	-	(83)
Tax payable		-	-	-	-
Net (expenditure)/income for the year	12	(1,937)	(76)	(2,013)	10,137
Transfers between funds	21	59	(59)	-	-
Other recognised gains/(losses):					
Actuarial gains/(losses) on defined benefit pension scheme	24	970	-	970	(4)
Net movement in funds	21	(908)	(135)	(1,043)	10,133
Reconciliation of funds:					
Total funds brought forward	21	25,553	2,450	28,003	17,870
Total funds carried forward	21	24,645	2,315	26,960	28,003

	Note	31 March 2020		31 March 2019	
		Group £'000	Society £'000	Group £'000 restated	Society £'000 restated
Fixed assets					
Intangible assets	13	-	-	1	1
Tangible assets	14	16,114	14,884	16,575	15,313
Investments	15	2,200	4,646	2,200	4,646
		18,314	19,530	18,776	19,960
Current assets					
Stock	16	60	44	63	44
Debtors	17	1,356	1,364	644	642
Cash at bank and in hand	18	18,675	18,343	20,340	20,318
		20,091	19,751	21,047	21,004
Liabilities					
Creditors: Amounts falling due within one year	19	(3,618)	(3,613)	(2,962)	(3,279)
Net Current assets		16,473	16,138	18,085	17,725
Total assets less current liabilities		34,787	35,668	36,861	37,685
Creditors: Amounts falling due after more than one year	20	-	-	(118)	(118)
Net assets excluding pension liability		34,787	35,668	36,743	37,567
Defined benefit pension scheme liability	25	(8,708)	(8,708)	(9,564)	(9,564)
Total net assets		26,079	26,960	27,179	28,003
The funds of the charity					
Restricted income funds	24	2,315	2,315	2,450	2,450
Unrestricted funds	22	23,163	24,044	34,289	35,113
Designated fund	22	9,309	9,309	-	-
Pension reserve	22	(8,708)	(8,708)	(9,560)	(9,560)
Total unrestricted funds		23,764	24,645	24,729	25,553
Total charity funds		26,079	26,960	27,179	28,003

The financial statements on pages 23 to 53 were approved by the Trustees on 2 October 2020 and signed on their behalf by



Peter Worthington
Chairman



Peter Goodfellow
Treasurer

The notes on pages 27 to 53 for part of these accounts

Statement of cash flows

Group	31 March 2020 £'000	31 March 2019 £'000 restated
Cash flows from operating activities:		
Net cash provided by operating activities	(1,455)	(41)
Cash flows from investing activities:		
Dividends, interest and rents from investments	204	152
Proceeds from the sale of property, plant and equipment	-	11,620
Purchase of property, plant and equipment	(249)	(259)
	(45)	11,513
Cash flows from financing activities:		
Repayments of borrowing	(47)	(46)
Capital element of finance lease rentals	(118)	(118)
	(165)	(164)
Change in cash and cash equivalents in the year	(1,665)	11,308
Cash and cash equivalents at beginning of the year	20,340	9,032
Cash and cash equivalents at end of the year (note 16)	18,675	20,340

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

Group	31 March 2020 £'000	31 March 2019 £'000 restated
Net income for the year	(2,070)	10,096
Adjustments for:		
Depreciation and amortisation	711	743
Losses/(gains) on investments and pension scheme	-	83
Dividends, interest and rents from investments	(204)	(152)
Pension deficit service and interest costs	313	407
Pension deficit contributions	(199)	(1,359)
(Profit)/loss on sale of fixed assets	-	(10,120)
Decrease/(increase) in stocks	3	(10)
(Increase)/decrease in debtors	(712)	524
Increase/(decrease) in creditors	703	(253)
Net cash provided by operating activities	(1,455)	(41)

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

1. Legal status

The Society is a company limited by guarantee (registered number 492761). The Directors of the Company are the Trustees set out on page 54. In the event of the Society being wound up, the liability in respect of the guarantee is limited to £1 for each member of the Society.

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

2. Accounting policies

a) Statement of Compliance

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

The Trustees consider that there are no material uncertainties regarding the charity's ability to continue as a going concern. In arriving at this view, the Trustees have considered the risks presented by the impacts of the COVID-19 pandemic. They have considered a range of scenarios and consider that, having taken account of the these scenarios (including actions that would be taken in response to risks crystallising), the impact of COVID-19 does not create uncertainties around the assessment of the charity as a going concern.

b) Significant judgements and estimates

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

Key areas subject to judgement and estimation are as follows:

- **Legacy income**

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

- **Pension scheme accounting**

Judgement is applied in the selection of the valuation assumptions applied to the Society's defined benefit pension schemes as set out in note 24.

- **Cost of land & buildings**

As set out in (c) below, the Society has changed its accounting policy to carry land & buildings at cost rather than valuation. In arriving at the amounts set out in the Prior Period Adjustment, some judgement and estimation has had to be applied in relation the costs and lives of older buildings. These form a relatively small percentage of the total fixed asset costs.

c) Change of accounting Policy

During the year, the Trustees have reviewed the policy of carrying fixed asset land and buildings at valuation. Arriving at a fair, accurate and realistic valuation of the Society's unique landholding has proved difficult and results in a significant possible margin of error. As a consequence the Trustees have decided to change to carrying these assets at cost as it results in stating land and buildings at cost provides a more reliable and consistent reflection of the position and both past and future transactions in the financial statements of the

Group and the Society. This change has been reflected as a Prior Period Adjustment in these Financial Statements and details of the impact of this adjustment is set out in Note 3.

d) Basis of Consolidation

The Group financial statements consolidate the financial statements of the Society, and its wholly owned subsidiaries, Epilepsy Enterprises Limited and NSE Facilities Limited, at 31 March 2020 with intra group loan and trading account balances and other intra group transactions being eliminated.

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

e) Income

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

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

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

Where the charity receives donations of goods and services in kind and where there is a measurable value to the charity, which can be ascertained with reliability, they are recognised as income resources.

f) Funds

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

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

g) Expenditure

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

The method of allocating overheads and estate costs has been refined during the year. In order to maintain the consistency of the accounts, the prior year amounts have been restated on a comparable basis. The total expenditure is not affected by this restatement.

h) Tangible fixed assets

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

i) Intangible fixed assets

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

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

j) Depreciation and amortisation of fixed assets

Freehold land is not depreciated.

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

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

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

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

k) Investments

The Group's investment in farmland is stated at market value. A valuation is carried out annually at the balance sheet date. An external valuation will be obtained at least every 3 years or if there is likely to be a material change in the value. The last external valuation was as at 31 March 2019 and the Trustees are of the opinion that there has been no significant movement in value since then. Investments in the subsidiaries are stated at cost. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

l) Impairment

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

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

m) Financial Instruments

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

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

n) Bad and doubtful debts

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

o) Stock

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

p) Taxation

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

q) VAT

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

r) Pension costs

The Society operates a defined benefit pension scheme for permanent employees, which was closed to new entrants in 2006 and it is recognised according to section 28 of FRS102.

The assets, liabilities and movements in the surplus or deficit of the scheme are calculated by qualified independent actuaries as an update to the latest full actuarial valuation.

s) Provisions

The Group provide for liabilities when:

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

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

3. Prior period adjustment

The Trustees have decided to change the accounting policy on revaluing land and buildings from a revaluation model to a cost model. They believe that the change is necessary as stating land and buildings at cost provides a more reliable and consistent reflection of the position and both past and future transactions in the financial statements of the Group and the Society.

Restatement of the Balance Sheets

The impact of the change of accounting policy on the Balance Sheets at 31 March 2019 is set out below.

	31 March 2019		31 March 2019	
	Group		Society	
	Original £'000	Restated £'000	Original £'000	Restated £'000
Fixed assets				
Tangible assets	53,418	16,575	50,578	15,313
Total fixed assets	55,619	18,776	55,255	19,990
Total fixed assets less current liabilities	73,704	36,861	72,950	37,685
Total net assets	64,022	27,179	63,268	28,003
The funds of the charity				
Restricted income funds	3,325	2,450	3,325	2,450
Unrestricted funds	34,522	34,289	35,267	35,113
Revaluation reserve	35,735	-	34,236	-
Pension reserve	(9,560)	(9,560)	(9,560)	(9,560)
Total unrestricted funds	60,697	24,729	59,943	25,553
Total charity funds	64,022	27,179	63,268	28,003

Reconciliation of unrestricted and total funds

	31 March 2019		31 March 2019	
	Group		Society	
	Unrestricted funds £'000	Total charity funds £'000	Unrestricted funds £'000	Total charity funds £'000
Balance as stated at 31 March 2019	24,962	64,022	35,267	63,268
Reversal of revaluations in prior years	-	(25,840)	--	(24,909)
Reversal of revaluation in 18/19	-	(10,835)	-	(10,267)
Reversal of depreciation charge on revalued buildings	6,268	6,573	5,845	6,150
Cumulative depreciation charge on buildings at cost	(5,012)	(5,252)	(4,510)	(4,750)
Buildings disposed or no longer used	(1,489)	(1,489)	(1,489)	(1,489)
Restated balance as at 31 March 2019	24,729	27,179	35,113	28,003

3. Prior period adjustment (ctd)**Restatement of the SOFAs**

The impact of the change of accounting policy on the Statements of Financial Activities for the year ending 31 March 2019 is set out below.

	31 March 2019		31 March 2019	
	Group		Society	
	Original £'000	Restated £'000	Original £'000	Restated £'000
	Unrestricted funds	Restricted funds	Total funds	Total funds
Income	£'000	£'000	£'000	£'000
	26,350	28,014	26,306	27,970
Expenditure on:				
Raising funds	(649)	(649)	(649)	(649)
Charitable activities:				
Care	(11,983)	(11,900)	(11,983)	(11,900)
Research	(1,485)	(1,489)	(1,485)	(1,489)
Medical services	(2,616)	(2,592)	(2,566)	(2,566)
Help, information and advocacy	(369)	(367)	(369)	(367)
Other	(21)	(21)	(21)	(21)
	(16,474)	(16,369)	(16,424)	(16,333)
Other trading activities	(413)	(309)	(364)	(260)
Other costs	(508)	(508)	(508)	(508)
Total expenditure	(18,044)	(17,835)	(17,945)	(17,750)
Net gains/(losses) on investments	(83)	(83)	(83)	(83)
Tax payable	-	-	-	-
Net income/(expenditure) for the year	8,223	10,096	8,278	10,137
Transfers between funds	-	-	-	-
Other recognised gains/(losses):				
Gains/(losses) on revaluation of fixed assets	10,835	-	10,267	-
Actuarial gains/(losses) on defined benefit pension scheme	(4)	(4)	(4)	(4)
Net movement in funds	19,054	10,092	18,541	10,133
Reconciliation of funds:				
Total funds brought forward	44,968	17,087	44,727	17,870
Total funds carried forward	64,022	27,179	63,268	28,003

4. Voluntary income and costs of raising funds

Group	31 March 2020			31 March 2019
	Income and direct costs £'000	Support costs £'000	Total income and costs £'000	Total income and costs £'000
Income:				
Donations and fundraising	1,551	-	1,551	1,258
Legacies	791	-	791	709
Grants	580	-	580	905
Total income	2,922	-	2,922	2,872
Expenditure:				
Costs of raising funds	(534)	(189)	(723)	(649)
Net funds raised	2,388	(189)	2,199	2,223

The above income was all in the Society, which also received £49,000 in Gift Aid, giving income of £2,971k.

5. Charitable activities

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

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

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

	31 March 2020		31 March 2019	
	Group £'000	Society £'000	Group £'000	Society £'000
			restated	restated
Care services				
Income	11,402	11,402	11,803	11,803
Direct costs	(9,491)	(9,491)	(9,309)	(9,309)
Support costs	(3,215)	(3,215)	(2,591)	(2,591)
Total costs	(12,706)	(12,706)	(11,900)	(11,900)
Net (expenditure)/income	(1,304)	(1,304)	(97)	(97)

	31 March 2020		31 March 2019	
	Group £'000	Society £'000	Group £'000 restated	Society £'000 restated
Research				
Income	-	-	-	-
Direct costs	(976)	(976)	(1,026)	(1,026)
Support costs	(552)	(552)	(463)	(463)
Total costs	(1,528)	(1,528)	(1,489)	(1,489)
Net expenditure	(1,528)	(1,528)	(1,489)	(1,489)
Medical				
Income	2,038	2,038	2,228	2,228
Direct costs	(2,095)	(2,058)	(2,092)	(2,056)
Support costs	(608)	(608)	(500)	(500)
Total costs	(2,703)	(2,666)	(2,592)	(2,556)
Net expenditure	(665)	(628)	(3364)	(328)
Help, information and advocacy				
Income	89	89	102	102
Direct costs	(498)	(498)	(219)	(219)
Support costs	(191)	(191)	(148)	(148)
Total costs	(689)	(689)	(367)	(367)
Net expenditure	(600)	(600)	(265)	(265)
Other charitable activities				
Income	-	-	-	-
Direct costs	(2)	(2)	(21)	(21)
Support costs	-	-	-	-
Total costs	(2)	(2)	(21)	(21)
Net expenditure	(2)	(2)	(21)	(21)
Total charitable activities				
Income	13,529	13,529	14,133	14,133
Direct costs	(13,062)	(13,025)	(12,667)	(12,631)
Support costs	(4,566)	(4,566)	(3,702)	(3,702)
Total costs	(17,628)	(17,591)	(16,369)	(16,333)
Net expenditure	(4,099)	(4,062)	(2,236)	(2,200)

6. Other trading activities

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

Group	31 March 2020		31 March 2019	
	Income and direct costs £'000	Support costs £'000	Total income and costs £'000	Total income and costs £'000 restated
Income:				
Fundraising events and lotteries	40	-	40	24
Merchandise	23	-	23	25
Coffee shop	64	-	64	61
Rental income and overnight charges	277	-	277	278
Total income	404	-	404	388
Expenditure:				
Costs of fundraising	(11)	(4)	(15)	(5)
Costs of sales - merchandise and shop	(47)	(6)	(53)	(49)
Letting costs	(90)	(271)	(361)	(255)
Net surplus/(deficit)	256	(281)	(25)	79

The Society's trading activities exclude the merchandise and coffee shop above, £5,000 of rental income (2019: £5,000) and £9,000 of support costs (2019: £nil).

7. Investment income

	31 March 2020	31 March 2019
	Group and Society £'000	Group and Society £'000
Income from farmland	33	33
Other sundry lease income	88	75
Interest receivable and dividends	83	44
Total	204	152

8. Support costs

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

8. Support costs (ctd)

	31 March 2020		31 March 2019	
	Group £'000	Society £'000	Group £'000 restated	Society £'000 restated
Corporate, finance and governance costs	1,470	1,464	1,424	1,424
HR and IT costs	765	765	867	867
Depreciation of non-function specific assets	61	61	33	33
Estates and office services costs	1,177	1,177	875	875
Normal support costs	3,473	3,467	3,199	3,199
Additional costs¹:				
Depreciation of non-function specific assets	51	51	114	114
Estates and land costs	1,512	1,512	710	710
Total allocated support costs	5,036	5,030	4,023	4,023
Allocated to				
Raising funds	189	189	169	169
Charitable activities:				
Care	3,215	3,215	2,591	2,591
Research	552	552	463	463
Medical services	608	608	500	500
Help, information and advocacy services	191	191	148	148
Total charitable activities	4,566	4,566	3,702	3,702
Other trading activities	281	275	152	152
Total allocated support costs	5,036	5,030	4,023	4,023

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

9. Other income and expenditure**Other income**

Other income consists profit on sale of fixed assets and sundry income.

	31 March 2020		31 March 2019	
	Group £'000	Society £'000	Group £'000 restated	Society £'000 restated
Sale of fixed assets:				
Proceeds	-	-	11,620	11,620
Less: net book value	-	-	(1,500)	(1,500)
Less: costs of selling	-	-	(4)	(4)
Profit on sale of fixed assets	-	-	10,116	10,116

9. Other income and expenditure (ctd)

Other expenditure

The Society operates a defined benefit pension arrangement called the Epilepsy Society Pension and Life Assurance Scheme (the "Scheme"). Details of the Scheme are set out in note 24. The Scheme has been closed to new members for a number of years and at 31 March 2020 only had 6 active members. The Society makes employer contributions for these employees and significant deficit contributions into the Scheme which are accounted for as a cost in the normal way.

The major administration costs of running the Scheme are paid for directly by the Society rather than the Scheme. These costs, which total £131,000, together with the pension service costs and the pension interest costs are treated as other expenditure in the accounts as the Trustees do not consider it appropriate to class these costs totalling, £444,000, as support for its activities.

10. Employee information

Employees costs during the year were:

	31 March 2020	31 March 2019
	Group and Society	Group and Society
	£'000	£'000
Employee Costs		
Wages and salaries	8,589	8,234
Social Security costs	725	680
Pension costs	234	219
Apprentice Levy	28	26
Total	9,576	9,159

Employer deficit contributions of £175,000 (2019: £1,327,000) were paid into the Society's defined benefit pension scheme during the year as described in note 24.

The average number of people employed during the year was:

	31 March 2020	31 March 2019
	Group and Society	Group and Society
Residential and domiciliary care services	205	224
Research and medical Services	27	37
Communication, information and marketing	9	11
Fundraising	8	9
Administration and management	31	26
Total	280	307

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

10. Employee information (ctd)

The average number of people employed during the year expressed as full-time equivalents was:

	31 March 2020	31 March 2019
	Group and Society	Group and Society
Residential and domiciliary care services	180	197
Research and medical Services	21	30
Communication, information and marketing	7	7
Fundraising	7	8
Administration and management	28	22
Total	243	264

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

	31 March 2020	31 March 2019
	Group and Society	Group and Society
More than £60,000 but not more than £70,000	1	3
More than £70,000 but not more than £80,000	2	-
More than £80,000 but not more than £90,000	2	1
More than £90,000 but not more than £100,000	1	-
More than £100,000 but not more than £110,000	-	1
More than £110,000 but not more than £120,000	-	-
More than £120,000 but not more than £130,000	-	-
More than £130,000 but not more than £140,000	-	1
More than £140,000 but not more than £150,000	1	-

11. Trustees and Executive Officers

Details of Trustees and Executive Officers are set on page 54 of these Financial Statements. Trustees do not receive any remuneration and during the year 3 Trustees claimed expenses of £140 (2019: 2 Trustees claimed £791).

The table in note 10 setting out employees in pay bands includes the Chief Executive Officer and other Executive Officers whose remuneration totalled more than £60,000 in the year. All Executive Officers are employed on contracts that are the same as those used for other staff and benefits, including pensions, are on the same basis.

The total emoluments received by the Chief Executive Officer and other Executive Officers was:

	31 March 2020	31 March 2019
	Group and Society	Group and Society
Salary	526	397
National insurance	64	51
Pension contributions	25	23
Total	615	471

12. Net income

Net income is stated after charging/(crediting):

	31 March 2020		31 March 2019	
	Group £'000	Society £'000	Group £'000 restated	Society £'000 restated
Depreciation of tangible fixed assets	710	673	732	694
Amortisation of Intangible fixed assets	1	1	11	11
Operating lease rentals:				
Vehicles	-	-	-	-
Office equipment	11	10	13	13
External auditor's remuneration excl VAT:				
audit of the financial statements	29	25	28	24
for other services	2	1	-	-
Rental Income	397	392	345	345

13. Fixed assets: intangible assets

	31 March 2020		31 March 2019	
	Software & systems		Software & systems	
	Group £'000	Society £'000	Group £'000	Society £'000
Cost				
At 1 April	200	200	200	200
Additions	-	-	-	-
At 31 March	200	200	200	200
Accumulated Amortisation				
At 1 April	(199)	(199)	(188)	(188)
Charge for the year	(1)	(1)	(11)	(11)
At 31 March	(200)	(200)	(199)	(199)
Net book value				
At 31 March	-	-	1	1

14. Fixed assets: tangible assets

Group	31 March 2020				
	Freehold land & buildings	Fixtures, fittings, furniture & equipment	Computer & other equipment	Vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost:					
At 1 April 2019 (restated)	20,909	754	3,240	208	25,111
Additions	-	92	156	-	248
Disposals	-	-	-	-	-
Transfers	-	-	-	-	-
At 31 March 2020	20,909	846	3,396	208	25,359
Accumulated depreciation:					
At 1 April 2019 (restated)	(5,252)	(565)	(2,551)	(168)	(8,536)
Charge for the year	(415)	(60)	(220)	(14)	(709)
Disposals	-	-	-	-	-
Transfers	-	-	-	-	-
At 31 March 2020	(5,667)	(625)	(2,771)	(182)	(9,245)
Net book value:					
At 31 March 2020	15,242	221	625	26	16,114
At 31 March 2019	15,657	189	689	40	16,575

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

14. Fixed assets: tangible assets (ctd)

Society	31 March 2020				
	Freehold land & buildings	Fixtures, fittings, furniture & equipment	Computer & other equipment	Vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost:					
At 1 April 2019 (restated)	19,145	754	3,240	208	23,347
Additions	-	87	156	-	243
Disposals	-	-	-	-	-
Transfers	-	-	-	-	-
At 31 March 2020	19,145	841	3,396	208	23,590
Accumulated depreciation:					
At 1 April 2019 (restated)	(4,750)	(565)	(2,551)	(168)	(8,034)
Charge for the year	(379)	(59)	(220)	(14)	(672)
Disposals	-	-	-	-	-
Transfers	-	-	-	-	-
At 31 March 2020	(5,129)	(624)	(2,771)	(182)	(8,706)
Net book value:					
At 31 March 2020	14,016	217	625	26	14,884
At 31 March 2019	14,395	189	689	40	15,313

15. Fixed assets: investments

	Group		Society		Total £'000
	Farmland	Subsidiaries	Farmland		
	£'000	£'000	£'000		
Cost or valuation:					
At 1 April 2019	2,200	2,446	2,200		4,646
Movement in fair value for the year	-	-	-		-
At 31 March 2020	2,200	2,446	2,200		4,646
At 31 March 2019	2,200	2,446	2,200		4,646

The Society owns 222 acres of farmland that is rented out under an agricultural lease and treated as an investment. 33 acres of land that is used for the Society's operations was included in investments at 31 March 2019. This has been transferred into fixed assets.

Further information about the Society's investment in subsidiaries is set out in note 27.

16. Stock

	31 March 2020		31 March 2019	
	Group	Society	Group	Society
	£'000	£'000	£'000	£'000
Pharmacy	44	44	44	44
Information & education leaflets	-	-	-	-
Merchandise	15	-	17	-
Coffee shop stock	1	-	2	-
Total due within one year	60	44	63	44

17. Debtors

	31 March 2020		31 March 2019	
	Group	Society	Group	Society
	£'000	£'000	£'000	£'000
Due within one year				
Residential and Domiciliary Care Services	540	540	299	299
Less: Provision for bad and doubtful debts	(71)	(71)	(200)	(200)
	469	469	99	99
Medical Services Receivable	155	155	98	98
Rent Receivable	27	27	12	12
Other Receivables	17	16	21	20
VAT Refundable	1	-	1	-
Prepayments & Accrued Income	687	687	413	413
Intra group debtors	-	10	-	-
Total due within one year	1,356	1,364	644	642

18. Cash at bank and in hand

	31 March 2020		31 March 2019	
	Group	Society	Group	Society
	£'000	£'000	£'000	£'000
Bank	18,670	18,338	20,335	20,313
Petty cash	5	5	5	5
Cash at bank and in hand	18,675	18,343	20,340	20,318

Analysis of cash and cash equivalents: The Group and the Society both had no overdrafts. The Group and the Society had deposits of £3m on 6 month's notice at 31 March 2020 (2019: both £nil)

19. Creditors: Amounts falling due within one year

	31 March 2020		31 March 2019	
	Group £'000	Society £'000	Group £'000	Society £'000
Bank loan	32	32	48	48
Trade creditors	989	988	516	513
Finance lease obligations	86	86	111	111
Amounts owed to employees	333	333	244	244
Taxation and social security	236	236	200	200
Amounts held for residents and tenants	40	40	30	30
VAT payable	-	-	2	2
Other creditors	237	237	182	182
Accruals and deferred income	1,665	1,661	1,629	1,625
Intra group creditors	-	-	-	324
Total Creditors: Amounts falling due within one year	3,618	3,613	2,962	3,279

20. Creditors: Amounts falling due after more than one year

	31 March 2020		31 March 2019	
	Group £'000	Society £'000	Group £'000	Society £'000
Bank loan	-	-	31	31
Finance lease obligations	-	-	87	87
Total Creditors: Amounts falling due after more than one year	-	-	118	118

The bank loan above was taken out to finance the purchase of Croft Cottage, one of the Society's care homes and is secured over that property. The loan is due to be fully repaid during 2020 and its variable rate is 0.795% above the base rate. At 31 March 2020, the Society had an obligation of £32,000 (2019: £79,000) including amounts due in less than one year. The outstanding balance of the loan is repayable as follows:

	31 March 2020		31 March 2019	
	Group £'000	Society £'000	Group £'000	Society £'000
Within one year	32	32	48	48
One year or more but less than two years	-	-	31	31
Two years or more but less than five years	-	-	-	-
Total borrowings	32	32	79	79

20. Creditors: Amounts falling due after more than one year (ctd)

The Society has an ongoing finance lease which was entered into for the purchase and upgrade of its MRI machine. At 31 March 2020, the Society had an obligation of £86,000 (2019: £205,000) including amounts due in less than one year. The outstanding balance of the lease is repayable as follows:

	31 March 2020		31 March 2019	
	Group	Society	Group	Society
	£'000	£'000	£'000	£'000
Within one year	86	86	118	118
One year or more but less than two years	-	-	87	87
Two years or more but less than five years	-	-	-	-
Total finance lease obligations	86	86	205	205

21. Fund movements

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

Group	31 March 2019 (restated)					
	At 1 April 2018	Income	Expenditure	Transfers	Gains and losses	At 31 March 2019
	£'000	£'000	£'000	£'000	£'000	£'000
General funds	24,683	26,767	(16,962)	(116)	(83)	34,289
Designated funds	436	-	(69)	(367)	-	-
Pension reserve	(10,512)	-	-	956	(4)	(9,560)
Total unrestricted funds	14,607	26,767	(17,031)	473	(87)	24,729
Restricted funds	2,480	1,247	(804)	(473)	-	2,450
Total funds	17,087	28,014	(17,835)	-	(87)	27,179

21. Fund movements (ctd)

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

Society	31 March 2019 (restated)					
	At 1 April 2018	Income	Expenditure	Transfers	Gains and losses	At 31 March 2019
	£'000	£'000	£'000	£'000	£'000	£'000
General funds	25,466	26,723	(16,877)	(116)	(83)	35,113
Designated funds	436	-	(69)	(367)	-	-
Pension reserve	(10,512)	-	-	956	(4)	(9,560)
Total unrestricted funds	15,390	26,723	(16,946)	473	(87)	25,553
Restricted funds	2,480	1,247	(804)	(473)	-	2,450
Total funds	17,870	27,970	(17,750)	-	(87)	28,003

During 2019/20, The Trustees decided to create a designated fund to ensure that the proceeds from the sale of a tranche of our land to Audley in March 2019 would be used for the purposes they had agreed. The proceeds of the sale was £11,600k and a one-off contribution to the Society's pension scheme of £1,160k was made in 2018/19, leaving £10,440k which was transferred into the designated reserve. The designated fund is to be used for a combination of 4 purposes:

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

During the year, the Society incurred £1,131k in expenditure in these areas and this amount has been transferred out of the reserve during the year.

The transfers for both the Group and the Society represent the transfer of £118k to increase the pension reserve to the pension liability (2019: decrease of £956k) and the transfer from restricted reserves to unrestricted reserves of £nil as set out in note 23 (2019: 391k) together with restricted funds spent on capital assets of £59k where there use is no longer restricted (2019: £82k). In addition, they include the creation of the designated reserve of £10,440k referred to above and expenditure against that reserve in the year of £1,131k. The 2019 comparatives include the elimination of funds included as designated in previous years which the Trustees considered were not needed for the purposes designated (£367k).

22. Fund assets and liabilities

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

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

	Group		Society	
	31 March 2019		31 March 2019	
	Unrestricted funds	Restricted funds	Unrestricted funds	Restricted funds
	£'000	£'000	£'000	£'000
	restated	restated	restated	restated
Tangible and intangible fixed assets	15,316	1,260	14,054	1,260
Investments	2,200	-	4,646	-
Current assets	19,857	1,190	19,814	1,190
Current liabilities	(2,962)	-	(3,279)	-
Liabilities due after more than one year	(118)	-	(118)	-
Defined benefit pension liability	(9,564)	-	(9,564)	-
Total net assets at 31 March 2020	24,729	2,450	25,553	2,450

The designated fund at 31 March 2020 is all represented by current assets (cash at bank) and is included in unrestricted funds above.

23. Restricted funds

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

23. Restricted funds (ctd)

Group and Society	31 March 2020				
	At 1 April 2019	Income	Costs	Transfers	At 31 March 2020
	£'000	£'000	£'000	£'000	£'000
	restated				
Specific genomics research	668	593	(742)	-	519
General genomics research	-	228	(228)	-	-
Specific other research	97	31	(99)	-	29
General research	136	58	(2)	-	192
MRI IT upgrade	76	-	(60)	-	16
Helpline service	93	111	-	-	204
Care services and activities	103	12	(4)	-	111
The New House	1,260	-	(30)	-	1,230
Other areas	17	-	-	-	17
Total restricted funds	2,450	1,033	(1,165)	-	2,318

The costs above include £59,000 (2019: £82,000) relating to capital purchases which the Society now owns unrestricted and so the amounts have been transferred to unrestricted funds in the SOFA transfers line. The transfers above relate costs that had been incurred in previous years but not allocated to the restricted fund and balances on completed projects that can now be treated as unrestricted.

Group and Society	31 March 2019 (restated)				
	At 1 April 2018	Income	Costs	Transfers	At 31 March 2019
	£'000	£'000	£'000	£'000	£'000
Specific genomics research	532	657	(237)	(284)	668
General genomics research	191	110	(241)	(60)	-
Specific other research	60	209	(172)	-	97
General research	249	62	(163)	(12)	136
MRI IT upgrade	-	76	-	-	76
Helpline service	-	93	-	-	93
Care services and activities	124	24	(44)	(1)	103
The New House	1,268	-	(8)	-	1,260
Other areas	56	16	(21)	(34)	17
Total restricted funds	2,480	1,247	(886)	(391)	2,450

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

The prior year figures above set out the element of the 2019 Statement of Financial Activities that relate to restricted income and expenditure. All other items in the prior year SOFA relate to unrestricted funds.

24. Pensions

The Epilepsy Society (the “Employer”) operates a defined benefit pension arrangement called the National Society for Epilepsy Pension and Life Assurance Scheme (the “Scheme”). The Scheme provides benefits based on final salary and length of service to retirement, leaving or death.

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

The most recent comprehensive actuarial valuation of the Scheme was carried out as at 31 March 2019. The valuation concluded that the Scheme had an actuarial deficit of £6.1m, which equates to the Scheme being 83% funded (2016 valuation: £5.8m deficit and 81% funding level). The Trustees of the Society and the Pension Scheme have agreed a deficit reduction plan, which is intended to move the Scheme to fully funded in 10 years from 1 April 2020.

Under the agreement made following the valuation, the Employer (the Society) expects to pay deficit contributions totalling £250,000 in the year ending 31 March 2021 as well as a one-off contribution of £1.0m from the designated fund. During 2019/20, the Society paid regular deficit contributions of £175,000. This was agreed with the Scheme's Trustees as a method of reducing the deficit in the Scheme. It is planned that a further one-off payments will be made during 2022/23 and 2024/25 to further reduce the deficit.

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

Group and Society	31 March 2020	31 March 2019
	%age pa	&age pa
Salary increase rate	2.00	1.00
CPI pension increases (fixed at 3%)	3.00	3.00
CPI pension increases (between 3% and 5%)	3.20	3.00
CPI pension increases (maximum 5%)	1.95	2.45
CPI pension increases (maximum 2.5%)	1.60	2.45
Discount rate	2.25	2.40
RPI increase rate	2.80	3.45
CPI increase rate	2.00	2.45
Tax free cash on commutation	20.00	20.00

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

24. Pensions (ctd)**Assets held in the scheme**

The Scheme invests funds in range of assets to produce an investment return. At 31 March 2020, the share of assets based on the valuation at that date is as follows:

Group and Society	31 March 2020	31 March 2019	31 March 2018
Equities	44%	66%	67%
Gilts and bonds	34%	21%	23%
Property	-	1%	3%
Cash	17%	12%	7%
Other assets	5%	-	-
Total	100%	100%	100%

The actual gross return on the assets over the period was £277,000 (2019: £2,230,000). The assets do not include investment in the shares of the Society or any Group company.

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

Amounts recognised in the Balance Sheet as at 31 March 2020

Group and Society	31 March 2020	31 March 2019
	£'000	£'000
Fair value of employer assets	28,006	29,027
Present value of funded liabilities	(36,714)	(38,591)
Net liability	(8,708)	(9,564)

Amounts recognised in the Statement of Financial Activities for the year ended 31 March 2020

Group and Society	31 March 2020	31 March 2019
	£'000	£'000
Current service cost	85	41
Past service cost	-	96
Interest on Scheme liabilities	909	953
Interest on Scheme assets	(681)	(683)
Total	313	407

24. Pensions (ctd)**Re-measurements for the year ended 31 March 2020**

Group and Society	31 March 2020	31 March 2019
	£'000	£'000
Gain/(loss) on scheme assets in excess of interest	(404)	1,547
Experience gains/(losses) on liabilities	1,239	-
Gains/(losses) from changes to assumptions:		
Due to changes to demographics assumptions	(184)	-
Due to changes to financial assumptions	319	(1,551)
Total actuarial gains/(losses) per SOFA	970	(4)

Reconciliation of fair value of the Society's assets

Group and Society	31 March 2020	31 March 2019
	£'000	£'000
Fair value of assets at 1 April 2019	29,027	26,831
Interest on assets	681	683
Employer contributions	199	1,359
Contributions by Scheme participants	13	15
Benefits paid	(1,465)	(1,405)
Administration costs	(45)	(3)
Return on scheme assets less interest	(404)	1,547
Fair value of assets at 31 March 2020	28,006	29,027

Reconciliation of the Society's defined benefit obligation

Group and Society	31 March 2020	31 March 2019
	£'000	£'000
Defined benefit obligation at 1 April 2019	(38,591)	(37,343)
Current service cost	(40)	(38)
Past service cost	-	(96)
Contribution by Scheme participants	(13)	(15)
Interest cost	(909)	(953)
Benefits paid	1,465	1,405
Experience gains/(losses) on liabilities	1,239	-
Changes to demographic assumptions	(184)	-
Changes to financial assumptions	319	(1,551)
Defined benefit obligation at 31 March 2020	(36,714)	(38,591)

24. Pensions (ctd)**Sensitivity of the value of liabilities**

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

Adjustments to assumptions	Approximate (increase)/ decrease in liabilities £'000
Discount rate – increased by 0.50%	(2,465)
Inflation – increased by 0.5%	1,215
Commutation – remove 20% allowance	1,390

25. Operating leases

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

	31 March 2020		31 March 2019	
	Group £'000	Society £'000	Group £'000	Society £'000
IT and office equipment				
Within one year	8	8	6	6
One year or more but less than two years	6	6	4	4
More than two years but less than five years	-	-	3	3
Total operating leases	14	14	13	13

26. Contingent liabilities

The Group and the Society have no contingent liabilities as at 31 March 2020 (2019: £nil).

27. Subsidiaries

The Society owns 100% of the share capital in two subsidiaries, Epilepsy Enterprises Limited and NSE Facilities Limited, who Gift Aid any taxable profits to the Society. Both subsidiaries' registered office and place of business is the same as the Society as set out on page 54. A summary of their activities and results for the year is set out below:

27. Subsidiaries (ctd)**Epilepsy Enterprises Ltd**

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

Statement of income	year ended 31 March 2020	year ended 31 March 2019
	£'000	£'000
Turnover	91	92
Cost of sales	(47)	(45)
Administrative expenses	(15)	(4)
Profit on ordinary activities	29	43

The Statement of Changes in Equity recognised a Gift Aid payment of £49,000 (2019: £48,000)

Statement of Financial Position	as at 31 March 2020	as at 31 March 2019
	£'000	£'000
Fixed assets	4	-
Stock	16	19
Debtors	2	14
Cash at bank	22	23
Creditors: amounts falling due within one year	(13)	(5)
Total net assets	31	51
Share capital (2 ordinary shares of £1 each)	-	-
Accumulated profit	31	51
Total reserves	31	51

27. Subsidiaries (ctd)**NSE Facilities Ltd**

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

Statement of income	year ended 31 March 2020 £'000	year ended 31 March 2019 £'000
Turnover	-	-
Operating costs	(37)	(37)
Loss on ordinary activities	(37)	(37)

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

Statement of Financial Position	as at 31 March 2020 £'000	as at 31 March 2019 £'000
Tangible fixed assets	1,227	1,262
Intra group debtors	-	312
Cash at bank	309	-
Creditors: amounts falling due within one year	(2)	(3)
Total net assets	1,534	1,571
Share capital	2,446	2,446
Accumulated loss	(912)	(875)
Total reserves	1,534	1,571

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

28. Related party transactions

During the year, the Society received a Gift Aid distribution from Epilepsy Enterprises Limited of £49,000 (2019: £48,439). At 31 March 2020, Epilepsy Enterprises Limited owed the Society £9,646 (2019: £12,040) and the balance between NSE Facilities Limited and the Society was £nil (2019: the Society owed £312,000).

The Society's SOFA also includes fees of £72,187 excluding VAT (2019: £84,120) payable to Barnett Waddingham LLP in respect of professional services relating to the Society's defined benefit pension scheme. One of the Society's Trustees during the year, Adrian Waddingham, is also a Designated Member of Barnett Waddingham LLP.

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

President: The Rt Hon Countess Howe

Board of Trustees

Peter Worthington	Chairman	
Richard Murley	Vice Chairman (from 24 March 2019)	
Adrian Waddingham CBE	Vice Chairman (to 13 December 2019)	Resigned 13 December 2019
Peter Goodfellow	Treasurer	
Catherine Alcock		
Chris Blue		
Dr James Hagan		
Deborah Wheeler		
Andrew Farrell		
Prof Andrew George		
Madani Sow		
Michael Stone		
Prof Stephen Smith		

Management Board

Chief Executive	Clare Pelham	
Director of Care Services	Jonny Anders-Cannon	
Director of Fundraising	Claire Glazebrook	to 2 April 2020
Interim Director of Fundraising	Gordon Craig	from 6 April 2020
Director of Medical and People Services	Rachel Perowne	
Chief Financial Officer	Paul Rennard	
Medical Director	Prof Ley Sander	
Director of Land and Estates	Martin Summersgill	from 1 September 2019

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