



**Financial Statements for the year ended
31st March 2009
together with Trustees' and Auditors' Report**

**A company limited by guarantee
Registered in England number 4873718
Registered charity number 1100394**

**PO Box 3004
London
W4 4XT
Tel: 020 8995 4781
Fax: 0870 838 1069
Email: info@eruk.org.uk
Website: www.epilepsyresearch.org.uk**

**Epilepsy Research UK Trustees' Report
and Accounts for the year ended 31st March 2009**

The trustees who are also directors of the charitable company for the purposes of the Companies Act 1985, present their report with the financial statements of the charity for the year ended 31st March 2009. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

Reference and administrative details

Registered & main office Lamb House, Church Street, London W4 2PD	Charity number 1100394 Company number 4873718
---	--

Trustees

The trustees serving during the year were:

Professor Helen Cross - Chairman MB ChB PhD FRCP(UK) FRCPCH	Prince of Wales's Chair of Childhood Epilepsy Institute of Child Health, London
Mr Barrie Akin - Vice Chairman LLB FCA	Barrister
Dr Richard Appleton LRCP MRCS MBBS MA DCH FRCP FRCPCH	Consultant Paediatric Neurologist, The Royal Liverpool Children's NHS Trust (Alder Hey)
The Rt Hon Mr David Cameron MP	Leader of Her Majesty's Opposition
Dr Robert Elwes MD FRCP	Consultant Neurologist, King's College Hospital, London
Mr John Hirst BA FCA MCT CCBIM	Chief Executive, The Met Office
Mr Simon Lanyon	Operations Director, Breast Cancer Haven
Dr John Mumford MB ChB DobsRCOG MRCGP FFPM	Consultant in Pharmaceutical Medicine
Dr Lina Nashef MB ChB FRCP MD	Consultant Neurologist, King's College Hospital, London
Mr Paul Newman BA MBA	Company Director
Professor Brian Neville FRCP FRCPCH	Professor of Childhood Epilepsy, Institute of Child Health, London
Dr Jolyon Oxley MA FRCP	Former Medical Director, National Society for Epilepsy
Mr Harry Salmon BA	Company Director
Dr Graeme Sills BSc PhD	Lecturer, University of Liverpool (appointed 11 th March 2009)
Mr Martin Stevens - Honorary Treasurer FCA	Former Director of Finance, National Society for Epilepsy
Dr Helen Wilkins BM MRCGP DRCOG	General Practitioner

Chief Executive: Mr Leigh Slocombe

Company Secretary: Solscan Ltd, Springfield, Rookery Hill, Ashted Park, Ashted, KT21 1HY

Bankers: CAF Bank Ltd, PO Box 289, Kings Hill, West Malling, Kent, ME19 4TA
Lloyds TSB, 308-312 Chiswick High Road, London, W4 1NS

Auditors: F A Magee & Company, Wimborne House, 4-6 Pump Lane, Hayes, UB3 3NB

Solicitors: A J Lutley, Springfield, Rookery Hill, Ashted Park, Ashted, Surrey, KT21 1HY

Structure, governance and management

Governing document

Epilepsy Research UK (ERUK) is a charitable company limited by guarantee, incorporated (as Epilepsy Research Foundation) on 21st August 2003 and registered as a charity on 30th October 2003. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. On 22nd March 2007, The Memorandum and Articles of Association were amended by a special resolution to change the name of the company from Epilepsy Research Foundation to Epilepsy Research UK (as part of the merger process with the Fund for Epilepsy) and the company was registered with Companies House under this name on 30th March 2007. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Appointment of trustees

As set out in the Articles of Association the trustees are appointed by the Board of Trustees. The Articles of Association provide for a minimum of 7 and a maximum of 16 trustees. At each Annual General Meeting one third of the trustees must put themselves forward for re-appointment. The Board takes account of the skills and experience of its members when seeking to recruit new trustees and aims to recruit at least one new trustee each year. New trustees are selected as a result of nomination from members of the Board and through open advertisement.

Trustee induction and training

Epilepsy Research UK is aiming to standardise its induction process for new trustees so each new trustee receives a job description outlining a trustee's responsibilities and is briefed by the Chairman and the Executive Director on the history, structure and ambitions of Epilepsy Research UK. New trustees also receive the Charity Commission publication *The Essential Trustee*. Trustees are encouraged to attend appropriate external training events that will develop their contribution to the governance of Epilepsy Research UK.

Organisation

The activities of Epilepsy Research UK are governed by the Board of Trustees, all of whom are Directors. The Board meets three times a year and devolves responsibility for the day-to-day running of the organisation to the Management Committee (comprised of the Chairman, Vice Chairman, Honorary Treasurer) and the Chief Executive.

To assist the trustees in the selection of research grants Epilepsy Research UK has a Scientific Advisory Committee (SAC) which is composed of leading epilepsy experts and lay people. Membership of the SAC is by invitation.

Related parties

As part of the merger with the Fund for Epilepsy in March 2007, two name protection companies, Epilepsy Research Foundation Ltd and Fund for Epilepsy Ltd were incorporated with ERUK as sole member.

On a regular basis staff and trustees meet representatives of other charities and specialists in the field of epilepsy. Approaches to government are co-ordinated through the Joint Epilepsy Council of which Epilepsy Research UK is a member.

Risk management

Epilepsy Research UK conducts an annual risk assessment based on Epilepsy Research UK's business plan which covers all activities including maintenance of the infrastructure, financial activities and health and safety. Where risks are identified, systems are put in place to mitigate them.

Objectives and activities

The objects of the charity are:

- to promote, encourage and finance research into epilepsy and associated conditions and their underlying causes
- to promote and improve the treatment, care and welfare of persons affected by epilepsy and associated conditions, and
- to advance the general education and understanding of the public concerning the nature and causes of epilepsy and associated conditions and the treatment thereof.

The objectives set out in the organisation's business plan for the year are shaped by these aims with a view to funding an increasing programme of research, encouraging collaboration amongst researchers and raising awareness of the need for more funding for epilepsy research.

We have referred to the guidance contained in the Charities Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

Objective 1: To support the best possible research within the funds available

Epilepsy Research UK invests in research into all areas of epilepsy, giving priority to those areas which have the potential to produce results in immediate problem areas, including: research leading to improvements in the accuracy of diagnosis, and research into improving the treatment and quality of life of the patient.

Epilepsy Research UK provides fellowships of £200,000 to encourage and enable scientists to start a career in epilepsy research and project grants of £100,000. Applicants for all grants should be graduates in medicine or one of the sciences allied to medicine. They should be resident in the United Kingdom and affiliated to an academic institution in the United Kingdom.

The Grant Round is advertised in the specialist scientific press, via Epilepsy Research UK's website and Epilepsy Research UK's distribution list, the Research Register. Preliminary applications are considered by the Scientific Advisory Committee (SAC) and short-listed applicants are then invited to submit a full proposal. Each is reviewed by the SAC and two external independent referees. Candidates for the Fellowship are also interviewed by SAC members. On the basis of the full applications, referees' comments and interview (if appropriate), the SAC chooses which projects to recommend to the trustees. The criteria used by the SAC to determine which projects are most worthy of funding include: clarity of hypothesis, originality, practicality, quality, value for money, researcher experience, clarity of lay summary and ethical approval (if appropriate). The SAC, in its grant-awarding capacity, abides by the code of good practice set out by the Association of Medical Research Charities of which Epilepsy Research UK is a member.

The field of epilepsy research is highly specialised and for Epilepsy Research UK to function effectively it is vital that leading practitioners are represented on our trustee board and the SAC. Trustees and SAC members are eligible to submit funding applications to Epilepsy Research UK, but they must declare any conflicts of interest concerning grant applications and are excluded from any discussion regarding the merits of such applications.

All grant holders are required to supply Epilepsy Research UK with a yearly progress report (within three months of each year's end) and a final report (within six months of the project's end). These reports are reviewed by the SAC to ensure that continuation of funding is in Epilepsy Research UK's interests.

Research grants in 2009

This year we were very pleased to be able to award five new research grants totalling £645,974 with each one looking at a different aspect of the cause, prevention or treatment of epilepsy.

Dr Andrew Trevelyan, of Newcastle University, has been awarded a Fellowship of £192,229, over 30 months, to explore this special inhibitory mechanism and the role it plays in epilepsy. Seizures are caused by bursts of excess electrical activity in the brain, when neurons become too excitable. Yet what normally stops this from happening? One theory is that the brain is usually protected by a network of inhibitory neurons, which act like circuit breakers. These are activated if excitatory neurons become over active, and prevent seizure-like activity from spreading from its origin. This theory suggests that seizures are a result of a failure in the circuit breaker mechanism. This idea is extremely important, because if proven, it could explain many different aspects of epilepsy; from how genetic mutations give rise to seizures, to the nature of EEG rhythms.

Dr Ivan Pavlov of the Institute of Neurology, London, has been awarded a 36-month Fellowship £186,864, to find a way to inhibit excitatory neuron activity, whilst leaving inhibitory neurons unaffected. Information travels through the brain as a series of electrical impulses carried between nerve cells by a protein called a neurotransmitter. Neurotransmitters can either excite or inhibit the impulses ensuring that the brain functions normally. However, if there is too much electrical activity in nerve cells this causes seizures. There are several anti-epileptic drugs (AEDs) that dampen the activity of excitatory nerve cells. Unfortunately these treatments are non-specific, meaning that inhibitory nerve cells are often also suppressed. As a result of this, these AEDs can sometimes even cause convulsions.

It has been shown that mothers who take antiepileptic drugs (AED) during pregnancy have an increased risk of having a baby with physical and developmental problems. Most research in this field has concentrated on older AEDs, Professor Gus Baker and Dr James Morrow, from the University of Liverpool and the Royal Group of Hospitals in Belfast, have been awarded a grant of £100,000 to determine whether the more recently developed AEDs have similar effects. This will enable prospective mothers with epilepsy to make more informed decisions about their drug treatment during pregnancy.

Epileptic seizures are caused by excessive electrical activity of neurons in the brain, and this electrical activity is generated by the flow of sodium, potassium and calcium ions into / out of the neuron. The ions enter and leave via structures known as ion channels. Professor Matthew Walker and his colleagues at the Institute of Neurology, University College London, have been awarded £99,396, to investigate whether prolonged seizures cause changes in the number of these potassium channels, and the effect that this might have on neuronal activity. Professor Matthew Walker will also be investigating whether the latest advances in viral therapies can be used to develop new treatments for epilepsy.

Epilepsy can have a huge impact on a person's quality of life. The unpredictability of seizures causes problems not experienced by people with other chronic conditions. When treatments are assessed for availability on the NHS, one of the key factors considered is the improvement they provide in quality of life. This is currently assessed using a generic system for all conditions. Professor John Brazier, from the University of Sheffield and Dr Dyfrig Hughes from Bangor University have received a grant of £67,305 to produce an epilepsy specific system and to compare it against the generic. If successful, the system could be used to more accurately assess the effectiveness of new epilepsy treatment.

Summary of research grants awarded

Cortical circuit breakers: intrinsic mechanisms which oppose epileptiform activity: Dr Andrew Trevelyan, University of Newcastle	£192,229
Cell type-specific modulation of tonic GABA(A) receptor-mediated conductances in epilepsy: Dr Ivan Pavlov, Institute of Neurology, London	£186,864
Cognitive consequences of in utero exposure to second generation antiepileptic drugs: Professor Gus Baker, University of Liverpool	£100,000
Potassium channels in epilepsy: Professor Matthew Walker, Institute of Neurology, London	£99,397
Health economic evaluations in epilepsy: Developing a preference-based outcome measure: Professor John Brazier, University of Sheffield	£67,305
Transfer to King's College, London to cover the costs of work originally commissioned by the Fund for Epilepsy	£7,143
Contingency grant awarded to Professor Liam Gray at Southampton University for his project "Does restoration of neurogenesis in chronic TLE improve spatial learning?"	£1,000
TOTAL	£653,938

A further seventeen projects were ongoing with another five projects coming to an end this year. All the researchers involved submitted satisfactory progress reports of their work.

All the research we fund will ultimately be of benefit to people with epilepsy as our understanding of the condition grows and treatments improve. However medical research is a long term activity and many of the projects we fund are at the very forefront of science so tangible results are often years in coming.

In order to gauge our grant holders' immediate contribution to epilepsy research we monitor the number of peer-reviewed papers published as a result of research we have funded one year after the completion of the project. From the 28 projects we funded between 1999 and 2006, 233 papers have been published. Epilepsy Research UK also aims to identify promising research at an early stage and provide the funding that will enable researchers to take their work onto the next stage where it is of interest to major funding bodies such as the Medical Research Council. Again between 1999 and 2006 (all projects that started in 2007 or later have only recently finished or are still ongoing, so no data is yet available), the £1.6 million we allocated to researchers has led to 39 grants totalling £8.9 million from other funders. This huge return on our investment demonstrates our ability to identify promising, innovative research at an early stage that leads to ideas being developed that will benefit everyone with epilepsy.

Objective 2: To organise scientific workshops in order to advance current thinking and practice

The proceedings of our 2008 workshop on the psychosocial burden of epilepsy will be published in the journal *Epilepsy & Behavior* in June 2009. We hope that this publication will not only raise awareness about the psychosocial impact of epilepsy, but encourage other neurologists to offer their ideas about how the quality of life of people with this condition could be improved. Work on organising a workshop on "Preictal phenomena" in 2010 is underway.

Objective 3: Develop a UK wide Epilepsy Research Network

We have been working on developing a national epilepsy research network for a number of years. The aim of the network is to enable researchers to access more statutory funding for their work so that their research can be translated into developing more effective treatments for epilepsy patients. During the year several planning meetings took place with parties interested in establishing a UK wide research network. A framework for the network has been agreed and Professor Tony Marson of Liverpool University has been appointed chair of the steering group that will oversee the formation of the clinical study groups that will form the network.

Objective 4: To use the Research Database as a means to build a relationship with the research community

Work is in progress to overhaul the existing research database in order to build a better picture of the research activity in the UK. It is our aim that the updated database will facilitate networking in line with objective 3 and help with lobbying for more funds for epilepsy research as outlined in objective 6.

Objective 5: To raise the profile of Epilepsy Research UK and the need for epilepsy research

Our website continues to be our main vehicle for raising awareness of the charity and providing information about epilepsy. During the year 56,792 copies of our information leaflets were downloaded – providing much appreciated information for people struggling to come to terms with a diagnosis of epilepsy. In addition, over 20,000 people have now subscribed to our monthly email newsletter which provides updates on the latest advances in research and treatment. To communicate the importance of epilepsy research, we held an event for lay people at the International League Against Epilepsy (ILAE) UK Chapter's Conference in July 2008 that focused on research into two important areas in epilepsy. Videos of the presentations are now available on our website.

At the ILAE conference we also sponsored a basic science symposium where young scientists present their work. Support from Intercapital allows us to provide bursaries for the presenters to attend the conference and award the Celine Newman prize for the best presentation which this year went to Dr Murray Herd of the University of Dundee.

We were also very fortunate to receive free advertising in The Times that had a ratecard value of £78,120. This has not been included as a Gift in Kind within the accounts as we would not have placed the advertising at cost.

Objective 6: Collaborate with other organisations to advance epilepsy research

ERUK works with the other members of the Joint Epilepsy Council's Research Group to advance epilepsy research. A project to assess the scale of funding for epilepsy research in the UK in comparison to other conditions and other countries has recently been completed, with the aim of producing a document that can be used for lobbying purposes to push the need for epilepsy research up the political agenda.

Objective 7: To maintain financial stability of the charity

Income was substantially down on last year due to a drop in legacy income of over £500,000. However, last year's legacy income was exceptional and a similar level of income was not budgeted for in 2008/09. Despite the economic climate, other areas of fundraising performed very well with donations up 57% and fundraising events up 77%.

	2009 £	2008 £
Total incoming resources	1,071,817	1,331,326
Direct costs of fundraising	<u>(179,042)</u>	<u>(188,178)</u>
	892,775	1,143,148
Research grants committed	(653,938)	(910,135)
Other charitable expenditure	(219,143)	(220,296)
Governance costs	<u>(30,884)</u>	<u>(33,636)</u>
Net movement in funds	(11,190)	(20,919)
Balance brought forward at 1 st April	<u>411,274</u>	<u>432,193</u>
Balance carried forward at 31 st March	<u><u>400,084</u></u>	<u><u>411,274</u></u>

Fundraising events consist of people taking part in events such as the Great North Run where the charity has purchased guaranteed entries into these events. Significant investment was made last year in purchasing entries for races in this financial year and thanks to all the efforts of people running on our behalf, the income budget of £200,000 from

these events was met. We had originally planned to increase our investment in this area for 2009/10 but because of the deteriorating economic climate and the impact that it might have on people's ability to raise sponsorship money, we have held our activity at current levels and are hopeful that income will be maintained.

This year we were able to award over £650,000 in research grants. Further monies had been made available from reserves to fund additional research, but our Scientific Advisory Committee only recommended the most robust and promising projects for funding, leaving money available for projects in next year's grant round if income declines as a result of the recession.

Staff and office costs are shown in note 11 of the accounts to be significantly lower. This is due to the rationalisation of staffing structure and office space following the merger with the Fund for Epilepsy.

Specific investment powers of the trustees

The trustees have the power to invest monies not immediately required for Epilepsy Research UK's purposes as they think fit. However, as the bulk of the monies held by the charity are committed to research projects, it is felt prudent to retain this money as cash to guarantee these commitments can be met when required.

Future development

Significant progress has been during the year in deciding the structure of the Epilepsy Research Network and it is hoped that in the coming twelve months the Network will progress to being operational.

We will be working closely with the Joint Epilepsy Council to lobby for an increase in statutory funding for epilepsy research. Having the Epilepsy Research Network in place would then put researchers in a better position to take advantage of any increase in funding.

Our income from active fundraising increased greatly during the year despite the economic downturn. However, we are conscious that the recession may continue through the coming year and beyond. We have, therefore, put on hold plans to further expand our fundraising activity, particularly in the area of mass participation events. We are, however, confident that our existing fundraising base will remain solid, enabling us to fund a similar amount of new research projects at the end of the year.

Statement of trustees' responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to auditors

So far as the trustees are aware, there is no relevant information (as defined by Section 234ZA of the Companies Act 1985) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

Auditors

F A Magee & Co were reappointed at the AGM in September 2008. They have expressed their willingness to continue in office as Auditors and a resolution proposing their reappointment as auditors to the incorporated charity will be submitted at the next Annual General Meeting.

Serious incidents

The trustees can confirm that, in line with Charity Commission requirements, no serious incidents within the organisation were reported to them during the year.

Approval

This report was approved by the Trustees on 2nd June 2009 and signed on their behalf.



Professor Helen Cross
Chair, Board of Trustees

Report of the independent auditors to the trustees of Epilepsy Research UK

We have audited the financial statements of Epilepsy Research UK for the year ended 31st March 2009 on pages eleven to eighteen. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of the charitable company for the purposes of company law) responsibilities for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page eight.

The trustees have elected for the financial statements not to be audited in accordance with the Companies Act 1985. Accordingly, we have been appointed as auditors under Section 43 of the Charities Act 1993 and report in accordance with regulations made under Section 44 of that Act.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the information given in the Report of the Trustees is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if the charitable company's financial statements are not in agreement with these accounting records or if we have not received all the information and explanations we require for our audit. We read the Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available to Small Entities, in the circumstances set out in note 1a to the financial statements.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the charitable company's affairs as at 31st March 2009 and of its incoming resources and application of resources, including its income and expenditure for the year then ended; and the financial statements have been properly prepared in accordance with the Companies Act 1985



F A Magee & Company, Chartered Accountants & Registered Auditors
Wimborne House, 4-6 Pump Lane, Hayes, UB3 3NB
1st July 2009

**Epilepsy Research UK Trustees' Report
and Accounts for the year ended 31st March 2009**

**Statement of Financial Activities (including the Income & Expenditure Account)
for the year ended 31st March 2009**

Incoming Resources	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2009 £	Total Funds 2008 £
Incoming Resources from Generated Funds					
<i>Voluntary Income</i>					
Donations and gifts	2	483,422	39,268	522,690	332,910
Fundraising events	3	200,932	-	200,932	113,290
Legacies	4	246,118	-	246,118	751,188
<i>Activities for generating funds:</i>					
Research activities	5	-	15,000	15,000	20,000
Interest & dividends	6	74,891	-	74,891	70,298
<i>Incoming resources from charitable activities</i>					
Research Grants not required	8	12,186	-	12,186	43,640
Total Incoming Resources		1,017,549	54,268	1,071,817	1,331,326
Resources Expended:					
Costs of generating funds:					
Fundraising	7	179,042	-	179,042	188,178
Net income available for charitable activities					
		838,507	54,268	892,775	1,143,148
Charitable activities:					
Research Grants Committed	8	614,670	39,268	653,938	910,135
Research Activities	9	173,156	45,987	219,143	220,296
Total Charitable Activities		787,826	85,255	873,081	1,130,431
Governance	10	30,884	-	30,884	33,636
Total Resources Expended	11	997,752	85,255	1,083,007	1,352,245
Net Incoming/(Outgoing) Resources		19,797	(30,987)	(11,190)	(20,919)
Balance brought forward at 1 April 2008		335,098	76,176	411,274	432,193
Balance carried forward at 31 March 2009		354,895	45,189	400,084	411,274

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

The notes on pages 13 to 18 form part of these financial statements.

**Epilepsy Research UK Trustees' Report
and Accounts for the year ended 31st March 2009**

Balance Sheet at 31st March 2009

	Note	2009 £	2009 £	2008 £	2008 £
Fixed Assets	1b		-		-
Current Assets					
Debtors	12	77,746		276,043	
Cash at bank and in hand	13	<u>1,917,341</u>		<u>1,578,440</u>	
		1,995,087		1,854,483	
Creditors: Amounts falling due within one year	14	<u>(797,312)</u>		<u>(994,948)</u>	
Net Current Assets			<u>1,197,775</u>		<u>859,535</u>
Total Assets less Current Liabilities			1,197,775		859,535
Creditors: Amounts falling due after more than one year	14		<u>(797,691)</u>		<u>(448,261)</u>
			<u>400,084</u>		<u>411,274</u>
Funds for Research Purposes					
Unrestricted Funds					
Designated fund	15		-		100,000
General Fund	15		<u>354,895</u>		<u>235,098</u>
			354,895		335,098
Restricted Funds	16		<u>45,189</u>		<u>76,176</u>
			<u>400,084</u>		<u>411,274</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved by the Board of Trustees on 2nd June 2009 and signed on its behalf by:

Professor Helen Cross



Chair

Martin Stevens



Treasurer

The notes on pages 13 to 18 form part of these financial statements.

1 Accounting policies

a) Basis of preparation

The financial statements are prepared under the historical cost convention and include the results of the charity's operations which are described in the Trustees' Report, all of which are continuing. The accounts have been prepared in accordance with:-

- i) Statement of Recommended Practice (SORP 2005) issued in March 2005, Accounting and Reporting by Charities, issued by the Charity Commission, the Charities Act 1993 and the requirements of the charity's Memorandum & Articles of Association.
- ii) The Financial Reporting Standard for Smaller Entities (effective January 2007)
- iii) The special provisions of Part VII of the Companies Act 1985 relating to small companies.

b) Fixed assets

The charity does not have any fixed assets. The trustees consider the provision of all office equipment to be part of the running costs of the organisation and it is written off in the year of purchase.

c) Incoming resources

Voluntary income and donations are taken into the accounts when received. The income from fundraising ventures is shown gross, with the associated costs included in fundraising costs. Legacy income is included in the Statement of Financial Activities to the extent of cash received or a clear indication regarding amounts receivable has been given by executors. No endowments have been received in the period.

d) Resources expended

All expenses are accounted for on an accruals basis. Wherever possible costs are allocated directly to the appropriate activity; other costs common to all activities are apportioned between those activities on the basis of the proportion of staff time spent during each year in connection with each activity.

Fundraising expenditure comprises costs incurred in asking people and organisations to donate to the charity's work. This includes the cost of advertising for donations and the staging of special fundraising events.

Expenditure incurred in connection with the specific objects of the charity is included under the heading Charitable Activities.

Expenditure on Governance of the charity includes all audit, accountancy and legal fees and apportioned overhead costs. Governance costs increased during the year as a result of administering the merger process.

e) Grants committed

All individual grants are fully provided for in the accounts in the year in which they are authorised by the trustees whether they are for short-term projects or for ones extending over a year or more.

f) Pension costs

The charity does not operate a pensions' scheme of its own but contributes at a rate of 5% of annual salary to personal pension schemes arranged with The Pensions Trust. The cost of providing pensions for employees is charged to the Statement of Financial Activities in the year in which the contributions are paid.

g) Value Added Tax (VAT)

VAT is not recovered by the charity and is included in relevant costs in the Statement of Financial Activities.

h) Operating leases

In December 2008, the charity entered into a eight year lease of office premises at Lamb House, Church Street. Financial commitments under non-cancellable operating leases will result in the following payments falling due:- Land & buildings within two to five years £53,087 (2007 £28,737).

i) Reserves policy

It is Epilepsy Research UK's policy always to retain sufficient funds to pay in full all outstanding research grant commitments. In addition the trustees consider it prudent for the balance of free reserves to normally represent between 3 and 6 months of running costs. Free reserves currently stand at £354,895 which equates to approximately ten months expenditure, but given the current uncertain economic climate, we feel it is wise to retain this sum in the event of a downturn in income.

j) Funds

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objects of the charity and have not been designated for other purposes.

Designated funds comprise funds which have been set aside by the trustees for particular 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 charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund.

k) Taxation

The charity is an exempt approved charity in accordance with the Income and Corporation Taxes Act 1988.

l) APB Ethical Standard – provisions available for small entities

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

2 Donations & Gifts

	Unrestricted Funds	Restricted Funds	Total 2009	Total 2008
	£	£	£	£
Charitable Trusts	115,909	39,268	155,177	55,367
In Memoriam Donations	118,914	-	118,914	111,481
Other donations	248,599	-	248,599	166,062
	<u>483,422</u>	<u>39,268</u>	<u>522,690</u>	<u>332,910</u>

On-line advertising to the value of £30,000 was donated as a Gift in Kind and this amount is included in 'Other donations'.

3 Fundraising events

Income arises from fundraising events organised by the charity and its supporters. Increased activity in sponsored events has led to a significant rise in income from this source.

4 Legacies

The charity's policy is to accrue into the accounts all legacies notified during the year where there is sufficient evidence to provide the necessary certainty that the legacy will be received and the value of the incoming resources can be measured with sufficient reliability. The charity has been bequeathed a property that is subject to a life tenancy interest held by the legator's widow. At the time of the legator's death in 2002, the property was valued at £95,000.

5 Research Activities

Research activities relate to administering our research programme, holding international scientific workshops, publicising our work and the need for more research into epilepsy. Grants of £15,000 have been received towards a workshop and our research network.

6 Interest and Dividends

	Unrestricted Funds	Restricted Funds	Total 2009	Total 2008
	£	£	£	£
Interest on deposits	<u>74,891</u>	-	<u>74,891</u>	<u>70,298</u>

7 Costs of generating funds

	Unrestricted Funds	Restricted Funds	Total 2009	Total 2008
	£	£	£	£
Direct Fundraising	112,604	-	112,604	113,209
Staff Costs	48,897	-	48,897	61,013
Other overhead expenses	<u>17,541</u>	-	<u>17,541</u>	<u>13,956</u>
	<u>179,042</u>	-	<u>179,042</u>	<u>188,178</u>

8 Research Grants Committed

	2009	2008
	£	£
Committed as at 31 March 2008	1,404,097	858,604
Authorised during year (see Trustees' report)	653,938	910,135
No longer required	(12,186)	(43,640)
Paid in year	(460,841)	(321,002)
Committed as at 31 March 2009	<u>1,585,008</u>	<u>1,404,097</u>

Certain projects were completed without the original total grant allocation being required.

9 Research Activities

	Unrestricted Funds	Restricted Funds	Total 2009	Total 2008
	£	£	£	£
Staff Costs	85,519	4,199	89,718	130,305
Scientific Workshop	3,312	25,000	28,312	3,481
Advertising Grants Round	2,658	-	2,658	1,984
Research Network	-	5,801	5,801	5,251
Research Prizes	-	10,987	10,987	-
PR & Awareness	45,762	-	45,762	32,014
Other overhead expenses	<u>35,905</u>	-	<u>35,905</u>	<u>47,261</u>
	<u>173,156</u>	<u>45,987</u>	<u>219,143</u>	<u>220,296</u>

**Epilepsy Research UK Trustees' Report
and Accounts for the year ended 31st March 2009**

10 Governance

	Unrestricted Funds £	Restricted Funds £	Total 2009 £	Total 2008 £
Staff Costs	5,852	-	5,852	8,315
Audit	3,975	-	3,975	3,108
Accountancy	779	-	779	70
Trustee Meetings & Expenses	3,163	-	3,163	3,811
Legal fees	5,767	-	5,767	10,375
Other Professional Fees	7,269	-	7,269	-
Overheads	4,079	-	4,079	7,957
	<u>30,884</u>	<u>-</u>	<u>30,884</u>	<u>33,636</u>

'Other professional fees' represent fees paid on relocating office premises.

10a Net incoming resources is after charging the following:

	2009 £	2008 £
Auditors Remuneration	<u>3,975</u>	<u>3,108</u>

11 Total Resources Expended

	2009 £	2008 £
Research grants committed (see Trustees report)	653,938	910,135
Staff Costs	144,467	199,633
Office rent	10,807	19,802
Meeting expenses	3,163	3,126
Scientific Workshop	28,312	3,481
Grant Costs, Research Network & Prizes	19,446	7,236
Direct Fundraising	112,604	113,209
PR & Awareness	45,762	32,014
Audit	3,975	3,108
Other office and overhead expenditure	60,533	60,501
	<u>1,083,007</u>	<u>1,352,245</u>

The value of the Gift in Kind in Note 2 is included in 'PR & Awareness'.

Summary

	2009 £	2008 £
Costs of Generating Funds	179,042	188,178
Charitable Expenditure	873,081	1,130,431
Governance	30,884	33,636
Total Expenditure	<u>1,083,007</u>	<u>1,352,245</u>

Staff Costs

	2009 £	2008 £
Salaries	126,197	172,289
Social Security Costs	12,997	16,355
Pension Costs	5,273	10,989
	<u>144,467</u>	<u>199,633</u>

No employee earns in excess of £60,000p.a.

**Epilepsy Research UK Trustees' Report
and Accounts for the year ended 31st March 2009**

The average number of full-time equivalent employees (including part-time staff) during the year was as follows:

	2009	2008
Charitable activities	2.0	3.0
Fundraising	1.5	2.5
Governance	0.5	0.5
	4.0	6.0

The Trustees do not receive any remuneration for their duties but during the year they received expenses for travelling to meetings amounting to £758 (2008: £874). No trustee or persons with family or business connections with Trustees has received remuneration directly or indirectly from the charity. The charity includes Trustees' Liability Insurance in its combined insurance policy.

12 Debtors

	2009	2008
	£	£
Income tax recoverable	13,136	6,862
Prepayments & Accrued Income	55,852	266,568
Other Debtors	8,758	2,613
	77,746	276,043

13 Cash Movements

	Cash at Bank	Cash Deposits	Total
	£	£	£
Balance as at 31 March 2008	507,197	1,071,243	1,578,440
Cash flow	(61,099)	400,000	338,901
Balance as at 31 March 2009	446,098	1,471,243	1,917,341

14 Liabilities

	2009	2008
	£	£
Grants not yet claimed	787,317	955,836
Deferred Income	-	500
Accruals	6,659	9,663
Other creditors	3,336	28,949
Due within 12 months	797,312	994,948
Grants due within 12 - 24 months	797,691	448,261
	1,595,003	1,443,209

15 Unrestricted Funds

These represent amounts expendable at the discretion of the Trustees. The balance of the charity's resources represent free reserves which are not yet current assets retained to protect the work of the charity in the event of unforeseen and significant changes in its financial position.

	Designated Funds	Other Charitable Funds	Total
	£	£	£
Balance as at 1 April 2008	100,000	235,098	335,098
Net incoming resources	-	19,797	19,797
Transfers between funds	(100,000)	100,000	-
Balance as at 31 March 2009	-	354,895	354,895

16 Restricted Funds

During the year donations were received towards specific research projects and activities. These were spent and allocated appropriately and at year end the restricted funds held represent funds received as part of the transfer from the Fund for Epilepsy for the Intercapital prizes. During the year, £8,628 was transferred to King's College, London to cover the Bateman Prizes that were previously awarded by the Fund for Epilepsy.

	1st April 2008	Incoming Resources	Resources Expended	31st March 2009
	£	£	£	£
Scientific Workshop	20,000	5,000	(25,000)	-
Research Network	-	10,000	(10,000)	-
Research Grants	-	39,268	(39,268)	-
Bateman Prize	8,628	-	(8,628)	-
Intercapital Prize	47,548	-	(2,359)	45,189
	<u>76,176</u>	<u>54,268</u>	<u>(85,255)</u>	<u>45,189</u>

17 Analysis of Net Assets between Funds

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Total Assets	1,949,898	45,189	1,995,087
Current Liabilities	<u>(1,595,003)</u>	<u>-</u>	<u>(1,595,003)</u>
	<u>354,895</u>	<u>45,189</u>	<u>400,084</u>