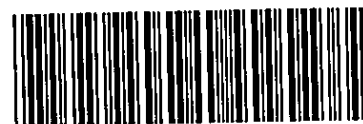


Company Number: 2685083
Charity Number: 1009671

National Eczema Society
Report and Consolidated Financial Statements
For the Year Ended 31 March 2012

Bromhead
Chartered Accountants
Statutory Auditors
Harscombe House
1 Darklake View
Plymouth
PL6 7TL

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TRUSTEES' REPORT

We present our report and the audited financial statements for the year to 31 March 2012. Legal and Administrative Information about the charity is summarised on page 6 and information about our group structure and corporate income is given on page 7.

Purpose and aims

The National Eczema Society was set up in 1975 to support people whose lives are affected by eczema and to work on their behalf. 37 years later we remain dedicated to those objectives but we serve a significantly larger population. Eczema has become much more prevalent over the last 40 years, with approximately six million people in the UK now impacted by this life-challenging condition. Exactly why this should be is not fully understood but as a result there has been an ever-increasing need for our services, and we are committed to ensuring that the Society remains at the end of the phone, or available on line at the click of a mouse, to provide evidence based, high quality information and advice combined with an all-important listening ear.

There is as yet no cure for eczema, and unless you have the condition it can be hard to imagine the daily challenge the dreaded itch presents. Many healthcare professionals have little dermatology training, and access to good healthcare can therefore be difficult, particularly for older age groups. The aim of the National Eczema Society is to provide eczema patients and their carers with the information and support needed to manage their eczema effectively and the comfort of knowing they are not on their own, while offering accessible training and support to healthcare professionals.

Ensuring our work delivers our aims

We review our activities each year and monitor the impact of our work to ensure that we continue to fulfil our purpose of helping people affected by eczema. We consider how planned activities will contribute to the aims and objectives we have set. We have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

The focus of our work

For the year under review our strategy has continued to be one of concentrating on our core services in order to secure the long-term future of the only charity in the UK entirely dedicated to supporting people with eczema. We have however improved our local outreach, adding to the excellent work of our voluntary local support groups by exhibiting at a programme of shows and events across the UK. In addition we have given a greater focus to eczema research.

During the year our key activities have been:

- Providing information and support through our telephone and email helplines.
- Our Information Services: maintaining and updating our publications, developing our website and our annual awareness campaign in National Eczema Week – Six million reasons to support eczema.
- Running eczema training days for healthcare professionals across the UK.
- Providing information and support through a programme of UK wide family orientated events and exhibitions, supplementing our network of local support groups

TRUSTEES' REPORT

- Increasing our focus on medical research, in particular by supporting the James Lind Alliance/Centre for Evidence Based Dermatology's Eczema Priorities Setting Partnership: a fascinating and valuable piece of research bringing together patients, clinicians and researchers to identify and agree on which of the many questions still to be answered about treating eczema need to be researched most urgently
- Membership support including our quarterly magazine, Exchange.

How our activities deliver public benefit

Our main activities and who we try to help are described below. All our charitable activities focus on supporting people affected by eczema and are undertaken to further our charitable purposes for the public benefit.

Who used and benefited from our services?

The National Eczema Society is a membership organisation. During the year we had approximately 4,000 members. The annual membership subscription is £20 (if based in the UK) or £40 (if based overseas). Members receive our quarterly magazine, Exchange, and free access to all our publications. As in previous years our support extends far beyond our membership and we remain grateful to those members who continue to support us financially even though they no longer have any personal need for our help.

Helplines

Our telephone and email helplines remain at the heart of our work, enabling us to reach an ever wider audience and to provide the information, support and reassurance needed by people struggling to cope with eczema. Our telephone and email helplines are available free of charge to anyone who needs our support. During the year 88% of calls to our helpline were from non-members, 54% from parents of children with eczema and 46% from adults who have eczema themselves. We continue to be asked how to use prescribed treatments and for advice on possible lifestyle adjustments. As last year many of our calls have related to the inability to access healthcare appropriate to more severe eczema. In addition, this year we have received more calls from people who are finding it increasingly difficult in some parts of the country to get prescriptions for eczema treatments that work for them.

Information Services and Publications

We have continued to maintain a wide range of publications about eczema management and treatment for both patients and healthcare professionals. We continued to develop our on line presence introducing a bi-monthly e-newsletter ECZclusive¹, while remaining active on our Blog on www.eczema.org, Facebook and Twitter. Our website www.eczema.org remains popular and well visited and we have introduced a series of e-alerts to members and other supporters.

National Eczema Week 2011

Our 2011 National Eczema Week Campaign focused on eczema in the work place and in particular contact dermatitis, with the launch of updated materials about contact dermatitis, its triggers, treatments and possible avoidance strategies. In addition, we ran our first eczema helpline live event in the Trafford Centre, Manchester, and the steady stream of visitors throughout the day confirmed that this is an excellent way of promoting the Society and what it offers to families living

TRUSTEES' REPORT

with this challenging condition. We hope to run similar events in more places next year.

Healthcare Professional Training

The Society remains committed to providing training for healthcare professionals to facilitate improvements to patient care. During the year we again held five healthcare professional study days in Sheffield, Manchester, Watford, Middlesbrough and Haydock continuing to ensure that these events were made available in venues across the UK.

Future Plans

Last redesigned in 2008 our current website at www.eczema.org remains a well visited source of information and support and we plan to build on this success by launching a new website for National Eczema Week 2012.

Having focused much of our activity on adult eczema in the last two years, we will be putting additional resource into childhood eczema revising our information for parents of children with atopic eczema and also reconnecting with teenagers whose eczema has not cleared. In addition, we will be piloting the impact of having a dermatology nurse available through our helpline to give additional support to parents and carers. We will not however be moving away from support for adult eczema, and this year will see the introduction of new information materials relevant to managing eczema and dry skin in later life, reflecting the fact that an increasing number of our enquiries come from this population and those who care for them.

We will continue to build on the success of our 2011 programme of exhibitions, shows and events and in particular replicate the eczema helpline live event held in Manchester during National Eczema Week 2011 at several major shopping centres during National Eczema week 2012.

Our healthcare professional study days will continue with an additional event being added for 2012.

Results

Our income at £568,873 was roughly equal to that of the previous year (ignoring Christmas card sales). This was significantly in excess of our expectations, once again due principally to higher than predicted legacy income. Our expenditure at £452,834 was lower than planned, and this arose principally through delay in production of the ethnicity project materials. The net result was a surplus of £116,039 compared with a budget deficit of £54,700. Consequently we have set a deficit budget for the year to 31 March 2013 to catch up on the delayed expenditure and to increase service provision.

As in previous years we would like to thank the many people across the country, who, by joining or renewing their membership, supporting our appeals, and fundraising in a variety of often innovative ways, have enabled us to continue our work. We are grateful also to those who remembered the Society in their Wills, the charitable trusts and companies that have supported us during the year and to all the healthcare professionals who have provided us with so much time, advice and support.

TRUSTEES' REPORT

Reserves Policy

We said in our last report that we would be reviewing this policy in the light of the cessation of Christmas card selling and the current economic climate. This we have done and have concluded that we should aim to maintain reserves at a level at least equal to the average of current income and expenditure. In round terms, having regard to income and expenditure in the year to 31 March 2012, this amounts to approximately £511,000, compared with actual reserves of £977,000. Our policy, however, remains also to take a cautious approach to increasing expenditure, so as not to endanger our ability to deliver core services in a sustainable way.

Risk Management

The trustees have taken steps to identify and address major risks facing the Society.

Investment Policy

All surplus funds are placed on deposit.

The Trustees and organisation

The Society is a charitable company. Although called trustees, we are the directors of the company for the purposes of company law. The trustees who served during the year and up to the date of this report are given on page 6.

Trustees are elected by the members of the Society at its AGM. Trustees may be co-opted onto the board during the year and must then stand for election by the members at the next AGM. At least a third of the trustees is required to retire from office each year but may, if they wish, offer themselves for re-election at the AGM. Trustees are recruited through the Society's members' magazine, Exchange, and its network of local support groups. In seeking recruits the Society has regard to the need to ensure that the trustee board has an appropriate skills base and also that trustees are drawn from a wide range of locations within the UK.

Trustees receive no remuneration and no trustee has a beneficial interest in any of the group companies. There must be a minimum of three trustees but there is no maximum number.

New trustees are provided with an introduction pack which includes the Society's governing documents, copies of past years audited accounts and an explanation of their duties and responsibilities and of the Society's decision making process. Prior to joining the board, new trustees will usually attend at least one trustees' meeting which gives them the opportunity to meet the trustees and senior members of staff. Trustee training is provided at least once a year usually in conjunction with a trustees' meeting.

The board of trustees administers the Society. It meets four times a year and in addition as circumstances demand. A Chief Executive is appointed by the trustees to manage the day to day operations of the Society within a framework agreed by the board from time to time.

Trustees' Responsibilities Statement

The trustees are responsible for preparing their annual report and the financial statements in accordance with applicable law and regulations.

TRUSTEES' REPORT

Company law requires the trustees to prepare financial statements for each financial year. Under the law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

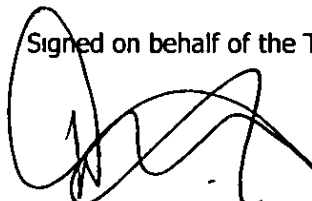
The trustees of the company who held office at the date of approval of this annual report as given on page 6 each confirm that:

- so far as they are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Bromhead are willing to continue in office.

Signed on behalf of the Trustees



David Rampfing
Chairman
30 June 2012

LEGAL AND ADMINISTRATIVE INFORMATION

Status and Governing Document	The National Eczema Society is a charitable company, limited by guarantee. It was incorporated on 6 February 1992 and registered as a charity on 10 March 1992. It is governed by its Articles of Association	
Company Number	2685083	
Charity Number	1009671	
Registered Office and Operational Address	Hill House Highgate Hill London N19 5NA	
Subsidiary companies	NES Enterprises Ltd Eczema Trading Ltd	
Trustees		Appointed or resigned as trustee since April 2011
Chairman	David Rampling	
Vice Chairman	Rosemary Humphreys	
Treasurer	Simon Rogers	R 9 September 2011
Others	Rebecca Baker	
	Alexis Brooke	
	Edward Davies	
	Alun Fotheringham	
	Suzanne Johns	A 30 June 2011
	Myrtle Johnston	
	Elaine Oke	
	Lucy Reeves	
	Ellen Vincent	
	Jane Watts	R 26 November 2011
Chief Executive Officer	Margaret Cox	
Company Secretary	Robert Kitchen	
Bankers	National Westminster Bank plc CAF Bank Ltd Barclays Bank plc	
Auditors	Bromhead Chartered Accountants and Statutory Auditors Harscombe House, 1 Darklake View, Plymouth, PL6 7TL	

CORPORATE INCOME

The Society receives income from pharmaceutical and other companies that produce goods and services that are of proven benefit to people affected by eczema. However, the Society neither endorses nor recommends any product or service. The Society maintains a strict policy relating to the terms on which it will accept such support. This includes provision for review of relevant treatments and services by our Medical Advisory Group. During the year to 31 March 2012, no one company contributed more than 4.15% of the Society's consolidated group income.

Consolidated Group Income

The National Eczema Society had two wholly owned subsidiary companies during the year to 31 March 2012: NES Enterprises Limited and Eczema Trading Limited. However, as NES Enterprises Limited ceased trading on 31 March 2011, the consolidated group income shown in these financial statements comprises the income of the Society and that of Eczema Trading Limited. Comparative figures for the year to 31 March 2011 have been restated to eliminate the income of NES Enterprises Limited.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE NATIONAL ECZEMA SOCIETY

We have audited the financial statements of the National Eczema Society for the year ended 31 March 2012 which comprise a Consolidated Statement of Financial Activities, a Balance Sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditors

As explained more fully in the Statement of Trustees' Responsibilities in the Trustees' Report above, 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.

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Financial Statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2012, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE NATIONAL ECZEMA SOCIETY

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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, or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime.



James Groves (Senior Statutory Auditor)
For and on behalf of Bromhead
Chartered Accountants
Statutory Auditors
Harscombe House
1 Darklake View
Plymouth
PL6 7TL

3 July 2012

Bromhead are eligible to act as auditors in terms of section 1212 of the Companies Act 2006

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)
For the Year to 31 March 2012

	Note	Restricted £	Unrestricted £	2012 Total £	2011 Total £
Incoming Resources					
Incoming resources from generated funds					
Voluntary income	2	2,830	442,412	445,242	456,030
Activities for generating funds	3	-	118,974	118,974	106,281
Investment income		-	1,185	1,185	2,161
Incoming resources from charitable activities		-	3,472	3,472	4,762
Total Incoming Resources		<u>2,830</u>	<u>566,043</u>	<u>568,873</u>	<u>569,234</u>
Resources Expended					
Costs of generating funds					
Cost of generating voluntary income		-	75,377	75,377	75,171
Fundraising trading: cost of goods sold and other costs		-	18,295	18,295	19,560
Charitable activities		4,543	330,213	334,756	332,220
Governance costs		-	24,406	24,406	33,957
Total Resources Expended	4	<u>4,543</u>	<u>448,291</u>	<u>452,834</u>	<u>460,908</u>
Net Income/(Expenditure) for the year	5	(1,713)	117,752	116,039	108,326
Movement between funds		1,118	(1,118)	-	-
Loss on investment in subsidiary		-	(908)	(908)	-
Net Movement in Funds		(595)	115,726	115,131	108,326
Funds at 1 April 2011		<u>52,353</u>	<u>809,854</u>	<u>862,207</u>	<u>753,881</u>
Funds at 31 March 2012	14	<u><u>51,758</u></u>	<u><u>925,580</u></u>	<u><u>977,338</u></u>	<u><u>862,207</u></u>

The notes on pages 12 to 18 form an integral part of these financial statements.

BALANCE SHEET
At 31 March 2012

	Note	The Group		The Company	
		2012	2011	2012	2011
		£	£	£	£
Fixed Assets					
Tangible fixed assets	8	9,489	12,181	9,489	12,181
Investments	9	-	75,002	100	75,102
		9,489	87,183	9,589	87,283
Current Assets					
Stock	10	-	1,000	-	1,000
Debtors	11	75,225	68,059	108,878	111,033
Cash at bank and in hand		928,609	759,028	891,183	705,444
		1,003,834	828,087	1,000,061	817,477
Creditors: Amounts falling due within one year	12	35,985	53,063	32,312	42,553
Net Current Assets		967,849	775,024	967,749	774,924
Net Assets		977,338	862,207	977,338	862,207
Funds					
Restricted funds		51,758	52,353	51,758	52,353
Unrestricted funds:					
Designated Research Fund		-	1,118	-	1,118
General Reserves		925,580	808,736	925,580	808,736
Total Funds	14	977,338	862,207	977,338	862,207

The notes on pages 12 to 18 form an integral part of these financial statements.

Signed on behalf of the Trustees



David Rampling
Chairman
30 June 2012

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting Policies

Basis of accounting The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (issued in March 2005) and the Companies Act 2006.

Consolidation Consolidated accounts have been prepared in respect of the National Eczema Society and its subsidiary Eczema Trading Limited. Although NES Enterprises Limited is a subsidiary, it ceased trading on 31 March 2011 and has since repaid the major part of its share capital. The balance of the Society's investment in the company has been written off in these financial statements. There is therefore nothing to consolidate and the comparative figures shown in these financial statements for the year to 31 March 2011 have been restated to eliminate the results of NES Enterprises Limited. In accordance with Section 408 of the Companies Act 2006 a separate Statement of Financial Activities for the National Eczema Society has not been prepared.

Recognition of income Voluntary income received by way of gifts, donations and from appeals is included in full in the Statement of Financial Activities when received. Intangible income is not included unless it represents goods or services which would have otherwise been purchased. Gifts in kind are valued and brought in as income together with the corresponding expenditure. Revenue grants, sponsorship monies, subscriptions and income from investments, together with the related tax credits, are credited to the Statement of Financial Activities in the year in which they are receivable. Income from legacies is accounted for when received. Income generated from the supply of goods or services is included in the Statement of Financial Activities in the period in which the supply is made and is stated net of Value Added Tax

Funds Restricted funds are incoming resources received or generated for specified purposes as laid down by the donor or the terms of the appeal. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of overheads and support costs. Unrestricted funds are donations and other incoming resources received or generated for the general charitable purposes of the Society.

Expenditure Staff costs are allocated to activities on the basis of staff time spent on those activities. Overhead expenditure is either directly related to the activities to which it relates or apportioned to activities in line with expenditure on them. Fundraising and publicity costs relate to the costs incurred by the charitable company in inducing others to make voluntary contributions to it. Governance costs include the management of the charitable company's assets, organisational management and compliance with constitutional and statutory requirements.

Depreciation Depreciation is provided on tangible fixed assets at rates calculated to write off their cost over their estimated useful lives.

NOTES TO THE FINANCIAL STATEMENTS

Leasing All leases of property and equipment are considered to be operating leases, and rentals are charged against revenue when incurred. No assets are held under hire purchase agreements or finance leases.

Investments Listed investments are stated at market value. Profits and losses on sale are credited or charged to General Reserves. Increases or decreases in valuation are credited or charged to the Revaluation Reserve.

Stock Stocks of goods held for resale are stated at the lower of cost and net realisable value. Stocks of publications held for future distribution free of charge are written off in the year of purchase.

Pensions The Society participates in a defined contribution pension scheme. The assets of the scheme are held separately from those of the Society in an independently administered fund. The pension cost charge represents contributions payable by the Society to the fund. The Society has no liability under the scheme other than for the payment of those contributions.

2 Voluntary income

	Restricted	Unrestricted	2012 Total	2011 Total
	£	£	£	£
Subscriptions	-	115,881	115,881	107,081
Donations and similar income	1,830	140,605	142,435	155,887
Legacies	1,000	162,919	163,919	160,629
Gift aid	-	23,007	23,007	32,433
	<u>2,830</u>	<u>442,412</u>	<u>445,242</u>	<u>456,030</u>

In the year to 31 March 2009, the Society received a gift of 118,750 ordinary shares (listed on the Channel Isles stock exchange) of 0.1p each in Chartersea Ltd. The gift was received on the understanding (but not a commitment) that the Society would not dispose of the shares before the donor had found a buyer for them. No value has been ascribed to the shares in the accounts.

3 Activities for generating funds

	Unrestricted	2012 Total	2011 Total
	£	£	£
Income of Eczema Trading Ltd	70,097	70,097	45,691
Other corporate income	32,850	32,850	44,491
Other activities	16,027	16,027	16,099
	<u>118,974</u>	<u>118,974</u>	<u>106,281</u>

NOTES TO THE FINANCIAL STATEMENTS

4 Total Resources Expended

	Fundraising		Charitable expenditure										2012 Total	2011
	Costs of generating voluntary income	£	Eczema Trading Limited	Other fundraising costs	Research	Helplines	Healthcare	Professional support and training	Publications	Information services	Governance costs	Support costs	£	£
Salaries and wages	34,024	-	-	3,211	-	-	-	24,350	16,058	35,111	7,431	57,408	177,593	171,685
Social security costs	3,793	-	-	350	-	-	-	2,141	1,749	3,302	798	5,247	17,380	16,366
Pension contributions	-	-	-	-	-	-	-	-	-	243	-	243	486	462
Premises costs	-	-	-	-	-	-	-	-	-	-	-	39,664	39,664	44,448
Carriage and postage	78	-	-	-	-	-	-	1,516	7,279	125	-	10,092	19,090	21,915
Design and print	683	-	-	-	975	-	-	650	43,219	992	95	446	47,060	58,178
Professional fees	2,098	-	450	-	-	10,400	-	684	25,773	5,776	5,400	1,731	52,312	47,448
Bought-in services	-	-	-	-	-	10,290	-	-	-	-	-	-	10,290	13,654
Computing	-	-	-	-	-	-	-	270	-	-	-	20,320	20,590	18,702
Insurance	-	-	-	-	-	-	-	-	-	-	-	5,408	5,408	7,505
Depreciation	-	-	-	-	-	-	-	-	-	-	-	2,692	2,692	6,048
Other costs	6,822	687	-	7,251	117	-	-	14,708	90	5,124	1,655	23,815	60,269	54,497
	47,498	1,137	1,137	10,812	1,092	20,690	-	44,319	94,168	50,673	15,379	167,066	452,834	460,908
Support costs apportioned in line with other expenditure	27,879	-	-	6,346	641	12,144	-	26,013	55,273	29,743	9,027	(167,066)	-	-
	75,377	1,137	1,137	17,158	1,733	32,834	-	70,332	149,441	80,416	24,406	-	452,834	460,908

NOTES TO THE FINANCIAL STATEMENTS

5 Net Income/(Expenditure) for the Year

This is stated after charging:

	2012	2011
	£	£
Depreciation	2,692	6,048
Auditors' remuneration	5,850	6,175
Operating lease rentals property	35,680	35,680
Trustees' travelling expenses (Remuneration Nil)	393	536
Five trustees were paid travelling expenses during the year (2011, five)		

6 Staff Costs and Numbers

Staff costs were as follows

	2012	2011
	£	£
Salaries and wages	177,593	171,685
Social security costs	17,380	16,366
Pension contributions	486	462
	<u>195,459</u>	<u>188,513</u>

No employee earned more than £60,000 during the year (2011, none).

The estimated average number of full-time equivalent employees during the year was as follows:

	2012	2011
	No.	No.
Direct charitable activities	3.5	4.0
Fundraising and communication	1.0	0.5
Support and governance	1.0	1.5
	<u>5.5</u>	<u>6.0</u>

7 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

NOTES TO THE FINANCIAL STATEMENTS

8 Tangible Fixed Assets

The Group and Company

	Computer Equipment £	Office Equipment £	Furniture and Fixtures £	Leasehold Improve- ments £	Total £
Cost					
At 1 April 2011	23,985	8,305	1,718	15,117	49,125
At 31 March 2012	<u>23,985</u>	<u>8,305</u>	<u>1,718</u>	<u>15,117</u>	<u>49,125</u>
Depreciation					
At 1 April 2011	23,565	6,043	1,288	6,048	36,944
Charge for year	<u>420</u>	<u>688</u>	<u>72</u>	<u>1,512</u>	<u>2,692</u>
At 31 March 2012	<u>23,985</u>	<u>6,731</u>	<u>1,360</u>	<u>7,560</u>	<u>39,636</u>
Net Book Value					
At 31 March 2012	<u>-</u>	<u>1,574</u>	<u>358</u>	<u>7,557</u>	<u>9,489</u>
At 31 March 2011	<u>420</u>	<u>2,262</u>	<u>430</u>	<u>9,069</u>	<u>12,181</u>

9 Investments

	The Company	
	2012	2011
	£	£
Investment in subsidiary undertakings:		
NES Enterprises Limited	-	75,002
Eczema Trading Limited	<u>100</u>	<u>100</u>
	<u>100</u>	<u>75,102</u>

NES Enterprises Limited NES Enterprises Limited ceased trading on 31 March 2011. During the year to 31 March 2012 the company reduced its share capital and repaid £74,094 to the Society. The balance of the Society's investment in the company has been written off in these financial statements.

Eczema Trading Limited The Society holds 100% of the issued share capital of Eczema Trading Limited. Eczema Trading Limited sells advertising space in the Society's quarterly magazine, Exchange. In addition, the company seeks opportunities to merchandise the

NOTES TO THE FINANCIAL STATEMENTS

Society's name and logo. All taxable profits are donated under covenant to the National Eczema Society. The audited accounts for Eczema Trading Limited for 2012 are summarised below.

	The Company	
	2012	2011
	£	£
Turnover	70,097	45,691
Cost of sales	(19,792)	(15,987)
Gross profit	50,305	29,704
Administrative and other expenses	(7,530)	(7,468)
Operating profit	42,775	22,236
Interest receivable	20	22
Profit covenanted to the Society	42,795	22,258

10 Stock

	The Group		The Company	
	£	£	£	£
	2012	2011	2012	2011
	£	£	£	£
Christmas cards for re-sale	-	1,000	-	1,000
	-	1,000	-	1,000

11 Debtors

	The Group		The Company	
	£	£	£	£
	2012	2011	2012	2011
Operating debtors	53,786	22,961	37,025	20,975
Amounts due from subsidiary undertakings	-	21,609	50,414	66,569
Prepayments	21,439	23,489	21,439	23,489
	75,225	68,059	108,878	111,033

NOTES TO THE FINANCIAL STATEMENTS

12 Creditors: Amounts falling due within one year

	The Group		The Company	
	2012	2011	2012	2011
	£	£	£	£
Operating creditors	9,417	29,442	6,229	19,442
Taxation and social security	7,015	14,506	7,015	14,506
Accruals	19,553	9,115	19,068	8,605
	<u>35,985</u>	<u>53,063</u>	<u>32,312</u>	<u>42,553</u>

13 Purpose of Restricted Funds

Research The Research Fund exists to provide resources for research into the causes of eczema, with the aim of developing more effective treatments or a cure.

Information Services This Fund represents donations, yet to be spent, received towards the provision of these services

14 Group Funds

	Restricted		Unrestricted		Total
	Research	Information Services	Designated Research Fund	General Reserves	
	£	£	£	£	£
Balance at 1 April 2011	8,988	43,365	1,118	808,736	862,207
Transfer between funds	1,118	-	(1,118)	-	-
Loss on investment in subsidiary	-	-	-	(908)	(908)
Total Incoming Resources	2,830	-	-	566,043	568,873
Total Resources Expended	(1,733)	(2,810)	-	(448,291)	(452,834)
Balance at 31 March 2012	<u>11,203</u>	<u>40,555</u>	<u>-</u>	<u>925,580</u>	<u>977,338</u>
Represented by:					
Tangible Fixed Assets	-	-	-	9,489	9,489
Current Assets	11,203	40,555	-	952,076	1,003,834
Current Liabilities	-	-	-	(35,985)	(35,985)
	<u>11,203</u>	<u>40,555</u>	<u>-</u>	<u>925,580</u>	<u>977,338</u>