

Company Number	2685083
Charity Numbers	
England and Wales	1009671
Scotland	SCO43669

**National Eczema Society**  
**Report and Consolidated Financial Statements**  
**1 Apr 2013 to 31 Dec 2013**

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



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## TRUSTEES' REPORT

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We present our report and the audited financial statements for the nine months to 31 December 2013. In future, our annual reports and audited financial statements will relate to the calendar year. Legal and Administrative Information about the charity is summarised on page 7 and information about our group structure and corporate income is given on page 8.

### **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. We remain dedicated to those objectives but we serve a significantly larger population. Eczema has become much more prevalent since then, 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 online 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. We have had regard to legislative and regulatory requirements for disclosing how our charitable objectives have provided such benefit. We have complied with the duty set out in section 4 of the Charities Act 2011 and that set out by the Office of the Scottish Charity Regulator in the Trustee Investment (Scotland) Act 2005.

### **The focus of our work**

For the period under review our strategy has been to concentrate on our core services to provide, in an uncertain economic climate, people affected by eczema with the information and support they need. This underpins our determination to secure our long-term future as a UK wide charity entirely dedicated to supporting people with eczema.

During the year our key activities have been:

- Providing information and support through our telephone and email helplines. We are delighted that during this period we have been able to support an increasing number of people with eczema through a UK-wide eczema awareness and advice campaign run in conjunction with Lloyds pharmacy with support from an educational grant from GlaxoSmithKline.

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## TRUSTEES' REPORT

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- We have also been able to enhance our helpline service through our partnership with E45 following the launch of their eczema education resource [www.eczemaadvice.co.uk](http://www.eczemaadvice.co.uk). This website is an online eczema resource about managing eczema which includes the option for parents and carers of children with eczema to register to book a call to a dermatology nurse from the Society's helpline. This fulfils an ambition we have long held and which we are hoping to maintain as part of our core service and to expand to enable adults with eczema to access that same level of support.
- Our Information Services: maintaining and updating our publications and website and our annual awareness campaign in National Eczema Week 2013 – a united front against 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.
- Continuing to support research opportunities in particular by helping recruitment for clinical trials.
- 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 period under review we had approximately 3,400 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 period under review 93% of calls to our helpline were from non-members, 26% from parents of children with eczema and 74% from adults who have eczema themselves. We continue to be asked how to use prescribed treatments and for advice on possible lifestyle adjustments. As in previous years, many of our calls have related to the inability to access healthcare appropriate to more severe eczema, increasingly we are also receiving calls from those unable to access healthcare for less severe eczema or to be prescribed basic treatments, including suitable emollients. To a greater extent than ever, we are encountering people who are experiencing eczema (many for the first time) in later life, also teenagers and young adults whose eczema is no longer responding to the treatments offered and many of whom are very distressed.

### **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. These are published both traditionally

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## TRUSTEES' REPORT

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printed and, with increasing popularity, electronically. During the period we recruited a new Information Manager, Jane McIntosh, to spearhead the development of our publications. Jane has a strong track record in publishing as a former commissioning editor at Hamlyn. New editions of three of our most popular booklets were launched in the period – Mind over Eczema, Itching and Scratching and Living with Eczema. Our website [www.eczema.org](http://www.eczema.org), e-alerts to members and other supporters and presence on Facebook and Twitter are popular and well visited.

### **National Eczema Week 2013**

Our 2013 National Eczema Week Campaign focused on Helpline Live Events. Following the success of this initiative in previous years, NES teams once again took information, advice and support directly out into local communities to fight eczema patient by patient in events in Wood Green, North London, Norwich, Peterborough, Bradford, Moss Side, Manchester, Bournemouth, Kirkcaldy, Gateshead, the Wittington Hospital, North London, Oxford and Nottingham. The response was overwhelming and confirmed that this is an excellent way of promoting the Society and what it offers to families living with this challenging condition.

### **Healthcare Professional Training**

The Society remains committed to providing training for healthcare professionals to facilitate improvements to patient care. During the period we held six healthcare professional study days, in Brighton, Blackburn, Cambridge, Gloucester, Oxford and Perth to ensure that these events were made available in venues across the UK.

### **Future Plans**

Our Christmas 2013 Appeal was focused on the National Eczema Society's School Packs. This was a huge success raising over £10,000 to be devoted in 2014 to creating a new version of this highly valued resource. Supporting children with eczema in the classroom will also be the focus of National Eczema Week 2014. March 2014 will see the first edition of our new look Exchange.

We are enhancing the support provided to our members with the launch of a new Member's Guide to eczema management, introducing a new booklet on wraps, bandages and therapeutic garments and will also be revising and updating our publications on treatments for severe eczema and on contact dermatitis. We are in addition reviewing our fact sheets.

We are continuing our healthcare professional training days but will also be seeking to provide greater support to healthcare professionals by rewriting our Nurse's guide to managing eczema, increasing the number of free patient publications they can order from us. We will also be introducing an online edition of Exchange magazine in the healthcare professionals section of our website. Training is increasingly difficult for healthcare professionals to access at an affordable level, particularly nurses working in primary care and we believe that by offering them this additional level of support we can make a difference to the outcomes for a significant number of eczema patients.

We have an exciting project, long in development, which we hope to bring to fruition in 2014: namely our ethnicity project. Filming is well advanced on our project to produce videos to demonstrate how to use emollients, washes, bath and leave-on emollients as well as topical

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## TRUSTEES' REPORT

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steroids. The videos will also discuss the main characteristics of eczema, common trigger factors and possible lifestyle adjustments. We are filming different skin types – Afro-Caribbean, Asian and south-east Asian as well as Caucasian. The videos will be available in ten languages in addition to English and launched on [www.eczema.org](http://www.eczema.org) (via You Tube) for the Society's AGM in November.

We will continue all our core information services, including a programme of exhibitions, shows and eczema helpline live events during National Eczema Week 2014 at several locations across the UK.

We plan to hold five healthcare professional study days in 2014 in Birmingham, London, Manchester, Newcastle and Southampton.

### Scotland

In our last report to you we reported that we had become a registered charity in Scotland. We now have a member of staff, Director of Operations, Christina Vowles, living in and working from home in Scotland. Our healthcare professional study day in Perth in September was very successful with 100% of delegates saying that they would recommend the course to colleagues. Hot on the heels of the Perth study day, Christina, assisted by volunteer and retired nurse Ina Menzies, set up a NES information stand at Victoria Hospital, Kirkcaldy, as part of our Eczema Week 2014 initiatives to provide support to families with eczema.

### Results

We budget to make a surplus of £245,000 in the nine months to 31 December 2013 and this included £370,000 for legacy income. Although we expected legacy income to be strong, it proved to be even stronger than we had expected at £426,258. Overall, we had a surplus of £381,035 for the period compared with a deficit of £70,802 for the 12 months to 31 March 2013. At 31 December 2013 our reserves stood at £1,287,571 (£906,536 at 31 March 2013).

We would like to thank the many people who, as in previous years, 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 including many who took on a quite gruelling challenge to raise funds through sponsorship for the Society. 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.

### Reserves Policy

We aim, in the current economic climate, 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 9 months to 31 December 2013, this amounts to approximately £550,000, compared to actual reserves of £1,287,571 (£906,536 at 31 March 2013). Thus we have set a deficit budget of £103,000 for 2014. However, we remain committed to taking a cautious approach to 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.

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## TRUSTEES' REPORT

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### **Investment Policy**

All surplus funds are currently placed on deposit. We are, however, exploring the possibility of investing some funds in an office property for our own use. Our lease of office space at Hill House runs out in April 2017 and the landlord has informed us of his desire to redevelop Hill House. We will, therefore, have to move in any event before long.

### **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 7.

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.

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 (who are directors of the National Eczema Society for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements 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 which 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 charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;

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## TRUSTEES' REPORT

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- make judgements and 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; and
- 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 adequate accounting records that 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 charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the trustees have 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Auditors

Bromhead are willing to continue in office.

Signed on behalf of the Trustees



Elaine Oke  
Chair  
28 June 2014

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## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Status and Governing Document</b>	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.		
<b>Company Number</b>	2685083		
<b>Charity Numbers</b>	England and Wales	1009671	
	Scotland	SCO43669	
<b>Registered Office and Operational Address</b>	Hill House Highgate Hill London N19 5NA		
<b>Subsidiary companies</b>	Eczema Trading Ltd NES Enterprises Ltd - dissolved 2 April 2013		
<b>Trustees</b>	Appointed or resigned as trustee since April 2013		
<b>Chair</b>	Elaine Oke		
<b>Vice Chair</b> to 23 November 2013	Rosemary Humphreys	R	23 November 2013
from 23 November 2013	Ellen Vincent		
<b>Treasurer</b>	Rebecca Baker		
<b>Others</b>	Alexis Brooke		
	Edward Davies		
	Alun Fotheringham	R	11 January 2014
	Suzanne Johns		
	Myrtle Johnston		
	Barbara Page MBE	A	25 November 2013
	Lucy Reeves		
<b>Chief Executive Officer</b>	Margaret Cox		
<b>Company Secretary</b>	Robert Kitchen		
<b>Principal Bankers</b>	National Westminster Bank plc CAF Bank Ltd Barclays Bank plc		
<b>Auditors</b>	Bromhead Chartered Accountants and Statutory Auditors Harscombe House, 1 Darklake View, Plymouth, PL6 7TL		



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## **CORPORATE INCOME**

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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 period 1 April 2013 to 31 December 2013, no one company contributed more than 5.9% of the Society's consolidated group income.

### **Consolidated Group Income**

The National Eczema Society had one wholly owned subsidiary company that traded during the period 1 April 2013 to 31 December 2013: Eczema Trading Limited. The consolidated group income shown in these financial statements, as in the year to 31 March 2013, comprises the income of the Society and that of Eczema Trading Limited. NES Enterprises Limited ceased trading on 31 March 2011 and was dissolved on 2 April 2013.

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

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We have audited the financial statements of the National Eczema Society for the period 1 April 2013 to 31 December 2013 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 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and the regulations made under section 44. 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 above, the trustees (who are 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 auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under 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 December 2013, and of the group's and the parent charitable company's incoming resources and application of resources, including the group's and the parent charitable company's income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

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

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- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### **Opinion on other matter 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 Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the parent charitable company has not kept proper and adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable 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; 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

1 July 2014

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 Period 1 April 2013 to 31 December 2013**

			<b>Period</b>	Year to
			<b>1 Apr</b>	31 Mar
			<b>2013 to 31</b>	2013
			<b>Dec 2013</b>	
	Note	Restricted £	Unrestricted £	Total £
				Total £
<b>Incoming Resources</b>				
Incoming resources from generated funds				
Voluntary income	2	7,197	603,236	<b>610,433</b>
Activities for generating funds	3	-	132,794	<b>132,794</b>
Investment income		-	4,254	<b>4,254</b>
Incoming resources from charitable activities		-	2,691	<b>2,691</b>
<b>Total Incoming Resources</b>		<u>7,197</u>	<u>742,975</u>	<u><b>750,172</b></u>
<b>Resources Expended</b>				
Costs of generating funds:				
Cost of generating voluntary income		-	35,353	<b>35,353</b>
Fundraising trading: cost of goods sold and other costs		-	25,588	<b>25,588</b>
Charitable activities		-	284,071	<b>284,071</b>
Governance costs		-	24,126	<b>24,126</b>
<b>Total Resources Expended</b>	4	<u>-</u>	<u>369,138</u>	<u><b>369,138</b></u>
<b>Net Income/(Expenditure) for the year</b>	5	<u>7,197</u>	<u>373,837</u>	<u><b>381,034</b></u>
<b>Net Movement in Funds</b>		<u>7,197</u>	<u>373,837</u>	<u><b>381,034</b></u>
<b>Funds at 1 April 2013</b>		<u>11,233</u>	<u>895,303</u>	<u><b>906,536</b></u>
<b>Funds at 31 December 2013</b>	14	<u><u>18,430</u></u>	<u><u>1,269,140</u></u>	<u><u><b>1,287,570</b></u></u>

The notes on pages 13 to 19 form an integral part of these financial statements.

**BALANCE SHEET**  
**At 31 December 2013**

	Note	The Group		The Company	
		31 Dec 2013	31 Mar 2013	31 Dec 2013	31 Mar 2013
		£	£	£	£
<b>Fixed Assets</b>					
Tangible fixed assets	8	<b>10,096</b>	9,489	<b>10,096</b>	13,488
Investments	9	-	-	<b>100</b>	100
		<b>10,096</b>	9,489	<b>10,196</b>	13,588
<b>Current Assets</b>					
Debtors	10	<b>67,383</b>	66,166	<b>158,637</b>	128,276
Cash at bank and in hand		<b>1,252,090</b>	879,378	<b>1,143,194</b>	808,617
		<b>1,319,473</b>	945,544	<b>1,301,831</b>	936,893
<b>Creditors: Amounts falling due within one year</b>	11	<b>41,999</b>	52,496	<b>24,457</b>	43,945
<b>Net Current Assets</b>		<b>1,277,474</b>	893,048	<b>1,277,374</b>	892,948
<b>Net Assets</b>		<b>1,287,570</b>	902,537	<b>1,287,570</b>	906,536
<b>Funds</b>					
Restricted funds		<b>18,430</b>	11,233	<b>18,430</b>	11,233
Unrestricted funds:					
General Reserves		<b>1,269,140</b>	895,303	<b>1,269,140</b>	895,303
<b>Total Funds</b>	14	<b>1,287,570</b>	906,536	<b>1,287,570</b>	906,536

The notes on pages 13 to 19 form an integral part of these financial statements.

Signed on behalf of the Trustees



Rebecca Baker  
Honorary Treasurer  
28 June 2014

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## NOTES TO THE FINANCIAL STATEMENTS

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### 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 trading subsidiary Eczema Trading 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.

**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.

**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.

## NOTES TO THE FINANCIAL STATEMENTS

**Pensions** The Pensions Act 2011 has retrospectively amended the definition of a money purchase scheme. As a result, the scheme that the Society participated in has now to be regarded as a defined benefit scheme. That scheme (Series 3) closed to contributions on 30 September 2013. To avoid crystallizing an immediate payment of our now apparent underfunding in the Series 3 scheme (see note 12), we are (a) participating in the Series 3 Recovery Plan and (b) have elected to switch, with effect from 1 October 2013, from Series 3 to Series 4, a defined contribution scheme. The pension cost in the accounts represents amounts payable by the Society (a) to the Series 3 recovery plan (currently £1,151 a month) and (b) as ordinary employer contributions to the Series 3 and Series 4 funds.

Series 3 is a multi-employer pension scheme and the scheme administrators have confirmed that it is not possible to separately identify the assets and liabilities of participating employers on a consistent and reasonable basis. The assets of the scheme are co-mingled for investment purposes and benefits are paid from total scheme assets. As a result of this the Society has accounted for the scheme as if it were a defined contribution scheme, with contributions in the year charged to the Income and Expenditure Account. This is in accordance with FRS 17 – Retirement Benefits.

			<b>Period 1 Apr 2013 to 31 Dec 2013 Total £</b>	<b>Year to 31 Mar 2013 Total £</b>
	Restricted £	Unrestricted £		
<b>2 Voluntary income</b>				
Subscriptions	-	53,427	<b>53,427</b>	96,793
Donations and similar income	7,197	108,606	<b>115,803</b>	130,219
Legacies	-	426,258	<b>426,258</b>	82,914
Gift aid	-	14,945	<b>14,945</b>	20,554
	<u>7,197</u>	<u>603,236</u>	<u><b>610,433</b></u>	<u>330,480</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

### 3 Activities for generating funds

Income of Eczema Trading Ltd	70,698	<b>70,698</b>	92,613
Other corporate income	47,935	<b>47,935</b>	32,068
Other activities	14,161	<b>14,161</b>	14,002
	<u>132,794</u>	<u><b>132,794</b></u>	<u>138,683</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 4 Total Resources Expended

	Fundraising				Charitable expenditure						Period	Year to
	Costs of generating voluntary income	Eczema Trading Limited	Other fundraising costs		Helplines	Healthcare Professional support and training	Publications	Information services	Governance Costs	Support Costs	1 Apr 2013 to 31 Dec 2013	31 Mar 2013
	£	£	£	£	£	£	£	£	£	£	£	£
Salaries and wages	14,846	-	5,507	-	-	19,795	21,513	27,290	5,855	48,281	143,087	181,411
Social security costs	1,525	-	601	-	-	1,775	2,030	2,315	569	3,929	12,744	16,629
Pension costs	29	-	29	-	-	-	58	186	29	10,703	11,034	499
Premises costs	-	-	-	-	-	475	-	-	-	29,446	29,921	40,529
Carriage and postage	900	-	-	-	-	-	5,130	122	-	5,561	11,713	16,723
Design and print	849	-	-	-	-	-	31,127	960	344	-	33,280	46,938
Film production	-	-	-	-	-	-	-	4,183	-	-	4,183	55,169
Professional fees	967	2,289	-	8,213	959	15,725	2,824	6,032	3,278	40,287	46,638	
Bought-in services	-	-	-	7,777	-	-	-	-	-	-	7,777	9,888
Website, database and computing	-	-	-	-	-	92	-	-	-	9,741	9,833	54,264
Insurance	-	-	-	-	-	-	-	-	-	5,250	5,250	5,817
Depreciation	-	-	-	-	-	-	-	-	-	4,217	4,217	5,354
Other costs	2,356	7,265	3,602	-	-	15,926	1,195	2,863	1,824	20,781	55,812	65,660
	21,472	9,554	9,739	15,990	39,022	76,778	40,743	14,653	141,187	369,138	545,519	
Support costs apportioned in line with other expenditure	13,881	-	6,295	10,337	25,227	49,635	26,339	9,473	(141,187)	-	-	-
	35,353	9,554	16,034	26,327	64,249	126,413	67,082	24,126	-	369,138	545,519	



## NOTES TO THE FINANCIAL STATEMENTS

	Period 1 Apr 2013 to 31 Dec 2013 £	Year to 31 Mar 2013 £
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### 5 Net Income/(Expenditure) for the Period

This is stated after charging:

Depreciation	4,217	5,354
Auditors' remuneration	6,460	6,365
Operating lease rentals: property	35,680	35,680
Trustees' travelling expenses (Remuneration Nil)	208	112
	<u>          </u>	<u>          </u>

Two trustees were paid travelling expenses during the period (year to 31 March 2013, two)

### 6 Staff Costs and Numbers

Staff costs were as follows:

Salaries and wages	143,087	181,411
Social security costs	12,744	16,629
Pension costs	11,034	499
	<u>          </u>	<u>          </u>
	<u>166,865</u>	<u>198,539</u>

In the period, no employee earned more than the equivalent of £60,000 a year (year to 31 March 2013, none).

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

	No.	No.
Direct charitable activities	4.0	3.5
Fundraising and communication	1.0	1.0
Support and governance	1.0	1.0
	<u>          </u>	<u>          </u>
	<u>6.0</u>	<u>5.5</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 £
<b>Cost</b>					
At 1 April 2013	33,338	8,305	1,718	15,117	58,478
Additions	825	-	-	-	825
	<u>34,163</u>	<u>8,305</u>	<u>1,718</u>	<u>15,117</u>	<u>59,303</u>
<b>Depreciation</b>					
At 1 April 2013	27,070	7,419	1,432	9,069	44,990
Charge for year	2,547	485	54	1,131	4,217
	<u>29,617</u>	<u>7,904</u>	<u>1,486</u>	<u>10,200</u>	<u>49,207</u>
<b>Net Book Value</b>					
<b>At 31 December 2013</b>	<u><b>4,546</b></u>	<u><b>401</b></u>	<u><b>232</b></u>	<u><b>4,917</b></u>	<u><b>10,096</b></u>
31 March 2013	<u>6,268</u>	<u>886</u>	<u>286</u>	<u>6,048</u>	<u>13,488</u>

### 9 Investments

	The Company Period 1 Apr 2013 to 31 Dec 2013 £	Year to 31 Mar 2013 £
Investment in subsidiary undertaking: Eczema Trading Limited	<u>100</u>	<u>100</u>
	<u><b>100</b></u>	<u><b>100</b></u>

The Society wrote off its investment in NES Enterprises Ltd in the year to 31 March 2012. NES Enterprises Ltd was dissolved on 2 April 2013

**Eczema Trading Limited** The Society holds 100% of the issued share capital of Eczema Trading Limited. Eczema Trading Limited seeks opportunities to merchandise the Society's name, logo and other assets. In addition, the company sells advertising space in the

## NOTES TO THE FINANCIAL STATEMENTS

Society's quarterly magazine, Exchange. All taxable profits are donated under covenant to the National Eczema Society. The audited accounts for Eczema Trading Limited for the period are summarised below.

	The Company	
	Period	Year to
	1 Apr 2013 to 31 Dec 2013 £	31 Mar 2013 £
Turnover	<b>70,698</b>	92,613
Cost of sales	<b>(13,771)</b>	(26,337)
Gross profit	<b>56,927</b>	66,276
Administrative and other expenses	<b>(11,803)</b>	(12,186)
Operating profit	<b>45,124</b>	54,090
Interest receivable	<b>64</b>	37
Profit covenanted to the Society	<b>45,188</b>	54,127

	The Group		The Company	
	£	£	£	£
	Period 1 Apr 2013 to 31 Dec 2013	Year to 31 Mar 2013	Period 1 Apr 2013 to 31 Dec 2013	Year to 31 Mar 2013
<b>10 Debtors</b>				
Operating debtors	<b>49,340</b>	44,293	<b>33,206</b>	19,813
Amounts due from subsidiary undertaking	-	-	<b>107,388</b>	86,590
Prepayments	<b>18,043</b>	21,873	<b>18,043</b>	21,873
	<b>67,383</b>	66,166	<b>158,637</b>	128,276
<b>11 Creditors: Amounts falling due within one year</b>				
Operating creditors	<b>26,784</b>	39,310	<b>9,750</b>	31,244
Taxation and social security	<b>7,296</b>	4,315	<b>7,296</b>	4,315
Accruals	<b>7,919</b>	8,871	<b>7,411</b>	8,386
	<b>41,999</b>	52,496	<b>24,457</b>	43,945

## NOTES TO THE FINANCIAL STATEMENTS

### 12 Pension scheme deficit

As explained in note 1, the Society is participating in a recovery plan to eliminate its Series 3 scheme deficit over 10 year period. The Pensions Trust, the scheme administrator, has, however, advised that the amount of employer debt on the alternative of withdrawal from the Series 3 scheme has been estimated by actuaries to have been £204,711 as at 31 March 2012. The next full actuarial valuation is due at 30 September 2014.

As the Society intends to continue participating in the recovery plan no provision has been made for this potential withdrawal debt and contributions have been accounted for as if it were a defined contribution scheme.

During the period employer contributions of £11,034 (Year ended 31 March 2013: £499) were charged to the Income and Expenditure Account, including accrued contributions of £1,429 at 31 December 2013 (£83 at 31 March 2013).

### 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

	<u>Restricted</u>		<u>Unrestricted</u>	<u>Total</u>
	Research £	Information Services £	General Reserves £	£
Balance at 1 April 2013	11,233	-	895,303	<b>906,536</b>
Total Incoming Resources	30	7,167	742,975	<b>750,172</b>
Total Resources Expended	-	-	(369,138)	<b>(369,138)</b>
	<u>11,263</u>	<u>7,167</u>	<u>1,269,140</u>	<u><b>1,287,570</b></u>
Balance at 31 December 2013	<u>11,263</u>	<u>7,167</u>	<u>1,269,140</u>	<u><b>1,287,570</b></u>
Represented by:				
Tangible Fixed Assets	-	-	10,096	<b>10,096</b>
Current Assets	11,263	7,167	1,301,043	<b>1,319,473</b>
Current Liabilities	-	-	(41,999)	<b>(41,999)</b>
	<u>11,263</u>	<u>7,167</u>	<u>1,269,140</u>	<u><b>1,287,570</b></u>