

Company Number: 2685083  
Charity Number: 1009671

**National Eczema Society**  
**Report and Consolidated Financial Statements**  
**For the Year Ended 31 March 2005**

**Oakleys Auditing Services Limited**  
**Registered Auditors**  
20 Houndiscombe Road  
North Road East  
Plymouth  
PL4 6HQ



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## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Status</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.
<b>Company Number</b>	2685083
<b>Charity Number</b>	1009671
<b>Registered Office and Operational Address</b>	Hill House Highgate Hill London N19 5NA
<b>Trustees</b>	
<b>Chairman</b>	Alan Lovegrove
<b>Vice Chairmen</b>	Conor Johnston Brian Wilks (Resigned 6 November 2004)
<b>Treasurer</b>	David Rampling Rebecca Baker Leslie Ferrar (Appointed 7 February 2005) Rosemary Humphreys (Resigned 6 November 2004) Neil Lassus (Appointed 15 May 2004) Lesley Mosley (Appointed 6 August 2004) Barbara Page Jane Watts Neroli Wilson (Appointed 19 May 2004)
<b>Company Secretary</b>	Robert Clow
<b>Principal Bankers</b>	National Westminster Bank plc CAF Bank Ltd
<b>Auditors</b>	Oakleys Auditing Services Limited Registered Auditors, Plymouth

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## TRUSTEES' REPORT

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We present our report and the audited financial statements for the year to 31 March 2005.

### Purpose

The National Eczema Society exists to support people whose lives are affected by eczema and to work on their behalf. We do this in a number of ways:

- Our Helpline and Email Response Service
- Our quarterly magazine Exchange
- A wide range of information leaflets and booklets
- Funding research to find a cure for eczema
- Educating and training health care professionals
- Putting people in touch with local support groups
- Campaigning for better health services and the widest possible range of treatments

### Activities

During the year the Society has continued to provide independent, quality assessed information and support to people struggling to cope with eczema, sadly a condition all too often trivialised by the ill-informed. Further extending the opening hours of our telephone Helpline and developing the Email Response Service introduced last year have enabled us to reach an increasing audience.

New initiatives introduced during the year include:

- A major campaign, aimed at the public and employers, about contact dermatitis, how to treat it and how to prevent it.
- A new patient fact sheet and a booklet for healthcare professionals on eczema and dry skin in the elderly. In older people, where the skin is more fragile, eczema can be hard to control and more damaging. There is, however, very little guidance available specific to this age group.
- The redesign of our patient focused website, [www.eczema.org](http://www.eczema.org).

We have also expanded our work with healthcare professionals:

- We launched a new resource pack "How to Set Up an Eczema Clinic in Primary Care". This well supported resource pack was developed in response to demand and provides invaluable guidance to nurses, health visitors and other healthcare professionals in delivering the eczema services they provide.
- We have improved the terms of our increasingly popular healthcare Professional Membership Scheme to ensure that these members have better access to up-to-date patient focused information, so as to be better placed to support their patients.
- We have also increased our commitment to nurse training with an expansion of our nurse training days on eczema management.

We remain committed to raising the profile of eczema and the support the Society can provide in regional and national media. We were delighted that our major campaign of the year reached a target audience of over 23 million.

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## TRUSTEES' REPORT

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The Society has also been able to increase its commitment to medical research into the causes of and potential treatments for eczema. We are funding two new PhD studentships commencing in September 2005. In addition, we are funding a new award for nurse-led research working collaboratively with the British Dermatological Nursing Group and jointly funding another medical research grant with the British Skin Foundation.

We must express our thanks to our Scientific Committee who work so hard in support of all these initiatives to ensure that in all we do and publish we meet our high quality standards.

We would also 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 expand our work. We are grateful to the many charitable trusts whose continued support has made a huge difference to our ability to plan and continue to develop our services. We also thank all those companies that have supported the Society during the year. Information about corporate funding is given on page 18.

### Results

We are delighted to report another successful year. The Society achieved a surplus of income over expenditure of £323,109, compared with a budgeted surplus of £40,000. This remarkable outcome is due to three large unexpected sources of income: legacies, always unpredictable, of £151,420; donated shares were sold for £177,755; and I-CAP dealers gave us £100,000 from their Charity Day. This good fortune masks a less pleasing development, for we would not have achieved budget without it. Income and donations from members and trusts were down compared with 2003-04. As always, there is work to be done and no room for complacency.

NES Enterprises Ltd, our trading subsidiary, has continued with its main activity of selling Christmas Cards and related goods, and has achieved an improvement in profit over last year. As we have said before, however, competition in charity card selling remains severe. All the company's profits are paid to the Society.

### Reserves Policy and Risk Management

In our previous report we advised you, after reviewing our reserves policy, that we had set a target date of 31 March 2006 to achieve reserves of £500,000, equating roughly to what we hoped would then be six months' running costs. We have more than achieved that this year. We remain of the opinion that £500,000 is the right level for the Society's reserves, as we do not foresee the considerable good fortune we had in 2004-05 being repeated. Our task, therefore, is to use this good fortune prudently over coming years, and not to rush to spend it merely because we have it. Consistent with this approach, and our increased commitment to medical research funding, we have transferred £80,000 of this year's surplus to a designated fund for research into the causes and treatment of eczema. The trustees have also taken steps to identify and address major risks facing the Society.

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## TRUSTEES' REPORT

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### **Investment Policy**

Apart from a small holding in quoted shares, in view of the current state of the Stock Market, all surplus funds are placed on deposit.

### **Statement of the Trustees' Responsibilities**

Company law requires us to prepare financial statements for each financial period that give a true and fair view of the state of the affairs of the company as at the balance sheet date and of the profit or loss for the period then ended. In preparing these financial statements, we endeavour to follow best practice and in so doing:

- make judgements and estimates that are reasonable and prudent,
- follow applicable accounting standards, and, where appropriate,
- prepare the financial statements on the going concern basis.

We are responsible for keeping accounting records which (a) disclose with reasonable accuracy at any time the financial position of the company and the group and (b) enable us to ensure that the financial statements comply with the Companies Act 1985. We are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

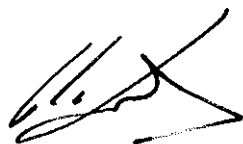
### **The Trustees**

The trustees, who are directors for the purposes of company law, who served during the year and up to the date of this report are given on page one. At least a third of the trustees are required to retire from office each year and may, if they wish, offer themselves for re-election at the AGM. We receive no remuneration and no trustee has a beneficial interest in any of the group companies.

### **Auditors**

Oakleys Auditing Services Limited have been appointed as the company's auditors and are willing to continue in office.

Signed on behalf of the Trustees



Alan Lovegrove  
Chairman

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## INDEPENDENT AUDITORS' REPORT

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We have audited the financial statements of the National Eczema Society for the year ended 31 March 2005 on pages 6 to 17. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of stock exchange investments, and the accounting policies set out on pages 8 and 9.

### **Respective Responsibilities of the Trustees and Auditors**

The trustees' responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities on page 4. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Trustees' Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

We read other information contained in the Trustees' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **Basis of Opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards 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 charity'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.

### **Opinion**

In our opinion, the financial statements give a true and fair view of the state of the group's and the charity's affairs as at 31 March 2005 and of the group's incoming resources and application of resources, including the group's income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Oakleys Auditing Services Limited*  
**Oakleys Auditing Services Limited**  
Registered Auditors

15<sup>TH</sup>

July 2005  
Plymouth

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(Incorporating an Income and Expenditure Account)**

	Note	Restricted £	Unrestricted £	2005 Total £	2004 Total £
<b>Incoming Resources</b>					
Subscriptions, donations and legacies	2	38,406	837,336	<b>875,742</b>	669,257
Activities to further charity's objects:					
Education, provision of information and knowledge promotion, campaigning and training	3	-	41,950	<b>41,950</b>	11,866
Activities to generate funds:					
Appeals		31,310	1,942	<b>33,252</b>	33,726
Income of NES Enterprises Ltd		-	285,748	<b>285,748</b>	289,823
Other activities		-	30,973	<b>30,973</b>	24,633
Investment income and interest		-	19,169	<b>19,169</b>	11,896
Tax repayments		-	43,438	<b>43,438</b>	86,385
Other income		-	22,545	<b>22,545</b>	22,585
<b>Total Incoming Resources</b>		<u>69,716</u>	<u>1,283,101</u>	<u><b>1,352,817</b></u>	<u>1,150,171</u>
<b>Resources Expended</b>					
Costs of generating funds:					
Expenditure of NES Enterprises Ltd		-	209,226	<b>209,226</b>	216,440
Fundraising and communications		-	146,005	<b>146,005</b>	149,229
Charitable expenditure:					
Information and members' services		53,713	362,171	<b>415,884</b>	416,949
Research		16,306	-	<b>16,306</b>	26,960
Support costs		-	205,539	<b>205,539</b>	223,965
Management and administration		-	36,748	<b>36,748</b>	24,090
<b>Total Resources Expended</b>	4	<u>70,019</u>	<u>959,689</u>	<u><b>1,029,708</b></u>	<u>1,057,633</u>
<b>Net Income/(Expenditure) for the year</b>	5	(303)	323,412	<b>323,109</b>	92,538
Increase/(decrease) in investment value		-	183	<b>183</b>	200
<b>Net Movement in Funds</b>		(303)	323,595	<b>323,292</b>	92,738
<b>Funds at 1 April 2004</b>		<u>89,660</u>	<u>467,840</u>	<u><b>557,500</b></u>	<u>464,762</u>
<b>Funds at 31 March 2005</b>	15	<u><u>89,357</u></u>	<u><u>791,435</u></u>	<u><u><b>880,792</b></u></u>	<u><u>557,500</u></u>

The notes on pages 8 to 17 form an integral part of these financial statements.

## BALANCE SHEET

	Note	The Group		The Company	
		2005	2004	2005	2004
		£	£	£	£
<b>Fixed Assets</b>					
Tangible fixed assets	8	<b>20,243</b>	26,516	<b>20,243</b>	26,516
Investments	9	<b>1,798</b>	1,615	<b>76,800</b>	76,617
		<b>22,041</b>	28,131	<b>97,043</b>	103,133
<b>Current Assets</b>					
Stock	11	<b>35,451</b>	28,118	-	-
Debtors	12	<b>117,634</b>	102,214	<b>182,426</b>	157,540
Cash at bank and in hand		<b>853,580</b>	582,600	<b>731,406</b>	461,456
		<b>1,006,665</b>	712,932	<b>913,832</b>	618,996
<b>Creditors: Amounts falling due within one year</b>	13	<b>147,914</b>	183,563	<b>146,771</b>	181,317
<b>Net Current Assets</b>		<b>858,751</b>	529,369	<b>767,061</b>	437,679
<b>Net Assets</b>		<b>880,792</b>	557,500	<b>864,104</b>	540,812
<b>Funds</b>					
Restricted funds		<b>89,357</b>	89,660	<b>89,357</b>	89,660
Unrestricted funds:					
Revaluation Reserve		<b>1,798</b>	1,615	<b>1,798</b>	1,615
Designated Research Fund		<b>80,000</b>	-	<b>80,000</b>	-
General Reserves		<b>709,637</b>	466,225	<b>692,949</b>	449,537
<b>Total Funds</b>	15	<b>880,792</b>	557,500	<b>864,104</b>	540,812

The notes on pages 8 to 17 form an integral part of these financial statements.

Signed on behalf of the Trustees



David Rampling  
Honorary Treasurer



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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 (except for listed investments which are included at market value) and in accordance with applicable accounting standards. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (issued in November 2000) and the Companies Act 1985, except that a subsidiary has not been consolidated as explained in the consolidation note below. The Trustees believe that this departure from SORP and the Companies Act is necessary to give a true and fair view.

**Consolidation** Consolidated accounts have been prepared in respect of the National Eczema Society and its subsidiary NES Enterprises Limited. Although Skin Care Campaign is also technically a subsidiary on the grounds that the Society has the right to appoint and remove a majority of the directors, the accounts have not been included in the consolidation as the Society, in practice, has not and does not intend to exercise its right to change the composition of the Board. In accordance with Section 230 of the Companies Act 1985 a separate Statement of Financial Activities for the National Eczema Society has not been prepared.

**Recognition of income** Voluntary income received by way of donations, appeal income and gifts to the charity 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 and overhead expenses are allocated to activities on the basis of staff time spent on those activities. Fundraising and publicity costs relate to the costs incurred by the charitable company in inducing others to make voluntary contributions to it. Management and administration 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

### 1 Accounting Policies (Continued)

**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 Subscriptions, Donations and Legacies

	Restricted	Unrestricted	2005 Total	2004 Total
	£	£	£	£
Subscriptions	-	193,964	<b>193,964</b>	230,872
Donations and similar income	33,406	319,197	<b>352,603</b>	345,037
Sale, after removal of restriction on disposal, of shares donated in 2004	-	177,755	<b>177,755</b>	-
Legacies	5,000	146,420	<b>151,420</b>	93,348
	<u>38,406</u>	<u>837,336</u>	<u><b>875,742</b></u>	<u>669,257</u>

During the year, the Society received a gift of 238,677 ordinary shares (listed on the Alternative Investment Market) of 5p each in Floors 2 Go plc. It was a condition of the gift that the Society does not dispose of the shares before 27 March 2006. No value has been ascribed to the shares in the accounts.

### 3 Activities to Further Charity's Objects

	Unrestricted	2005 Total	2004 Total
	£	£	£
Fee income	41,950	<b>41,950</b>	11,866
	<u>41,950</u>	<u><b>41,950</b></u>	<u>11,866</u>

## NOTES TO THE FINANCIAL STATEMENTS

4 Total Resources Expended	NES Enterprises Ltd	Fundraising and Communications		Information and Members' Services		Research	Support Costs	Management and Administration	2005 Total	2004
	£	£	£	£	£	£	£	£	£	£
Salaries and wages	42,115	84,430	149,712	-	26,124	19,573	321,954	312,212		
Social security costs	3,166	9,068	13,947	-	3,065	2,006	31,252	30,333		
Pension contributions	-	138	3,478	-	-	-	3,616	3,586		
Cost of sales	149,370	-	-	-	-	-	149,370	160,082		
Premises costs	3,872	-	-	-	69,544	-	73,416	60,731		
Carriage and postage	-	9,842	31,802	-	5,027	-	46,671	42,907		
Design and print	-	18,925	95,451	-	-	1,715	116,091	149,065		
Professional fees	1,090	5,517	37,300	-	26,456	12,389	82,752	77,334		
Bought-in services	-	-	30,983	-	-	-	30,983	33,235		
Computing	-	-	15,000	-	14,920	-	29,920	14,556		
Insurance	-	-	-	-	14,130	-	14,130	14,420		
Depreciation	-	-	-	-	13,108	-	13,108	14,675		
PhD grant awards	-	-	-	10,396	-	-	10,396	26,513		
Other costs	9,613	18,085	38,211	5,910	33,165	1,065	106,049	117,984		
Total resources expended	209,226	146,005	415,884	16,306	205,539	36,748	1,029,708	1,057,633		

## NOTES TO THE FINANCIAL STATEMENTS

### 5 Net Income/(Expenditure) for the Year

This is stated after charging:

	2005 £	2004 £
Depreciation	13,108	14,675
Auditors' remuneration	6,865	4,515
Operating lease rentals: property	61,921	53,356
Trustees' travelling expenses (Remuneration Nil)	1,065	1,258

Four Trustees were paid travelling expenses during the year (2004, 7).

### 6 Staff Costs and Numbers

Staff costs were as follows:

	2005 £	2004 £
Salaries and wages	321,954	312,212
Social security costs	31,252	30,333
Pension contributions	3,616	3,586
	<u>356,822</u>	<u>346,131</u>

One employee earned between £50,001 and £60,000 during the year. No pension contributions were paid in respect of the employee. No employee earned more than £50,000 in 2004.

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

	2005 No.	2004 No.
Direct charitable activities	6	6
Fundraising and communication	3	3
Subsidiary trading activities	3	3
Support, management and administration	2	2
	<u>14</u>	<u>14</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 2004	77,102	18,115	3,901	14,120	113,238
Additions	<u>2,349</u>	<u>4,486</u>	<u>-</u>	<u>-</u>	<u>6,835</u>
At 31 March 2005	<u>79,451</u>	<u>22,601</u>	<u>3,901</u>	<u>14,120</u>	<u>120,073</u>
<b>Depreciation</b>					
At 1 April 2004	51,322	17,379	3,901	14,120	86,722
Charge for year	<u>12,059</u>	<u>1,049</u>	<u>-</u>	<u>-</u>	<u>13,108</u>
At 31 March 2005	<u>63,381</u>	<u>18,428</u>	<u>3,901</u>	<u>14,120</u>	<u>99,830</u>
<b>Net Book Value</b>					
<b>At 31 March 2005</b>	<u><b>16,070</b></u>	<u><b>4,173</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>20,243</b></u>
At 31 March 2004	<u>25,780</u>	<u>736</u>	<u>-</u>	<u>-</u>	<u>26,516</u>

### 9 Investments

	The Group		The Company	
	2005	2004	2005	2004
	£	£	£	£
Investments at market value				
UK Equities	<b>1,798</b>	1,615	<b>1,798</b>	1,615
Investment in subsidiary undertaking: NES Enterprises Ltd	<u>-</u>	<u>-</u>	<u><b>75,002</b></u>	<u>75,002</u>
	<u><b>1,798</b></u>	<u>1,615</u>	<u><b>76,800</b></u>	<u>76,617</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 9 Investments (Continued)

#### Revaluation Reserve

The Revaluation Reserve represents the market value of the Society's listed investments, which were acquired without cost.

	UK Equities £
Market value as at 1 April 2004	1,615
Increase in market value during the year	<u>183</u>
<b>Market value as at 31 March 2005</b>	<b><u>1,798</u></b>

#### Subsidiary Undertaking: NES Enterprises Ltd

The Society holds 100% of the issued share capital of NES Enterprises Ltd, a company incorporated in England and Wales. NES Enterprises Ltd trades in Christmas cards and related goods and undertakes various other trading activities. All taxable profits are donated under covenant to the National Eczema Society. The audited accounts for NES Enterprises Ltd for 2005 are summarised below.

	2005 £	2004 £
Turnover	<b>258,364</b>	250,929
Cost of sales	<b>(149,370)</b>	(160,082)
Gross profit	<b>108,994</b>	90,847
Other operating income	<b>25,838</b>	37,842
	<b>134,832</b>	128,689
Administrative and other expenses	<b>(99,856)</b>	(96,359)
Operating profit	<b>34,976</b>	32,330
Interest receivable	<b>1,546</b>	1,052
Profit covenanted to the Society	<b><u>36,522</u></b>	<b><u>33,382</u></b>

### 10 Other Subsidiary Undertaking: Skin Care Campaign

Skin Care Campaign is a subsidiary of the National Eczema Society but its accounts have not been included in these consolidated accounts for the reasons given in Note 1 above (basis of accounting and consolidation).

## NOTES TO THE FINANCIAL STATEMENTS

### 10 Other Subsidiary Undertaking: Skin Care Campaign (Continued)

The Skin Care Campaign was incorporated in England and Wales on 16 March 2001 (Company number 4181338). It is a company whose liability is limited by guarantee. Its objects are:

- To work for the improvement of health care for people suffering from skin disease.
- To educate and inform the public and others about skin diseases and their treatment.
- To support other organisations in order to pursue these objects.

Membership is open to all Patient Organisations representing people with skin conditions. The company's reserves at 31 March 2005 were £130,796 (2004, £92,511).

### 11 Stock

	The Group
	2005 £
	2004 £
Christmas cards for re-sale	<b>35,451</b>
	<b>28,118</b>
	<b>35,451</b>
	<b>28,118</b>

### 12 Debtors

	The Group	The Group	The Company	The Company
	2005 £	2004 £	2005 £	2004 £
Operating debtors	<b>48,543</b>	57,326	<b>39,160</b>	46,066
Amounts due from subsidiary undertakings	<b>20,023</b>	13,220	<b>94,598</b>	80,206
Other debtors	<b>2,537</b>	2,451	<b>2,137</b>	2,051
Prepayments	<b>46,531</b>	29,217	<b>46,531</b>	29,217
	<b>117,634</b>	102,214	<b>182,426</b>	157,540

### 13 Creditors: Amounts falling due within one year

	The Group	The Group	The Company	The Company
	2005 £	2004 £	2005 £	2004 £
Operating creditors	<b>84,516</b>	128,603	<b>84,516</b>	127,219
Taxation and social security	<b>45,741</b>	40,993	<b>45,741</b>	40,993
Other creditors	<b>2,094</b>	2,094	<b>2,094</b>	2,094
Accruals	<b>15,563</b>	11,873	<b>14,420</b>	11,011
	<b>147,914</b>	183,563	<b>146,771</b>	181,317

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## **NOTES TO THE FINANCIAL STATEMENTS**

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### **14 Purpose of Restricted and Designated Funds**

#### **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.

#### **Designated Fund**

##### **Research**

The Trustees have established this fund to support the Society's research programmes.



## NOTES TO THE FINANCIAL STATEMENTS

### 15 Movement in Group Funds

#### Restricted Funds

	Research £	Helplines £	Professional Training £	Information Services £	Total
Balance at 1 April 2004	55,819	8,716	2,625	22,500	<b>89,660</b>
Total Incoming Resources	25,844	1,800	-	42,072	<b>69,716</b>
Total Resources Expended	(16,306)	(10,516)	(2,625)	(40,572)	<b>(70,019)</b>
Balance at 31 March 2005	<u>65,357</u>	<u>-</u>	<u>-</u>	<u>24,000</u>	<u><b>89,357</b></u>
Represented by:					
Current Assets	<u>65,357</u>	<u>-</u>	<u>-</u>	<u>24,000</u>	<u><b>89,357</b></u>

## NOTES TO THE FINANCIAL STATEMENTS

### 15 Movement in Group Funds (Continued)

#### Unrestricted Funds

	Designated Research Fund £	Revaluation Reserve £	General Reserves £	Total £
Balance at 1 April 2004	-	1,615	466,225	<b>467,840</b>
Total Incoming Resources	-	-	1,283,101	<b>1,283,101</b>
Total Resources Expended	-	-	(959,689)	<b>(959,689)</b>
Increase in investment value	-	183	-	<b>183</b>
Transfers between Funds	80,000		(80,000)	<b>-</b>
Balance at 31 March 2005	<u>80,000</u>	<u>1,798</u>	<u>709,637</u>	<u><b>791,435</b></u>
Represented by:				
Tangible Fixed Assets	-	-	20,243	<b>20,243</b>
Investments	-	1,798	-	<b>1,798</b>
Current Assets	80,000	-	837,308	<b>917,308</b>
Current Liabilities	-	-	(147,914)	<b>(147,914)</b>
	<u>80,000</u>	<u>1,798</u>	<u>709,637</u>	<u><b>791,435</b></u>

#### Total Funds

	Total £
Restricted	<b>89,357</b>
Unrestricted	<u><b>791,435</b></u>
	<u><b>880,792</b></u>

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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 which is consistent with that recommended by the Long Term Medical Conditions Alliance. This includes provision for review of relevant treatments and services by the Society's Scientific Committee. During the year to 31 March 2005, no one company contributed more than 2¼% of the Society's consolidated group income, and income from subscriptions, donations, sponsorship and advertising from corporate members and other corporate supporters was in total under 13½% of the Society's consolidated group income.

### **Consolidated Group Income**

The National Eczema Society has two subsidiary companies:

- NES Enterprises Ltd, a wholly owned trading subsidiary.
- Skin Care Campaign, a company limited by guarantee.

Skin Care Campaign is a subsidiary because the Society has the right to appoint and remove a majority of the company's Board of Directors.

The results of NES Enterprises Ltd have been consolidated with those of the Society to form these financial statements. The results of Skin Care Campaign are not included in the consolidation as the Society has not, in practice, exercised and does not intend to exercise its right to change the composition of the Board.

### **Transactions with Skin Care Campaign**

During the year, Skin Care Campaign reimbursed the Society for the salary and related costs (£81,284) of two members of the Society's staff who are seconded full time to Skin Care Campaign and paid the Society management charges of £22,128 for accommodation and support costs. Skin Care Campaign's income is derived almost entirely from pharmaceutical companies.

Skin Care Campaign's constitution prohibits any members from participating in its income (other than by reimbursement of cost) or surplus assets on a winding-up. The Society is one of twenty-three Patient Organisations who are members of Skin Care Campaign.