

Company Number: 2685083
Charity Number: 1009671

National Eczema Society
Report and Consolidated Financial Statements
For the Year Ended 31 March 2010

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



TRUSTEES' REPORT

We present our report and the audited financial statements for the year to 31 March 2010. 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 exists to support people whose lives are affected by eczema and to work on their behalf. Eczema is a hugely prevalent condition affecting 1 in 5 school children and 1 in 12 adults in the UK, and recent research suggests that the condition is on the increase. Although not usually life threatening, eczema is life challenging – often affecting the whole family. Its impact is not just physical. Being such a visible condition, living with eczema can also be psychologically damaging in all age groups.

Although there is as yet no cure for eczema, it usually responds to good management. For the majority, this involves a combination of topical treatments and lifestyle adjustments which can be quite complex. Unless you know how to apply your treatments, they are unlikely to be effective and, although the importance of patient education is increasingly acknowledged as having a significant impact, to be effective that education is time consuming and many healthcare professionals do not have the time required to provide it successfully.

The primary aim of the National Eczema Society is therefore to provide eczema patients and their carers with the information and support needed to manage eczema effectively and so improve their quality of life.

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 have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities and the Trustees consider how planned activities will contribute to the aims and objectives we have set.

The focus of our work

During the year the Society has continued to provide independent, quality assessed information and support to people struggling to cope with eczema. Last year, recognising the challenges faced by charities such as ours, which depend heavily on voluntary income in a tough economic climate, the Trustees decided that it was necessary to reduce the costs of the Society, including staff salaries, and to focus on maintaining our core services. We are pleased that this strategy has enabled the Society to continue its work and are grateful to our supporters who have generously helped us.

Accordingly during the year we have focussed on:

- 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 – Itching to Help.
- Running eczema training days for healthcare professionals.
- Funding research into the causes of and potential treatments for eczema.
- Membership support including our quarterly magazine, Exchange.

TRUSTEES' REPORT

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 4,500 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.

Our support is not restricted to those who are members. Indeed, many of our members continue to support the Society not for their benefit but in the hope that they can help us to survive and so provide the help we gave to them in years past to others who are now starting out on their eczema journey.

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 85% of calls to our helpline were from non-members, 55% from parents of children with eczema and 45% from adults who have eczema themselves. The most common questions answered, as last year, relate to how to use prescribed treatments and for advice on possible lifestyle adjustments. During the year we responded to over 7,000 enquiries

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. During the year we updated and relaunched one of our most popular booklets – Itching and Scratching, which addresses controlling eczema-related itching and sleep disturbance.

We have also during the year built on the work we did last year to improve our on-line presence including building on our new public website, www.eczema.org, in particular with the introduction of a treatment news section with information about new treatments and products. We are pleased that the site remains well used with an average of 2,000 unique visits a day. In addition, as planned, we launched a new website for healthcare professionals and an on-line booklet for pharmacists.

Themed as 'Itching to Help' this year's NES Week campaign addressed the main challenge posed by eczema, the itch, using our new Itching and Scratching booklet to advise on practical steps which can be taken to minimise its impact, with over 12,000 booklets being distributed both through our Helpline and at information events and displays held across the country. In addition our supporters were our walking ambassadors for the Society proudly wearing our T-shirts with the message "Eczema is not Contagious but my Smile is" as they went about their daily lives.

Health Care Professional Training The Society has long recognised that it can make a significant difference to people struggling to manage eczema by providing information, training and support to healthcare professionals. During the year we were able to increase the number of our

TRUSTEES' REPORT

well attended study days holding six healthcare professional study days in Maidstone, Bradford – twice as the first event was over subscribed, Belfast, Oxford and the Wirral, continuing to ensure that these events were made available in venues across the UK.

Future Plans

As a charity, we are reliant on the support of others in order to continue our work including corporate supporters, grant-making trusts, donors, fundraisers and, most importantly, our members.

As anticipated in last year's report, the year to 31 March 2010 has been challenging although as last year we were fortunate enough to be the recipient of generous legacies and are truly grateful for the continued generosity of our individual supporters in particular their response to our Christmas appeal.

Last year we were expecting a difficult economic climate to prevail and this is now upon us. Our strategy of reducing our cost base to maintain core activity has proved sensible and we intend to continue on this course. We will therefore over the next 12 months continue to spend our resources carefully in order to maintain our helplines, study days and publications. We will be publishing updated versions of our booklet on second and third line treatments for more severe atopic eczema and our guide for adults, Living with Eczema. We are introducing changes to www.eczema.org including greater interactivity through a blog. In addition, having recruited a new member of staff, we are completing the research phase of the Ethnicity project referred to last year and will conclude that project this year in the light of the outcomes from our research.

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 to the charitable trusts and companies that have supported the Society during the year and to our scientific committee and other healthcare professionals who have provided us with much needed time, advice and support.

Results

Our income at £839,723 was only slightly lower than that of the year to 31 March 2009 but our costs were substantially lower at £600,481 compared with £873,869, giving us a much greater surplus for the year than expected of £239,242, compared with a deficit of £27,885 in the year to 31 March 2009. The economic outlook, however, continues to be uncertain and we plan to take no precipitate action to dissipate this surplus. As has already been said, our intention is to maintain core services in as cost efficient a manner as we can.

NES Enterprises Ltd, our trading subsidiary, has continued with its main activity of selling Christmas Cards and related goods. However, the present continuing uncertain state of the economy coupled with a steady but discernible decline in the Christmas Card market has led the directors to conclude reluctantly that the year ended 31 March 2010 is the last one in which the company can trade fully, and that it must arrange to close the operation down in the year to 31 March 2011.

TRUSTEES' REPORT

During the year, the Trustees incorporated a second trading subsidiary, Eczema Trading Ltd, to carry on non Christmas Card related trading

Reserves Policy and Risk Management

Our policy is to sustain reserves of around £500,000, equating to roughly half of our ambition for annual expenditure. However, this will have to be an ambition for after the economic recovery.

The trustees have also 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 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 6. Trustees are elected by the members of the Society at its Annual General Meeting. 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 are required to retire from office each year and 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.

Trustees receive no remuneration and no trustee has a beneficial interest in any of the group companies.

New trustees are provided with an introduction pack which includes the Society's governing documents, copies of the last three years audited accounts, 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, which can have up to 20 members, administers the Society. It meets three times a year and in addition as circumstances demand. The power to make specified decisions is delegated to Finance and Audit and Standing Committees. 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.

Statement of disclosure of information to auditors

The directors of the company who held office at the date of approval of this annual report as set out above 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

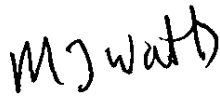
TRUSTEES' REPORT

- they have taken all the steps that they ought to have taken as directors 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 Limited are willing to continue in office.

Signed on behalf of the Trustees



Jane Watts
Chairman
24 June 2010

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 Memorandum and 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	Jane Watts
Chairman	Leslie Ferrar
Vice Chairman	David Rampling
Treasurer	Rebecca Baker
	Neil Lassus
	Lesley Mosley
	Ellen Vincent
	Neroli Wilson
Chief Executive Officer	Margaret Cox
Company Secretary	Robert Clow (resigned 1 October 2009) Robert Kitchen (appointed 1 October 2009)
Bankers	National Westminster Bank plc CAF Bank Ltd Barclays
Auditors	Bromhead Limited Chartered Accountants 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 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 2010, no one company contributed more than 2% 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 15.1% of the Society's consolidated group income.

Consolidated Group Income

The National Eczema Society had two subsidiary companies during the year to 31 March 2010: NES Enterprises Ltd and Eczema Trading Ltd, both wholly owned trading subsidiaries

The results of NES Enterprises Ltd and Eczema Trading Ltd have been consolidated with those of the Society to form these financial statements.

STATEMENT OF TRUSTEES' RESPONSIBILITIES AND INDEPENDENT AUDITORS' REPORT

Statement of Trustees' responsibilities in respect of the preparation of financial statements

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 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 company and that 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 of fraud and other irregularities.

Independent Auditors' report to the Members of the National Eczema Society

We have audited the financial statements of the National Eczema Society for the year ended 31 March 2010, which comprise a Consolidated Statement of Financial Activities, a Balance Sheet and related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 495 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company'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

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

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and

STATEMENT OF TRUSTEES' RESPONSIBILITIES AND INDEPENDENT AUDITORS' REPORT

have been prepared in accordance with the Companies Act 2006.

We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if disclosures of trustees' remuneration specified by law are not made.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Audit Opinion

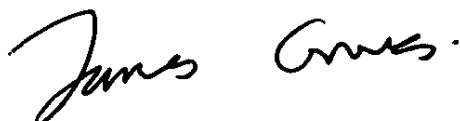
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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 parent charitable company's affairs as at 31 March 2010, and of the group's incoming resources and application of resources, including the group's income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.



James Groves (Senior Statutory Auditor)
For and on behalf of Bromhead Limited
Chartered Accountants and Statutory Auditors
Harscombe House, 1 Darklake View, Plymouth, PL6 7TL
28 June 2010

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)
For the Year to 31 March 2010

	Note	Restricted £	Unrestricted £	2010 Total £	2009 Total £
Incoming Resources					
Incoming resources from generated funds					
Voluntary income	2	1,130	509,611	510,741	492,830
Activities for generating funds	3	-	310,190	310,190	329,358
Investment income		-	1,962	1,962	17,480
Incoming resources from charitable activities		-	4,218	4,218	4,140
Other incoming resources		10,000	2,612	12,612	2,176
Total Incoming Resources		<u>11,130</u>	<u>828,593</u>	<u>839,723</u>	<u>845,984</u>
Resources Expended					
Costs of generating funds					
Cost of generating voluntary income		-	57,359	57,359	117,168
Fundraising trading: cost of goods sold and other costs		-	181,082	181,082	219,783
Charitable activities		7,530	318,158	325,688	468,459
Governance costs		-	36,352	36,352	68,459
Total Resources Expended	4	<u>7,530</u>	<u>592,951</u>	<u>600,481</u>	<u>873,869</u>
Net Income/(Expenditure) for the year and Net Movement in Funds	5	3,600	235,642	239,242	(27,885)
Funds at 1 April 2009		<u>53,811</u>	<u>477,517</u>	<u>531,328</u>	<u>559,213</u>
Funds at 31 March 2010	15	<u><u>57,411</u></u>	<u><u>713,159</u></u>	<u><u>770,570</u></u>	<u><u>531,328</u></u>

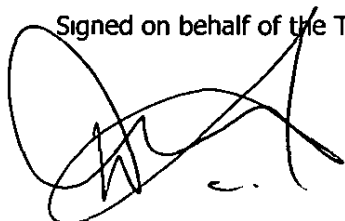
The notes on pages 12 to 19 form an integral part of these financial statements

BALANCE SHEET
At 31 March 2010

		The Group		The Company	
		2010	2009	2010	2009
	Note	£	£	£	£
Fixed Assets					
Tangible fixed assets	8	16,346	20,150	16,346	20,150
Investments	9	-	-	75,102	75,002
		16,346	20,150	91,448	95,152
Current Assets					
Stock	11	16,537	29,479	-	-
Debtors	12	91,298	103,545	172,846	145,991
Cash at bank and in hand		685,788	453,014	526,515	347,025
		793,623	586,038	699,361	493,016
Creditors: Amounts falling due within one year	13	39,399	74,860	36,927	73,528
Net Current Assets		754,224	511,178	662,434	419,488
Net Assets		770,570	531,328	753,882	514,640
Funds					
Restricted funds		57,411	53,811	57,411	53,811
Unrestricted funds:					
Designated Research Fund		1,118	1,118	1,118	1,118
General Reserves		712,041	476,399	695,353	459,711
Total Funds	15	770,570	531,328	753,882	514,640

The notes on pages 12 to 19 form an integral part of these financial statements.

Signed on behalf of the Trustees



David Rampling
Honorary Treasurer
24 June 2010

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 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 subsidiaries NES Enterprises Limited and Eczema Trading Ltd. 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 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. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

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	2010 Total	2009 Total
	£	£	£	£
Subscriptions	-	104,932	104,932	121,814
Donations and similar income	1,130	168,500	169,630	137,749
Legacies	-	189,432	189,432	212,948
Sale of donated shares	-	-	-	-
Gift aid	-	46,747	46,747	20,319
	<u>1,130</u>	<u>509,611</u>	<u>510,741</u>	<u>492,830</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	2010 Total	2009 Total
	£	£	£
Income of NES Enterprises Ltd	193,713	193,713	282,421
Income of Eczema Trading Ltd	47,988	47,988	-
Corporate sponsorship	46,685	46,685	21,141
Other activities	21,804	21,804	25,796
	<u>310,190</u>	<u>310,190</u>	<u>329,358</u>

NOTES TO THE FINANCIAL STATEMENTS

4 Total Resources Expended

	Fundraising			Charitable expenditure									
	Costs of generating income	Trading Subsidiaries	Other fundraising costs	Research	Helplines	Healthcare Professional support and training	Publications	Information services	Governance Costs	Support Costs	2010 Total	2009	
	£	£	£	£	£	£	£	£	£	£	£	£	
Salaries and wages	16,446	38,653	4,718	1,168	-	21,036	26,171	36,780	11,721	50,627	207,320	377,878	
Social security costs	1,832	2,764	534	132	-	1,229	2,854	3,513	1,268	3,849	17,975	29,918	
Pension contributions	-	-	-	-	-	-	311	531	-	221	1,063	5,193	
Cost of sales	-	106,730	-	-	-	-	-	-	-	-	106,730	136,208	
Premises costs	-	3,555	-	-	-	-	-	-	-	48,289	51,844	59,247	
Carnage and postage	4,511	-	750	-	-	1,702	9,774	1,793	-	4,748	23,278	20,161	
Design and print	455	-	1,764	-	530	-	34,367	536	2,105	-	39,757	41,486	
Professional fees	9,021	1,635	-	-	10,400	-	13,125	120	5,700	12,033	52,034	50,156	
Bought-in services	-	-	-	-	10,533	-	-	-	-	-	10,533	11,368	
Computing	-	-	-	-	-	200	-	-	-	23,346	23,546	44,326	
Insurance	-	-	-	-	-	-	-	-	-	8,056	8,056	11,875	
Depreciation	-	-	-	-	-	-	-	-	-	5,384	5,384	5,858	
Research grants	-	-	-	-	-	-	-	-	-	-	-	22,892	
Other costs	2,312	4,229	6,410	-	23	18,621	-	880	1,120	19,366	52,961	57,303	
	34,577	157,566	14,176	1,300	21,486	42,788	86,602	44,153	21,914	175,919	600,481	873,869	
Support costs apportioned in line with other expenditure	22,782	-	9,340	857	14,157	28,192	57,061	29,092	14,438	(175,919)	-	-	
	57,359	157,566	23,516	2,157	35,643	70,980	143,663	73,245	36,352	-	600,481	873,869	

NOTES TO THE FINANCIAL STATEMENTS

5 Net Income/(Expenditure) for the Year

This is stated after charging:

	2010 £	2009 £
Depreciation	5,384	5,858
Auditors' remuneration	7,335	7,195
Operating lease rentals. property	46,080	50,448
Trustees' travelling expenses (Remuneration Nil)	64	115
One Trustee was paid travelling expenses during the year (2009, two)		

6 Staff Costs and Numbers

Staff costs were as follows:

	2010 £	2009 £
Salaries and wages	207,320	377,878
Social security costs	17,975	29,918
Pension contributions	<u>1,063</u>	<u>5,193</u>
	<u>226,358</u>	<u>412,989</u>

No employee earned more than £60,000 during the year (2009, one).

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

	2010 No.	2009 No.
Direct charitable activities	3.0	6
Fundraising and communication	0.5	1
Subsidiary trading activities	3.0	3
Support and governance	<u>1.5</u>	<u>2</u>
	<u>8.0</u>	<u>12</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 2009	20,966	7,861	1,718	15,117	45,662
Additions	<u>1,580</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,580</u>
At 31 March 2010	<u>22,546</u>	<u>7,861</u>	<u>1,718</u>	<u>15,117</u>	<u>47,242</u>
Depreciation					
At 1 April 2009	16,629	4,715	1,144	3,024	25,512
Charge for year	<u>3,156</u>	<u>644</u>	<u>72</u>	<u>1,512</u>	<u>5,384</u>
At 31 March 2010	<u>19,785</u>	<u>5,359</u>	<u>1,216</u>	<u>4,536</u>	<u>30,896</u>
Net Book Value					
At 31 March 2010	<u>2,761</u>	<u>2,502</u>	<u>502</u>	<u>10,581</u>	<u>16,346</u>
At 31 March 2009	<u>4,337</u>	<u>3,146</u>	<u>574</u>	<u>12,093</u>	<u>20,150</u>

9 Investments

	The Company	
	2010	2009
	£	£
Investment in subsidiary undertakings.		
NES Enterprises Ltd	75,002	75,002
Eczema Trading Ltd	<u>100</u>	<u>-</u>
	<u>75,102</u>	<u>75,002</u>

The Society holds 100% of the issued share capital of both of these companies.

NOTES TO THE FINANCIAL STATEMENTS

10 Subsidiary Undertakings

NES Enterprises Ltd NES Enterprises Ltd trades in Christmas cards and related goods but, as explained more fully in the Trustees' Report, intends to cease trading in the year to 31 March 2011. All taxable profits are donated under covenant to the National Eczema Society. The audited accounts for NES Enterprises Ltd for 2009 are summarised below.

	<u>The Company</u>	
	2010	2009
	£	£
Turnover	193,158	229,426
Cost of sales	(106,730)	(136,209)
Gross profit	86,428	93,217
Other operating income	556	52,995
	86,984	146,212
Administrative and other expenses	(70,256)	(106,278)
Operating profit	16,728	39,934
Interest receivable	78	1,304
Profit covenanted to the Society	<u>16,806</u>	<u>41,238</u>

Eczema Trading Ltd Eczema Trading Ltd was incorporated during the year as a vehicle through which to sell advertising space in the Society's quarterly Journal, Exchange. In addition, the company seeks opportunities to merchandise the Society's name and logo. All taxable profits are donated under covenant to the National Eczema Society. The audited accounts for Eczema Trading Ltd for 2010 are summarised below.

	<u>The Company</u>	
	2010	2009
	£	£
Turnover	47,988	-
Cost of sales	(10,600)	-
Gross profit	37,388	-
Administrative and other expenses	(6,180)	-
Operating profit	31,208	-
Interest receivable	5	-
Profit covenanted to the Society	<u>31,213</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

11 Stock

	The Group	
	2010	2009
	£	£
Christmas cards for re-sale	16,537	29,479
	<u>16,537</u>	<u>29,479</u>

12 Debtors

	The Group		The Company	
	2010	2009	2010	2009
	£	£	£	£
Operating debtors	63,746	75,509	50,950	46,761
Amounts due from subsidiary undertakings	-	-	94,744	72,554
Other debtors	400	1,110	-	-
Prepayments	27,152	26,926	27,152	26,676
	<u>91,298</u>	<u>103,545</u>	<u>172,846</u>	<u>145,991</u>

13 Creditors: Amounts falling due within one year

	The Group		The Company	
	2010	2009	2010	2009
	£	£	£	£
Operating creditors	7,842	29,435	7,065	29,298
Taxation and social security	9,570	21,034	9,570	21,034
Other creditors	73	73	73	73
Accruals	21,914	24,318	20,219	23,123
	<u>39,399</u>	<u>74,860</u>	<u>36,927</u>	<u>73,528</u>

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 Group Funds

	Restricted		Unrestricted		Total
	Research	Information Services	Designated Research Fund £	General Reserves £	£
Balance at 1 April 2009	-	53,811	1,118	476,399	531,328
Total Incoming Resources	11,130	-	-	828,593	839,723
Total Resources Expended	<u>(2,157)</u>	<u>(5,373)</u>	<u>-</u>	<u>(592,951)</u>	<u>(600,481)</u>
Balance at 31 March 2010	<u>8,973</u>	<u>48,438</u>	<u>1,118</u>	<u>712,041</u>	<u>770,570</u>
Represented by:					
Tangible Fixed Assets	-	-	-	16,346	16,346
Current Assets	8,973	48,438	1,118	735,094	793,623
Current Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(39,399)</u>	<u>(39,399)</u>
	<u>8,973</u>	<u>48,438</u>	<u>1,118</u>	<u>712,041</u>	<u>770,570</u>