

Company Number	2685083
Charity Numbers	
England and Wales	1009671
Scotland	SCO43669

**National Eczema Society**  
**Report and Consolidated Financial Statements**  
**Year to 31 December 2015**

**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 year to 31 December 2015. Legal and Administrative Information about the charity is summarised on page 9 and information about our group structure and corporate income is given on page 10.

### **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. 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.

When we assess the Society's performance and achievements our main concerns are the number of people that we are able to reach and provide advice and assistance to and the quality and consistency of the advice and support given.

### **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.

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## TRUSTEES' REPORT

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During the year under review our key activities have been:

- Providing information and support through our telephone and email helplines and social media.
- Our Information Services: maintaining and updating our publications and website and our annual awareness campaign in National Eczema Week 2015 during which we celebrated our 40th anniversary.
- Providing eczema training 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.

This year has also seen the Society move offices to our new home in Murray Street. The lease on our old premises at Hill House was due to expire in April 2017 and we knew the landlord wanted to redevelop the property for residential use so would not be renewing our lease. As the developers were already starting to move into the building it was necessary to find new office space as soon as possible. Despite a difficult search in a highly competitive marketplace we were fortunate to locate and secure our new premises and to be able to negotiate an early surrender of old lease. This move has not had a substantial impact on the finances of the Society in the year under review due to renovation costs for the new premises, but we anticipate that these smaller premises will reduce costs in future years.

### **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 3,200 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.

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## TRUSTEES' REPORT

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### 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. Since 2001 our frontline telephone helpline service has been supplied in partnership with BSS; a charity that specialised in helpline and connected services and an arrangement which has enabled us to answer far more calls in an accurate and cost effective way than would have been possible without their help. Unfortunately during the year they went into administration and were unable to continue to provide us with this support with almost no notice. As a result for a short period we had to close the telephone helpline while we made arrangements to work with and train a new partner. This new arrangement is now in place and call levels are returning to the level we received in the previous year. The type of calls we receive hasn't changed significantly when compared to last year but we continue to hear far more from people with more severe eczema and have seen an increase in the number of more complex calls. Increasingly we are receiving and responding to Helpline type queries via our Facebook page and Twitter feed.

### 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 printed and electronically although most people still prefer publications of any length on paper. During the year we produced new versions of our popular 'Childhood Atopic Eczema – your questions answered' and 'Living with Eczema – information for adults with eczema' booklets but concentrated on our factsheets rewriting 13 of them and introduction some new ones. Our website [www.eczema.org](http://www.eczema.org), e-alerts to members and other supporters and presence on Facebook and Twitter continue to be popular and well visited.

### National Eczema Week 2015

2015 marked the 40th anniversary of the Society and National Eczema Week this year included our two big celebrations for our birthday – one at Kew Gardens in London and the other at Edinburgh Zoo. These events provided us with a fantastic opportunity to meet a large number of members and we were delighted to be joined by two of the charity's founding members – Hazel Dakers and Jill Zeigler. Without their hard work and dedication and that of their fellow founder members the Society would not exist. It is remarkable how much the Society has changed since its humble beginnings of a group of mothers sat around a table to share their experiences and it is inspiring to see how many individuals and families we are now able to help.

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## TRUSTEES' REPORT

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### Public Information Events

In addition to our 40th anniversary celebrations we have continued to attend and organise public information events during the year UK wide. Highlights include the Annual Allergy and Free From Show at Olympia in July and the Allergy and Free From Show North in Liverpool, attending Health Fairs in schools across the country showcasing our school pack and Health Mela in the Northwest and London areas.

### Healthcare Professional Training

We have previously reported that we have been finding it increasingly difficult to achieve a reasonable level of attendance at our healthcare professional study days, mainly we think because staff cannot get time off to attend. This may change with the introduction of new rules for revalidation being introduced for their members by the Nursing and Midwifery Council in 2016 but for now we believe that we are best placed to give Healthcare professionals access to eczema training at an affordable level by running 3 of our own eczema training days and supplementing that by working with other organisations by making dermatology specialist speakers available for their network of events. During the year we held three of our own training days in Birmingham, Middlesbrough and Bradford, facilitated talks on eczema in Belfast and Glasgow as part of the Child Health Regional Forum network – we also exhibited at their events in Bradford, Liverpool, London, Nottingham, Sheffield and Manchester – and worked with the Community Practitioners and Health Visitors Association making a dermatology specialist available to speak on eczema at their regional road shows in Hull, Middlesbrough, Liverpool, Brighton, Southampton, Slough, Cardiff, Exeter, Nottingham and Carlisle.

### Future Plans

We are continuing our healthcare professional training days but as last year will run just three in London, Blackburn and Perth. We will evaluate the success of these and in particular see if revalidation impacts on attendance to determine whether to increase the number of events or change the places we hold them next year. As last year we will continue to work with other organisations with a view to ensuring that key healthcare professionals UK wide hear our message and learn more about eczema management.

As far as our publications are concerned we will of course continue to maintain and update our existing information and to publish our Members' magazine Exchange. We are also planning a new guide for teenagers with eczema as we are receiving significantly more contact from that age group particularly via Facebook and the helpline email. We will also be updating and re publishing our School Pack. While many of our publications are sent to individuals who contact us an increasing number are used by healthcare professionals to give to their patients as they value the independent and evidence based information we supply. We already make these available to healthcare professionals in bulk free of charge but aim to publicise the availability of this free resource.

We will continue to develop our helplines and are increasing the dermatology nurse adviser support available given the number of sometimes very complex enquiries we receive.

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## TRUSTEES' REPORT

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National Eczema Week 2016 will be themed "Mind my Eczema" and to mark the week we will be launching new age-related guides on the psychosocial challenges of growing up and living with eczema including practical exercises and practical advice on how people with eczema and those around them can better understand and then manage the emotional distress the condition can bring.

We remain disappointed that we have not been able to finish our ethnicity project in 2015. It has been long in development but is a very complex and time consuming project. We are therefore carrying this forward to 2016 with this being one of our priorities for the year. This project will produce videos to demonstrate how to use emollients, washes, bath and leave-on emollients as well as topical steroids. The videos will also discuss the main characteristics of eczema, common trigger factors and possible lifestyle adjustments. They will address these issues for different skin types – Afro-Caribbean, Asian and south east Asian as well as Caucasian and will be available in ten languages in addition to English.

We will continue all our core information services, including a programme of exhibitions, shows and eczema helpline live events during National Eczema Week 2016 at several locations across the UK.

### Scotland

As previously reported, in addition to being registered with the Charity Commission for England and Wales, we are also registered as a charity in Scotland with the Office of the Scottish Charity Regulator. Our Director of Operations, Christina Vowles, a Scot, lives and works from home in Scotland. Barbara Page MBE a fellow Scot and also resident in Scotland is a member of our board of trustees, and brings not only a nursing background but a Scottish perspective to our meetings.

As part of our 40th Anniversary celebrations Edinburgh Zoo hosted our birthday party on 12 September, giving our members the opportunity to not only see all the animals but also put questions to our team and swap stories, hints and tips with each other over the buffet lunch and a slice of Birthday cake.

### Results

Consistent with our intention to reduce reserves, we budgeted to make a deficit of £150,000 in the year to 31 December 2015; the outcome for the year was a deficit of £97,964. This compares with a deficit of £113,421 in the year ended 31 December 2014. At 31 December 2015 our reserves stood at £1,076,185 (£1,174,149 at 31 December 2014).

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. The work of these volunteers is invaluable to 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.

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## TRUSTEES' REPORT

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### 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 year to 31 December 2015, this amounts to approximately £396,000, compared to actual reserves of £1,076,185 (£1,174,149 at 31 December 2014). We expect to reduce reserves further during the year to 31 December 2016. 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. We feel that the principal uncertainty in respect to the Society's future is maintaining sufficient income to deliver the Society's services. We feel that our current reserve position is sufficient to safeguard our position for a number of years and do not anticipate significant reductions in our income.

### Investment Policy

All surplus funds are currently placed on deposit. We previously explored the possibility of investing some funds in an office property for our own use but this proved to be impracticable. In March 2015 we moved from our previous office at Hill House into our new rented premises in Murray Street.

### 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 9.

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.

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## TRUSTEES' REPORT

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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.

The trustees set the remuneration of the Chief Executive and other key personnel. This is set based on research of similar roles and benchmark data.

### 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

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

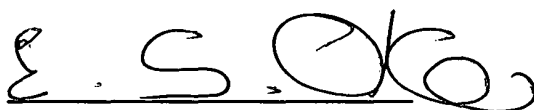
The trustees are responsible for the maintenance and integrity of the corporate and financial

### Auditors

Bromhead are willing to continue in office.

Signed on behalf of the Trustees

Elaine Oke  
Chair

  
12/10/16.



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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>	11 Murray Street London NW1 9RE	
<b>Subsidiary companies</b>	Eczema Trading Ltd	
<b>Trustees</b>	Ceased to be a trustee since 31 December 2014	
<b>Chair</b>		
<b>Vice Chair</b>		
<b>Treasurer</b>		
<b>Others</b>		
	Elaine Oke	
	Ellen Vincent	
	Edward Davies	
	Alexis Brooke	
	Suzanne Watson	
	(formerly Johns)	
	Myrtle Johnston	
	Barbara Page MBE	
	Lucy Reeves	13 January 2015
<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 whom produce goods and services that are of proven benefit to people affected by eczema. However, the Society neither endorses nor recommends any product or service. The Society maintains a strict policy relating to the terms on which it will accept such support. This includes provision for review of relevant treatments and services by our Medical Advisory Group. During the year ended 31 December 2015, no one company contributed more than 1.7% of the Society's consolidated group income.

### **Consolidated Group Income**

The consolidated group income shown in these financial statements comprises the income of the Society and that of its wholly owned subsidiary Eczema Trading Limited.

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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 year ended 31 December 2015 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 2015, 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 year 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

14<sup>th</sup> October 2016.

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

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(Incorporating an Income and Expenditure Account)**  
**For the Year to 31 December 2015**

				<b>Year to 31 Dec 2015</b>	<b>Year to 31 Dec 2014</b>
	<b>Note</b>	<b>Restricted £</b>	<b>Unrestricted £</b>	<b>Total £</b>	<b>Total £</b>
<b>Income and endowments from:</b>					
Donations and legacies	2	220	282,089	<b>282,309</b>	275,744
Charitable activities		-	2,187	<b>2,187</b>	2,842
Other trading activities	3	-	23,953	<b>23,953</b>	126,275
Investments		-	3,140	<b>3,140</b>	3,807
Other	4	-	35,748	<b>35,748</b>	-
<b>Total</b>		<u>220</u>	<u>347,117</u>	<u><b>347,337</b></u>	<u>408,668</u>
<b>Expenditure on:</b>					
Raising funds					
Cost of generating voluntary income		-	35,328	<b>35,328</b>	44,465
Fundraising trading: cost of goods sold and other costs		-	16,448	<b>16,448</b>	31,190
Charitable activities		220	393,305	<b>393,525</b>	446,434
<b>Total</b>	5	<u>220</u>	<u>445,081</u>	<u><b>445,301</b></u>	<u>522,089</u>
<b>Net Income/(Expenditure) for the year</b>	6	-	(97,964)	<b>(97,964)</b>	(113,421)
<b>Net Movement in Funds</b>		-	(97,964)	<b>(97,964)</b>	(113,421)
<b>Funds at 1 January 2015</b>		<u>11,263</u>	<u>1,162,886</u>	<u><b>1,174,149</b></u>	<u>1,287,570</u>
<b>Funds at 31 December 2015</b>	15	<u>11,263</u>	<u>1,064,922</u>	<u><b>1,076,185</b></u>	<u>1,174,149</u>

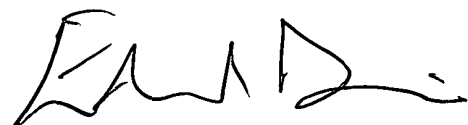
The notes on pages 15 to 22 form an integral part of these financial statements.

**BALANCE SHEET**  
**At 31 December 2015**

	Note	The Group		The Company	
		31 Dec 2015 £	31 Dec 2014 £	31 Dec 2015 £	31 Dec 2014 £
<b>Fixed Assets</b>					
Tangible fixed assets	9	<b>43,329</b>	6,301	<b>43,329</b>	6,301
Investments	10	<b>-</b>	-	<b>100</b>	100
		<b>43,329</b>	6,301	<b>43,429</b>	6,401
<b>Current Assets</b>					
Debtors	11	<b>31,049</b>	74,852	<b>117,564</b>	184,775
Cash at bank and in hand		<b>1,021,970</b>	1,125,621	<b>940,429</b>	1,014,948
		<b>1,053,019</b>	1,200,473	<b>1,057,993</b>	1,199,723
<b>Creditors: Amounts falling due within one year</b>	12	<b>20,163</b>	32,625	<b>19,662</b>	31,975
<b>Net Current Assets</b>		<b>1,032,856</b>	1,167,848	<b>1,038,331</b>	1,167,748
<b>Net Assets</b>		<b>1,076,185</b>	1,174,149	<b>1,081,760</b>	1,174,149
<b>Funds</b>					
Restricted funds		<b>11,263</b>	11,263	<b>11,263</b>	11,263
Unrestricted funds:					
General Reserves		<b>1,064,922</b>	1,162,886	<b>1,070,497</b>	1,162,886
<b>Total Funds</b>	15	<b>1,076,185</b>	1,174,149	<b>1,081,760</b>	1,174,149

The notes on pages 15 to 22 form an integral part of these financial statements.

Signed on behalf of the Trustees



Edward Davies  
Honorary Treasurer

12/10/16.

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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 for the financial reporting standard for smaller entities (issued in 2015) 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 or, if earlier, when receipt is probable and can be quantified. 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.

## 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 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 £1,221 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.

	Restricted	Unrestricted	31 Dec 2015 Total £	31 Dec 2014 Total £
	£	£	£	£
<b>2 Donations and legacies</b>				
Subscriptions	-	51,873	<b>51,873</b>	68,903
Donations and similar income	220	149,812	<b>150,032</b>	131,975
Legacies	-	56,900	<b>56,900</b>	52,716
Gift aid	-	23,504	<b>23,504</b>	22,150
	<u>220</u>	<u>282,089</u>	<u><b>282,309</b></u>	<u>275,744</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 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.

<b>3 Other trading activities</b>				
Income of Eczema Trading Ltd	-	-	-	99,898
Other corporate income	-	9,750	<b>9,750</b>	12,788
Other activities	-	14,203	<b>14,203</b>	13,589
	<u>-</u>	<u>23,953</u>	<u><b>23,953</b></u>	<u>126,275</u>



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## NOTES TO THE FINANCIAL STATEMENTS

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			<b>31 Dec 2015 Total £</b>	<b>31 Dec 2014 Total £</b>
<b>4 Other income</b>	<b>Restricted £</b>	<b>Unrestricted £</b>		
Gain on disposal of tangible fixed asset held	-	35,658	<b>35,658</b>	-
Sundry income	-	90	<b>90</b>	-
	<u>-</u>	<u>35,748</u>	<u><b>35,748</b></u>	<u>-</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 5 Total Resources Expended

	Fundraising			Charitable expenditure					Year to	Year to
	Costs of generating voluntary income	Eczema Trading Limited	Other fundraising costs	Helplines	Healthcare Professional support and training	Publications	Information services	Support Costs	31 Dec 2015	31 Dec 2014
	£	£	£	£	£	£	£	£	£	£
Salaries and wages	12,035	-	1,434	-	25,884	39,451	42,702	64,478	185,984	196,100
Social security costs	1,063	-	131	-	2,348	3,829	3,922	3,278	14,571	15,411
Pension costs	259	-	25	-	126	546	931	15,261	17,148	15,831
Premises costs	-	-	-	-	-	-	-	25,810	25,810	41,525
Carriage and postage	2,989	-	-	-	261	6,309	1,077	10,048	20,684	25,435
Design and print	1,748	-	-	-	-	27,633	1,860	1,907	33,148	64,880
Professional fees	1,614	492	-	13,059	3,504	19,175	3,039	8,030	48,913	64,720
Bought-in services	-	-	-	13,612	-	-	-	-	13,612	9,703
Website, database and computing	-	-	-	-	-	-	-	15,587	15,587	16,857
Insurance	-	-	-	-	-	-	-	8,140	8,140	7,223
Depreciation	-	-	-	-	-	-	-	5,861	5,861	5,585
Other costs	1,168	130	7,762	173	8,857	-	14,241	23,512	55,843	58,819
	20,876	622	9,352	26,844	40,980	96,943	67,772	181,912	445,301	522,089
apportioned in line with other expenditure	14,452	-	6,474	18,584	28,371	67,113	46,918	(181,912)	-	-
	35,328	622	15,826	45,428	69,351	164,056	114,690	-	445,301	522,089

## NOTES TO THE FINANCIAL STATEMENTS

	Year to 31 Dec 2015 £	Year to 31 Dec 2014 £
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### 6 Net Income/(Expenditure) for the Year

This is stated after charging:

Depreciation	5,861	5,585
Auditors' remuneration	7,872	6,896
Operating lease rentals: property	13,333	35,680
Trustees' travelling expenses (Remuneration Nil)	<u>867</u>	<u>494</u>
Five trustees were paid travelling expenses during the year (2014, three)		

### 7 Staff Costs and Numbers

Staff costs were as follows:

Salaries and wages	185,984	196,100
Social security costs	14,571	15,411
Pension costs	<u>17,148</u>	<u>15,831</u>
	<u>217,703</u>	<u>227,342</u>

No employee earned more than the equivalent of £60,000 a year (2014, none).

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

	No.	No.
Direct charitable activities	4	4
Fundraising and communication	1	1
Support and governance	<u>1</u>	<u>1</u>
	<u>6</u>	<u>6</u>

### 8 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

### 9 Tangible Fixed Assets

The Group and Company

	Computer Equipment £	Office Equipment £	Furniture and Fixtures £	Leasehold Improve- ments £	Total £
<b>Cost</b>					
At 1 January 2015	35,953	8,305	1,718	15,117	61,093
Additions	4,699	2,600	2,493	36,666	46,458
Disposals	23,984	7,861	1,718	15,117	48,680
	<u>16,668</u>	<u>3,044</u>	<u>2,493</u>	<u>36,666</u>	<u>58,871</u>
<b>Depreciation</b>					
At 1 January 2015	33,460	8,066	1,558	11,708	54,792
Charge for year	2,685	239	186	2,751	5,861
Eliminated on disposal	23,984	7,861	1,558	11,708	45,111
	<u>12,161</u>	<u>444</u>	<u>186</u>	<u>2,751</u>	<u>15,542</u>
<b>Net Book Value</b>					
<b>At 31 December 2015</b>	<u><b>4,507</b></u>	<u><b>2,600</b></u>	<u><b>2,307</b></u>	<u><b>33,915</b></u>	<u><b>43,329</b></u>
31 December 2014	<u>2,493</u>	<u>239</u>	<u>160</u>	<u>3,409</u>	<u>6,301</u>

### 10 Investments

	The Company	
	Year to 31 Dec 2015 £	Year to 31 Dec 2014 £
Investment in subsidiary undertaking:		
Eczema Trading Limited	<u>100</u>	<u>100</u>
	<u><b>100</b></u>	<u><b>100</b></u>

**Eczema Trading Limited** The Society holds 100% of the issued share capital of Eczema Trading Limited. Eczema Trading Limited seeks opportunities to merchandise the

## NOTES TO THE FINANCIAL STATEMENTS

Society's name, logo and other assets. In addition, the company sells advertising space in the 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	
	Year to	Year to
	31 Dec	31 Dec
	2015	2014
	£	£
Turnover	-	99,898
Cost of sales	<b>(4,000)</b>	<b>(14,671)</b>
Gross profit	<b>(4,000)</b>	85,227
Administrative and other expenses	<b>(1,622)</b>	<b>(6,215)</b>
Operating profit	<b>(5,622)</b>	79,012
Interest receivable	<b>47</b>	85
Loss retained / Profit covenanted to the Society	<b><u>(5,575)</u></b>	<b><u>79,097</u></b>

	The Group		The Company	
	£	£	£	£
	Year to	Year to	Year to	Year to
	31 Dec	31 Dec	31 Dec	31 Dec
	2015	2014	2015	2014
<b>11 Debtors</b>				
Operating debtors	<b>18,012</b>	55,498	<b>18,012</b>	11,304
Amounts due from subsidiary undertaking	-	-	<b>86,515</b>	154,117
Prepayments	<b>13,037</b>	19,354	<b>13,037</b>	19,354
	<b><u>31,049</u></b>	<u>74,852</u>	<b><u>117,564</u></b>	<u>184,775</u>
<b>12 Creditors: Amounts falling due within one year</b>				
Operating creditors	<b>1,856</b>	15,706	<b>1,856</b>	15,706
Taxation and social security	<b>5,008</b>	4,887	<b>5,008</b>	4,887
Accruals	<b>13,299</b>	12,032	<b>12,798</b>	11,382
	<b><u>20,163</u></b>	<u>32,625</u>	<b><u>19,662</u></b>	<u>31,975</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 13 Pension scheme deficit

As explained in note 1, the Society is participating in a recovery plan to eliminate its Series 3 scheme deficit over a ten 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 £167,646 as at 31 December 2015.

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. The scheme administrator has advised that the present value of future contributions towards the scheme deficit were valued at approximately £137,000 at 31 December 2015.

During the year employer contributions of £17,148 (2014: £15,831) were charged to the Income and Expenditure Account, including accrued contributions of £1,684 at 31 December 2015 (£1,472 at 31 December 2014).

### 14 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.

### 15 Group Funds

	<u>Restricted</u>		<u>Unrestricted</u>	<u>Total</u>
	Research	Information Services	General Reserves	
	£	£	£	£
Balance at 1 January 2015	11,263	-	1,162,886	<b>1,174,149</b>
Total Incoming Resources	-	220	347,117	<b>347,337</b>
Total Resources Expended	-	(220)	(445,081)	<b>(445,301)</b>
Balance at 31 December 2015	<u>11,263</u>	<u>-</u>	<u>1,064,922</u>	<u><b>1,076,185</b></u>
Represented by:				
Tangible Fixed Assets	-	-	43,329	<b>43,329</b>
Current Assets	11,263	-	1,041,756	<b>1,053,019</b>
Current Liabilities	-	-	(20,163)	<b>(20,163)</b>
	<u>11,263</u>	<u>-</u>	<u>1,064,922</u>	<u><b>1,076,185</b></u>