

Company Registered Number: 02685083
Charity Registered Number (England & Wales and Scotland): 1009671 and SCO43669

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

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NATIONAL ECZEMA SOCIETY**(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2018**

Status and Governing Document	National Eczema Society is a charitable company, limited by guarantee. It was incorporated on 6 February 1992 and registered as a charity on 10 March 1992. It is governed by its Articles of Association.
Company Number	2685083
Charity Numbers	England and Wales, No. 1009671 Scotland, No. SCO43669
Registered Office and Operational Address	11 Murray Street London NW1 9RE
Subsidiary Companies	Eczema Trading Limited
Trustees	
Chair	Edward Davies
Vice Chair	Ellen Vincent
Treasurer	Stephen Pugh
Others	Alexis Brooke Myrtle Johnston Suzanne Watson
Chief Executive	Margaret Cox (until 28 February 2018) Andrew Proctor (from 1 March 2018)
Secretary	James Groves (until 29 November 2018) Andrew Proctor (from 29 November 2018)
Principal Bankers	CAF Bank Ltd National Westminster Bank plc Barclays Bank plc
Independent Examiner	MHA MacIntyre Hudson New Bridge Street House 30-34 New Bridge Street London EC4V 6BJ

NATIONAL ECZEMA SOCIETY

(A Company Limited by Guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The Trustees present their annual report together with the financial statements of the Group and the Charity for the year 1 January 2018 to 31 December 2018. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the Charity and the Group qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Purpose and aims

The National Eczema Society was established in 1975 to support people with eczema and their families and to work on their behalf. We remain dedicated to these founding objectives and today we help people across the UK with information and advice about eczema and its management, which we deliver through our website, social media channels, publications and nurse-supported Helpline. We also provide a voice for people with eczema, in research, in the development of new treatments, and in improving medical care, along with raising awareness and understanding of the condition.

The prevalence of eczema has increased over recent decades, and around six million children and adults in the UK are now impacted by this life-challenging condition. The reasons for this are not fully understood, but as a result there has been an ever-increasing need for the charity's services. There is as yet no cure for eczema, and unless you have the condition it can be hard to imagine the daily challenge of living with relentless itching and inflamed, painful skin. Many healthcare professionals have little dermatology training and access to good healthcare for people with eczema can sometimes be difficult. The aim of the National Eczema Society is to provide people with eczema and their carers the information and support needed to self-manage their eczema effectively, to become experts in their own care, and provide the reassurance of knowing they are not on their own.

Ensuring our work delivers our aims

We review our activities each year and monitor the impact of our work to ensure we continue to fulfil our purpose of helping people affected by eczema. Among other ways, we assess the Society's performance and achievements through the number of people we have supported and the quality and consistency of the advice we provide.

We consider how planned activities will contribute to the aims and objectives we have set, and in doing this we have referred to the Charity Commission's general guidance on public benefit. We have had regard to the legislative and regulatory requirements for disclosing how our charitable objectives have provided such benefit, and 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.

NATIONAL ECZEMA SOCIETY

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

2018 Activity and Achievements – Delivering Public Benefit

All our charitable activities focus on supporting people affected by eczema and championing their needs, and are undertaken to further our charitable purposes for the public benefit.

This year saw a period of change and transition for the Society, with the appointment of our new Chief Executive, Andrew Proctor, who took over in March from Margaret Cox. Margaret made an enormous contribution to the Society's work over many years and her dedication to helping those with eczema was evident to everyone who knew her. Our grateful thanks go to Margaret for her many achievements. Andrew has a background in the voluntary sector, having worked previously for several health charities including Asthma UK and Alzheimer's Society, and has a particular interest in digital communications. As an early priority, Andrew has been working with the Trustees to reinvigorate and refresh the charity's operations and strategy.

Strategic review

The Trustees reviewed the charity's strategic priorities during the year, to ensure National Eczema Society continues to achieve the greatest impact it can for members and others affected by eczema. Supporting people with high-quality advice and information remains a cornerstone of the charity's work, as does our role as the collective voice for people with eczema to support research and influence health policy. We also aim to raise awareness and understanding of eczema among the general public through our campaigns, media engagement and partnerships. It is important that we prioritise those activities where we can make the biggest difference, as the Society works towards a sustainable model of operation. Above all, we aim to reach and support many more people with eczema across the UK and to give additional support to those in greatest need of help.

Delivering information and advice for people living with eczema

Our telephone and email helpline is at the heart of the Society's work, enabling us to provide the information, advice and reassurance needed by people struggling to cope with eczema wherever they live in the UK. We receive a wide range of enquiries about eczema symptoms and treatments, from parents of children with eczema and adults living with the condition. We have seen an increase in the number of more complex enquiries in recent years, and this is when our dermatology nurse call-back service continues to help greatly. Around 40% of all helpline enquirers receive a nurse call-back. Our helpline is available free of charge to anyone who needs our support. Over the year we implemented more comprehensive helpline activity reporting to inform future service development.

Alongside our helpline, the Society produces a wide range of booklets and factsheets about eczema management and treatment, available online and in print. We updated and reprinted several booklets over the year, including *Living with Eczema* and *Eczema and its Management – A Guide for Healthcare Professionals*. We also revised and updated a number of our factsheets on a rolling review cycle. We continued to offer local support – through providing eczema information and a website presence – for local volunteer-led eczema support groups.

Our website www.eczema.org, e-alerts to members and other stakeholders, and social media communications continue to be popular and well used.

NES membership scheme

The National Eczema Society (NES) is a membership organisation. During the period under review we had approximately 2,700 members, who support the Society through their annual membership fee. In return, members receive our quarterly magazine, *Exchange* and free access to all our printed publications. As in previous years, support for our charity extends far beyond our membership and we remain grateful to all our donors, and 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 (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

Representing the patient voice

We expanded our organisational capacity to support patient and public involvement (PPI) in eczema research projects and other initiatives like clinical guideline development, where a patient perspective is so important. NES is routinely approached by researchers requesting patient involvement, and it is an area where the Society is uniquely placed to represent a collective patient voice, being the charity for everyone affected by eczema and active across the UK. We continue to support research opportunities where we can, in particular by helping recruitment for clinical trials and surveys.

During the year we submitted evidence to National Institute of Health and Care Excellence (NICE) for its assessment of the new biologic drug for eczema, Dupilumab. We also contributed to a similar Dupilumab assessment exercise for the NHS in Scotland, undertaken by the Scottish Medicines Consortium (SMC). We are especially grateful to patient Sarah Celestine, who provided powerful personal testimony of her extremely challenging experience living with severe eczema. We are delighted that NICE and the SMC recommended Dupilumab for use by the NHS, which is the first new drug treatment for eczema in over 50 years. Dupilumab has the potential to transform the lives of those for whom current eczema treatments do not work effectively. The Society is also very pleased this new medicine will, in time, be considered for use by teenagers and children.

We continued to campaign for people in England with eczema to have access to emollients on prescription. NHS England has undertaken several public consultations in recent times, proposing to limit the availability of emollients on prescription for people with eczema. Subsequent prescribing guidance issued by NHS England relates to occasional dry skin, but some local healthcare commissioners are interpreting this guidance as applying to people with eczema. This is very worrying as emollients are a fundamental part of an effective skincare regime to repair and protect the skin. We have produced evidence and guidance for people with eczema, to use when making the case with their GP to have emollients on prescription for eczema.

We also seek to improve health outcomes for people with eczema through influencing health policy by participating in groups like the All Party Parliamentary Group on Skin, and working with professional bodies like the British Association of Dermatologists and British Dermatological Nursing Group.

Growing income and building financial sustainability

In 2018 we placed greater focus on growing our income to ensure we have the resources to achieve our charitable objectives and to build future financial sustainability. In particular, we sought to develop partnerships with companies that share our strategic objectives and values. During the year we finalised corporate membership agreements with Dermal Laboratories, Reckitt Benckiser (E45) and AbbVie. Additionally, we were grateful to Sanofi and Reckitt Benckiser (E45) for supporting our healthcare professional training days as main sponsors, and other companies who exhibited at the events. Among other initiatives, we were delighted to support the educational objectives of E45's Straight-up Skincare Campaign and endorse Dermal Laboratories eczema information resources.

There were a number of fundraising highlights during the year. National Eczema Society was one of several charities supported by Swagelok Manchester in 2018. The company's staff and stakeholders undertook a range of fundraising activities over the year and donated an amazing £10,000 to the Society in December. Our team of runners in the 2018 London Marathon all finished the event in very hot conditions and collectively raised over £28,000 in sponsorship for the Society. The long-standing NES annual 'cash draw' raffle was withdrawn as it was no longer cost-effective to operate, and this was replaced by a successful summer appeal seeking funding for the helpline service.

Alongside growing income, we also worked hard in 2018 to achieve cost savings across the charity's operations. In particular, we achieved substantial savings in the production and distribution costs of Exchange magazine, as part of broader efforts to ensure membership income covers the membership scheme costs.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

Awareness raising, communications and campaigning

The charity undertakes a range of activities to raise awareness of eczema among the general public, and to promote the information and advice the Society provides for people living with eczema and their families. Highlights in 2018 included exhibiting at the Allergy & Free From shows in London and Liverpool (unfortunately the show in Glasgow in March was cancelled at short notice because of bad weather), where we supported hundreds of people living with eczema by providing printed information and offering consultations with our dermatology nurse advisers.

We increased our social media activity and reach over the year, reflecting the growing trend for people to seek and share eczema information through Facebook, Twitter and other social media. We were more active in the media over the year, providing press comment on eczema stories and initiating media coverage as part of our campaigning work. The Society achieved coverage on the BBC, The Guardian newspaper, the I newspaper, Huffington Post and other titles.

With funding partly generated through our 2017 Christmas appeal, our plans to develop a new Society website were delayed in 2018, due to competing priorities. We recognise the strategic importance of having an effective website, as a core digital capability to expand our reach and impact, and this remains a priority for 2019.

The theme of our flagship awareness-raiser National Eczema Week in 2018 was 'Take Action on Eczema'. Many children and adults with eczema are not managing their condition as well as they could, and through our campaign we were encouraging everyone to take action to make improvements to the way they manage their eczema. During the week NES held a popular eczema information day in Leeds, open to everyone affected by eczema, with leading dermatology experts speaking at the event. The event also included an opportunity for attendees to put their individual questions to our team of dermatology nurse advisors.

Healthcare professional engagement

We organised three popular eczema training days for healthcare professionals during 2018, in Manchester/Salford, Bristol and London. Over 200 nurses, health visitors, GPs and other professionals attended the three events, which also included an associated exhibition from pharmaceutical companies and emollient providers. We are very grateful to the dermatology teams from University Hospital of South Manchester, Bristol Royal Hospital for Children and Whipps Cross Hospital for giving their time so generously to present and facilitate at these training days. Participant feedback on the quality of learning experience was excellent.

As in previous years, we took part in other eczema education and awareness activities for healthcare professionals, including exhibiting and presenting at key events like the Child Health Regional Forums for a fourth successive year, and attending the British Association of Dermatologists Annual Meeting in Edinburgh. Our aim in participating is to ensure key healthcare professionals understand the needs of people with eczema and learn more about eczema management.

National Eczema Society was delighted to support a new award that recognises exceptional care in eczema nursing. The Eczema Nurse of the Year Award was organised by the British Dermatological Nursing Group (BDNG), the professional organisation for dermatology nurses. Patients were asked to nominate a dermatology nurse who had provided them with exceptional eczema care and support. The Society's Chief Executive helped judge the applications and presented the award to worthy winner Julie Carr, Senior Children's Dermatology Nurse Specialist in Sheffield.

We also wrote editorial articles in the British Association of Dermatologists newsletter and BDNG journal, setting out how the Society supports people affected by eczema and provides a collective patient voice.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

Building organisational capacity

In 2018 we strengthened our organisational capacity and infrastructure in a number of areas. We introduced a number of changes to our information processes to fully comply with the General Data Protection Regulation (GDPR) legislation that came into force in May, as well as undertaking a major exercise to engage with all Society stakeholders to seek their consent to stay in contact. We replaced our main computer server, which had reached the end of its reliable life, to enable us to maintain the services we provide to members and others with eczema safely and efficiently. We also reviewed our existing administrative and finance systems and processes, and transferred our finance processing back in-house. Previously this had been contracted to an external accountancy firm, Bromhead.

2019 Plans and Objectives

Strategic priorities

We aim to ensure National Eczema Society continues to achieve the greatest impact it can for members and others living with eczema. NES will achieve this by focussing on activities where the charity can make the biggest difference. Supporting people with advice and information remains a cornerstone of the charity's work, as does our role to raise awareness and be a collective voice for people with eczema to influence health policy. Our 2019 Operating Plan provides a strong platform to achieve a break-even budget in 2020, while retaining an appropriate level of reserves in accordance with the Society's reserves policy. The charity's core charitable work will continue to be delivered, as well as focusing on building strategically important areas like our capacity to represent the patient voice.

The priorities for 2019 are:

1. Implementing the Strategic Plan

Implementing the Society's Strategic Plan is an urgent priority to ensure organisational activity is aligned to income. We are retaining the Society's core service operations, while implementing a major organisational restructure to reduce overall expenditure and ensure our resources meet future needs. Alongside this we have a clearer focus on income generation and are devoting more resources, both staff and investment, to achieving future fundraising objectives.

2. Delivering information and advice services for people with eczema

NES will continue to deliver its core service offer, providing high-quality, evidence-based information and advice on eczema and its management for people living with eczema. In 2019 we will bring our helpline service operation in-house from the current outsourced contact centre provider. We will continue to provide patient information booklets and factsheets on eczema and its treatments for parents of children and adults living with eczema; support volunteer-led patient support groups by providing information and a presence for these groups on the NES website; and implement robust activity and impact reporting for all services and look to demonstrate the value of the charity's work in compelling ways.

3. Designing and implementing new website

We will develop and launch a new website for the Society, which will better serve our needs going forward as we look to expand our reach and impact. We need a website platform that provides more flexibility and greater content management functionality.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

4. NES membership scheme

We will continue to operate the Society's valued membership scheme, including producing and distributing Exchange magazine four times a year. In 2019 we will review the annual membership fee, which has not increased for many years, with a view to increasing from £20 to £25 per annum. We will continue to encourage members to receive Exchange by email, to reduce distribution costs and undertake more active sales promotion of our membership offer through NES communication channels to boost membership numbers and income.

5. Communications and awareness-raising

We will undertake a range of activities to raise awareness and understanding of eczema among the general public and to promote the information and advice the Society provides for people living with eczema and their families. We will lead the annual national flagship awareness event, National Eczema Week in September; maintain our current media strategy of commenting on press coverage of eczema; leveraging corporate partnerships to increase the Society's reach; and increase our content and engagement on social media and grow followers/likes on Facebook (currently 16.4k), Twitter (6k) and Instagram.

6. Patient voice – campaigning and patient and public involvement

As the national patient organisation representing people with eczema, NES takes a leading role in providing a collective patient voice for people with eczema, campaigning to challenge inequalities in health policy and practice across the four nations. We also seek to improve health outcomes for people with eczema through influencing health policy by participating in groups like the All Party Parliamentary Group on Skin. In 2019 we will develop a stronger campaigning voice for people with eczema, to challenge inequalities in health policy and practice; contribute the patient perspective to clinical guideline development, the assessment of new treatments and policy consultations; and expand our organisational capacity to support patient involvement in shaping eczema research.

7. Grow income and commercial partnerships

We are placing a greater focus on growing our income to ensure we have the resources to achieve our charitable objectives and build future financial sustainability. This includes investing more in our fundraising activities to develop new sources of income. Building on our current fundraising activity, we will grow our partnerships with companies that share our values and are willing to support our awareness-raising work and help grow our reach; increase our income from charitable trusts; and seek to increase donations from people affected by eczema through a range of individual giving initiatives.

8. Build our organisational capacity

We plan to strengthen our organisational capacity and infrastructure in a number of areas, to improve our efficiency and effectiveness. Subject to funding availability, we plan to upgrade our donor database and wider digital capability during the year, to enable us to maintain our services and operate more effectively in an increasingly digital world.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

Financial Results

We planned for a budget deficit in 2018, consistent with our strategic intention to reduce reserves to a level that aligns with the Society's reserve policy. The outcome for the year was a deficit of £187,399. This compares with a deficit of £373,645 in the year ended 31 December 2017. At 31 December 2018 our reserves stood at £346,428 (£533,827 at 31 December 2017).

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.

Reserves Policy

The Trustees aim to maintain free reserves in unrestricted funds at a level which equates to approximately six months unrestricted charitable expenditure. The Trustees consider that this level will provide sufficient funds to respond to unforeseen loss of income and give the charity time to build alternative income streams, restructure activities or close or merge the charity. The Trustees consider that this level of six months is appropriate and sufficient given the recurring nature of the Society's core income and historical trends.

The balance held in unrestricted funds at 31 December 2018 was £345,675, of which £312,656 are regarded as free reserves, after allowing for funds tied up in tangible assets and those funds allocated for specific purposes. Actual six-month expenditure (over July-December 2018) totalled approximately £246,000. The current level of reserves is marginally higher than the amount needed, and the Society's plans and budget for 2019 and beyond reflect the necessity of achieving a balanced or surplus budget.

Risk Management

The Trustees have taken steps to identify and address major risks facing the Society. We believe that the principal uncertainty in respect to the Society's future is maintaining sufficient income to deliver the Society's services, and ensuring the charity has sufficient resources to comply with any regulatory changes affecting the voluntary sector. Greater focus and investment are being directed to our fundraising activities, to ensure we generate sufficient income each year to fund our planned activities, now that reserves are at lower levels than in previous years.

The principal risk of financial sustainability for the charity is very closely monitored by the Trustees on a regular basis, including reviewing quarterly management accounts at Trustee meetings. Attention also continues to focus on non-financial risks arising from health and safety, reputation, security, confidentiality, data protection etc., which are supported by appropriate policies and procedures as well as management updates as needed.

Investment Policy

All surplus funds are currently placed on deposit.

Corporate income

The Society receives income from pharmaceutical and other companies who 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. During the year ended 31 December 2018, no one company contributed more than 1.7% of the Society's consolidated group income.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

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.

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 1.

The Society's governance processes are set out in its Articles of Association. The Board of Trustees administers the Society, which meets routinely four times a year and additionally 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.

There must be a minimum of three Trustees but there is no maximum number, and Trustees must be elected by the members of the Society at its Annual General Meeting (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, local support groups and other networks. In seeking Trustees, the Society has regard to the need to ensure that the Trustee board has an appropriate range of skills and experience, and also that Trustees are drawn from across the UK.

New Trustees are provided with an introduction pack which includes the Society's governing documents, copies of past year's audited accounts, and a briefing on their duties and responsibilities and of the Society's governance processes. Prior to joining the Board, new Trustees will usually attend at least one Trustees' meeting in an observer capacity, which gives them the opportunity to meet the Trustees and Chief Executive.

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

The Trustees set the remuneration of the Chief Executive and approve the remuneration of other Society staff. Remuneration levels are based on research of similar roles and benchmark salary 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018

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 Independent Examiner is unaware, and;
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant financial information and to establish that the Independent Examiner is aware of that information.

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

Independent Examiner
MHA MacIntyre Hudson

Signed on behalf of the Trustees

Edward Davies QC
Chairman



19 June 2019

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF NATIONAL ECZEMA SOCIETY (the 'Group')

I report to the charity Trustees on my examination of the consolidated accounts of the Group comprising the National Eczema Society ('the parent charity') and its subsidiary undertakings for the year ended 31 December 2018.

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2006 and regulation 11 of the Charities Accounts (Scotland) Regulations 2006. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent Examiner's Report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the parent Charity and the Charity's Trustees as a body, for my work or for this report.

RESPONSIBILITIES AND BASIS OF REPORT

As the Trustees of the parent Charity (and its directors for the purposes of company law) you are responsible for the preparation of the consolidated accounts of the Group in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 ('the 2005 Act'), the Charities Accounts (Scotland) Regulations 2006 (as amended) ('the 2006 Accounts Regulations') and the Companies Act 2006 ('the 2006 Act') and you have chosen to prepare consolidated accounts for the Group. You are satisfied that the accounts of both parent Charity and the Group are not required by charity or company law to be audited and have chosen instead to have an independent examination.

Having satisfied myself that the consolidated accounts are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Group's accounts carried out under section 44(1)(c) of the 2005 Act and section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the requirements of Regulation 11 of the 2006 Accounts Regulations and the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

INDEPENDENT EXAMINER'S STATEMENT

Since the Group is required by company law to prepare its accounts on an accruals basis and is registered as a charity in Scotland your examiner must be a member of a body listed in section 145 of the 2011 Act and Regulation 11(2) of the 2006 Accounts Regulations. I can confirm that I am qualified to undertake the examination because I am a registered member of The Chartered Institute of Public Finance and Accountancy, which is one of the listed bodies.

I have completed my examination. I can confirm that no matters have come to my attention in connection with the examination giving me cause to believe that is any material respect

1. accounting records were not kept in respect of the parent Charity and its subsidiaries as required by section 386 of the 2006 Act and Regulation 4 of the 2006 Accounts Regulations; or
2. the accounts do not accord with those records or with the accounting requirements of Regulation 8 of the 2006 Accounts Regulations; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or

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INDEPENDENT EXAMINER'S REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018

4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:



Dated:

21 June 2019

Chris Harris CPFA

New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:					
Donations and legacies	2	260,653	-	260,653	202,322
Charitable activities	3	15,127	-	15,127	402
Other trading activities:					
Fundraising	4	8,767	-	8,767	12,285
Income from trading subsidiary	5	3,308	-	3,308	11
Investments	6	1,363	-	1,363	1,889
TOTAL INCOME		289,218	-	289,218	216,909
EXPENDITURE ON:					
Raising funds:					
Fundraising costs	7	40,965	-	40,965	57,585
Trading subsidiary's costs	5	885	-	885	753
Charitable activities	8	451,367	-	451,367	532,216
TOTAL EXPENDITURE		493,217	-	493,217	590,554
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES		(203,999)	-	(203,999)	(373,645)
Actuarial gains on pension schemes	16	16,600	-	16,600	-
NET MOVEMENT IN FUNDS		(187,399)	-	(187,399)	(373,645)
RECONCILIATION OF FUNDS:					
Total funds brought forward		533,074	753	533,827	907,472
TOTAL FUNDS CARRIED FORWARD		345,675	753	346,428	533,827

The notes on pages 16 to 31 form part of these financial statements.

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised during the year.

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 02685083

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	12		33,019		31,839
CURRENT ASSETS					
Debtors	14	62,756		70,353	
Cash at bank and in hand		432,545		582,465	
		<u>495,301</u>		<u>652,818</u>	
CREDITORS: amounts falling due within one year	15	<u>(98,030)</u>		<u>(45,590)</u>	
NET CURRENT ASSETS			<u>397,271</u>		<u>607,228</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>430,290</u>		<u>639,067</u>
CREDITORS: amounts falling due after more than one year	16		<u>(83,862)</u>		<u>(105,240)</u>
NET ASSETS			<u><u>346,428</u></u>		<u><u>533,827</u></u>
CHARITY FUNDS					
Restricted funds	17		753		753
Unrestricted funds	17		345,675		533,074
TOTAL FUNDS			<u><u>346,428</u></u>		<u><u>533,827</u></u>

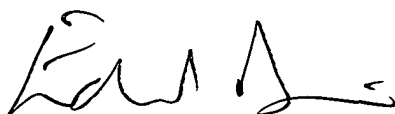
The Charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The Trustees consider that the Charity is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the Charity to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on *19 June 2019* and signed on their behalf, by:

Edward Davies
Chair



The notes on pages 16 to 31 form part of these financial statements.

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 02685083

CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	12		33,019		31,839
Investments	13		100		100
			33,119		31,939
CURRENT ASSETS					
Debtors	14	89,381		166,598	
Cash at bank and in hand		419,907		502,662	
		509,288		669,260	
CREDITORS: amounts falling due within one year	15	(92,338)		(44,930)	
NET CURRENT ASSETS			416,950		624,330
TOTAL ASSETS LESS CURRENT LIABILITIES			450,069		656,269
CREDITORS: amounts falling due after more than one year	16		(83,862)		(105,240)
NET ASSETS			366,207		551,029
CHARITY FUNDS					
Restricted funds			753		753
Unrestricted funds			365,454		550,276
TOTAL FUNDS			366,207		551,029

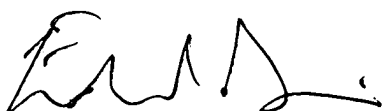
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The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on *19 June 2019* and signed on their behalf, by:

Edward Davies, Chair



The notes on pages 16 to 31 form part of these financial statements.

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

National Eczema Society meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in pound sterling which is the functional currency of the Charity and are rounded to the nearest pound.

The Charity has applied Update Bulletin 1 (as published on 2 February 2016) and Update Bulletin 2 (as published on 5 October 2018) and does not include a cash flow statement on the grounds that it is applying FRS 102 Section 1A.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Company status

National Eczema Society is a charitable company limited by guarantee and is registered with the Registrar of Companies (Company Registered Number: 02685083), the Charity Commission (Charity Registered Number: 1009671) in England and Wales and the Scottish Charity Regulator (Charity Registered Number: SCO43669).

In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity. The address of the registered office is given in the Charity information on page 1 of these financial statements. The nature of the Charity's operations and principal activities are detailed in the Trustees' Report.

1.3 Basis of consolidation

The financial statements consolidate the accounts of National Eczema Society and all of its subsidiary undertakings ('subsidiaries'). The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and Expenditure Account.

The Income and Expenditure Account for the year dealt with in the accounts of the Charity was deficit of £184,822 (2017 - deficit of £367,903).

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES (continued)

1.4 Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Charity to be able to continue as a going concern.

1.5 Income recognition

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For donations and gift aid to be recognised the Charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Charity and it is probable that they will be fulfilled.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Subscription income is received in full and recognised evenly over the course of the subscription. The amount recognised in the Statement of Financial Activities relates to the financial period in question.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the Charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES (continued)

1.6 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the categories. Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Costs of raising funds includes costs incurred seeking voluntary contributions through donations and the running of fundraising events during the year.

Expenditure on charitable activities includes all costs incurred on furthering the objects of the Charity.

All expenditure is inclusive of irrecoverable VAT.

1.7 Turnover

Turnover comprises revenue recognised by the Charity in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.8 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Furniture and fixtures	-	over 10 years
Office equipment	-	over 10 years
Computer equipment	-	over 3 years
Leasehold improvements	-	over 10 years

1.9 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES (continued)

1.10 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.11 Debtors and creditors receivable / payable within one year

Debtors are recognised when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Creditors are recognised when the Charity has a present legal or constructive obligation resulting from a past event and the settlement is expected to result in an outflow of economic benefits.

1.12 Provisions

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Financial instruments

The Charity only holds basic Financial Instruments. The financial assets and financial liabilities of the Charity are as follows:

Debtors – other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 14.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – accruals are classified as financial instruments, and are measured at amortised cost as detailed in Note 15.

1.14 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES (continued)

1.15 Employee benefits

The charity is part of the Series 3 Growth Plan which is a multi-employer pension scheme which closed in 2013. 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. A deficit reduction plan has been agreed. To avoid crystallizing an immediate payment of the apparent under-funding in the Series 3 scheme, the charity is participating in the Series 3 Recovery Plan and the liability is included in Note 15,16.

1.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.17 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

- Allocation of support costs
- Depreciation rates for tangible fixed assets
- Useful economic lives of assets

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations and similar income	155,268	-	155,268	114,301
Gift aid	19,262	-	19,262	18,548
Subscriptions	41,017	-	41,017	50,142
Legacies	45,106	-	45,106	19,331
Total 2018	260,653	-	260,653	202,322
Total 2017	202,322	-	202,322	

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.

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Professional membership and training	14,625	-	14,625	10
Publications	502	-	502	392
Total 2018	15,127	-	15,127	402
Total 2017	402	-	402	

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

4. INCOME FROM OTHER TRADING ACTIVITIES - FUNDRAISING

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Other corporate income	8,500	-	8,500	290
Other activities	267	-	267	11,995
Total 2018	8,767	-	8,767	12,285
Total 2017	12,285	-	12,285	

5. TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Charity trading income				
Trading subsidiary	3,308	-	3,308	11
Charity trading expenditure				
Trading subsidiary - Direct costs	885	-	885	753
Net income/(expenditure) from trading activities	2,423	-	2,423	(742)

The wholly owned trading subsidiary, Eczema Trading Limited, is incorporated in England and Wales (Company Registration Number 06895048). Eczema Trading Limited undertakes the trading activities of its charitable company parent, National Eczema Society. A summary of the financial performance of the subsidiary in isolation is above.

Management charges of £5,000 (2017: £5,000) from the parent to the subsidiary have been eliminated on consolidation.

In 2017, all income was to unrestricted funds.

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

6. INCOME FROM INVESTMENTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest receivable	1,363	-	1,363	1,889
Total 2017	1,889	-	1,889	

7. EXPENDITURE ON RAISING FUNDS - CURRENT YEAR

	2018 £	2017 £
Direct costs	11,653	28,210
Support costs	29,312	30,128
Total	40,965	58,338

In 2017 and 2018 all expenditure on raising funds was from unrestricted funds.

Total support costs are analysed in Note 9.

8. EXPENDITURE ON CHARITABLE ACTIVITIES

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Helpline	30,181	43,317	73,498	82,028
Professional membership and training	20,568	31,769	52,337	62,413
Publications	67,554	102,502	170,056	201,381
Information services	56,541	89,172	145,713	175,192
Research	4,062	5,701	9,763	11,202
Total 2018	178,906	272,461	451,367	532,216
Total 2017	253,764	278,452	532,216	

In 2017, of total expenditure on charitable activities of £532,216, £11,202 was from restricted funds and £521,014 was from unrestricted funds.

Total support costs are analysed in Note 9.

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

9. TOTAL SUPPORT COSTS

	2018 £	2017 £
Premises costs	21,549	22,836
Carriage and postage	7,861	6,687
Design and print	1,339	479
Professional fees	34,295	33,337
Bought-in services	8,458	-
Website, database and computing	17,370	13,902
Insurance	8,693	8,033
Other costs	30,046	40,184
Support staff costs	166,229	176,854
Depreciation	5,933	6,268
Total	301,773	308,580

In 2018, of the total support costs of £301,773 (2017: £308,580), £29,312 (2017: £30,128) was allocated to raising funds and £272,461 (2017: 278,452) was allocated to charitable activities.

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charitable group	5,931	6,265
Independent examiner's remuneration - Examination of the financial statements	3,500	-
Independent examiner's remuneration - Other services	2,000	-
Previous auditors' remuneration - Audit of the financial statements	-	7,000
Previous auditors' remuneration - Other services	-	35,196
Trustees' travelling expenses	1,290	959
Operating lease rentals	20,000	20,000

During the year, no Trustees received any remuneration (2017: - £NIL).

3 Trustees received reimbursement of expenses amounting to £1,248 in the current year, (2017 - 5 Trustees - £959).

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

11. STAFF COSTS

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	219,079	183,504
Social security costs	19,552	14,920
Other pension costs	6,512	138,589
	<u>245,143</u>	<u>337,013</u>

In 2017, pension costs included a £120,000 pension deficit charge. This is discussed in more detail in Note 16.

The average number of persons employed by the Charity during the year was as follows:

	2018 No.	2017 No.
Direct charitable activities	5	5
Fundraising and communication	1	1
Support and governance	1	1
	<u>7</u>	<u>7</u>

No employee received remuneration amounting to more than £60,000 in either year.

The total amount of employee benefits received by Key Management Personnel is £73,836 (2017: £57,098). The Charity considers its Key Management Personnel comprise the Trustees and the Chief Executive Officer.

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

12. TANGIBLE FIXED ASSETS

Group and Charity	Furniture and fixtures £	Office equipment £	Computer equipment £	Leasehold improve- ments £	Total £
Cost					
At 1 January 2018	2,493	3,044	18,103	36,666	60,306
Additions	-	1,096	6,015	-	7,111
Disposals	-	-	(11,969)	-	(11,969)
At 31 December 2018	2,493	4,140	12,149	36,666	55,448
Depreciation					
At 1 January 2018	682	1,052	16,646	10,087	28,467
Charge for the year	249	367	1,648	3,667	5,931
On disposals	-	-	(11,969)	-	(11,969)
At 31 December 2018	931	1,419	6,325	13,754	22,429
Net book value					
At 31 December 2018	1,562	2,721	5,824	22,912	33,019
At 31 December 2017	1,811	1,992	1,457	26,579	31,839

13. FIXED ASSET INVESTMENTS

Charity	Shares in group undertakings £
Fair value	
At 1 January 2018 and 31 December 2018	100

The Society holds 100% of the issued share capital of Eczema Trading Limited (company registration number 06895048). Eczema Trading Limited seeks opportunities to merchandise the 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. A summary of the financial performance of Eczema Trading Limited is summarised in Note 21.

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

14. DEBTORS

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	42,380	-	37,100	-
Amounts owed by group undertakings	-	-	31,905	96,245
Gift aid recoverable	4,701	37,346	4,701	37,346
VAT recoverable	-	3,953	-	3,953
Other debtors	6,554	19,819	6,554	19,819
Prepayments and accrued income	9,121	9,235	9,121	9,235
	62,756	70,353	89,381	166,598

15. CREDITORS: Amounts falling due within one year

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	7,601	14,242	7,601	14,242
Other taxation and social security	7,791	5,469	6,911	5,469
Pension scheme deficit	14,636	14,760	14,636	14,760
Other creditors	-	2,962	-	2,962
Accruals and deferred income	68,002	8,157	63,190	7,497
	98,030	45,590	92,338	44,930

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Deferred income				
Resources deferred during the year	66,463	-	63,263	-

Deferred income consists of membership income relating to future periods. £58,130 is receivable within 12 months and is included in Creditors: amounts falling due within one year. £8,333 is receivable after 12 months and is included in Creditors: amounts falling due after one year.

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

16. CREDITORS: Amounts falling due after more than one year

	<u>Group</u>		<u>Charity</u>	
	2018	2017	2018	2017
	£	£	£	£
Pension scheme deficit	75,529	105,240	75,529	105,240
Accruals and deferred income	8,333	-	8,333	-
	<u>83,862</u>	<u>105,240</u>	<u>83,862</u>	<u>105,240</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	<u>Group</u>		<u>Charity</u>	
	2018	2017	2018	2017
	£	£	£	£
Repayable by instalments	13,249	35,240	13,249	35,240

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 £200,161 as at 31 December 2016.

As the Society intends to continue participating in the recovery plan, no provision has been made for this potential withdrawal debt however, the Society has accounted for the present value of all remaining contributions under the recovery plan in the 2017 accounts at their present value of £120,000, as advised by the scheme administrator. This liability will be adjusted annually to unwind the relevant discount applied.

In addition, the Charity 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 charity as ordinary employer contributions to the Series 4 defined contribution fund.

During the year employer contributions of £6,512 (2017: £138,588), interest of £1,565 (2017 - £2,000) and actuarial gains of £16,600 have been charged to the Statement of Financial Activities.

There were no accrued contributions at 31 December 2018 (2017: £NIL) but there is a liability of £90,165 for future contributions under the Series 3 Recovery Plan.

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

17. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2018 £
Designated funds						
Pension reserve	-	-	-	(106,765)	16,600	(90,165)
Fixed asset fund	-	-	-	33,019	-	33,019
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(73,746)</u>	<u>16,600</u>	<u>(57,146)</u>
Unrestricted funds						
General funds	533,074	289,218	(493,217)	73,746	-	402,821
Total Unrestricted funds	<u>533,074</u>	<u>289,218</u>	<u>(493,217)</u>	<u>-</u>	<u>16,600</u>	<u>345,675</u>
Restricted funds						
Research	753	-	-	-	-	753
Total of funds	<u>533,827</u>	<u>289,218</u>	<u>(493,217)</u>	<u>-</u>	<u>16,600</u>	<u>346,428</u>

Designated funds

The Pension reserve has been established to show the future pension deficit payments in regards to a defined benefit pension scheme. This pension scheme is being treated as a defined contribution pension scheme as a reliable estimate cannot be made of the liability at the year end. The transfer of £106,765 was made to separate the deficit payments due as 31 December 2018 from the Unrestricted general fund. Actuarial gains / losses are charged to this fund as they arise.

The fixed asset reserve has been established to reflect the funds tied up in fixed assets and agrees back to the Net Book Value presented on the Balance Sheet. The transfer of £33,019 was made to separate these funds from the unrestricted reserve.

Unrestricted funds

General funds reflects funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds

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.

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

17. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 January 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2017 £
Unrestricted funds						
General funds	895,517	216,909	(579,352)	-	-	533,074
Restricted funds						
Research	11,955	-	(11,202)	-	-	753
Total of funds	907,472	216,909	(590,554)	-	-	533,827

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	33,019	-	33,019
Current assets	494,548	753	495,301
Creditors due within one year	(98,030)	-	(98,030)
Creditors due in more than one year	(83,862)	-	(83,862)
	345,675	753	346,428

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	31,839	-	31,839
Current assets	652,065	753	652,818
Creditors due within one year	(45,590)	-	(45,590)
Creditors due in more than one year	(105,240)	-	(105,240)
	533,074	753	533,827

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

19. OPERATING LEASE COMMITMENTS

At 31 December 2018 the total of the Group's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Group and Charity		
Amounts payable:		
Within 1 year	20,000	20,000
Between 1 and 5 years	80,000	80,000
After more than 5 years	40,000	60,000
Total	140,000	160,000

20. RELATED PARTY TRANSACTIONS

At 31 December 2017 there was a loan outstanding from the previous Chief Executive Officer of £17,584. This loan was interest free and repayable on demand. The loan was paid in full during the year ended 31 December 2018.

There were no other related party transactions in the year other than Trustee and Key Management Personnel transactions detailed in Note 11.

21. PRINCIPAL SUBSIDIARIES

Eczema Trading Limited

Subsidiary name	Eczema Trading Limited
Company registration number	06895048
Basis of control	National Eczema Society
Equity shareholding %	100%
 Total assets as at 31 December 2018	 £ 17,918
Total liabilities as at 31 December 2018	£ 37,597
Total equity as at 31 December 2018	£ (19,679)
 Turnover for the year ended 31 December 2018	 £ 3,308
Expenditure for the year ended 31 December 2018	£ 5,885
Loss for the year ended 31 December 2018	£ (2,577)

The registered office of Eczema Trading Limited is: 11 Murray Street, London NW1 9RE.