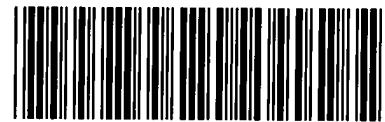


Company Number | 2685083
Charity Numbers
England and Wales | 1009671
Scotland | SCO43669

National Eczema Society
Report and Consolidated Financial Statements
Year to 31 December 2017

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

WEDNESDAY



A14 *A7AG5SIZ* #6
18/07/2018
COMPANIES HOUSE

TRUSTEES' REPORT

We present our report and the audited financial statements for the year to 31 December 2017. Legal and Administrative Information about the charity is summarised on page 12 and information about our group structure and corporate income is given on page 13. This trustees' report also contains a directors' report as required by company law.

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 children and adults 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. We remain committed to ensuring that the Society is at the end of the phone, or available online, 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 of relentless itching and inflammation the dreaded itch presents. Many healthcare professionals have little dermatology training, and access to good healthcare for people with eczema can sometimes 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 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 continue to provide people affected by eczema with the information and support they need, together with raising awareness and providing a collective voice to promote the interests of people with eczema. This underpins our determination to secure our long-term future as a UK wide charity entirely dedicated to supporting people with eczema.

TRUSTEES' REPORT

During the year under review our key activities have been:

- Providing information and support through our telephone and email helplines and through social media.
- Our Information Services: maintaining and updating our publications and website and our annual awareness campaign in National Eczema Week 2017, this year themed "Eczpress Yourself".
- 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.

2017 was a year of consolidation for the Society, including the recruitment of a new Director of Services to further strengthen our small team.

How our activities deliver public benefit

Our main activities and who we aim 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 2,800 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, 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.

TRUSTEES' REPORT

National Eczema Society Helpline

Our telephone and email helpline remains at the heart of our work, enabling us to provide the information, support and reassurance needed by people struggling to cope with eczema wherever they live in the UK. Our helpline is available free of charge to anyone who needs our support. In 2016 we introduced a dermatology nurse call-back service and this has been a continued success in 2017. People with more complex queries have the option of speaking with one of our dermatology nurse advisors and the service has proved very popular. Around 30% of all enquirers to the helpline received a call back from a dermatology nurse in 2017.

We continue to receive a range of enquiries about eczema symptoms and treatments from parents of children with eczema and adults living with the condition. Reflecting the experience of previous years, we continue to hear far more from people with more severe eczema and have seen an increase in the number of more complex calls. This is where the new nurse call-back feature continues to help greatly.

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 in print and online, with some people still preferring publications of any length on paper.

While we did not issue any new publications this year we did revisit a number of existing booklets, including those on childhood atopic eczema, itching and scratching, living with eczema and our guide specifically for teenagers.

Our website 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 2017

Whether it's by meeting up in person, talking over the phone or communicating online, it's vital to our psychological wellbeing to share how we're feeling – physically and mentally – and to ask for help if we're struggling. Equally, it can be just as beneficial to hear about someone else's experience, the highs and the lows, and to experience the relief of knowing that it's not just you on this rollercoaster ride. This was the inspiration behind National Eczema Week 2017, themed 'Eczpress Yourself'.

There were a number of standout events during the week right across the country, but our flagship event and Annual General Meeting was held at Kidlington in Oxford on 23 September. We were joined by renowned experts in the field of eczema to offer a fantastic programme of information, advice and support. Over 160 people affected by eczema joined us to hear talks on topics including:

- Managing eczema – Where does allergy fit in?
- Eczema – The psychological impact and the role of stress and self-help strategies
- Atopic eczema – New hope, new treatments
- Teenagers with atopic eczema and the transition to adulthood.

TRUSTEES' REPORT

The event also included a breakout area for attendees to put their individual questions to our team of Dermatology Nurse Advisors.

Our second special event of the week was held at Carnegie Hall in Dunfermline that included talks on Eczema Management and Allergies and Eczema, as well as an opportunity for attendees to speak to our team of Dermatology Nurse Advisors.

National Eczema Week is a time for everyone with eczema, and those who treat and support them, to come together – not only to highlight the complexities of the condition, the challenges it presents and the help that the National Eczema Society can provide, but also to draw on each other's experiences and knowledge to make daily life a little bit easier.

Public Information Events

In addition to our National Eczema Week activities we have continued to attend and organise public information events during the year throughout the UK. Highlights in 2017 included exhibiting at the Allergy & Free From shows in Glasgow, London and Liverpool, where we supported hundreds of people living with eczema by providing printed information and offering consultations with our dermatology nurse advisers.

Healthcare Professional Training

We were unable to run any of our usual Healthcare Professional Training days in 2017 due to staffing pressures and unfortunately we had to cancel those events that had been planned. Whilst regrettable, as a smaller charity we needed to be pragmatic when faced with unexpected circumstances.

We were able to continue other elements of our outreach programme for healthcare professionals, including exhibiting at the following events:

- Primary Care Live at the NEC
- The British Dermatological Nursing Group's Annual Conference
- The British Association of Dermatologists' Annual Meeting

TRUSTEES' REPORT

Future Plans

Strategic review

The Trustees plan to review the charity's strategic priorities over the year, to ensure the National Eczema Society continues to achieve the greatest impact it can for members and others living with eczema. While we recognise there is so much that needs to be done, NES will achieve the greatest impact 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. We plan to develop a multi-year (2018-2021) organisational strategy, which will reflect the charity's determination to reach and support many more people with eczema. It is likely that the scale and range of current NES work will change as a result of the strategic review, to enable the charity to focus on the most important areas whilst building financial sustainability.

Delivering services for people living with eczema

We will continue to deliver our core advice and support services, including the Society's helpline and information resources (principally website and printed booklets and leaflets). More complex helpline enquiries are referred to our specialist dermatology nurses, and the service will continue to respond to enquiries received by email and post. Among planned service improvements, we are aiming to implement more robust activity reporting and better demonstrate the impact of the charity's work, such as through user satisfaction surveys. A full review and reprint of the Additional Treatments booklet is planned, with updates scheduled to other booklets and factsheets on a rolling review cycle. We will also continue to offer support - through providing eczema information and a website presence - for local volunteer-led eczema support groups.

We will continue to operate our valued membership scheme, and support members with the membership magazine, Exchange. Due to increasing production and distribution costs, we will need to look at ways of reducing magazine costs in 2018, including the possibility of changing the magazine format and frequency and introducing email distribution. Members will be kept informed of any such developments.

In 2018, we plan to grow our organisational capacity to support patient and public involvement (PPI) in eczema research projects and other initiatives like clinical guideline development, where a patient voice is so important. National Eczema Society is routinely approached by researchers to provide 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.

Growing income and building financial sustainability

In 2018 we are placing a greater focus on growing our income to ensure we have the resources to achieve our charitable objectives and to build future financial sustainability. This includes investing more in our fundraising activities to develop new sources of income. We will seek to develop partnerships with companies that are willing to support our work and share our values, as well as apply for funding to more charitable trusts. Activities like the annual raffle will be reviewed and withdrawn if they are not proving cost-effective. Support from people with eczema and members remains a vital element of the charity's income, and will be encouraged during the year through specific fundraising appeals.

TRUSTEES' REPORT

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 NES provides for people living with eczema and their families. Activities include charity communications through social media and the media, exhibiting at Allergy & Free From shows, and the annual flagship awareness event, National Eczema Week. Social media in particular offers a cost-effective means to significantly improve the Society's reach among supporters, people living with eczema and the healthcare professionals who care for them.

With funding partly generated through our 2017 Christmas appeal, we are planning to 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 also want to explore the potential for introducing a regular monthly newsletter for supporters, and intend to increase our engagement on social media. We will continue with our core awareness-raising activities during the year, including exhibiting at key exhibitions and shows across the UK, such as the Allergy and Free From Shows. We are also aiming to increase the Society's voice in media coverage about eczema, through giving press comment and initiating coverage as part of our campaigning work.

The theme of the flagship awareness-raiser National Eczema Week in 2018 is 'Take Action on Eczema'. Many children and adults with eczema are not managing their condition as well as they could, and we are urging everyone to take action this September to make improvements. This could be booking an appointment to see your GP, to find out what more can be done to manage your symptoms, trying a new emollient, or finding out ways to manage stress more effectively. Eczema is a highly personal condition and treatment that works for one person may not work for others. During the week National Eczema Society will hold an eczema information day in Leeds, open to everyone affected by eczema, with leading dermatology experts speaking at the event.

2018 promises to be an exciting year for eczema, with the development of a new biologic treatment for people with moderate to severe eczema. National Eczema Society will take an active role in pressing the patient case for new treatments with the National Institute for Health and Care Excellence (NICE) and the Scottish Medicine Consortium for use in NHS Scotland. We will also be campaigning on behalf of eczema sufferers wherever relevant, including pressing for emollients for people with eczema to be available on prescription.

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.

TRUSTEES' REPORT

Healthcare professional engagement

We are planning on running three healthcare professional training days in 2018, in Manchester, Bristol and London. We are expecting to attract around 200 delegates across these three events, which also include an associated exhibition from pharmaceutical companies and emollient providers.

As in previous years, we are running an awareness programme for healthcare professionals, including exhibiting at key events like the Child Health Regional Forums and British Association of Dermatologists Annual Meeting, and having a presence at other important events like the British Dermatology Nursing Group Annual Conference. Our aim is to ensure key healthcare professionals hear our message and learn more about eczema management.

Building organisational capacity

In 2018 we plan to strengthen our organisational capacity and infrastructure in a number of areas. We will introduce changes to our internal systems in order to ensure compliance with the General Data Protection Regulation (GDPR) legislation, as well as undertake a major exercise to engage with all Society stakeholders to seek their consent to stay in contact. We need to replace some of our aging computer and database systems during the year, to enable us to maintain the services we provide to members and others with eczema safely and efficiently. We are also reviewing our existing administrative and finance systems and processes, to make sure they remain optimal for the Society's needs going forward.

Activities in 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.

As in recent years, Scotland has proven to be a strong area for support of the Society, with community events in the region well attended. This year we plan to exhibit and share knowledge at the Allergy & Free From Show Scotland in Glasgow and at the British Association of Dermatologists Annual Meeting in Edinburgh.

Results

Consistent with our budgeted deficit and intention to reduce reserves in this period of consolidation, the outcome for the year was a deficit of £373,645. This compares with a deficit of £168,713 in the year ended 31 December 2016. At 31 December 2017 our reserves stood at £533,827 (£907,472 at 31 December 2016).

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.

TRUSTEES' REPORT

Reserves Policy

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

The balance held as unrestricted funds at 31 December 2017 was £533,074, of which £501,235 are regarded as free reserves, after allowing for funds tied up in tangible assets. Actual six month expenditure totalled approximately £230,000. The current level of reserves is therefore higher than is needed and this will be addressed by maintaining current service levels throughout the current period of consolidation.

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. In the future this will require additional focus and investment in our fundraising activities, to ensure we generate sufficient income now that reserves are at lower levels than in previous years.

The principal risk of financial sustainability for the charity is very closely monitored and reviewed by the trustees on a regular basis. Attention also continues to focus on non-financial risks arising from health and safety, reputation, security, confidentiality, data protection, welfare, morale, etc., which are supported by appropriate policies and procedures as well as regular updates.

Investment Policy

All surplus funds are currently placed on deposit.

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 12.

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, its network of local support groups and other networks. 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 range of locations within the UK.

TRUSTEES' REPORT

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 governance 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 Chief Executive.

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.

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, 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.

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:

TRUSTEES' REPORT

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Auditors

Bromhead are willing to continue in office.

Signed on behalf of the Trustees

Edward Davies
Chair

A handwritten signature in black ink, appearing to read 'Edward Davies', written over a horizontal line.

LEGAL AND ADMINISTRATIVE INFORMATION

Status and Governing Document	The National Eczema Society is a charitable company, limited by guarantee. It was incorporated on 6 February 1992 and registered as a charity on 10 March 1992. It is governed by its Articles of Association.	
Company Number	2685083	
Charity Numbers	England and Wales	1009671
	Scotland	SCO43669
Registered Office and Operational Address	11 Murray Street London NW1 9RE	
Subsidiary companies	Eczema Trading Ltd	
Trustees		Appointed or Resigned as a trustee since 31 December 2016
Chair	to 23 September 2017 From 23 September 2017	Elaine Oke Edward Davies R 15 January 2018
Vice Chair		Ellen Vincent
Treasurer	to 23 September 2017 From 23 September 2017	Edward Davies Stephen Pugh A 25 February 2017
Others		Alexis Brooke Suzanne Watson (formerly Johns) Myrtle Johnston
Chief Executive Officer	Margaret Cox Andrew Proctor	
	From 1 March 2018	
Company Secretary	James Groves	
Principal Bankers	National Westminster Bank plc CAF Bank Ltd Barclays Bank plc	
Auditors	Bromhead Chartered Accountants and Statutory Auditors Harscombe House, 1 Darklake View, Plymouth, PL6 7TL	

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 2017, no one company contributed more than 2.3% 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.

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

We have audited the financial statements of the National Eczema Society for the year ended 31 December 2017 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 including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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 2017, 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;

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

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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.



Lee Curtis (Senior Statutory Auditor)
For and on behalf of Bromhead
Chartered Accountants
Statutory Auditors
Harscombe House
1 Darklake View
Plymouth
PL6 7TL

11 July 2018

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 2017

		Restricted	Unrestricted	Year to 31 Dec 2017	Year to 31 Dec 2016
	Note	£	£	£	£
Income and endowments from:					
Donations and legacies	3	-	202,322	202,322	283,317
Charitable activities		-	402	402	2,522
Other trading activities	4	-	12,285	12,285	15,830
Investments		-	1,900	1,900	2,686
Total		-	216,909	216,909	304,355
Expenditure on:					
Raising funds					
Cost of generating voluntary income		-	47,860	47,860	33,304
Fundraising trading: cost of goods		-	10,478	10,478	9,554
Charitable activities		11,202	521,014	532,216	430,210
Total	5	11,202	579,352	590,554	473,068
Net Income/(Expenditure) for	6	(11,202)	(362,443)	(373,645)	(168,713)
Net Movement in Funds		(11,202)	(362,443)	(373,645)	(168,713)
Funds at 1 January 2017		11,955	895,517	907,472	1,076,185
Funds at 31 December 2017	16	753	533,074	533,827	907,472

The notes on pages 18 to 28 form an integral part of these financial statements.

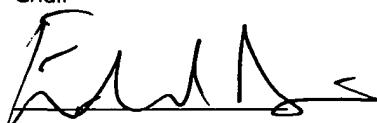
BALANCE SHEET
At 31 December 2017

	Note	The Group		The Company	
		31 Dec 2017 £	31 Dec 2016 £	31 Dec 2017 £	31 Dec 2016 £
Fixed Assets					
Tangible fixed assets	9	31,839	37,514	31,839	37,514
Investments	10	-	-	100	100
		31,839	37,514	31,939	37,614
Current Assets					
Debtors	11	70,353	43,603	166,598	134,981
Cash at bank and in hand		582,465	860,475	502,662	779,797
		652,818	904,078	669,260	914,778
Creditors: Amounts falling due within one year	12	150,830	34,120	150,170	33,460
Net Current Assets		501,988	869,958	519,090	881,318
Net Assets		533,827	907,472	551,029	918,932
Funds					
Restricted funds		753	11,955	753	11,955
Unrestricted funds:					
General Reserves		533,074	895,517	550,276	906,977
Total Funds	16	533,827	907,472	551,029	918,932

The notes on pages 18 to 28 form an integral part of these financial statements.

Signed on behalf of the Trustees

Edward Davies
Chair



Company Number 2685083

NOTES TO THE FINANCIAL STATEMENTS

1 Statutory Information

National Eczema Society (company number 02685083) is a charitable company limited by guarantee, registered in England and Wales. Its registered office is 11 Murray Street, London, NW1 9RE. Its principal operation is to support people whose lives are affected by eczema and to work on their behalf.

2 Accounting Policies

Basis of accounting The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The accounts have been prepared under the historical cost convention.

The Charity constitutes a public benefit entity as defined by FRS102.

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

Critical accounting judgements and key sources of estimation uncertainty In application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

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.

NOTES TO THE FINANCIAL STATEMENTS

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 at the following annual rates in order to write off the cost of each asset over its estimated useful life.

Computer equipment - Over 3 years

Office equipment - Over 10 years

Furniture and fixtures - Over 10 years

Leasehold improvements - Over 10 years

Leasing All leases of property and equipment are considered to be operating leases, and rentals are charged against revenue when incurred. No assets are held under hire purchase agreements or finance leases.

Stock Stocks of goods held for resale are stated at the lower of cost and net realisable value. Stocks of publications held for future distribution free of charge are written off in the year of purchase.

NOTES TO THE FINANCIAL STATEMENTS

Pensions The Pensions Act 2011 has retrospectively amended the definition of a money purchase scheme. As a result, the scheme that the Society participated in has now to be regarded as a defined benefit scheme. That scheme (Series 3) closed to contributions on 30 September 2013. To avoid crystallizing an immediate payment of our now apparent under-funding in the Series 3 scheme (see note 14), 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 as ordinary employer contributions to the Series 4 fund. The Society's total liability under the recovery plan for Series 3 has been recognised in the accounts for the year ended 31 December 2017 at its present value. Contributions towards this plan continue to be made on a monthly basis and the accounts will recognise the unwinding of the relevant discount provision.

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. As noted above, the liability under the recovery plan entered into by the Society has been recognised in the accounts for the year ended 31 December 2017.

Financial instruments The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

	Restricted £	Unrestricted £	31 Dec 2017 Total £	31 Dec 2016 Total £
3 Donations and legacies				
Subscriptions	-	50,142	50,142	49,478
Donations and similar income	-	114,301	114,301	115,355
Legacies	-	19,331	19,331	100,057
Gift aid	-	18,548	18,548	18,427
	-	<u>202,322</u>	<u>202,322</u>	<u>283,317</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.

NOTES TO THE FINANCIAL STATEMENTS

	Restricted £	Unrestricted £	31 Dec 2017 Total £	31 Dec 2016 Total £
4 Other trading activities				
Income of Eczema Trading Ltd	-	-	-	-
Other corporate income	-	290	290	5,350
Other activities	-	11,995	11,995	10,480
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>-</u>	<u>12,285</u>	<u>12,285</u>	<u>15,830</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	Research	Support Costs	31 Dec 2017	31 Dec 2016
	£	£	£	£	£	£	£	£	£	£	£
Salaries and wages	13,217	-	1,328	-	22,120	38,436	63,376	4,640	40,388	183,505	163,524
Social security costs	1,256	-	127	-	2,068	3,731	6,259	528	951	14,920	12,103
Pension costs	403	-	32	-	320	545	1,632	141	15,515	18,588	17,060
Pension deficit contribution	-	-	-	-	-	-	-	-	120,000	120,000	-
Premises costs	-	-	-	-	-	-	-	-	22,836	22,836	22,885
Carriage and postage	1,433	-	-	-	568	6,020	704	-	6,687	15,412	14,303
Design and print	3,118	-	-	321	-	27,435	885	-	479	32,238	45,141
Professional fees	1,202	660	-	19,813	1,544	19,853	6,335	-	33,337	82,744	92,463
Bought-in services	-	-	-	18,977	-	-	-	-	-	18,977	16,308
Website, database and computing	80	-	-	-	-	-	648	-	13,902	14,630	16,756
Insurance	-	-	-	-	-	-	-	-	8,033	8,033	8,889
Depreciation	-	-	-	-	-	-	-	-	6,268	6,268	6,660
Other costs	2,111	93	3,150	-	3,139	-	3,694	32	40,184	52,403	56,976
	22,820	753	4,637	39,111	29,759	96,020	83,533	5,341	308,580	590,554	473,068
apportioned in line with other expenditure	25,040	-	5,088	42,917	32,654	105,361	91,659	5,861	(308,580)	-	-
	<u>47,860</u>	<u>753</u>	<u>9,725</u>	<u>82,028</u>	<u>62,413</u>	<u>201,381</u>	<u>175,192</u>	<u>11,202</u>	<u>-</u>	<u>590,554</u>	<u>473,068</u>

NOTES TO THE FINANCIAL STATEMENTS

	Year to 31 Dec 2017	Year to 31 Dec 2016
	£	£
6 Net Income/(Expenditure) for the Year		
This is stated after charging:		
Depreciation	6,268	6,660
Auditors' remuneration	7,000	8,187
Auditors' remuneration - non audit services	35,196	23,877
Operating lease rentals: property	20,000	20,000
Trustees' travelling expenses (Remuneration Nil)	959	887
Five trustees were paid travelling expenses during the year (2016, four)	<u> </u>	<u> </u>

7 Staff Costs and Numbers

Staff costs were as follows:

Salaries and wages	183,505	163,524
Social security costs	14,920	12,103
Pension costs	18,588	17,060
Pension deficit	120,000	0
	<u> </u>	<u> </u>
	337,013	192,687
	<u> </u>	<u> </u>

No employee earned more than the equivalent of £60,000 a year (2016, none).

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

	No.	No.
Direct charitable activities	5	4
Fundraising and communication	1	1
Support and governance	1	1
	<u> </u>	<u> </u>
	7	6
	<u> </u>	<u> </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 £
Cost					
At 1 January 2017	17,513	3,044	2,493	36,666	59,716
Additions	590	-	-	-	590
At 31 December 2017	<u>18,103</u>	<u>3,044</u>	<u>2,493</u>	<u>36,666</u>	<u>60,306</u>
Depreciation					
At 1 January 2017	14,601	748	434	6,419	22,202
Charge for year	2,045	304	248	3,668	6,265
At 31 December 2017	<u>16,646</u>	<u>1,052</u>	<u>682</u>	<u>10,087</u>	<u>28,467</u>
Net Book Value					
At 31 December 2017	<u>1,457</u>	<u>1,992</u>	<u>1,811</u>	<u>26,579</u>	<u>31,839</u>
31 December 2016	<u>2,912</u>	<u>2,296</u>	<u>2,059</u>	<u>30,247</u>	<u>37,514</u>

10 Investments

	The Company	
	Year to 31 Dec 2017 £	Year to 31 Dec 2016 £
Investment in subsidiary undertaking: Eczema Trading Limited	<u>100</u>	<u>100</u>
	<u>100</u>	<u>100</u>

NOTES TO THE FINANCIAL STATEMENTS

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

Company Number: 06895048. Registered Office: 11 Murray Street, London NW1 9RE

	The Company	
	31 Dec 2017 £	31 Dec 2016 £
Turnover	-	-
Cost of sales	<u>(4,000)</u>	<u>(4,000)</u>
Gross profit	(4,000)	(4,000)
Administrative and other expenses	<u>(1,753)</u>	<u>(1,917)</u>
Operating profit	(5,753)	(5,917)
Interest receivable	<u>11</u>	<u>32</u>
Loss retained / Profit covenanted to the Society	<u>(5,742)</u>	<u>(5,885)</u>

	The Group		The Company	
	£ 2017	£ 2016	£ 2017	£ 2016
11 Debtors				
Operating debtors	61,118	35,728	61,118	35,729
Amounts due from subsidiary undertaking	-	-	96,245	91,377
Prepayments	<u>9,235</u>	<u>7,875</u>	<u>9,235</u>	<u>7,875</u>
	<u>70,353</u>	<u>43,603</u>	<u>166,598</u>	<u>134,981</u>
12 Creditors: Amounts falling due				
Operating creditors	17,204	16,395	17,204	16,395
Pension scheme deficit contributions	120,000	-	120,000	-
Taxation and social security	5,469	7,672	5,469	7,672
Accruals	<u>8,157</u>	<u>10,053</u>	<u>7,497</u>	<u>9,393</u>
	<u>150,830</u>	<u>34,120</u>	<u>150,170</u>	<u>33,460</u>

NOTES TO THE FINANCIAL STATEMENTS

13 Leasing agreements

Minimum lease payments under non-cancellable operating leases fall due as follows:

	The Group		The Company	
	£	£	£	£
	2017	2016	2017	2016
Within one year	20,000	20,000	20,000	20,000
Between one and five years	80,000	80,000	80,000	80,000
After more than five years	60,000	80,000	60,000	80,000
	<u>160,000</u>	<u>180,000</u>	<u>160,000</u>	<u>180,000</u>

NOTES TO THE FINANCIAL STATEMENTS

14 Pension scheme deficit

As explained in note 2, 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 these 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. Continuing contributions into the Series 4 pension have been accounted for as a defined contribution scheme.

During the year employer contributions of £138,588 (2016: £17,060) were charged to the Income and Expenditure Account, including the £120,000 noted above. There were no accrued contributions at 31 December 2017 (£1,681 at 31 December 2016) but there is a liability of £120,000 for future contributions under the Series 3 Recovery Plan.

15 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.

16 Group Funds

	Restricted	Unrestricted	Total
	Research	General Reserves	
	£	£	£
Balance at 1 January 2017	11,955	895,517	907,472
Total Incoming Resources	-	216,909	216,909
Total Resources Expended	(11,202)	(579,352)	(590,554)
Balance at 31 December 2017	753	533,074	533,827
Represented by:			
Tangible Fixed Assets	-	31,839	31,839
Current Assets	753	652,065	652,818
Current Liabilities	-	(150,830)	(150,830)
	753	533,074	533,827

NOTES TO THE FINANCIAL STATEMENTS

17 Related party transactions

At 31 December 2017 there was a loan outstanding from the Chief Executive of £17,584. This loan was interest free and repayable on demand. The loan has been repaid in full since the year end.

There have been no other related party transactions in the reporting period that require disclosure.

18 Individual Statement of Financial Position

		Restricted	Unrestricted	31 Dec 2017	31 Dec 2016
	Note	£	£	Total £	Total £
Income and endowments from:					
Donations and legacies	3	-	202,322	202,322	283,317
Charitable activities		-	402	402	2,522
Other trading activities	4	-	17,285	17,285	20,798
Investments		-	1,889	1,889	2,686
		-----	-----	-----	-----
Total		-	221,898	221,898	309,323
Expenditure on:					
Raising funds					
Cost of generating voluntary income		-	47,860	47,860	33,304
Fundraising trading: cost of goods sold and other costs		-	9,725	9,725	8,637
Charitable activities		11,202	521,014	532,216	430,210
		-----	-----	-----	-----
Total	6	11,202	578,599	589,801	472,151
Net Income/(Expenditure) for the year	7	(11,202)	(356,701)	(367,903)	(162,828)
		-----	-----	-----	-----
Net Movement in Funds		(11,202)	(356,701)	(367,903)	(162,828)
Funds at 1 January 2017		<u>11,955</u>	<u>906,977</u>	918,932	<u>1,081,760</u>
Funds at 31 December 2017	16	<u>753</u>	<u>550,276</u>	551,029	<u>918,932</u>

The exemption conferred by s408 of the Companies Act 2006 is being relied upon.