

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

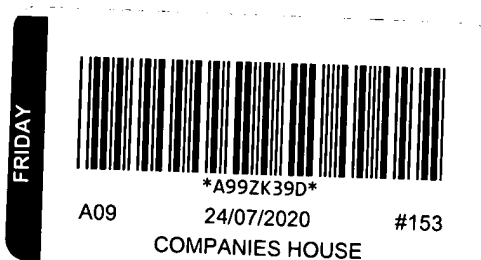
# **NATIONAL ECZEMA SOCIETY**

**(A Company Limited by Guarantee)**

**UNAUDITED**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**



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**NATIONAL ECZEMA SOCIETY**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**Trustees**

Edward Davies, Chair  
Ellen Vincent, Vice Chair  
Stephen Pugh, Treasurer  
Alexis Brooke  
Myrtle Johnston  
Suzanne Watson  
Catherine Escott (appointed 21 September 2019)  
Dr Celia Moss (appointed 4 December 2019)  
James Pitayanukul (appointed 18 March 2020)

**Company registered number**

02685083

**Charity registered numbers**

1009671 and SCO43669

**Registered office**

11 Murray Street, London, NW1 9RE

**Chief executive officer & company secretary**

Andrew Proctor

**Accountants**

MHA MacIntyre Hudson, 6th Floor, 2 London Wall Place, London, EC2Y 5AU

**Principal Bankers**

CAF Bank Ltd, National Westminster Bank plc, Barclays Bank plc

**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.

**Subsidiary Companies**

Eczema Trading Limited

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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The Trustees present their annual report together with the financial statements of the Group and the Charity for the year 1 January 2019 to 31 December 2019. 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). 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**

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, to help shape research and in improving medical care, along with raising awareness and understanding of the condition among people affected by eczema and the wider public.

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. National Eczema Society aims to provide the information and support needed for people 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 charitable aims**

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

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**2019 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. Supporting people with advice and information remains a cornerstone of the Society's work, as does our role to raise awareness and be a 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. Above all, we aim to reach and support many more people with eczema across the UK and give additional support to those in greatest need of help.

**Strategic plan implementation**

The year ushered in a period of major change and development for the Society, as we implemented a far-reaching programme to restructure our operations, building on the earlier strategic review undertaken by Trustees. The new strategy is focused on growing the services and support we provide for people with eczema, while ensuring charity expenditure is aligned to income. We have achieved this by increasing income as well as reducing costs through greater operational efficiencies.

Regrettably, three staff left the charity in March as part of the restructure programme and we are very grateful for their years of service to the Society and commitment to people with eczema. We also took the difficult decision to stop running eczema study days for healthcare professionals, as we were unable to operate at the scale needed to make this activity economically viable and achieve the reach and impact that is needed. We are exploring other ways to provide comparable training opportunities for healthcare professionals through online learning.

**Delivering information and advice for people living with eczema**

The Society continues to deliver its valued services, providing high-quality, evidence-based information and advice about eczema and its management for people living with the condition and their families.

Our telephone and email Helpline is at the heart of the Society's work, enabling the charity to provide the independent advice and reassurance needed by people struggling to cope with eczema wherever they live in the UK. We receive around 1,500 enquiries a year from parents of children with eczema and adults living with the condition. These cover a wide range of questions about eczema symptoms and treatments, from the latest biologic drugs to eczema-friendly clothing. We offer a dermatology nurse call-back service for people who have more complex enquiries, and around 40% of callers are helped by one of our experienced dermatology nurse advisers. Our Helpline is available free of charge to anyone affected by eczema who needs our support.

In November 2019 we brought our Helpline phone service operation in-house, ending the previous arrangement with an outsourced contact centre provider. Helpline email enquiries have always been managed by Society staff. As part of this change we implemented new cloud-based call-handling software that enables us to operate our Helpline service cost-effectively and to utilise our staff resources efficiently. Our staff now respond to all Helpline enquiries, drawing on their extensive knowledge of eczema, enabling the Society to be confident we are consistently achieving high service standards. Importantly too, the feedback we receive directly from callers helps us to improve and grow our service offer and organisational understanding of the challenges people experience with eczema.

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Alongside our Helpline, the Society produces a wide range of patient information booklets and factsheets about eczema management and treatment, available online and in print. We distribute printed copies at events the charity organises and attends, and we continue to provide healthcare professionals with free-of-charge bulk copies of our printed publications, for onward distribution to patients in hospital clinics and other healthcare settings.

National Eczema Society publications are updated regularly on a rolling review cycle and checked by healthcare professionals to ensure the information is accurate and up-to-date. Our suite of 30 eczema information factsheets was redesigned during the year, adopting a new two-column layout and contemporary typography that assists with readability. We also updated and reprinted a number of our booklets over the year, including *Childhood Atopic Eczema*, *Itching and Scratching*, *Contact Dermatitis* and our *Guide for Teenagers with Eczema*. We continued to raise awareness of local volunteer-led patient support groups, by providing information and a presence for these groups on the Society's website. There was good attendance at the information event in April organised by the Society's West Surrey and North-East Hampshire Support Group, where Professor Carsten Flohr talked about the importance of 'good' and 'bad' bacteria in eczema.

We publish all our eczema information on the Society's website, which continues to be well used, and promote health advice messaging through our social media channels and other external communications.

**NES membership scheme**

The National Eczema Society is a membership organisation. During the period under review we had approximately 2,300 members, who support the Society through their annual membership fee and additional donations. Members receive our quarterly magazine, *Exchange* and free access to all our printed publications. Members are encouraged to attend the Society's Annual General Meeting and contribute their ideas on the running of the charity. 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.

Following a long period of no change, we took the decision to increase the membership fee for individuals from £20 to £25 per annum, starting in February 2020. This is a considerable administrative undertaking, as members pay their annual membership fee by various methods, such as direct debit, standing order, online and by cheque.

**Representing the patient voice**

As the national patient organisation representing people with eczema, the Society takes a leading role in providing a collective patient voice for people with eczema, campaigning to improve eczema care across the four nations. During the year we developed a stronger campaigning voice to challenge health inequalities like the NHS moves to ration emollients on prescription. We also seek to improve health outcomes for people with eczema by influencing health policy and participating in groups like the All Party Parliamentary Group on Skin (APPGS) and working with professional bodies like the British Association of Dermatologists.

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We continue to expand our organisational capacity to support patient involvement in shaping research. NES is approached regularly by researchers asking for patient insights and this is an area where the Society is uniquely placed to represent a collective patient voice, being the charity for everyone affected by eczema across the UK. It is so encouraging to see such a range of research underway in eczema, following a long period when it was largely overlooked. We are actively supporting eczema research by participating in study steering groups, providing patient perspectives on research projects, and working with universities and companies that are assessing and developing new drug treatments. We do this to help ensure eczema research has the greatest chance of success in finding new treatments and ultimately a cure. The Society is collaborating on an exciting international research initiative called BIOMAP, which aims to use biomarkers to predict people's response to treatments. This opens the door to more personalised medicine and is the kind of research where genuine breakthroughs are made.

We also contribute a patient perspective to clinical guideline development, the assessment of new treatments, and policy consultations. During the year we submitted evidence to the National Institute of Health and Care Excellence (NICE) for its assessment of several new drugs for eczema, including the topical treatment Crisaborole and a new type of JAK-inhibitor drug called Baricitinib to treat moderate-to-severe eczema. We also contributed to two new eczema care guideline initiatives being undertaken by the British Society for Allergy and Clinical Immunology and Sanofi. In other developments, the Society was delighted to see that the new biologic drug Dupilumab has been approved for use in the NHS to treat teenagers with moderate to severe eczema, following its earlier approval for the treatment of adults.

The Society has been concerned for some time about moves by the NHS to restrict the availability and range of emollients on prescription, for both children and adults. Emollients are essential for managing eczema as reflected in clinical guidelines. There seems to be a perception among some health commissioners that because it is possible to purchase emollients in pharmacies and some other shops, they should not be offered on prescription. Guidance issued in 2018 by NHS England confirms that leave-on emollients can be prescribed for people with eczema, but this guidance is not always understood or followed by GPs. Furthermore, many primary care organisations are limiting the range of emollients people can obtain on prescription, and the amount, which is causing huge hardship. During the year the Society produced evidence-based guidance to help people self-advocate with their doctor to obtain the emollients and other treatments they need to manage their eczema.

NHS England conducted another consultation, closing in February 2019, this time proposing to stop making bath emollients and therapeutic silk garments available on prescription for people with eczema, including those with more severe symptoms. This is the third such consultation in three years, all proposing to either ration or remove eczema treatment on NHS prescription. The Society participated fully in the latest consultation exercise and encouraged people with eczema and other stakeholder organisations to submit responses. The decision by NHS England to press ahead with the proposals, despite the many submissions opposing this move, was hugely disappointing.

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The Society's Chief Executive, Andrew Proctor, spoke at an APPGS meeting in April to highlight the huge issue of emollient rationing among UK parliamentarians. His talk focussed on the damaging result of the NHS approach to limiting emollients on prescription and the negative impact this has on people's ability to self-manage their eczema. Three Society patient ambassadors, including eight-year-old Amelia Campbell, talked powerfully about their own experiences of living with eczema at a following APPGS meeting in July, reinforcing the importance of emollients as a first-line therapy for repairing and protecting the dry skin associated with eczema. Society supporters were encouraged to write to their MP, highlighting the issue of emollient rationing and asking them to attend these APPGS meetings in Westminster.

We worked with professional bodies over the year including the British Dermatological Nursing Group (BDNG), to better understand the impact of emollient rationing from the perspective of healthcare professionals. In a survey of BDNG members, some 80% of respondents agreed that patients' ability to self-manage their eczema had been adversely affected by changes to emollient prescribing. The survey results were presented in a poster display at the BDNG annual meeting in Harrogate in June. The Society also worked with the Primary Care Dermatology Society (PCDS) on a similar survey of its GP and practice nurse members, and Andrew Proctor spoke at the PCDS autumn meeting on this topic.

The Society has been working hard behind the scenes to engage and support other skin charities and professional bodies that are also concerned about emollient rationing. These include the British Association of Dermatologists, Primary Care Dermatology Society, British Dermatological Nursing Group, Dermatology Council of England and All Party Parliamentary Group on Skin. Drawing on the combined influence of this 'coalition of concern', representatives of these organisations met with NHS officials in December to explain the problems and suffering that emollient rationing is causing. Andrew Proctor attended on behalf of the Society and represented other skin charities. The Society conducted an online survey among people with eczema prior to this meeting, which showed overwhelmingly that people's health is suffering as a result of emollient rationing. We are cautiously optimistic that NHS England will now issue further guidance to make clear that leave-on emollients can and should be prescribed to people with long-term inflammatory skin conditions like eczema.

In other influencing activity, the Society contributed to ongoing work by the Medicines and Healthcare Products Regulatory Agency (MHRA) to introduce fire warning labels on emollient packaging. Emollients are not flammable in themselves, or when they are on the skin. However, if bedding, clothing or dressings containing dried emollient residue catches fire (from a naked flame), they burn more quickly and intensely. The Society has been pressing for the MHRA publicity on the new warning labels to be proportionate to the low level of risk to most people from using emollients. We are concerned that misinformed publicity could discourage people from using emollients to manage their eczema, and healthcare professionals from prescribing them.

**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 2019 included exhibiting at the three-day Allergy & Free From Show in London, where we supported hundreds of people living with eczema by providing information and literature and offering consultations with our dermatology nurse advisers. Our nurse advisers also gave talks on eczema at the associated learning events at the show.



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We continued to increase our social media activity over 2019, reflecting the growing trend for people to seek and share eczema information through Facebook, Twitter and other social media. During the year we added 1030 Facebook followers, to reach a total of 18,560, and we had 7175 Twitter followers at year-end.

Capacity constraints and competing priorities meant we had fewer resources to devote to media work during the year. The Society provided press comment on a number of eczema stories in the media and was featured in a dermatology supplement published in The Guardian newspaper in December.

Towards the end of the year we took forward our ambition to develop a new website, to better serve the charity's needs going forward as we look to expand our reach and impact. We recognise the strategic importance of having an effective website as a core digital capability and in particular enhanced content management functionality. The current website was designed some years ago using a software platform that is no longer fit for purpose. Following a competitive tendering process, we appointed a digital agency called Bluestone365 to design our new site. Initial design work started late in 2019, and we expect to launch the new site in the first quarter of 2020.

The theme of our flagship awareness-raiser National Eczema Week in September 2019 was 'Confidence to care', highlighting the importance of people having the knowledge and confidence to manage their eczema well. This includes asking for the right medical care when they need it, which is becoming more of a concern as increasingly the NHS is seeking to restrict access to emollients on prescription. During the week the Society held a popular eczema information day at Birmingham Children's Hospital, open to everyone affected by eczema and supported by leading dermatology experts. A record number of hospitals, GP practices and pharmacies around the UK got behind the campaign and ran local eczema information and awareness events.

**Growing income and building financial sustainability**

In 2019 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.

We are immensely grateful to our thoughtful and generous supporters who choose to leave a gift to National Eczema Society in their Will. Our income from legacies in 2019 was considerably higher than in many previous years, and has been so important in building a stronger financial footing for the Society during a period of major change.

We continue to develop partnerships with companies that share our values and are willing to support our work and engage in joint awareness-raising and campaigning activity. During the year we finalised or renewed corporate membership agreements with AbbVie, Dermal Laboratories, Eli Lilly, Johnson & Johnson, LEO Pharma, Reckitt Benckiser (E45) and Sanofi. 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.

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There were many fundraising highlights during the year. Once again we benefitted from the commitment and energy of our team of runners in the London Marathon, who do so much to help raise awareness of eczema and the Society. The team of eight runners raised almost £20,000. We so appreciate the support and funding of everyone who runs, walks and cycles for National Eczema Society in events up and down the UK. Staff from LEO Pharma, one of the Society's corporate partners, got together and did a 'marathon' 26-mile sponsored walk in July, raising over £5000 and that sum was generously matched by the company. We were again hugely grateful to the staff and associates of the company Swagelok Manchester, who continue to support us and donated the magnificent sum of £10,000 in December. The Society's West Surrey and North-East Hampshire Support Group volunteers held a range of fundraising events over the year and presented a cheque for £2,000 at the Annual General Meeting in September. Members and donors generously supported our summer and Christmas fundraising appeals once again and we are grateful to everyone who supported the Society in different ways with their fundraising over the year.

**2020 Plans and Objectives**

Looking ahead, we aim to ensure National Eczema Society continues to achieve the greatest impact it can for members and others living with eczema. Our operating plan provides a strong platform to achieve a balanced 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 strategically important activity such as the new website and wider digital capability, our fundraising and strengthening our collective patient voice.

**Deliver information and advice services for people affected by eczema**

We will continue to deliver our core service offer, providing high-quality, evidence-based information and advice on eczema and its management for people living with eczema and their families. We will also maintain our valued membership scheme, producing Exchange magazine quarterly that forms the core benefit of membership. Our development priorities for 2020 are:

- Subject to funding availability, scope and produce new information booklets on systemic treatments for eczema and the psychological and emotional impact of eczema.
- Following a long period when fees remained the same, we will increase the annual membership fee for individuals from £20 to £25 per year starting in February 2020.

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**Develop louder patient voice – campaigning for change and supporting research**

The Society takes a leading role in providing a collective patient voice for people with eczema, campaigning to challenge health inequalities across the four nations. We also seek to improve health outcomes for people with eczema through influencing health policy and supporting patient involvement in research. Our development priorities for 2020 are:

- Continue to challenge NHS England and other NHS organisations on commissioning guidelines and practices that seek to ration the availability of emollients on prescription for people with eczema.
- Contribute with patient perspectives to clinical guideline development, assessment of new treatments and policy consultations related to eczema.
- Participate fully in major research projects to help shape and advance eczema research that is assessing current treatments and development of new drugs.

**Grow awareness and understanding of eczema**

National Eczema Society undertakes a range of activities to raise awareness and understanding of eczema among the general public, and to promote the information and advice the charity provides for people living with eczema and their families. Our development priorities for 2020 are:

- Develop and launch a new website for the Society early in 2020, which will better serve our needs going forward as we look to expand our reach and impact.
- Increase our content and engagement on social media and grow followers/likes on Facebook, Twitter and Instagram.
- Seek greater media coverage of our annual flagship awareness event, National Eczema Week in September, and encourage dermatology healthcare professionals and NES volunteers to undertake local promotion.
- Introduce a monthly email newsletter for people with eczema, to provide regular information and advice updates and flag opportunities to support the charity.

**Grow income and commercial partnerships**

We are placing 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 and developing new sources of income. Development priorities for 2020 are:

- Continue to build partnerships with companies that share our values and are willing to support our work.
- Grow our engagement with, and income from, charitable trusts.

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**Strengthen our organisational capacity**

We will continue with our programme to strengthen organisational capacity and infrastructure in a number of areas, to improve the charity's efficiency and digital capability. Our development priorities for 2020 are:

- Review office requirements and explore options for moving to different premises that better meet the Society's current and future needs.
- Subject to funding availability, upgrade our supporter database to the latest cloud-based version, to take advantage of the full functionality.
- Replace older computers that cannot be upgraded to Windows 10.

**Financial Results**

We planned for a modest budget deficit in 2019, consistent with our strategic intention to move towards achieving a balanced or surplus budget on an ongoing basis, to reflect the position with reserves. We have actually achieved a small surplus for the year, largely through making savings on budgeted expenditure.

The outcome for the year was a surplus of £3,420. This compares with a deficit of £168,713 in the year ended 31 December 2018. At 31 December 2019 our reserves stood at £349,848 (£346,428 at 31 December 2018).

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 supporters and 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 2019 was £349,095, of which £305,023 is 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 2019) totalled approximately £213,053. The current level of reserves remains marginally higher than the amount needed, and the Society's plans and budget for 2020 and beyond reflect the necessity of achieving a balanced or surplus budget.

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**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, 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 including health and safety, reputation, security, confidentiality and data protection, 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.

**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 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 supporter 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 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.

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**Covid-19 statement and response**

National Eczema Society has been able to maintain its core services and other charitable activities during the Coronavirus crisis (as of June 2020), most of which are delivered remotely including our valued Eczema Helpline service. Demand has been higher as we strived to support people impacted most from Coronavirus. This has required rapid changes in the way the charity operates, with staff working remotely at home, and in particular this created capacity pressures on our central systems and IT connectivity. However, these issues have now been addressed and the Society is able to operate effectively and efficiently using a remote working model. We needed to cancel some face-to-face events, including an information day planned for April 2020, to comply with Government guidance and hope to reschedule subject to social distancing restrictions. We are now accelerating plans to develop new, remote ways of supporting people to respond to the challenge of Covid-19. This reflects our core strategic objective of reaching and supporting many more people affected by eczema through digital channels.

The Society benefits from a diverse range of income sources and is therefore more resilient to significant unexpected events like Covid-19. We provide health advice and support to people with eczema who are at greater risk from Coronavirus, and this has enabled the charity to apply for Covid-19 emergency funding offered by charitable trusts and foundations, as well as the UK Government through the National Lottery Community Fund. Our legacy income will be significant again in 2020 from known bequests, and corporate partners have continued to support us during the crisis. We do expect some traditional income sources to be lower in 2020 as a result of Covid-19, including income from challenge events and donations from individuals, but we have confidence that this will be offset by new funding from charitable trusts and expect to end the year with a surplus. Hence, while remaining vigilant to the volatile external environment, the Trustees do not have reason to be concerned over the continued financial sustainability of the charity from the impact of Covid-19. Reflecting the expected financial position, the Trustees also do not consider it necessary at this time to amend the reserves policy or designate funds for a future Covid-19 response.

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**Trustees' Responsibilities Statement**

The Trustees (who are also directors of National Eczema Society for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 2015 (FRS 102);
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

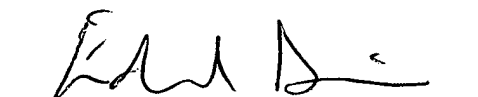
The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company 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 auditor is 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 auditor is aware of that information.

Signed on behalf of the Trustees 17 June 2020

**Edward Davies QC**  
Chairman



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

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**INDEPENDENT EXAMINER'S REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**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, set out on pages 15 to 41, comprising the National Eczema Society ('the parent Charity') and its subsidiary undertakings for the year ended 31 December 2019.

**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. The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

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 152 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 152(5)(b) of the 2011 Act.



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

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**INDEPENDENT EXAMINER'S REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**Independent Examiner's Statement**

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies..

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act and Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; or
2. the accounts do not accord with those records and do not comply with 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
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 July 2020

Stuart McKay

FCA

MHA MacIntyre Hudson  
Chartered Accountants  
6th Floor  
2 London Wall Place  
London  
EC2Y 5AU

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

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>					
Donations and legacies	4	415,656	-	415,656	260,653
Charitable activities	5	(60)	-	(60)	15,127
Other trading activities:	6				
Income from fundraising		10,196	-	10,196	8,767
Income from trading activities		3,612	-	3,612	3,308
Investments	7	1,323	-	1,323	1,363
<b>Total income</b>		<b>430,727</b>	<b>-</b>	<b>430,727</b>	<b>289,218</b>
<b>Expenditure on:</b>					
Raising funds:	8				
Fundraising costs		26,189	-	26,189	40,965
Trading costs		1,060	-	1,060	885
Charitable activities	9	398,857	-	398,857	451,367
<b>Total expenditure</b>		<b>426,106</b>	<b>-</b>	<b>426,106</b>	<b>493,217</b>
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>4,621</b>	<b>-</b>	<b>4,621</b>	<b>(203,999)</b>
<b>Other recognised gains/(losses):</b>					
(Losses)/gains on pension scheme		(1,201)	-	(1,201)	16,600
<b>Net movement in funds</b>	19	<b>3,420</b>	<b>-</b>	<b>3,420</b>	<b>(187,399)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward	19	345,675	753	346,428	533,827
Net movement in funds	19	3,420	-	3,420	(187,399)
<b>Total funds carried forward</b>	19	<b>349,095</b>	<b>753</b>	<b>349,848</b>	<b>346,428</b>

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derives from continuing activities.

The notes on pages 22 to 42 form part of these financial statements.

**NATIONAL ECZEMA SOCIETY**

(A Company Limited by Guarantee)

**CHARITY STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>				
Donations and legacies	415,656	-	415,656	260,653
Charitable activities	(60)	-	(60)	15,127
Income from fundraising	15,196	-	15,196	13,767
Investments	1,323	-	1,323	1,363
<b>Total income</b>	<b>432,115</b>	<b>-</b>	<b>432,115</b>	<b>290,910</b>
<b>Expenditure on:</b>				
Fundraising costs	26,189	-	26,189	40,965
Charitable activities	398,857	-	398,857	451,367
<b>Total expenditure</b>	<b>425,046</b>	<b>-</b>	<b>425,046</b>	<b>492,332</b>
<b>Net movement in funds before other recognised gains/(losses)</b>	<b>7,069</b>	<b>-</b>	<b>7,069</b>	<b>(203,999)</b>
<b>Other recognised gains/(losses):</b>				
(Losses)/gains on pension scheme	(1,201)	-	(1,201)	16,600
<b>Net movement in funds</b>	<b>5,868</b>	<b>-</b>	<b>5,868</b>	<b>(184,822)</b>
<b>Reconciliation of funds:</b>				
Total funds brought forward	365,454	753	366,207	551,029
Net movement in funds	5,868	-	5,868	(184,822)
<b>Total funds carried forward</b>	<b>371,322</b>	<b>753</b>	<b>372,075</b>	<b>366,207</b>

The Charity Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derives from continuing activities.

The notes on pages 22 to 42 form part of these financial statements.

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

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2019**

	Note	2019 £	2019 £	2018 £	2018 £
<b>Fixed assets</b>					
Intangible assets	13		13,068		-
Tangible assets	14		31,004		33,019
			<u>44,072</u>		<u>33,019</u>
<b>Current assets</b>					
Debtors	16	63,648		62,756	
Cash at bank and in hand		438,931		432,545	
		<u>502,579</u>		<u>495,301</u>	
Creditors: amounts falling due within one year	17	(133,522)		(98,030)	
<b>Net current assets</b>			<u>369,057</u>		<u>397,271</u>
<b>Total assets less current liabilities</b>			<u>413,129</u>		<u>430,290</u>
Creditors: amounts falling due after more than one year	18		(63,281)		(83,862)
<b>Total net assets</b>			<u><u>349,848</u></u>		<u><u>346,428</u></u>
<b>Charity funds</b>					
Restricted funds	19		753		753
Unrestricted funds	19		349,095		345,675
<b>Total funds</b>			<u><u>349,848</u></u>		<u><u>346,428</u></u>

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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

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**CONSOLIDATED BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2019**

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

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



**Edward Davies**

Chair 17 June 2020  
Date:

The notes on pages 22 to 42 form part of these financial statements.

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

**CHARITY BALANCE SHEET**  
**AS AT 31 DECEMBER 2019**

	Note	2019 £	2019 £	2018 £	2018 £
<b>Fixed assets</b>					
Intangible assets	13		13,068		-
Tangible assets	14		31,004		33,019
Investments	15		100		100
			<u>44,172</u>		<u>33,119</u>
<b>Current assets</b>					
Debtors	16	99,713		89,381	
Cash at bank and in hand		420,581		419,907	
		<u>520,294</u>		<u>509,288</u>	
Creditors: amounts falling due within one year	17	(129,110)		(92,338)	
<b>Net current assets</b>			<u>391,184</u>		<u>416,950</u>
<b>Total assets less current liabilities</b>			<u>435,356</u>		<u>450,069</u>
Creditors: amounts falling due after more than one year	18		(63,281)		(83,862)
<b>Total net assets</b>			<u><u>372,075</u></u>		<u><u>366,207</u></u>
<b>Charity funds</b>					
Restricted funds	19	753		753	
Unrestricted funds					
Designated funds	19	(34,096)		(57,146)	
General funds		405,418		422,600	
	19	<u></u>	<u></u>	<u></u>	<u></u>
<b>Total funds</b>			<u><u>372,075</u></u>		<u><u>366,207</u></u>

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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

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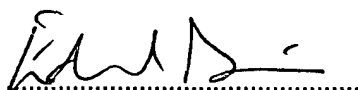
**CHARITY STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 DECEMBER 2019**

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

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



**Edward Davies**

Chair

Date:

17 June 2020

The notes on pages 22 to 42 form part of these financial statements.

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1. General information**

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.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 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 prepared in sterling which is the functional and presentational currency of the Charity and are rounded to the nearest pound.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Income and Expenditure Account for the year dealt with in the accounts of the Charity showed a surplus of £5,868 (2018: deficit of £184,822).

**2.2 Going concern**

The Trustees have assessed the use of going concern and have considered possible events or conditions that might cast significant doubt on the ability of the Charity to continue as a going concern including the impact of Covid-19. The Trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. The Trustees have concluded that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing these financial statements.



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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. Accounting policies (continued)**

**2.3 Income**

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.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

Subscription income is received in full and recognised evenly over the course of the subscription. The amount recognised in the Consolidated 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.

**2.4 Expenditure**

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. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. Accounting policies (continued)**

**2.5 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**2.6 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.

**2.7 Intangible assets and amortisation**

Intangible assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Assets under construction are not amortised until ready for use.

**2.8 Tangible fixed assets and depreciation**

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. Accounting policies (continued)**

**2.8 Tangible fixed assets and depreciation (continued)**

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

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

**2.9 Investments**

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

**2.10 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**2.11 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**2.12 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

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 in the Consolidated Statement of Financial Activities as a finance cost.

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. Accounting policies (continued)**

**2.13 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 16.

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 Notes 17 and 18.

**2.14 Operating leases**

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

**2.15 Pensions**

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.

The Charity accounts for its participation in this Plan as a defined contribution plan, as there is insufficient information available to account for this as a defined benefit plan, as the share of its assets and liabilities cannot be identified.

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 Notes 17 and 18. The Charity recognises its liability to make payments to fund the deficit relating to past service under an agreement to make those payments. It recognises the full liability for the present value of contributions payable that results from the agreement for funding the multi employer plan.

The Charity also participates in a defined contribution pension scheme for its employees. The Charity pays fixed contributions into a separate scheme. Once the defined contribution payments have been made, the Charity has no further payment obligations in respect of this scheme. The contributions are recognised as an expense in the SOFA as they fall due.

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. Accounting policies (continued)**

**2.16 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 Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group 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.

Investment income, gains and losses are allocated to the appropriate fund.

**3. 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.

**4. Income from donations and legacies**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Donations and similar income	148,050	<b>148,050</b>	155,268
Legacies	140,897	<b>140,897</b>	45,106
Subscriptions	106,225	<b>106,225</b>	41,017
Gift aid	20,484	<b>20,484</b>	19,262
<b>Total 2019</b>	<b>415,656</b>	<b>415,656</b>	<b>260,653</b>
<b>Total 2018</b>	<b>260,653</b>	<b>260,653</b>	

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**5. Income from charitable activities**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Professional membership and training	(60)	(60)	14,625
Publications	-	-	502
<b>Total 2019</b>	<b>(60)</b>	<b>(60)</b>	<b>15,127</b>

In 2018, all income from charitable activities was to unrestricted funds.

**6. Income from other trading activities**

**Income from fundraising**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Other corporate income	9,037	9,037	8,500
Other activities	1,159	1,159	267
<b>Total 2019</b>	<b>10,196</b>	<b>10,196</b>	<b>8,767</b>
<i>Total 2018</i>	<i>8,767</i>	<i>8,767</i>	

**Income from trading activities**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Trading subsidiary	3,612	3,612	3,308

In 2018, all income from trading activities was to unrestricted funds.

**NATIONAL ECZEMA SOCIETY**  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**7. Income from investments**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Bank interest receivable	1,323	1,323	1,363

In 2018, all income from investments was to Unrestricted funds.

**8. Expenditure on raising funds**

	<b>2019 £</b>	<b>2018 £</b>
<b>Costs of fundraising</b>		
Direct costs	5,499	11,653
Support costs	20,690	29,312
	<b>26,189</b>	<b>40,965</b>
	<b>2019 £</b>	<b>2018 £</b>
Trading subsidiary - Direct costs	1,060	885

**9. Analysis of expenditure on charitable activities**

	<b>Activities undertaken directly 2019 £</b>	<b>Support costs 2019 £</b>	<b>Total funds 2019 £</b>
Helpline	29,777	115,553	145,330
Professional membership and training	37,884	142,531	180,415
Information services	15,352	57,760	73,112
<b>Total 2019</b>	<b>83,013</b>	<b>315,844</b>	<b>398,857</b>

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**9. Analysis of expenditure on charitable activities (continued)**

	Activities undertaken directly 2018 £	Support costs 2018 £	Total funds 2018 £
Helpline	30,181	43,317	73,498
Professional membership and training	20,568	31,769	52,337
Publications	67,554	102,502	170,056
Information services	56,541	89,172	145,713
Research	4,062	5,701	9,763
<b>Total 2018</b>	<b>178,906</b>	<b>272,461</b>	<b>451,367</b>

**Analysis of support costs**

	Total funds 2019 £	Total funds 2018 £
Staff costs	190,656	149,999
Depreciation	6,396	5,354
Premises costs	19,544	19,445
Carriage and postage	6,515	7,093
Design and print	3,004	1,208
Professional fees	24,130	30,947
Brought-in services	17,740	7,632
Website, database and computing	12,465	15,674
Insurance	6,201	7,844
Other costs	29,193	27,265
	<b>315,844</b>	<b>272,461</b>



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**10. Independent examiner's remuneration**

	2019 £	2018 £
Independent Examiner's remuneration - Examination of the financial statements	2,580	3,500
Independent Examiner's remuneration - Taxation services	1,100	2,000
	<u>2,580</u>	<u>3,500</u>

**11. Staff costs**

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Wages and salaries	181,583	219,079	181,583	219,079
Social security costs	14,636	19,552	14,636	19,552
Other pension costs	6,984	6,512	6,984	6,512
	<u>203,203</u>	<u>245,143</u>	<u>203,203</u>	<u>245,143</u>

Included in wages and salaries above are redundancy costs of £32,027 (2018: £NIL). Of this amount, £17,098 relates to statutory redundancy, £13,473 relates to voluntary redundancy and £1,456 relates to compulsory redundancy.

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

	Group 2019 No.	Group 2018 No.
Direct charitable activities	5	5
Fundraising and communication	1	1
Support and governance	1	1
	<u>7</u>	<u>7</u>

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**11. Staff costs (continued)**

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	<b>Group 2019 No.</b>	<b>Group 2018 No.</b>
In the band £60,001 - £70,000	<b>1</b>	-

The total amount of employee benefits received by Key Management Personnel is £71,284 (2018: £73,836). The Charity considers its Key Management Personnel comprise the Trustees and the Chief Executive Officer.

**12. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2018 - £NIL).

During the year ended 31 December 2019, expenses totalling £1,086 were reimbursed or paid directly to 4 Trustees (2018 - £1,248 to 3 Trustees). The expenditure was to cover travel costs.

**13. Intangible assets**

**Group and Charity**

	<b>Assets under construction £</b>
<b>Cost</b>	
Additions	<b>13,068</b>
At 31 December 2019	<b>13,068</b>
<b>Net book value</b>	
At 31 December 2019	<b>13,068</b>
At 31 December 2018	-

Assets under construction relates to a website that was in development at the year-end.

The asset will begin to be amortised over its useful economic life once construction is complete.

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**14. Tangible fixed assets**

**Group and Charity**

	Leasehold improvements £	Furniture and fixtures £	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2019	36,666	2,493	4,140	12,149	55,448
Additions	4,804	-	-	-	4,804
At 31 December 2019	41,470	2,493	4,140	12,149	60,252
<b>Depreciation</b>					
At 1 January 2019	13,754	931	1,419	6,325	22,429
Charge for the year	3,883	250	411	2,275	6,819
At 31 December 2019	17,637	1,181	1,830	8,600	29,248
<b>Net book value</b>					
At 31 December 2019	23,833	1,312	2,310	3,549	31,004
At 31 December 2018	22,912	1,562	2,721	5,824	33,019

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**15. Fixed asset investments**

	Investment in subsidiary company £
<b>Charity</b>	
<b>Fair value</b>	
At 1 January 2019	100
At 31 December 2019	<u>100</u>
<b>Net book value</b>	
At 31 December 2019	<u>100</u>
At 31 December 2018	<u>100</u>

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**15. Fixed asset investments (continued)**

**Principal subsidiaries**

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Holding	Included in consolidation
Eczema Trading Limited	06895048	11 Murray Street, London, NW1 9RE	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Eczema Trading Limited	3,612	(6,060)	(2,448)	(22,127)

The results of Eczema Trading Limited are included in these consolidated accounts. Eczema Trading Limited did not meet the audit threshold and therefore did not require an audit for the year ended 31 December 2019.

The deficit relates to intercompany management charges and minimal advertising revenue. Eczema Trading Limited was more active in the past when National Eczema Society had substantive trading operations, primarily selling Christmas cards. Currently, only the limited advertising revenue from our quarterly membership magazine is accounted for in Eczema Trading Limited. Going forward, the Society is looking to introduce a 'kite mark' type of endorsement scheme for products more suited to people with eczema. Should this scheme go ahead, it will be accounted for in Eczema Trading Limited hence the reason for retaining the company for the time-being.

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**16. Debtors**

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>Charity 2019 £</b>	<b>Charity 2018 £</b>
<b>Due within one year</b>				
Trade debtors	39,300	42,380	37,500	37,100
Amounts owed by group undertakings	-	-	37,865	31,905
Other debtors	13,550	11,255	13,550	11,255
Prepayments and accrued income	10,798	9,121	10,798	9,121
	<b>63,648</b>	<b>62,756</b>	<b>99,713</b>	<b>89,381</b>

**17. Creditors: Amounts falling due within one year**

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>Charity 2019 £</b>	<b>Charity 2018 £</b>
Trade creditors	12,520	7,601	12,520	7,601
Other taxation and social security	8,764	7,791	8,764	6,911
Other creditors	14,956	14,636	14,956	14,636
Accruals and deferred income	97,282	68,002	92,870	63,190
	<b>133,522</b>	<b>98,030</b>	<b>129,110</b>	<b>92,338</b>

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>Charity 2019 £</b>	<b>Charity 2018 £</b>
<b>Deferred income</b>				
Deferred income at 1 January	66,463	-	63,263	-
Resources deferred during the year	85,119	66,463	83,319	63,263
Amounts released from previous periods	(66,463)	-	(63,263)	-
<b>Deferred income at 31 December</b>	<b>85,119</b>	<b>66,463</b>	<b>83,319</b>	<b>63,263</b>

Deferred income consists of membership income relating to future periods.

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**18. Creditors: Amounts falling due after more than one year**

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>Charity 2019 £</b>	<b>Charity 2018 £</b>
Pension Scheme deficit	63,281	75,529	63,281	75,529
Accruals and deferred income	-	8,333	-	8,333
	<b>63,281</b>	<b>83,862</b>	<b>63,281</b>	<b>83,862</b>

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>Charity 2019 £</b>	<b>Charity 2018 £</b>
Payable or repayable by instalments	-	13,249	-	13,249
	<b>-</b>	<b>13,249</b>	<b>-</b>	<b>13,249</b>

The Charity 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 Charity intends to continue participating in the recovery plan, no provision has been made for this potential withdrawal debt however, the Society 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 has been adjusted annually to unwind the relevant discount applied.

In order to meet their share of the shortfall, the Charity has been asked to pay additional contributions to the scheme until 2025. A full actuarial valuation was carried out by the actuaries at 30 September 2017 and the funding shortfall calculated at that date gave rise to a remeasurement reduction of £15,624 in the deficit as at 31 December 2018. The deficit of the scheme is £78,168 at 31 December 2019. The payment by the Charity in the year was £14,636 (2018: £14,760) with an interest payment of £1,438 (2018: £1,565) and a remeasurement expense of £1,201 (2018: £16,600 income).

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 £6,983 (2018: £6,512), interest of £1,438 (2018: £1,565) and actuarial losses of £1,201 (2018: gains £16,600) have been charged to the Consolidated Statement of Financial Activities. There were no accrued contributions at 31 December 2019 (2018: £NIL) but there is a liability of £78,168 (2018: £90,165) for future contributions under the Series 3 Recovery Plan. Of this £14,887 (2018: £14,636) is reported in Creditors: Amounts falling due within one year as part of Other creditors and £63,281 (2018: £75,529) is reported in Creditors: Amounts falling due after more than one year.

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**19. Statement of funds**

**Statement of funds - current year**

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
Fixed asset fund	33,019	-	(6,819)	17,872	-	44,072
Pension reserve	(90,165)	-	(1,438)	14,636	(1,201)	(78,168)
	<u>(57,146)</u>	<u>-</u>	<u>(8,257)</u>	<u>32,508</u>	<u>(1,201)</u>	<u>(34,096)</u>
<b>General funds</b>						
General funds	<u>402,821</u>	<u>430,727</u>	<u>(417,849)</u>	<u>(32,508)</u>	<u>-</u>	<u>383,191</u>
<b>Total Unrestricted funds</b>	<u>345,675</u>	<u>430,727</u>	<u>(426,106)</u>	<u>-</u>	<u>(1,201)</u>	<u>349,095</u>
<b>Restricted funds</b>						
Research	<u>753</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>753</u>
<b>Total of funds</b>	<u>346,428</u>	<u>430,727</u>	<u>(426,106)</u>	<u>-</u>	<u>(1,201)</u>	<u>349,848</u>



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**19. Statement of funds (continued)**

**Statement of funds - prior year**

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

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**19. Statement of funds (continued)**

**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 £14,636 was made to separate the deficit payments due as at 31 December 2019 from the Unrestricted general fund. Actuarial gains / losses are charged to this fund as they arise.

The Fixed asset fund 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 £17,872 was made to represent capital additions during the year. Depreciation is charged to this fund as expenditure.

**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.

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**20. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>
Tangible fixed assets	31,004	-	<b>31,004</b>
Intangible fixed assets	13,068	-	<b>13,068</b>
Current assets	501,826	753	<b>502,579</b>
Creditors due within one year	(133,522)	-	<b>(133,522)</b>
Creditors due in more than one year	(63,281)	-	<b>(63,281)</b>
<b>Total</b>	<b>349,095</b>	<b>753</b>	<b>349,848</b>

**Analysis of net assets between funds - prior year**

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

**21. Capital commitments**

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>Charity 2019 £</b>	<b>Charity 2018 £</b>
<b>Contracted for but not provided in these financial statements</b>				
Acquisition of intangible assets	<b>6,534</b>	-	<b>6,534</b>	-

The capital commitment of £6,534 relates to a website which was under construction at the year-end. The final amount is due in early 2020.

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**22. Operating lease commitments**

At 31 December 2019 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>Charity 2019 £</b>	<b>Charity 2018 £</b>
Not later than 1 year	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>
Later than 1 year and not later than 5 years	<b>80,000</b>	<b>80,000</b>	<b>80,000</b>	<b>80,000</b>
Later than 5 years	<b>3,333</b>	<b>40,000</b>	<b>3,333</b>	<b>40,000</b>
	<b>103,333</b>	<b>140,000</b>	<b>103,333</b>	<b>140,000</b>

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>Charity 2019 £</b>	<b>Charity 2018 £</b>
Operating lease rentals	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>

**23. Related party transactions**

In the year ended 31 December 2019 there were no related party transactions other than Trustee and Key Management Personnel transactions detailed in Notes 11 and 12.

In the year ended 31 December 2018, a loan outstanding from the previous Chief Executive Officer of £17,584 was repaid in full.