

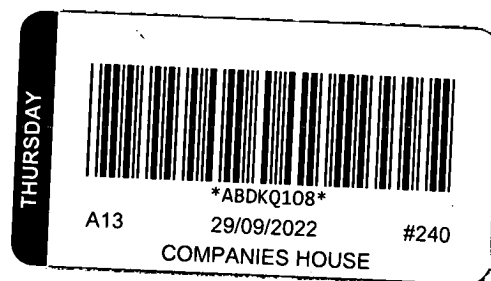
Company Registered Number: 02685083
Charity Registered Number (England & Wales): 1009671

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

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NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Trustees	Edward Davies QC, Chair (resigned 19 May 2022) Ellen Vincent, Vice Chair Stephen Pugh, Treasurer (appointed to Chair 19 May 2022, resigned as Treasurer 19 May 2022) Catherine Escott Myrtle Johnston Hannah Kunzlik (appointed 16 March 2022) Dr Simon Lovegrove (appointed 16 March 2022) Professor Celia Moss OBE Bharat Pandya (appointed 16 March 2022) James Pitayanukul (appointed to Treasurer 19 May 2022) Hedwig Vollers (appointed 16 March 2022) Suzanne Watson
Company registered number	02685083
Charity registered number	1009671
Registered office	11 Murray Street London NW1 9RE
Chief executive officer & Company secretary	Andrew Proctor
Independent Examiner	MHA MacIntyre Hudson Chartered Accountants 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

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees present their annual report together with the financial statements of the Group and the Charity for the year 1 January 2021 to 31 December 2021. 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 principles and today we continue to help people across the UK with evidence-based information and advice about eczema and its management. We deliver this in various ways through our website, webinars, instructional videos, social media channels, publications and nurse-supported Helpline. We also provide a collective voice for people with eczema, to inform research and influence health policy to improve eczema care, and raise greater 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 one in five children and one in ten adults are now impacted by this life-challenging condition in the UK. While the reasons for the increase are not fully understood, it does mean the charity's services are needed more than ever. Our support has been especially valuable for many during the Coronavirus pandemic, when access to healthcare was more difficult for many. 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 limited dermatology training and timely access to specialist dermatology healthcare for people with eczema can often 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, learn from the experiences of others, 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 with information and advice, and the quality and consistency of the resources 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.

2021 Activity and achievements – delivering public benefit

All our charitable activities focus on supporting people affected by eczema and championing their needs, and further our charitable purposes for the public benefit. Here we present a summary of the Society's work over the year.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Impact of Coronavirus pandemic

The Society's plans in 2021 reflected the ongoing impact of the Coronavirus pandemic and importance of effective remote working and service delivery. Once again, great credit and thanks are due to the staff team, trustees, volunteers and suppliers who worked so hard over the year to maintain the Society's services and operations in challenging circumstances.

The Society now operates a hybrid working model, first introduced at the start of the pandemic, and this will continue. Like many organisations, we moved to virtual meetings in response to the pandemic and held our second AGM, in September 2021, using the videoconferencing platform Zoom. Trustee Board meetings are now hybrid, with both in person and virtual attendance supported.

We took the difficult decision not to organise any face-to-face events again during 2021, reflecting the ongoing challenges of Covid restrictions. The Society's Helpline, website and social media communications continued operating as usual throughout the year. Coronavirus also affected some of our fundraising activity, notably challenge events and community fundraising. We are grateful to our members and supporters for being so generous with their donations during the year, at a time of continued uncertainty.

Delivering information and advice for people living with eczema

The Society continues to provide a wide range of high quality, evidence-based information and advice about eczema and its management for people living with the condition and their families.

Our eczema Helpline is at the heart of the Society's work, enabling the charity to provide the personalised independent advice and reassurance needed by people struggling to cope with eczema wherever they live in the UK. We receive around 1,600 telephone, email and message 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 in the UK who needs our support.

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 provided over 12,000 copies of our printed publications to healthcare professionals during the year, for onward distribution to patients in hospital dermatology clinics and other healthcare settings.

National Eczema Society factsheets and booklets are updated regularly on a rolling review cycle and checked by healthcare professionals to ensure the information is accurate and up-to-date. We updated and reprinted a number of publications over the year, including our Itching and Scratching booklet, Paste Bandages and Wet Wraps booklet and Childhood Atopic Eczema guide.

We continue to raise awareness of local volunteer-led patient support groups, by providing information and a presence for these groups on the Society's website. Unfortunately, because of ongoing Covid restrictions, the information talk planned by the Society's West Surrey and North-East Hampshire Support Group had to be postponed again, where Dr George Moncrieff was due to speak about the causes of eczema and latest thinking on eczema care.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

We publish all our eczema information on the Society's website, which received over 1.3 million visits during the year, and we promote health advice messages through our social media channels, media engagement and other external communications. This year we launched a series of popular webinars for people affected by eczema and their families, on various eczema management topics, and recordings of these are available to view on the Society's YouTube page.

NES membership scheme

National Eczema Society is a membership organisation and we are very grateful to our 2,300 members who support the Society through their annual membership fee and additional donations. Members receive our quarterly magazine Exchange, which features expert information and news about eczema. Members are also 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 of our help.

Representing patient views

As a national patient organisation for people with eczema, the Society plays a leading role in providing a collective voice to champion the needs of those affected by the condition. We 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. As a member of the steering group, we contributed to the major NHS England Dermatology Outpatient Transformation Programme, which developed a range of new guidance to help dermatology healthcare providers meet the challenges of responding to the disruption to services caused by Covid. This covered areas like teledermatology and waiting lists. We also worked to raise awareness of the need for better understanding and representation in dermatology for people with skin of colour.

Reflecting the growing patient interest and awareness of the side effects of topical steroid medication, and concerns about topical steroid withdrawal, the Society worked with the British Association of Dermatologists to develop a position statement on topical steroid withdrawal. Among other things, in the statement we sought to clarify the various terms used to describe topical steroid withdrawal and the different reactions people might experience when stopping using topical steroid treatments. Topical steroid withdrawal is complex and research into the causes, symptoms and treatments is limited. National Eczema Society wants to see more research in this area. One of the challenges is that the symptoms people experience when stopping using topical steroids can appear similar to those of poorly controlled eczema. These symptoms can be very painful and distressing. The Society is emphasising the importance of using topical steroid treatments safely and effectively, and among other things is calling for clearer labelling of topical steroids to show their potency/strength.

We continued to grow our organisational capacity to support patient involvement in shaping research. NES is approached regularly by researchers seeking patient views and to learn from patient experiences. It is so encouraging to see such a range of research underway and new treatments in the pipeline, following a long period when eczema was largely overlooked. The Society is actively supporting eczema research by participating in study steering groups, providing patient perspectives for research trials, 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.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

We also provide a patient perspective to clinical guideline development, the assessment of new treatments, and policy consultations. We contributed to the assessment by the National Institute of Health and Care Excellence (NICE) and the Scottish Medicines consortium (SMC) of a new eczema drug called baricitinib, which was approved for use by the NHS in 2021. This is intended for adults with moderate to severe eczema. Baricitinib is a type of drug known as a Janus kinase (JAK) inhibitor and it works in a different way to other immunosuppressant and biologic drugs currently used to treat eczema. As eczema affects people in different ways, it is important that we have a range of treatment options to help ensure people can access a treatment that works effectively for them. During the year, we contributed a patient perspective and evidence to other NICE and SMC reviews, including assessment of several other new drugs for eczema, including a new biologic treatment called tralokinumab and two JAK-inhibitor drugs called upadacitinib and abrocitinib.

It is disappointing that efforts to press NHS England and NHS Improvement to clarify their prescribing guidance on emollients for people with eczema has not yet been fully realised. The current guidance is confusing and does not make it sufficiently clear that GPs can – and should – prescribe leave-on emollients for people with long-term inflammatory conditions, including eczema. We will continue working with other dermatology organisations, led by the Dermatology Council of England and British Association of Dermatologists, to press for the agreed clarification guidance to be issued to prescribers and commissioners.

In other influencing activity, the Society continues to work with the Medicines and Healthcare Products Regulatory Agency (MHRA) to support the Agency's communication programme to raise awareness of fire risks of emollients. Emollient packaging now comes with fire warning labels. 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.

In October, the Society awarded a £10,000 grant for an important new research study, to investigate the impact of sleep disturbance on children with eczema and their families. It is the first time the charity has directly funded eczema research for some years and we are considering funding more studies in future. Many children experience disturbed sleep, especially when eczema is severe. Sleep disturbance causes tiredness, which in turn affects children's ability to concentrate, their mood and general well-being. The impact on parents caring for children with eczema can be profound too. The project is being led by Dr Connor Broderick and Professor Carsten Flohr, from St John's Institute of Dermatology at Guys and St Thomas' Hospital in London, working with colleagues at other universities and hospitals in the UK. The Society has collaborated with the UK Dermatology Clinical Trials Network to award this research grant.

Awareness raising, communications and campaigning

The charity undertakes a range of activities to raise awareness and understanding of eczema among the general public, and to promote the information and advice the Society provides for people living with eczema and their families.

The theme for National Eczema Week in September was 'My Eczema Story', when we called on people living with eczema to share their experiences of living with the condition. Eczema is different for every person who lives with this debilitating long-term condition. Through sharing experiences, ideas and top tips, we sought to help others feel they are not alone. The physical symptoms of eczema can be extremely difficult, including the relentless itching and having to cope with raw, inflamed and bleeding skin. The hidden cost of eczema is the profound impact it can have on people's emotional well-being.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

To support the campaign we produced a series of very personal, emotive and practical short videos of National Eczema Society members and eczema advocates, which we promoted across our social media channels. We are very grateful to everyone who took part, and special thanks are due to radio DJ Yasmin Evans for supporting the campaign

Alongside the campaign, we introduced a range of new information resources to help people manage eczema as effectively as possible. These 'My Eczema Toolkit' resources offer practical advice to support people with the many psychological and emotional challenges of living with eczema described so vividly by those sharing their eczema story during the campaign.

We achieved excellent campaign coverage, including several prominent articles on the BBC website, and stories in many regional and some national newspapers. Engagement on social media was excellent too. We are especially grateful to our courageous patient advocate Kymmene Dawson, who once again shared her challenging experiences of eczema in the media. The Society contributed to the media launch of Eli Lilly's #GOALS eczema management initiative and chief executive Andrew Proctor took part in several radio interviews related to this initiative during National Eczema Week.

We continued to grow our social media reach and activity during the year, reflecting how people increasingly seek and share information about eczema. The Society now has over 22,000 followers on Facebook, an increase of over 2000 over the year, and we grew our following on Twitter to over 8,000. We more than doubled the number of Instagram followers over the year, to reach 7,700 by the end of 2021.

Capacity constraints and competing priorities continued to impact on the media work we are able to undertake. The Society provided press comment on a number of eczema stories in the media over the year, and we again focussed our media engagement around National Eczema Week.

Growing income and building financial sustainability

In 2021, we continued to focus income generation to ensure we have the resources to achieve our charitable objectives and 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 2021 was once again higher than in some previous years, and this has been so important in building a stronger financial footing for the Society during a period of uncertainty.

We continue to develop partnerships with companies that share our values and are willing to support our work and engage in joint education and awareness-raising activity. During the year AbbVie, Eli Lilly, Johnson & Johnson, LEO Pharma, Sanofi and Thornton & Ross were all corporate members.

There were many fundraising highlights during the year and also challenges as a result of the impact of Covid. We were pleased to see the return of the London Marathon, staged in October, and we are grateful to NES runners Joe Jones and Dexy-Lea Palmer for taking on the race and raising much-needed funds for the Society.

The Society's West Surrey and North-East Hampshire Support Group was able to undertake local fundraising activity again, following the relaxation of Covid restrictions, and presented a cheque for £2,000 at the Annual General Meeting in September. The Society's 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 donations over what has been another challenging year with Covid.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Organisational development

During the year, we reviewed our understanding and organisational approach to equality, diversity and inclusion, and are working towards better representing and serving all communities of people who are affected by eczema. We have a particular focus on recruitment, and we proactively encourage people to apply for staff and volunteer roles who contribute different perspectives and lived experience.

We successfully completed a major project to update our supporter database software, which also saw us move to a more secure cloud-based hosting solution.

We built our staff team and leadership capacity with the appointment in December of Samantha Skelding as Deputy Chief Executive.

Trustees agreed new vision and mission statements for the charity, which are:

Vision: Our vision is a world free of eczema.

Mission: We make life better for people with eczema and their families. We do this by providing the information, advice and emotional support needed to manage eczema well. We also create a healthier future by raising awareness and understanding of eczema, campaigning for improvements in care, and supporting research into new treatments and prevention.

2022 Plans and development priorities

Looking ahead, we aim to ensure National Eczema Society continues to achieve the greatest impact we can for members and others living with eczema. The charity's core charitable work will continue, as well as taking forward strategically important activity including building our digital capability, our fundraising, supporting research and strengthening our work to improve eczema care.

Development priorities for 2022 include:

Deliver information and advice

- Developing and launching an online forum on the Society's website to provide peer support for people affected by eczema.
- Scope and introduce a WhatsApp channel and an instant messaging option on the Society's website for advice enquiries.
- Work in partnership with St John's DermAcademy to co-produce and deliver eczema information webinars.

Patient voice

- Contribute patient perspectives to clinical guideline development and the assessment of new treatments and policy consultations, working with regulatory bodies including the MHRA, NICE and the SMC.
- Continue to be a campaigning voice for people with eczema, to challenge inequalities in health policy and practice.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Communications and awareness raising

- Lead the annual national flagship awareness event, National Eczema Week in September.

Research and patient involvement

- Grow our organisational capacity to support patient and public involvement in shaping eczema research.

Organisation and governance

- Strengthen our work and approach to equality, diversity and inclusion.

Financial Results

We planned for a budget surplus in 2021, consistent with our strategic intention to achieve a balanced or surplus budget on an ongoing basis. We have actually achieved a more substantial surplus than budgeted, largely as a result of better than expected income from legacy gifts.

The outcome for the year was a surplus of £185,322. This compares with a surplus of £186,521 in the year ended 31 December 2020. At 31 December 2021, our reserves had increased to £721,691 (£536,369 at 31 December 2020).

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. The efforts and contribution of 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 especially members of the Medical Advisory Board.

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 sources of income, restructure activities or close or merge the charity. The trustees have reviewed the Reserves Policy in 2022 to ensure it remains appropriate and sufficient given the nature of the Society's income and historical trends, and have determined that it is often appropriate to hold a larger reserve as legacy income in particular can be significant in size and unpredictable in timing, and it does not match the more even flow of the Society's expenditure.

The balance held in unrestricted funds at 31 December 2021 was £719,953 of which £699,114 is regarded as free reserves, after allowing for funds tied up in tangible assets and those funds allocated for specific purposes. As budgeted six-month expenditure over January-June 2022 totals approximately £241,300, current reserves are now well ahead of the amount required in the Reserves Policy. Noting this surplus and normal sustainable levels of expenditure, the trustees intend to designate amounts beyond those needed to maintain the agreed minimum reserve, for the purposes of research. A particular focus of our research interest will be the poorly understood issue of topical steroid withdrawal.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Risk Management

The trustees have taken steps to identify and address major risks facing the Society, including maintaining a risk register. The principal uncertainty in respect to the Society's future is the ability to maintain sufficient income to deliver the charity's services, and ensure the Society has adequate resources to comply with regulatory changes affecting the voluntary sector. Greater focus and investment are being directed to fundraising activities, to ensure the Society generates sufficient income each year to fund planned activities.

The principal risk of financial sustainability for the charity is closely monitored by the trustees on a regular basis, including reviewing management accounts at quarterly Board 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 are 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 membership, local support groups, other eczema community networks and open advertising. In seeking trustees, the Society has regard of the need to ensure that the Trustee Board has an appropriate range of professional skills and experience, reflects our commitment to diversity, and also that trustees are drawn from different areas of the UK.

Although not constitutionally binding, the Society wishes to work towards aligning with the Charity Governance Code, which recommends trustees serve fixed terms in office. The guidance recommends trustees serve an initial three-year term, with the possibility of being re-elected by members for a further three-year period. Trustees in particular roles (e.g. Chair, Treasurer) could serve a longer nine-year period, subject to formal review.

New trustees are provided with an introduction pack, which includes the Society's governing documents, copies of the 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 Board meeting in an observer capacity, which gives them the opportunity to meet the trustees and chief executive.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

During the year, the decision was taken to recruit several new trustees with the aim of refreshing and enhancing the collective professional skills of the Board, and strengthening the diversity of our governance. The trustee opportunity was promoted to the Society membership, other supporters and wider eczema community. We opted for an open, competitive recruitment process. Following shortlisting and interview by a sub-committee of trustees, it was decided to appoint four candidates as new trustees, namely Hannah Kunzlik, Dr Simon Lovegrove, Bharat Pandya and Hedwig Vollers. All four appointees attended the March 2022 Board meeting as observers, after which they were confirmed in post.

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

In June 2021, the Society established a Medical Advisory Board (MAB) comprised of healthcare professionals who act in an advisory and ambassadorial capacity for the charity. Members volunteer their time and are all experienced healthcare professionals who work in the field of dermatology, and who have a particular professional interest in eczema management and research. The MAB is chaired by National Eczema Society Trustee, Professor Celia Moss OBE.

The trustees set the remuneration of the chief executive and approve the remuneration of other Society staff. Remuneration levels are based on research of similar roles and benchmark salary data.

Trustees took the decision to de-register with the Office of the Scottish Charity Regulator (OSCR) and the process was completed in October 2022. It is not a regulatory requirement for National Eczema Society to be registered in Scotland and de-registering helps reduce the Society's administrative and operating costs. Although no longer registered with OSCR, National Eczema Society continues to provide advice and support for the benefit of everyone affected by eczema in the UK.

Covid statement and response

National Eczema Society has been able to maintain its core services and other charitable activities during the Coronavirus pandemic period (as of June 2022), most of which are delivered remotely including our valued Eczema Helpline service. This has required changes in the way the charity operates, with staff now routinely working remotely at home. We have invested in our IT and cloud computing capability to support remote working and now have an effective hybrid working model. We have been cautious with planning to re-introduce face-to-face events, and have taken the decision not to organise such events again in 2022.

The Society benefits from a diverse range of income sources and is therefore more resilient to significant unexpected events like Covid. Rising inflation in 2022 will present challenges, in both managing costs and achieving income targets. Legacies are a significant element of the Society's overall income mix, and we expect legacy income to be lower in 2022 than previous years, although this is factored into our planning. Members, other individual donors and corporate partners have continued their support during the pandemic. We expect some traditional income sources to be stronger in 2022, including income from challenge events and we have factored this into our budgeting. Hence, while remaining vigilant to the changeable external environment, the trustees do not have reason to be concerned over the continued financial sustainability of the charity from the immediate and longer-term economic impact of Covid. As referenced earlier, the trustees are reviewing the Reserves Policy in 2022 to ensure it continues to meet current and known future requirements.

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees Report has been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

This report was approved by the Board of Trustees on
8 August 2022 and signed on their behalf by:



.....
Stephen Pugh
Chair

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity 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 Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the Members of the Board of Trustees and signed on its behalf by:



.....
Stephen Pugh
Chair
Date: 08/08/2022

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

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 47, comprising the National Eczema Society ('the parent Charity') and its subsidiary undertakings for the year ended 31 December 2021.

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 Companies Act 2006 ('the 2006 Act').

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 as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent Examiner's Statement

Since the Group'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.

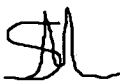
I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe in any material respect:

1. accounting records were not kept in respect of the parent Charity and its subsidiaries as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; 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.

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

INDEPENDENT EXAMINER'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Signed: 

Dated: 15/08/2022

Stuart McKay BSc FCA DChA

MHA MacIntyre Hudson
Chartered Accountants
London, United Kingdom

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	4	528,134	-	528,134	545,887
Other trading activities:	5				
Income from fundraising		4,921	-	4,921	1,321
Income from trading activities		1,801	-	1,801	1,809
Investments	6	856	-	856	2,143
Total income		535,712	-	535,712	551,160
Expenditure on:					
Raising funds:	7				
Fundraising costs		12,828	-	12,828	54,690
Trading costs		-	-	-	15
Other raising funds		19,976	-	19,976	-
Charitable activities	8,9	340,975	10,750	351,725	308,813
Total expenditure		373,779	10,750	384,529	363,518
Net movement in funds before other recognised gains		161,933	(10,750)	151,183	187,642
Other recognised gains/(losses):					
Gains/(losses) on pension scheme	19	34,139	-	34,139	(1,121)
Net movement in funds		196,072	(10,750)	185,322	186,521
Reconciliation of funds:					
Total funds brought forward		523,881	12,488	536,369	349,848
Net movement in funds		196,072	(10,750)	185,322	186,521
Total funds carried forward		719,953	1,738	721,691	536,369

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

The notes on pages 21 to 46 form part of these financial statements.

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

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Intangible assets	14		8,832		15,828
Tangible assets	15		27,886		38,052
			36,718		53,880
Current assets					
Debtors: Amounts falling due within one year	17	159,515		90,598	
Cash at bank and in hand	23	649,260		597,755	
		808,775		688,353	
Creditors: Amounts falling due within one year	18	(115,028)		(156,001)	
Net current assets			693,747		532,352
Total assets less current liabilities			730,465		586,232
Creditors: Amounts falling due after more than one year	19		(8,774)		(49,863)
Total net assets			721,691		536,369
Group funds					
Restricted funds	20		1,738		12,488
Unrestricted funds	20		719,953		523,881
Total funds			721,691		536,369

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.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 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.

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

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

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



.....
Stephen Pugh
Chair
Date: 8 August 2022

The notes on pages 21 to 46 form part of these financial statements.

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

CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Intangible assets	14		8,832		15,828
Tangible assets	15		27,886		38,052
Investments	16		100		100
			36,818		53,980
Current assets					
Debtors: Amounts falling due within one year	17	211,072		136,435	
Cash at bank and in hand		624,435		577,251	
		835,507		713,686	
Creditors: Amounts falling due within one year	18	(113,228)		(156,001)	
Net current assets			722,279		557,685
Total assets less current liabilities			759,097		611,665
Creditors: Amounts falling due after more than one year	19		(8,774)		(49,863)
Net assets excluding pension asset			750,323		561,802
Total net assets			750,323		561,802
Charity funds					
Restricted funds	20		1,738		10,753
Unrestricted funds	20		748,585		551,049
Total funds			750,323		561,802

The Charity's net movement in funds for the year was £188,521 (2020 - £189,727).

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.

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

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

CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

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:



.....
Stephen Pugh
Chair
Date: 8 August 2022

The notes on pages 21 to 46 form part of these financial statements.

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	22	52,795	180,039
Cash flows from investing activities			
Investment income	6	856	2,143
Purchase of intangible assets		-	(7,920)
Purchase of tangible fixed assets	15	(2,146)	(15,438)
Net cash used in investing activities		(1,290)	(21,215)
Change in cash and cash equivalents in the year		51,505	158,824
Cash and cash equivalents at the beginning of the year		597,755	438,931
Cash and cash equivalents at the end of the year	23	649,260	597,755

The notes on pages 21 to 46 form part of these financial statements.

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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 in England and Wales (Charity Registered Number: 1009671). The Charity deregistered from the Office of the Scottish Charity Regulator (OSCR) on 15th October 2021.

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.

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

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) 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 Group 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.

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 Group to continue as a going concern. 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 Group has adequate resources to continue in operational existence for the foreseeable future, and that no material uncertainties exist. The Group therefore continues to adopt the going concern basis in preparing these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Group 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 Group 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 Group 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 Group 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 Group, 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 Group. 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 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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 3 years.

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 Group 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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

The investment in the subsidiary company is 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 Group 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.13 Financial instruments

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

Debtors – other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 17.

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 18 and 19.

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 Group 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 Group 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 Group is participating in the Series 3 Recovery Plan and the liability is included in Notes 17 and 18. The Group 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 Group also participates in a defined contribution pension scheme for its employees. The Group pays fixed contributions into a separate scheme. Once the defined contribution payments have been made, the Group has no further payment obligations in respect of this scheme. The contributions are recognised as an expense in the Consolidated Statement of Financial Activities as they fall due.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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 judgement

Estimates and judgements 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:

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are listed below.

- Allocation of support costs
- Depreciation rates for tangible fixed assets
- Useful economic lives of assets
- The discount rate used in valuing the year-end Pension Scheme deficit.

The Board do not consider the Covid-19 pandemic to have had a material impact on these accounting estimates and areas of judgement.

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

4. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Donations and similar income	174,348	-	174,348
Legacies	181,302	-	181,302
Subscriptions	150,978	-	150,978
Gift aid	21,506	-	21,506
Total 2021	528,134	-	528,134

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Donations and similar income	143,976	28,810	172,786
Legacies	199,306	-	199,306
Subscriptions	149,389	-	149,389
Gift aid	24,406	-	24,406
Total 2020	517,077	28,810	545,887

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

5. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2021 £	Total funds 2021 £
Other corporate income	1,607	1,607
Other activities	3,314	3,314
Total 2021	<u><u>4,921</u></u>	<u><u>4,921</u></u>

	Unrestricted funds 2020 £	Total funds 2020 £
Other corporate income	587	587
Other activities	734	734
Total 2020	<u><u>1,321</u></u>	<u><u>1,321</u></u>

Income from trading activities

	Unrestricted funds 2021 £	Total funds 2021 £
Trading subsidiary	<u><u>1,801</u></u>	<u><u>1,801</u></u>

	Unrestricted funds 2020 £	Total funds 2020 £
Trading subsidiary	<u><u>1,809</u></u>	<u><u>1,809</u></u>

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

6. Income from investments

	Unrestricted funds 2021 £	Total funds 2021 £
Bank interest receivable	856	856

	Unrestricted funds 2020 £	Total funds 2020 £
Bank interest receivable	2,143	2,143

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

7. Expenditure on raising funds

	2021 £	2020 £
Fundraising costs		
Direct costs	27,431	28,685
Support costs	5,373	26,005
	<u>32,804</u>	<u>54,690</u>

Analysis of support costs - fundraising costs

	2021 £	2020 £
Staff costs	1,539	7,390
Depreciation	663	2,044
Premises costs	779	3,388
Carriage and postage	174	889
Professional fees	560	2,086
Bought-in services	30	498
Website, database and computing	541	3,082
Other costs	700	4,349
Governance costs	387	2,279
	<u>5,373</u>	<u>26,005</u>

	2021 £	2020 £
Trading costs		
Trading subsidiary - Direct costs	<u>-</u>	<u>15</u>

In both the current and previous financial years all Expenditure on raising funds was from Unrestricted funds.

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8. Analysis of expenditure on charitable activities - by fund

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Helpline	106,899	-	106,899
Membership services	160,938	-	160,938
Information services	73,138	10,750	83,888
Total 2021	340,975	10,750	351,725

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Helpline	97,641	-	97,641
Membership services	120,172	-	120,172
Information services	73,925	17,075	91,000
Total 2020	291,738	17,075	308,813

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

9. Analysis of expenditure on charitable activities - by type

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Helpline	64,245	42,654	106,899
Membership services	85,626	75,312	160,938
Information services	44,631	39,257	83,888
Total 2021	194,502	157,223	351,725

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Helpline	50,806	46,835	97,641
Membership services	63,047	57,125	120,172
Information services	47,743	43,257	91,000
Total 2020	161,596	147,217	308,813

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

9. Analysis of expenditure on charitable activities - by type (continued)

Analysis of support costs

	Total funds 2021 £	Total funds 2020 £
Staff costs	49,310	41,608
Depreciation	18,645	11,506
Premises costs	21,884	19,077
Carriage and postage	4,888	5,003
Professional fees	15,743	11,746
Bought-in services	845	2,802
Website, database and computing	15,212	17,354
Other costs	19,819	25,290
Governance costs	10,877	12,831
	157,223	147,217

10. Governance costs

	2021 £	2020 £
Auditors' remuneration	-	9,000
Independent Examiner's remuneration	5,505	-
Rent & rates	(670)	(602)
Insurance	6,386	6,151
Trustees expenses	-	30
Legal & professional fees	-	504
General office expenses	43	27
	11,264	15,110

Total Governance costs above comprise £387 (2020 - £2,279) of Expenditure on raising funds and £10,877 (2020 - £12,831) of Expenditure on charitable activities.

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

11. Auditors' and Independent examiner's remuneration

	2021 £	2020 £
Auditors' remuneration - Audit of the Group and the Trading Subsidiary	-	9,540
Auditors' remuneration - Preparation of the statutory accounts for the Group and the Trading Subsidiary	-	2,100
Independent Examiner's remuneration - Examination of the financial statements	5,505	-
	<u><u>5,505</u></u>	<u><u>-</u></u>

12. Staff costs

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Wages and salaries	159,739	154,610	159,739	154,610
Social security costs	13,067	12,728	13,067	12,728
Pension costs	6,857	7,010	6,857	7,010
	<u><u>179,663</u></u>	<u><u>174,348</u></u>	<u><u>179,663</u></u>	<u><u>174,348</u></u>

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

	Group 2021 No.	Group 2020 No.
Direct charitable activities	2	2
Fundraising and communication	1	1
Support and governance	1	1
	<u><u>4</u></u>	<u><u>4</u></u>

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

	Group 2021 No.	Group 2020 No.
In the band £60,001 - £70,000	1	1

The total amount of employee benefits, including employers national insurance and pension contributions, received by Key Management Personnel is £72,305 (2020 - £72,330). The Charity considers its Key Management Personnel comprise the Trustees and the Chief Executive Officer.

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 December 2021, No expenses were reimbursed or paid directly to any Trustee (2020 - £30 to 2 Trustees).

14. Intangible assets

Group and Charity

	Website £
Cost	
At 1 January 2021	20,988
At 31 December 2021	<u>20,988</u>
Amortisation	
At 1 January 2021	5,160
Charge for the year	6,996
At 31 December 2021	<u>12,156</u>
Net book value	
At 31 December 2021	<u><u>8,832</u></u>
At 31 December 2020	<u><u>15,828</u></u>

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

15. Tangible fixed assets

Group and Charity

	Leasehold improvements £	Furniture and fixtures £	Office equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2021	41,470	2,493	3,873	22,043	69,879
Additions	-	-	-	2,146	2,146
At 31 December 2021	41,470	2,493	3,873	24,189	72,025
Depreciation					
At 1 January 2021	21,784	1,430	1,950	6,663	31,827
Charge for the year	4,147	249	388	7,528	12,312
At 31 December 2021	25,931	1,679	2,338	14,191	44,139
Net book value					
At 31 December 2021	15,539	814	1,535	9,998	27,886
At 31 December 2020	19,686	1,063	1,923	15,380	38,052

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

16. Fixed asset investments

Charity	Investment in subsidiary company £
Cost or valuation	
At 1 January 2021	100
At 31 December 2021	<u>100</u>

NATIONAL ECZEMA SOCIETY
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16. 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 £	Loss for the year £	Net liabilities £
Eczema Trading Limited	1,801	(5,000)	(3,199)	(28,532)

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 2021.

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. The Society keeps under review possible future activities that might constitute trading and so considers it appropriate to retain Eczema Trading Limited for the time being.

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17. Debtors

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Due within one year				
Trade debtors	24,500	30,840	24,500	30,840
Amounts owed by group undertakings	-	-	51,557	45,837
Other debtors	124,611	48,047	124,611	48,047
Prepayments and accrued income	10,404	11,711	10,404	11,711
	159,515	90,598	211,072	136,435

18. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade creditors	4,821	6,004	4,821	6,004
Other taxation and social security	12,761	12,571	12,761	12,571
Other creditors	7,770	15,490	7,770	15,490
Accruals and deferred income	89,676	121,936	87,876	121,936
	115,028	156,001	113,228	156,001

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Deferred income				
Deferred income at 1 January	103,016	85,119	103,016	83,319
Resources deferred during the year	75,422	103,016	73,622	103,016
Amounts released from previous periods	(103,016)	(85,119)	(103,016)	(83,319)
Deferred income at 31 December	75,422	103,016	73,622	103,016

Deferred income consists of membership income relating to future periods.

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19. Creditors: Amounts falling due after more than one year

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Pension Scheme deficit	8,774	49,863	8,774	49,863

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 £15,879 (2020 - £65,196) at 31 December 2021. The payment by the Charity in the year was £15,333 (2020 - £14,887) with an interest payment of £155 (2020 - £794) and a remeasurement expense of (£180) (2020 - £1,121).

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 £6,858 (2020 - £7,010), interest of £155 (2020 - £794), actuarial (gains)/losses of (£180) (2020 - £1,121) and remeasurements for amendments to the contribution schedule of (£33,959) (2020 - £NIL) have been charged to the Consolidated Statement of Financial Activities. There were no accrued contributions at 31 December 2021 (2020 - £NIL) but there is a liability of £15,879 (2020 - £65,196) for future contributions under the Series 3 Recovery Plan. Of this £7,105 (2020 - £15,333) is reported in Creditors: Amounts falling due within one year as part of Other creditors and £8,774 (2020 - £49,863) is reported in Creditors: Amounts falling due after more then one year.

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NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds

Statement of funds - current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
Unrestricted funds						
Designated funds						
Fixed asset fund	53,880	-	(19,308)	2,146	-	36,718
Pension reserve	(65,196)	-	(155)	15,333	34,139	(15,879)
	<u>(11,316)</u>	<u>-</u>	<u>(19,463)</u>	<u>17,479</u>	<u>34,139</u>	<u>20,839</u>
General funds						
General funds	<u>535,197</u>	<u>535,712</u>	<u>(354,316)</u>	<u>(17,479)</u>	<u>-</u>	<u>699,114</u>
Total Unrestricted funds	<u>523,881</u>	<u>535,712</u>	<u>(373,779)</u>	<u>-</u>	<u>34,139</u>	<u>719,953</u>
Restricted funds						
Research	<u>12,488</u>	<u>-</u>	<u>(10,750)</u>	<u>-</u>	<u>-</u>	<u>1,738</u>
Total of funds	<u><u>536,369</u></u>	<u><u>535,712</u></u>	<u><u>(384,529)</u></u>	<u><u>-</u></u>	<u><u>34,139</u></u>	<u><u>721,691</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
Unrestricted funds						
Designated funds						
Fixed asset fund	44,072	-	(13,550)	23,358	-	53,880
Pension reserve	(78,168)	-	(794)	14,887	(1,121)	(65,196)
	<u>(34,096)</u>	<u>-</u>	<u>(14,344)</u>	<u>38,245</u>	<u>(1,121)</u>	<u>(11,316)</u>
General funds						
General funds	<u>383,191</u>	<u>522,350</u>	<u>(332,099)</u>	<u>(38,245)</u>	<u>-</u>	<u>535,197</u>
Total Unrestricted funds	<u>349,095</u>	<u>522,350</u>	<u>(346,443)</u>	<u>-</u>	<u>(1,121)</u>	<u>523,881</u>
Restricted funds						
Research	753	11,735	-	-	-	12,488
ThankQ	-	13,800	(13,800)	-	-	-
Laptops	-	3,275	(3,275)	-	-	-
	<u>753</u>	<u>28,810</u>	<u>(17,075)</u>	<u>-</u>	<u>-</u>	<u>12,488</u>
Total of funds	<u>349,848</u>	<u>551,160</u>	<u>(363,518)</u>	<u>-</u>	<u>(1,121)</u>	<u>536,369</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

20. 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 £15,333 was made to separate the deficit payments due as at 31 December 2021 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 Tangible and Intangible fixed assets and agrees back to the Net Book Value presented on the Consolidated Balance Sheet. The transfer of £2,146 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.

The Society is grateful to two corporate members, Abbvie and Sanofi, which provided restricted funding to upgrade the Society's supporter database software, ThankQ, and implement cloud-based hosting. This work was essential in supporting more efficient remote working by the staff team, which was needed in response to the Covid-19 pandemic. The Society is grateful to the British Association of Dermatologists who provided funding for the software licence and hosting fees for the first year of use of the Society's upgraded supporter database.

The Society is grateful to the company Almirall, which provided restricted funding for new laptop computers and related costs, needed to facilitate home working by the staff team in response to the Covid-19 pandemic.

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21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	27,886	-	27,886
Intangible fixed assets	8,832	-	8,832
Current assets	807,037	1,738	808,775
Creditors due within one year	(115,028)	-	(115,028)
Creditors due in more than one year	(8,774)	-	(8,774)
Total	719,953	1,738	721,691

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	38,052	-	38,052
Intangible fixed assets	15,828	-	15,828
Current assets	675,865	12,488	688,353
Creditors due within one year	(156,001)	-	(156,001)
Creditors due in more than one year	(49,863)	-	(49,863)
Total	523,881	12,488	536,369

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22. Reconciliation of net movement in funds to net cash flow from operating activities

		Group 2021 £	Group 2020 £
Net income for the year (as per Statement of Financial Activities)		151,183	187,642
Adjustments for:			
Depreciation charges	15	12,312	8,390
Amortisation charges	14	6,996	5,160
Investment income	6	(856)	(2,143)
Increase in debtors	17	(114,754)	(26,950)
(Decrease)/increase in creditors	18	(2,086)	7,940
Net cash provided by operating activities		52,795	180,039

23. Analysis of cash and cash equivalents

	Group 2021 £	Group 2020 £
Cash in hand	649,260	597,755
Total cash and cash equivalents	649,260	597,755

24. Analysis of changes in net debt

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	597,755	51,505	649,260
	597,755	51,505	649,260

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25. Operating lease commitments

At 31 December 2021 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Not later than 1 year	21,000	20,833	21,000	20,833
Later than 1 year and not later than 5 years	46,333	66,500	46,333	66,500
	67,333	87,333	67,333	87,333

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

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Operating lease rentals	20,833	20,000	20,833	20,000

26. Related party transactions

In the year ended 31 December 2021, donations of £1,200 (2020 - £NIL) were made by 1 Trustee (2020 - None) to the Charity.