

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 2022



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 2022**

Trustees	Edward Davies KC, Chair (resigned 19 May 2022) Ellen Vincent, Vice Chair (resigned 14 September 2022) Stephen Pugh, Treasurer (appointed to Chair 19 May 2022, resigned as Treasurer 19 May 2022) Catherine Escott (resigned 14 September 2022) Myrtle Johnston (resigned 14 September 2022) Hannah Kunzlik (appointed 16 March 2022) Dr Simon Lovegrove (appointed 16 March 2022, resigned 14 September 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 Chartered Accountants Statutory Auditor 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 2022

The trustees present their annual report together with the financial statements of the Group and the Charity for the year 1 January 2022 to 31 December 2022. 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 by providing evidence-based information and advice about eczema and its management. We deliver this in various ways through our website, webinars, instructional videos, social media communications, 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 work is needed more than ever. 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.

2022 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 2022

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 provides personalised independent advice and reassurance needed by people struggling to cope with eczema wherever they live in the UK. We receive around 1,500 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 14,000 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 Contact Dermatitis booklet and Guide for Teenagers Living with Eczema.

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. With the lifting of Covid restrictions, the West Surrey and North-East Hampshire Support Group was able to return to local fundraising and awareness-raising. Dr George Moncrieff gave an excellent thought-provoking talk on the causes of eczema and latest thinking on eczema care at the Group's eczema information day in Guildford in March. It showed how much is still not known about eczema, but also how much progress has been made in management and treatment approaches over recent years. Group member Vicky Robinson received the Mayor's Award for Service to the Community in June, which recognises positive community working within the borough of Guildford. The award was richly deserved and reflects Vicky's fantastic work for the Society over many years, and that of the West Surrey and North-East Hampshire Group.

We publish all our eczema information on the Society's website, which received over two million visits during the year, with webpages on emollients, topical steroid treatments, eye and ear eczema, hand eczema, pompholyx eczema and scalp eczema especially popular. We also promote health advice messages through our social media channels, media engagement and other external communications. We continued our programme of webinars, working in partnership with St John's DermAcademy (part of Guy's and St Thomas' Hospital, London) to jointly deliver two events, one focusing on new treatments for eczema and the other about managing childhood eczema. Our own webinar in September on topical steroid treatments for eczema was well attended and thanks are due to Dr Paula Beattie for presenting this. Recordings of several past webinars are available to view on the Society's social media pages.

Our planned work to develop an online forum to provide peer support for people affected by eczema, and scoping a WhatsApp channel and an instant messaging on the Society's helpline, website for advice enquiries, were not taken forward because of competing pressure on charity resources.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

NES membership scheme

National Eczema Society is a membership organisation and we are very grateful to our 2,200 members who support the Society through their annual membership fee and additional donations. Members receive our membership 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.

Income from the membership scheme has fallen as the number of members has gradually declined over the years. We took the difficult decision to move to producing two issues of Exchange magazine in 2024, rather than the current quarterly schedule, so that costs are better aligned with membership income.

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 Dermatology Council for England and working with professional bodies like the British Association of Dermatologists (BAD) and Primary Care Dermatology Society (PCDS). 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 service funding pressures and the disruption caused by Covid. This covered areas like teledermatology and waiting lists. We also continue to work to raise awareness of the need for better understanding and representation in dermatology for people with skin of colour.

Patient interest and awareness of the side effects of topical steroid medication, and concerns about topical steroid withdrawal (TSW), continues to grow. NES remains active in this area, building on our earlier work with the British Association of Dermatologists to develop a position statement on TSW, and our contribution to the Medicines and Healthcare products Regulatory Agency (MHRA) review of topical steroid withdrawal reactions. Topical steroid withdrawal is complex and research into the causes, symptoms and treatments is limited. NES wants to see more research in this area, to support evidence-based diagnosis and treatment approaches. 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. Projects supported during the year include:

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

- A-STAR - UK-Irish Atopic Eczema Systemic Therapy Register
- BEACON trial - Best systemic treatments for adults with atopic eczema over the long term
- BEACONomics - study embedded within the BEACON trial investigating how eczema treatments work
- BIOMAP Innovative Medicines Initiative - Biomarkers in Atopic Dermatitis and Psoriasis
- ECO trial - Eczema Care Online
- END-ITCH trial - Eczema and Dermatitis, Implementing The Combined Approach
- Global Patient Initiative for Optimal Eczema Care
- Navigating primary care with Topical Steroid Withdrawal
- RAPID Eczema Trials Programme
- SLEEP study - Supporting children's sleep in those with Eczema Programme
- TECH study - Teleconsultations for Eczema in Children
- TRANS-FOODS study - preventing peanut allergy

National Eczema Society staff and Trustees contributed to several articles in academic journals over the year, including:

Topical steroid withdrawal syndrome: time to bridge the gap; Chantal Cotter et al, British Journal of Dermatology, July 2022

Topical corticosteroid withdrawal: the patient community call for high quality research, clear definitions, and diagnostic criteria; et al. British Journal of Dermatology, Laura Howells et al, November 2022

The sound of silence: where are the voices of patients in eczema guideline development?; Korey Capozza et al; British Journal of Dermatology, December 2022

NES also provides a patient perspective for clinical guideline development, the assessment of new eczema treatments, and policy consultations. During the year, we contributed to the assessment by the National Institute of Health and Care Excellence (NICE) of a new monoclonal antibody drug called tralokinumab and two JAK-inhibitor treatments, upadacitinib and abrocitinib. These new treatments for moderate to severe eczema were all approved for use by the NHS. We also contributed to several drug assessments for the Scottish Medicines consortium (SMC) over the year. 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.

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.

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.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Activity for National Eczema Week in September was limited due to capacity constraints and the period of national mourning following the death of Queen Elizabeth II earlier that month. We intend to return with a strong campaign for 2023. The Society provided press comment for a number of eczema stories in the media over the year. We achieved mentions on BBC Morning Live and BBC Online, as well as coverage in the Daily Mail, Daily Telegraph, The Times and i newspaper, on topics ranging from tests for babies to predict eczema risk, to new treatments and TSW. The Society was also featured in several professional publications including the Nursing Standard. Capacity constraints and competing priorities continue to impact on the proactive media work we are able to undertake.

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 24,000 followers on Facebook, an increase of more than 1300 over the year. We also grew our following on Twitter to nearly 8,500, and 10,000 on Instagram by the end of 2022.

Growing income and building financial sustainability

In 2022, we invested more resources in income generation with the appointment of an experienced fundraiser, Sammi Skelding, as Deputy Chief Executive. This reflects our commitment 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. Income from legacies was much lower in 2022 and this had a significant impact on our overall income, demonstrating the importance of prioritising legacy giving activity.

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, Dermal, Eli Lilly, LEO Pharma and Sanofi were all corporate members. We are especially grateful to staff and partners at Swagelok Manchester for their continued generous support.

There were many fundraising highlights during the year. Income from challenge events, including the London Marathon, was much improved in 2022 following the disruption caused by Covid. NES organised several new fundraising events during the year, including the 'May Day March' and 'Cake Bake Donate', and thanks to everyone who took part and donated. Having scoped options, we took the decision not to proceed with developing a product endorsement scheme. We continue to find it challenging securing grants from charitable trusts and foundations.

The Society's West Surrey and North-East Hampshire Support Group undertook various local fundraising activities around Guildford, and presented a cheque for £2,000 at the Annual General Meeting in September. In addition, group members raised over £600 through taking part in the Guildford Rotary Annual Charity Sponsored Walk. 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 a challenging year with cost of living pressures.

Organisational development

During the year, we started the process of reviewing options and planning for the Society's future office requirements. The lease on the charity's current office expires in March 2025 and future provision needs to take into account changing needs following the introduction of hybrid working arrangements.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Strategy work undertaken included refining the Society's vision, mission and values and scoping work to refresh the charity's brand and visual identity. We have also positioned our charitable work into three core areas:

- Provide information and advice
- Improve eczema care
- Support eczema research

Going forward, we want to give greater relative priority to awareness-raising, communications and campaigning, where we have the opportunity of helping greater numbers in the large eczema community.

2023 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 2023 include:

Deliver information and advice

- Continue providing high-quality eczema information and advice, through the website, printed publications, Helpline, webinars and other channels.
- Scope and develop resources to highlight the impact of eczema on people's mental health and emotional well-being.
- Introduce a regular monthly e-newsletter for NES stakeholders.
- Scope and plan a NES-moderated online forum and closed Facebook group.

Improve eczema care

- Increase public awareness and understanding of the challenges of living with eczema, highlighting the impact on people's physical, mental health and quality of life.
- Lead the annual national flagship awareness event, National Eczema Week in September.
- Develop and lead a coalition to campaign for clearer potency labelling of topical steroids.
- Continue to engage with the topical steroid withdrawal community and call for more research into diagnosis and treatment.
- 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.

Support eczema research

- Scope options for developing an NES research grant programme, to fund studentships and innovation grants for eczema research.
- Partner with the UK Dermatology Clinical Trials Network (UK DCTN) to offer a £10,000 award for eczema-related research, as part of the UK DCTN's joint research call for projects to improve dermatology care for people with skin of colour.
- Recruit a panel of people with eczema to share their experiences of living with the condition with researchers.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

- Continue to contribute patient insights for major eczema research projects and programmes.

We also have a number of initiatives planned to grow charity income and build organisational capability in 2023.

Financial Results

The Society planned for a deficit budget in 2022, although the reported figure is larger than anticipated. It is disappointing to experience this deficit in 2022 after achieving an operating surplus for several prior years and rebuilding reserves to a stronger position. The weaker 2022 result is largely down to lower than expected income from legacy gifts.

Income for the year was £342,821, with expenditure at £413,759 and an annual deficit of £70,621. This compares with a surplus of £185,322 in the year ended 31 December 2021. At 31 December 2022, the Society had reserves of £651,070 (£721,691).

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 adequate reserves to permit the ongoing operations of the charity. In arriving at their assessment of a suitable limit, trustees have considered the predictability of the Society's income and the nature of its expenditure, together with the degree to which these are committed. Legacies form an important part of the Society's income, and whilst legacies can often be substantial relative to overall income, they are unpredictable and historical trends show there can be periods of years where this source of income is much lower than the long-term average. Expenditure on the other hand is more consistent and predictable.

Trustees last reviewed the Reserves Policy in 2022, and consider that holding unrestricted reserves equal to approximately six months unrestricted charitable expenditure would be sufficient to close or merge the charity, should this ever be necessary. However, given the known volatility of legacy income, trustees have determined a reserves target of 12 months' future overheads expenditure is more appropriate to respond to fluctuations in income.

In order to make unrestricted reserves more transparent, funds that are not readily available to spend are held in reserves designated for specific purposes. A key aim of the Society is to promote research into the causes and treatment of eczema. This being so, the trustees have designated a proportion of reserves to fund future research activity, in addition to any funds that donors have specifically restricted for this purpose. Funds that are not readily available to spend, notably those represented by fixed assets, are held in a reserve designated for this purpose. The pension reserve shows future deficit payments owed in relation to an historical defined benefit pension scheme (see note 19).

The balance held in unrestricted funds at 31 December 2022 is £644,319. Unrestricted funds include funds tied up in tangible assets of £19,721, the pension reserve of (£8,587) and designated Research funds of £110,000. The remaining general funds of £523,185 are materially in line with the charity's

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

reserves policy target of 12 months future overheads expenditure, budgeted at £525,000 for the 2023 financial year.

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 financial outturn for the 2022 financial year emphasises the importance of building sustainable sources of non-legacy income.

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. One current trustee has served longer than nine years and provides specific professional skills to the Board. As yet, it has not been possible to find a replacement with comparable expertise.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

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

The Society has 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 in the sector and benchmark salary data.


Covid statement and response

National Eczema Society was able to maintain its core services and other charitable activities during the Coronavirus pandemic period, most of which are delivered remotely. This has required changes in the way the charity operates, with some staff now routinely working remotely for most of the time. We have invested in our IT and cloud computing capability to support remote working and now have an effective hybrid working model.

The Society benefits from a diverse range of income sources and is therefore more resilient to significant unexpected events like Covid. High inflation in 2022 and into 2023 presents challenges, in both managing costs and achieving income targets as supporters feel the financial pressures. Legacies are a significant element of the Society's overall income mix and we expect legacy income to be stronger again in 2023. Members, other individual donors and corporate partners continued their support during the pandemic. We expect some income sources to be stronger in 2023, including income from corporate supporters and 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 longer-term economic impact of Covid. As referenced earlier, the trustees reviewed the NES Reserves Policy in 2022 to ensure reserves continue to meet current and known future requirements.

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 7th September 2023 and signed on their behalf by:


.....
Stephen Pugh
Chair

NATIONAL ECZEMA SOCIETY
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2022


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: 7th September 2023

NATIONAL ECZEMA SOCIETY
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INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

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 14 to 45, comprising the National Eczema Society ('the parent Charity') and its subsidiary undertakings for the year ended 31 December 2022.

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.

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INDEPENDENT EXAMINER'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Signed: 

Dated: 11/09/2023

Stuart McKay BSc FCA DChA

MHA
Chartered Accountants
London, United Kingdom

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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	4	322,062	5,013	327,075	528,134
Other trading activities:	5				
Income from fundraising		10,205	-	10,205	4,921
Income from trading activities		4,109	-	4,109	1,801
Investments	6	1,432	-	1,432	856
Total income		337,808	5,013	342,821	535,712
Expenditure on:					
Raising funds	7	64,906	-	64,906	32,804
Charitable activities	8	348,853	-	348,853	351,725
Total expenditure		413,759	-	413,759	384,529
Net movement in funds before other recognised gains		(75,951)	5,013	(70,938)	151,183
Other recognised gains:					
Gains/(losses) on pension scheme	19	317	-	317	34,139
Net movement in funds		(75,634)	5,013	(70,621)	185,322
Reconciliation of funds:					
Total funds brought forward		719,953	1,738	721,691	536,369
Net movement in funds		(75,634)	5,013	(70,621)	185,322
Total funds carried forward		644,319	6,751	651,070	721,691

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 20 to 45 form part of these financial statements.

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

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Intangible assets	14		1,836		8,832
Tangible assets	15		17,885		27,886
			<u>19,721</u>		<u>36,718</u>
Current assets					
Debtors: Amounts falling due within one year	17	65,445		159,515	
Cash at bank and in hand		687,108		649,260	
		<u>752,553</u>		<u>808,775</u>	
Creditors: Amounts falling due within one year	18	(116,940)		(115,028)	
Net current assets			<u>635,613</u>		<u>693,747</u>
Total assets less current liabilities			<u>655,334</u>		<u>730,465</u>
Creditors: Amounts falling due after more than one year	19		(4,264)		(8,774)
Total net assets			<u><u>651,070</u></u>		<u><u>721,691</u></u>
Group funds					
Restricted funds	20		6,751		1,738
Unrestricted funds	20		644,319		719,953
Total funds			<u><u>651,070</u></u>		<u><u>721,691</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.

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:

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

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022



.....
James Pitayanukul
Treasurer
Date: *7th September 2023*

The notes on pages 20 to 45 form part of these financial statements.

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

CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Intangible assets	14		1,836		8,832
Tangible assets	15		17,885		27,886
Investments	16		100		100
			<u>19,821</u>		<u>36,818</u>
Current assets					
Debtors: Amounts falling due within one year	17	132,652		211,072	
Cash at bank and in hand		647,526		624,435	
		<u>780,178</u>		<u>835,507</u>	
Creditors: Amounts falling due within one year	18	(115,140)		(113,228)	
Net current assets			<u>665,038</u>		<u>722,279</u>
Total assets less current liabilities			<u>684,859</u>		<u>759,097</u>
Creditors: Amounts falling due after more than one year	19		(4,264)		(8,774)
Total net assets			<u><u>680,595</u></u>		<u><u>750,323</u></u>
Charity funds					
Restricted funds	20		6,751		1,738
Unrestricted funds	20		673,844		748,585
Total funds			<u><u>680,595</u></u>		<u><u>750,323</u></u>

The Charity's net movement in funds for the year was £(69,728) (2021 - £188,521).

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 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.

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

CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

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



.....
James Pitayanukul
Treasurer
Date: 7th September 2023.

The notes on pages 20 to 45 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 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	22	36,416	52,795
Cash flows from investing activities			
Investment income	6	1,432	856
Purchase of tangible fixed assets	15	-	(2,146)
Net cash provided by/(used in) investing activities		1,432	(1,290)
Change in cash and cash equivalents in the year		37,848	51,505
Cash and cash equivalents at the beginning of the year		649,260	597,755
Cash and cash equivalents at the end of the year	23	687,108	649,260

The notes on pages 20 to 45 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 2022

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 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 financial statements are prepared in sterling which is the functional and presentational currency of the Group and are rounded to the nearest pound.

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 2022

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 2022

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 2022

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 2022

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

Through its past participation, the Group has a liability to a pension scheme called the Series 3 Growth Plan, which closed in 2013. Since then, the Group has participated in a defined contribution pension scheme for employees, operated by workplace pension provider TPT.

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 18 and 19. 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 2022

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

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

4. Income from donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Donations and similar income	132,853	5,013	137,866
Legacies	24,706	-	24,706
Subscriptions	143,952	-	143,952
Gift aid	20,551	-	20,551
Total 2022	322,062	5,013	327,075

	Unrestricted 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

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

5. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2022 £	Total funds 2022 £
Other corporate income	6,265	6,265
Other activities	3,940	3,940
Total 2022	<u><u>10,205</u></u>	<u><u>10,205</u></u>

	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>

Income from non charitable trading activities

	Unrestricted funds 2022 £	Total funds 2022 £
Trading subsidiary	<u><u>4,109</u></u>	<u><u>4,109</u></u>

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

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

6. Income from investments

	Unrestricted funds 2022 £	Total funds 2022 £
Bank interest receivable	1,432	1,432

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

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

7. Expenditure on raising funds

	2022 £	2021 £
Fundraising costs		
Direct costs	59,330	27,431
Support costs	5,574	5,373
	<u>64,904</u>	<u>32,804</u>

Analysis of support costs - fundraising costs

	2022 £	2021 £
Staff costs	1,735	1,539
Depreciation	562	663
Premises costs	727	779
Carriage and postage	289	174
Professional fees	370	560
Bought-in services	33	30
Website, database and computing	583	541
Other costs	931	700
Governance costs	344	387
	<u>5,574</u>	<u>5,373</u>

	2022 £	2021 £
Trading costs		
Trading subsidiary - Direct costs	<u>2</u>	<u>-</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 2022

8. Analysis of expenditure on charitable activities - by fund

	Unrestricted funds 2022 £	Total 2022 £
Helpline	100,310	100,310
Membership services	174,303	174,303
Information services	74,240	74,240
Total 2022	348,853	348,853

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 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

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

9. Analysis of expenditure on charitable activities - by type

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Helpline	56,071	44,239	100,310
Membership services	96,182	78,121	174,303
Information services	33,519	40,721	74,240
Total 2022	185,772	163,081	348,853

	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

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

Analysis of support costs

	Total funds 2022 £	Total funds 2021 £
Staff costs	50,750	49,310
Depreciation	16,435	18,645
Premises costs	21,266	21,884
Carriage and postage	8,468	4,888
Professional fees	10,838	15,743
Bought-in services	962	845
Website, database and computing	17,050	15,212
Other costs	27,236	19,819
Governance costs	10,076	10,877
	163,081	157,223

10. Governance costs

	2022 £	2021 £
Independent Examiner's remuneration	2,000	5,505
Rent & rates	-	(670)
Insurance	6,681	6,386
Recruitment	1,150	-
Room hire & Conference expenses	50	-
Trustees expenses	198	-
Travel, hotels & subsistence	245	-
General office expenses	96	43
	10,420	11,264

Total Governance costs above comprise £344 (2021 - £387) of Expenditure on raising funds and £10,076 (2021 - £10,877) of Expenditure on charitable activities.

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. Auditors' and Independent examiner's remuneration

	2022 £	2021 £
Independent Examiner's remuneration - Examination of the financial statements	5,010	6,000
Independent Examiner's remuneration - prior year over-accrual	(3,010)	(495)
	<u> </u>	<u> </u>

12. Staff costs

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Wages and salaries	203,865	159,739	203,865	159,739
Social security costs	18,600	13,067	18,600	13,067
Pension costs	8,470	6,857	8,470	6,857
	<u>230,935</u>	<u>179,663</u>	<u>230,935</u>	<u>179,663</u>

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

	Group 2022 No.	Group 2021 No.
Direct charitable activities	3	2
Fundraising and communication	1	1
Support and governance	1	1
	<u>5</u>	<u>4</u>

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

	Group 2022 No.	Group 2021 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 £72,726 (2021 - £72,305). 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 2022

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 December 2022, expenses totalling £198 were reimbursed or paid directly to 2 Trustees (2021 - £Nil) in relation to travel and conference costs.

14. Intangible assets

Group and Charity

	Website £
Cost	
At 1 January 2022	20,988
At 31 December 2022	20,988
Amortisation	
At 1 January 2022	12,156
Charge for the year	6,996
At 31 December 2022	19,152
Net book value	
At 31 December 2022	1,836
At 31 December 2021	8,832

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

15. Tangible fixed assets

Group and Charity

	Leasehold improvements £	Furniture and fixtures £	Office equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2022	41,470	2,493	3,873	24,189	72,025
At 31 December 2022	41,470	2,493	3,873	24,189	72,025
Depreciation					
At 1 January 2022	25,931	1,679	2,338	14,191	44,139
Charge for the year	4,147	250	355	5,249	10,001
At 31 December 2022	30,078	1,929	2,693	19,440	54,140
Net book value					
At 31 December 2022	11,392	564	1,180	4,749	17,885
At 31 December 2021	15,539	814	1,535	9,998	27,886

NATIONAL ECZEMA SOCIETY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

16. Fixed asset investments

	Investment in subsidiary company £
Charity	
Cost or valuation	
At 1 January 2022	100
At 31 December 2022	<u>100</u>

NATIONAL ECZEMA SOCIETY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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	4,109	(5,002)	(893)	(29,425)

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 2022. The reported deficit relates to intercompany management charges and minimal advertising and corporate membership revenue.

For the year ended 31 December 2022, the advertising revenue from our membership magazine, together with limited income from company supporters, is accounted for in Eczema Trading Limited. Going forward, the majority of income received from company supporters will be accounted for in Eczema Trading Limited.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

17. Debtors

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Due within one year				
Trade debtors	26,160	24,500	-	24,500
Amounts owed by group undertakings	-	-	93,367	51,557
Other debtors	26,219	124,611	26,219	124,611
Prepayments and accrued income	13,066	10,404	13,066	10,404
	65,445	159,515	132,652	211,072

18. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade creditors	5,680	4,821	5,680	4,821
Other taxation and social security	12,616	12,761	12,616	12,761
Other creditors	6,995	7,770	6,995	7,770
Accruals and deferred income	91,649	89,676	89,849	87,876
	116,940	115,028	115,140	113,228
	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Deferred income				
Deferred income at 1 January	75,422	103,016	73,622	103,016
Resources deferred during the year	78,080	75,422	78,080	73,622
Amounts released from previous periods	(73,622)	(103,016)	(73,622)	(103,016)
Deferred income at 31 December	79,880	75,422	78,080	73,622

Deferred income consists of membership income relating to future periods.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Pension Scheme deficit	4,264	8,774	4,264	8,774

Through its past participation, the Group has a liability to a pension scheme called the Series 3 Growth Plan, which closed in 2013. Since then, the Group has participated in a defined contribution pension scheme for employees, operated by workplace pension provider TPT.

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 £8,587 (2021 - £15,879) at 31 December 2022. The payment by the Charity in the year was £7,105 (2021 - £15,333) with an interest payment of £130 (2021 - £155) and a revaluation gain of £317 (2021 - £(180)).

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 £8,470 (2021 - £6,857), interest of £130 (2021 - £155), actuarial (gains)/losses of £317 (2021 - £(180)) and remeasurements for amendments to the contribution schedule of £Nil (2021 - £(33,959)) have been charged to the Consolidated Statement of Financial Activities, along with scheme costs of £3,625 (2021: £Nil). There were no accrued contributions at 31 December 2022 (2021 - £NIL) but there is a liability of £8,587 (2021 - £15,879) for future contributions under the Series 3 Recovery Plan. Of this £4,323 (2021 - £7,105) is reported in Creditors: Amounts falling due within one year as part of Other creditors and £4,264 (2021 - £8,774) is reported in Creditors: Amounts falling due after more than one year.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

20. Statement of funds

Statement of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 December 2022 £
Unrestricted funds						
Designated funds						
Fixed asset fund	36,718	-	(16,997)	-	-	19,721
Pension reserve	(15,879)	-	(3,755)	10,730	317	(8,587)
Research fund	-	-	-	110,000	-	110,000
	<u>20,839</u>	<u>-</u>	<u>(20,752)</u>	<u>120,730</u>	<u>317</u>	<u>121,134</u>
General funds						
General funds	699,114	337,808	(393,007)	(120,730)	-	523,185
Total Unrestricted funds	<u>719,953</u>	<u>337,808</u>	<u>(413,759)</u>	<u>-</u>	<u>317</u>	<u>644,319</u>
Restricted funds						
Research	1,738	5,013	-	-	-	6,751
Total of funds	<u>721,691</u>	<u>342,821</u>	<u>(413,759)</u>	<u>-</u>	<u>317</u>	<u>651,070</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

20. Statement of funds (continued)

Statement of funds - prior 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>

NOTES TO THE FINANCIAL STATEMENTS
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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 £10,730 was made to separate the deficit payments due as at 31 December 2022 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. Depreciation is charged to this fund as expenditure.

The Research fund has been established to designate funds for research into the causes and treatment of eczema, which is a key aim of the Society. The Society will provide grants to researchers on a periodic basis and it is necessary to designate sufficient reserves to fund the expected grant costs. The fund is expected to be utilised and grants awarded commencing in the financial year to 31 December 2024.

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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21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	17,885	-	17,885
Intangible fixed assets	1,836	-	1,836
Current assets	745,802	6,751	752,553
Creditors due within one year	(114,456)	-	(114,456)
Creditors due in more than one year	(6,748)	-	(6,748)
Total	644,319	6,751	651,070

Analysis of net assets between funds - prior 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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

		Group 2022 £	Group 2021 £
Net income/expenditure for the year (as per Statement of Financial Activities)		(70,938)	151,183
Adjustments for:			
Depreciation charges	15	10,001	12,312
Amortisation charges	14	6,996	6,996
Investment income	6	(1,432)	(856)
Decrease/(increase) in debtors	17	94,070	(114,754)
(Decrease)/increase in creditors	18	(2,598)	(2,086)
Actuarial Gains / (loss) on pension		317	-
Net cash provided by operating activities		36,416	52,795

23. Analysis of cash and cash equivalents

	Group 2022 £	Group 2021 £
Cash in hand	687,108	649,260
Total cash and cash equivalents	687,108	649,260

24. Analysis of changes in net debt

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	649,260	37,848	687,108
	649,260	37,848	687,108

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

25. Operating lease commitments

At 31 December 2022 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Not later than 1 year	21,000	21,000	21,000	21,000
Later than 1 year and not later than 5 years	25,333	46,333	25,333	46,333
	46,333	67,333	46,333	67,333

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

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Operating lease rentals	21,000	20,833	21,000	20,833

26. Related party transactions

In the year ended 31 December 2022, unrestricted donations of £1,158 (2021 - £1,200) were made by the Trustees of the Charity.