

Report of the Trustees and
Audited Financial Statements
for the Year Ended 31 December 2020
for
British Skin Foundation



Nichols & Co (Accountancy) Limited
Chartered Accountants and Statutory Auditors
Unit 7 Mulberry Place
Pinnell Road, Eltham
London SE9 6AR

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for the Year Ended 31 December 2020

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The trustees present their report and audited financial statements of the charitable incorporated organisation for the year ended 31 December 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

The Trust was set up in order to raise funds and provide funds, either directly or by way of grants, to others for the purpose of research into dermatology and the causes of skin diseases and the possibilities of prevention, alleviation, and cure.

FUNDRAISING STANDARD INFORMATION

As a registered charity funding skin disease and skin cancer research, the British Skin Foundation actively fundraises by canvassing support from the public, industry and philanthropic trusts. Its fundraising activities are undertaken by employed staff without the use of external third party fundraisers. These staff work within the guidelines set out by the Charity Commission and within the parameters of the charity's own fundraising policy. During this accounting period the charity has received no complaints pertaining to its fundraising practices or its staff. The charity does not cold call or place pressure on donors to give and it does use third parties or professional fundraising companies to attract support.

PUBLIC BENEFIT

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

STRATEGIC REPORT

ACHIEVEMENTS, PERFORMANCE AND FUTURE PLANS

2020 was an incredibly difficult year for the British Skin Foundation (BSF) and for the whole of the third sector as the global coronavirus pandemic took hold. Not only was the BSF's economic future unclear but also the way in which it is staffed and operates its daily business was suddenly under threat.

In March, along with the rest of the UK, the BSF went into lockdown and its dedicated team of full-time staff began working from home. The government supported many industries, including charities, within its generous workers' furlough scheme. However due to the small and specialised nature of the BSF's workforce and the limitations of the original furlough scheme (employers could not claim furlough and have staff working) it was deemed more cost effective and psychologically uplifting to try to continue business as normal.

Despite the downturn BSF's fundraising was dominated by our corporate donors who continue to support its work through generous donations. They value the BSF as it is recognised by them and their consumers as a trustworthy brand and truly knowledgeable on skin health and disease. Event fundraising saw a noticeable but expected dip. With lockdown restrictions in place for most of the spring and summer many big national and smaller bespoke events were cancelled. The BSF team did initiate some virtual events among its donors, but these had limited take up as it became clear that due to the pandemic, supporters' priorities had changed. Philanthropic giving remained static as the BSF benefitted from a second £85,000 restricted donation to the underfunded area of skin disease research (donations were accrued in 2019 together with the first tranche of £85,000). Additional large donations were also gratefully received from both the British Association of Dermatologists and the Skin Health Alliance.

Due to the uncertainty surrounding Covid and the BSF's policy of only awarding grants when monies are available it was decided to postpone the 2020 Large Grants programme and freeze the BSF's contribution to the MRC/BAD/BSF Clinical Research Training Fellowship. BSF's Large Grants are usually advertised in April, just when the country went into lockdown, and awarded in December. It was unanimously agreed by Trustees that the 2020 Large Grants would therefore be postponed until July 2021 reverting to a normal timetable in December 2022. This would allow time for both BSF's fundraising ambitions and the research community wants to return to normal. It would also help take the pressure off the BSF Grants Advisory Committee, many of whom were now key medical workers helping the NHS.

It was more important than ever that the BSF's messages reached far and wide in 2020. It was important that supporters, donors and the public saw the BSF continuing to be the leading skin disease and skin cancer research charity. Media coverage was maintained and, in some areas, increased. For instance, many commentators turned to BSF experts for skin, hygiene and Covid related news and advice.

BSF's website remains popular attracting in excess of 100,000 visits per month and social media platforms such as Twitter and Facebook are now being used as major conduits for engaging with supporters. Our website and e-newsletter articles continue to provide the most effective and efficient way of communicating fundraising and grant giving news to our donors and supporters.

We are expecting the Covid challenge to continue in 2021. Business uncertainty continues to affect our corporate donors and finding participants for fundraising events is difficult. However, with a dedicated fundraising and media team working tirelessly to keep our current supporters engaged and initiatives in place to recruit new donors we hope the British Skin Foundation is in good shape to meet the challenge.

FINANCIAL REVIEW

The charity's principal sources of funding are donations and legacies. The assets of the charity are mainly held in no-risk investment accounts at four unrelated British financial institutions. The assets are held in cash because the charity needs ready access to funds to meet grant commitments. The charity have also invested £50,000 in a listed investment fund and are monitoring its performance.

The British Skin Foundation will maintain sufficient reserves to ensure financial stability. Each year monies which are not already committed to reserves or grants, or required for running the organisation, will be made available for new awards. As there is always a delay between the granting of awards and the call for funds, a substantial positive balance will remain in the bank. If there are insufficient suitable applications for grants, the monies will be carried over to the next year.

Unrestricted funds invested in tangible fixed assets, listed investments and cash increased from £2,684,231 to £2,798,375 during the year. Restricted funds invested in cash fell from £79,512 to £1,685 during the year as the funds were required for the designated research project.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The charitable incorporated organisation ("CIO") was registered with the Charity Commissioners by Trust Deed on 30 January 2017 under the name "British Skin Foundation". The CIO has taken over the activities of the charity "The British Skin Foundation" (registered charity number 313865) on the 5 June 2020, as part of a restructuring of the charity.

New trustees may be appointed at any time either by way of replacement or addition. Appointments are made by a resolution of a meeting of the trustees provided that a memorandum declaring such appointment or discharge shall be signed as a deed either at a meeting by the person presiding or in some other manner directed by the meeting and attested by two persons present at the meeting.

Trustees are recruited either on personal recommendation or, where appropriate, through advertising. Care is taken to maintain a balance between the business and medical experience and skills contributed by the trustees. References are taken up on potential trustees and they are required to attend a briefing on the charity's activities given by the administrator, where they are provided with background information, copies of the latest audited accounts, and the latest Charity Commission guidance.

The trustees oversee the pay and remuneration of the CEO Matthew Patey which is benchmarked against industry standards and based upon performance and an annual review.

The trustees have reviewed the major risks facing the charity and taken action to manage those risks. The major risks are a fall in income due to difficulties in the corporate and financial markets and possible employee fraud. The possibility of fraud is minimised by only the trustees being signatories on the bank accounts, and robust bank account security. In addition, the Trustee Indemnity Insurance Policy includes cover against possible employee fraud

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

CE008950 (England and Wales)

Registered Charity number

1171373

Registered office

4 Fitzroy Square
London
W1T 5HQ

Trustees (who served during the year and at the date the report was approved)

Mrs E Erkal-Paler	Chairperson
Professor C Bunker	Honorary Secretary
Professor D Gawkrödger	Honorary Treasurer
Mr H Drayton	
Professor R Sarkany	
Dr S Mayou	
Professor E Healy	
Mr R Balson	
Dr B Shergill	
Dr T Griffiths	
Dr R Murphy	(resigned 04.06.2020)
Mrs Y Burne	(appointed 01.09.2019)
Ms T Bleiker	(appointed 24.09.2020)

Chief Executive Officer

Matthew Patey

Auditors

Nichols & Co (Accountancy) Limited
Chartered Accountants and Statutory Auditors
Unit 7 Mulberry Place
Pinnell Road
Eltham
London
SE9 6AR

Bankers

Coutts & Co
440 Strand
London
WC2R 0QS

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

This report was approved by the Board of Trustees on 29 October 2021 and signed on its behalf by:

Professor C Bunker
Trustee

Opinion

We have audited the financial statements of British Skin Foundation (the 'charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 The Financial reporting Standard applicable in the United Kingdom and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the report of the trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the report of the trustees. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Report of the Independent Auditors to the Trustees of
British Skin Foundation for the year ended 31 December 2020

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below,

- enquiry of staff, those charged with governance and the Scheme's legal advisers (where deemed necessary);
- obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- reviewing minutes of meetings of those charged with governance;
- reviewing accounts disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Nichols & Co (Accountancy) Limited
Chartered Accountants and Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Unit 7, Mulberry Place
Pinnell Road, Eltham
London SE9 6AR

29 October 2021

British Skin Foundation

Statement of Financial Activities
for the Year Ended 31 December 2020

		Unrestricted funds £	Restricted funds £	31.12.20 Total funds £	31.12.19 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	1,159,059	-	1,159,059	1,211,988
Other trading activities	3	64,655	-	64,655	104,043
Investment income	4	<u>5,305</u>	<u>-</u>	<u>5,305</u>	<u>12,088</u>
Total income and endowments		1,229,019	-	1,229,019	1,328,119
EXPENDITURE ON					
Raising funds	5	40,262	-	40,262	21,696
Charitable activities	6				
Charitable Activities		1,002,621	77,827	1,080,448	891,079
Support Costs		<u>74,497</u>	<u>-</u>	<u>74,497</u>	<u>77,592</u>
Total expenditure		<u>1,117,380</u>	<u>77,827</u>	<u>1,195,207</u>	<u>990,367</u>
Net gains/(losses) on investments		2,505	-	2,505	-
NET INCOME/(EXPENDITURE)		114,144	(77,827)	36,317	337,752
Transfers between funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET MOVEMENT ON FUNDS		114,144	(77,827)	36,317	337,752
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>2,684,231</u>	<u>79,512</u>	<u>2,763,743</u>	<u>2,425,991</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>2,798,375</u></u>	<u><u>1,685</u></u>	<u><u>2,800,060</u></u>	<u><u>2,763,743</u></u>

All income and expenditure has arisen from continuing activities.

British Skin Foundation

Balance Sheet

31 December 2020

	Notes	Unrestricted fund £	Restricted fund £	31.12.20 Total funds £	31.12.19 Total funds £
FIXED ASSETS					
Tangible assets	14	624	-	624	832
Investments	15	<u>52,505</u>	<u>-</u>	<u>52,505</u>	<u>50,000</u>
		53,129	-	53,129	50,832
CURRENT ASSETS					
Debtors	16	383,506	-	383,506	340,491
Cash at bank and in hand		<u>2,536,474</u>	<u>6,444</u>	<u>2,542,918</u>	<u>2,414,222</u>
		2,919,980	6,444	2,926,424	2,754,713
CREDITORS					
Amounts falling due within one year	17	(174,734)	(4,759)	(179,493)	(41,802)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CURRENT ASSETS		<u>2,745,246</u>	<u>1,685</u>	<u>2,746,931</u>	<u>2,712,911</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,798,375</u>	<u>1,685</u>	<u>2,800,060</u>	<u>2,763,743</u>
NET ASSETS		<u>2,798,375</u>	<u>1,685</u>	<u>2,800,060</u>	<u>2,763,743</u>
CHARITY FUNDS	18				
Unrestricted funds				2,798,375	2,684,231
Restricted funds				<u>1,685</u>	<u>79,512</u>
TOTAL CHARITY FUNDS				<u>2,800,060</u>	<u>2,763,743</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 29 October 2021 and were signed on its behalf by:

Professor D Gawkrödger
Trustee

British Skin Foundation

Cash Flow Statement
for the Year Ended 31 December 2020

	Notes	31.12.20 £	31.12.19 £
Cash flows from operating activities			
Cash generated from operations	1	121,391	268,130
Tax paid		<u>2,000</u>	<u>1,000</u>
Net cash provided by operating activities		<u>123,391</u>	<u>269,130</u>
Cash flows from investing activities			
Purchase of fixed asset investments		-	(50,000)
Interest received		4,217	11,156
Dividends received		<u>1,088</u>	<u>932</u>
Net cash provided by/ (used in) investing activities		<u>5,305</u>	<u>(37,912)</u>
Change in cash and cash equivalents in the reporting period		128,696	231,218
Cash and cash equivalents at the beginning of the reporting period		<u>2,414,222</u>	<u>2,183,004</u>
Cash and cash equivalents at the end of the reporting period		<u><u>2,542,918</u></u>	<u><u>2,414,222</u></u>

Notes to the Cash Flow Statement
for the Year Ended 31 December 2020

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.12.20 £	31.12.19 £
Net income for the reporting period (as per the Statement of Financial Activities)	36,317	337,752
Adjustments for:		
Depreciation charges	208	278
Interest received	(4,217)	(11,156)
Dividends received	(1,088)	(932)
Increase in debtors	(45,015)	(51,115)
Increase/(decrease) in creditors	137,691	(6,697)
(Gains)/losses on investments	<u>(2,505)</u>	<u>-</u>
Net cash provided by operations	<u>121,391</u>	<u>268,130</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.20 £	Cash flow £	At 31.12.20 £
Net cash			
Cash at bank and in hand	<u>2,414,222</u>	<u>128,696</u>	<u>2,542,918</u>
Total	<u>2,414,222</u>	<u>128,696</u>	<u>2,542,918</u>

1. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

British Skin Foundation is a charitable incorporated organisation registered in England. The address of the registered office is given in the report of the trustees, together with details of the charity's operations and principal activities.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

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.

INCOME

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

FUNDS

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost 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.

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Computer equipment	25% on reducing balance
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INVESTMENTS

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains/(losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

DEBTORS AND CREDITORS RECEIVABLE/PAYABLE WITHIN ONE YEAR

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

EMPLOYEE BENEFITS

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service. The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

TAXATION

As a registered charity, the organisation is exempt from income and capital gains tax to the extent that its income and gains are applicable to charitable purposes only. Value Added Tax is not recoverable by the charity, and is therefore included within the relevant costs in the Statement of Financial Activities.

GOING CONCERN

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

2. DONATIONS AND LEGACIES

	31.12.20	31.12.19
	£	£
Gift aid	2,664	4,032
Legacies	134,772	5,152
Donations from individuals	20,787	190,748
Company donations	714,276	682,407
Trust donations	310	30,254
BAD Donations	286,250	299,395
	<u>1,159,059</u>	<u>1,211,988</u>

3. OTHER TRADING ACTIVITIES

	31.12.20	31.12.19
	£	£
Fundraising events	<u>64,655</u>	<u>104,043</u>

4. INVESTMENT INCOME

	31.12.20	31.12.19
	£	£
Deposit account interest	4,217	11,156
Dividend income	<u>1,088</u>	<u>932</u>
	<u>5,305</u>	<u>12,088</u>

5. RAISING FUNDS

	31.12.20	31.12.19
	£	£
Bad debts	3,500	-
Advertising	30,541	1,744
Events	5,659	19,952
Sponsorships	562	-
	<u>40,262</u>	<u>21,696</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct costs (see note 7) £	Grant funding of activities (see note 8) £	Support costs (see note 9) £	2020 TOTAL £
Charitable activities	327,580	752,868	-	1,080,448
Support costs	<u>-</u>	<u>-</u>	<u>74,497</u>	<u>74,497</u>
	<u>327,580</u>	<u>752,868</u>	<u>74,497</u>	<u>1,154,945</u>

	Direct costs (see note 7) £	Grant funding of activities (see note 8) £	Support costs (see note 9) £	2019 TOTAL £
Charitable activities	317,277	573,802	-	891,079
Support costs	<u>-</u>	<u>-</u>	<u>77,592</u>	<u>77,592</u>
	<u>317,277</u>	<u>573,802</u>	<u>77,592</u>	<u>968,671</u>

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31.12.20	31.12.19
	£	£
Staff costs	283,843	276,812
Postage and stationery	11,068	3,698
Travel expenses	519	494
Computer expenses	30,593	36,273
Staff training	<u>1,557</u>	<u>-</u>
	<u>327,580</u>	<u>317,277</u>

8. GRANTS PAYABLE

	31.12.20	31.12.19
	£	£
Charitable Activities	<u>752,868</u>	<u>573,802</u>

The grants paid to Institutions are detailed below:

<u>Ref</u>	<u>Institution</u>	31.12.20	31.12.19
		£	£
7013s	Trinity College Dublin	14,515	13,500
8005s	Kings College London	28,333	14,167
8010i	University of Bristol	-	143
8016s	University of Nottingham	684	23,155
8030s	Imperial College	7,083	28,333
8060	Queen Mary University London	-	10,125
MRC-06	Medical Research Council	-	18,444
009/s/16	Newcastle University	12,338	25,874
016/s/16	Queen Mary University London	-	21,250
023/t/16	University of Manchester	-	20,104
025/s/16	University of Ulster	22,090	26,958
041/s/16	University of Hull	15,336	24,429
056/i/16	Queen Mary University London	-	33,749
059/s/16	Cardiff University	10,531	33,086
MRC-07	Medical Research Council	9,896	19,632
008/SG/17	University College Dublin	-	10,000
001/e/17	King's College	30,250	-
002/yi/17	Queen Mary University London	30,000	-
007/yi/17	University of Bristol	62,140	8,991
016/s/17	University of Manchester	21,249	28,332
019/t/17	Cardiff University	-	11,140
025/s/17	University of Dundee	7,083	28,333
026/s/17	University of Edinburgh	14,167	35,416
035/s/17	University of Surrey	28,334	28,333
005/t/18	Imperial College	40,411	-
011/s/18	Queen Mary University London	31,889	-
024/s/18	London School of Hygiene & Tropical Medicine	35,007	-
030/s/18	Huddersfield University	35,771	-
032/s/18	University College London	32,923	-
036/s/18	University of Bath	28,333	7,084
037/t/18	University of Dundee	11,672	4,450
043/s/18	Imperial College	21,250	-
004/SG/18	University of Bath	-	9,735
007/SG/18	Imperial College	-	9,996
010/SG/18	Queen Mary University London	-	10,000
009/BPG.SG/18	University of Manchester	-	9,979
011/SG/19	Trinity College Dublin	-	10,000
020/SG/19	University of Oxford	-	10,000
032/SG/19	University of Liverpool	-	7,900
010/BSFBAD/19	NHS Greater Glasgow	-	10,000
016/BSF/BAD/19	Royal Cornwall Hospitals	-	5,070
099/t/19	George Kravvas	32,662	868
007/BSFSG/19	Huddersfield University	9,980	-
008/BSFSG/19	University of Southampton	10,000	-
002/BSFBAD/19	Newcastle University	9,985	-
023/BSFBPG/19	Guy's and St Thomas' NHS Foundation Trust	10,000	-

8. GRANTS PAYABLE - continued

004/s/19	Beatson Institute for Cancer Research	5,709	-
005/s/19	University of Glasgow	7,083	-
023/f/19	University of Southampton	15,500	-
024/f/19	Guy's and St Thomas' NHS Foundation Trust	31,000	-
045/r/19	University College London	25,170	-
024/BSFSG/20	University of Dundee	9,707	-
026/BSFSG/20	Queen Mary University London	9,962	-
MRC-08	Medical Research Council	14,317	4,760
MRC-09	Medical Research Council	10,508	10,466
		<u>752,868</u>	<u>573,802</u>

9. SUPPORT COSTS

	Management £	Finance £	Governance £	Total £
Support Costs	<u>61,117</u>	<u>5,441</u>	<u>7,939</u>	<u>74,497</u>

Support costs, included in the above, are as follows:

	31.12.20 £	31.12.19 £
Trustees' expenses	96	487
Insurance	2,400	2,327
Sundries	945	1,127
Office accommodation charges	56,000	56,000
Subscriptions	1,468	3,215
Depreciation of tangible and heritage assets	208	278
Bank charges	2,051	2,386
Payroll costs	3,390	4,254
Auditors' remuneration	4,631	4,410
Auditors' remuneration for non audit work	3,308	3,108
	<u>74,497</u>	<u>77,592</u>

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.12.20 £	31.12.19 £
Auditors' remuneration	4,631	4,410
Auditors' remuneration for non audit work	3,308	3,108
Depreciation – tangible fixed assets	208	278
(Profit)/loss on fair value movement of investments	(2,505)	-

11. TRUSTEES' REMUNERATION AND EXPENSES

The trustees neither received nor waived any remuneration or other benefits during the year (2019: £nil).

During the year ended 31 December 2020, expenses totalling £96 (2019: £487) were reimbursed to 1 Trustees (2019: 3) for travel costs.

12. STAFF COSTS AND EMPLOYEE BENEFITS

The average number of people employed by the charity during the year was 6 (2019: 6).

The total staff costs and employee benefits were as follows:

	2020	2019
	£	£
Wages and salaries	249,041	245,136
Social security	23,127	21,483
Defined contribution pension costs	11,675	10,193
	<u>283,843</u>	<u>276,812</u>

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	2020 Number	2019 Number
£90,001 - £100,000	1	1

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	1,041,988	170,000	1,211,988
Other trading activities	104,043	-	104,043
Investment income	<u>12,088</u>	<u>-</u>	<u>12,088</u>
Total	1,158,119	170,000	1,328,119
EXPENDITURE ON			
Raising funds	21,696	-	21,696
Charitable activities			
Charitable Activities	800,591	90,488	891,079
Support Costs	<u>77,592</u>	<u>-</u>	<u>77,592</u>
Total	<u>899,879</u>	<u>90,488</u>	<u>990,367</u>
NET INCOME	258,240	79,512	337,752
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>2,425,991</u>	<u>-</u>	<u>2,425,991</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>2,684,231</u></u>	<u><u>79,512</u></u>	<u><u>2,763,743</u></u>

14. TANGIBLE FIXED ASSETS

	Computer equipment £
COST	
At 1 January 2020 and 31 December 2020	<u>1,744</u>
DEPRECIATION	
At 1 January 2020	912
Charge for year	<u>208</u>
At 31 December 2020	<u>1,120</u>
NET BOOK VALUE	
At 31 December 2020	<u>624</u>
At 31 December 2019	<u>832</u>

15. FIXED ASSET INVESTMENTS

	Listed investments £
COST OR VALUATION	
At 1 January 2020	50,000
Revaluation	<u>2,505</u>
At 31 December 2020	<u>52,505</u>
IMPAIRMENT	
At 1 January 2020 and 31 December 2020	<u>-</u>
NET BOOK VALUE	
At 31 December 2020	<u>52,505</u>
At 31 December 2019	<u>50,000</u>

The fair value of listed investments is determined by reference to the quoted price for identical assets in an active market at the balance sheet date.

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20 £	31.12.19 £
BAD donation	200,000	200,000
Other debtors	202	2,741
Other donations	150,000	114,750
Gift aid recoverable	21,000	23,000
Accrued income	10,000	-
Prepayments	<u>2,304</u>	<u>-</u>
	<u>383,506</u>	<u>340,491</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20	31.12.19
	£	£
Trade creditors	168,993	33,389
Credit card bills	277	89
Accruals and deferred income	7,938	7,560
Accrued expenses	<u>2,285</u>	<u>764</u>
	<u>179,493</u>	<u>41,802</u>

18. FUND RECONCILIATION

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers £	Gains/(losses) £	Balance at 31 December 2020 £
Unrestricted	2,684,231	1,229,019	(1,117,380)	-	2,505	2,798,375
Restricted	79,512	-	(77,827)	-	-	1,685
	<u>2,763,743</u>	<u>1,229,019</u>	<u>(1,195,207)</u>	<u>-</u>	<u>2,505</u>	<u>2,800,060</u>

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers £	Gains/(losses) £	Balance at 31 December 2019 £
Unrestricted	2,425,991	1,158,119	(899,879)	-	-	2,684,231
Restricted	-	170,000	(90,488)	-	-	79,512
	<u>2,425,991</u>	<u>1,328,119</u>	<u>(990,367)</u>	<u>-</u>	<u>-</u>	<u>2,763,743</u>

Fund descriptions**a) Unrestricted funds**

Unrestricted funds are available to spend on activities that further any purpose of the charity.

b) Restricted funds

An anonymous donation was received in 2019 to be used to fund skin disease research.

19. PENSIONS AND OTHER POST RETIREMENT BENEFITS

The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £11,675 (2019 - £10,193).

The defined contribution liability is allocated to unrestricted funds and is a direct cost within charitable activities.

19. FINANCIAL COMMITMENTS

£1,512,097 of grant funding commitments have not been accrued in the balance sheet as performance related conditions have not been met. The charity holds sufficient cash deposits to fund these grant commitments. There is uncertainty as to when these commitments will be settled, as they depend on the progress of each medical research project.

Grant commitments as at 31 December 2020:

	Ref	Total Grant £	Amount Outstanding £
2014	7013s	81,000	36,780
2015	8016s	85,000	15,743
2016	MRC-06	55,000	4,649
	016/s/16	85,000	35,417
	025/s/16	85,000	9,584
	059/s/16	85,000	120
2017	MRC-07	58,422	4,592
	002/yi/17	90,000	60,000
	007/yi/17	89,970	18,840
	016/s/17	85,000	35,419
	025/s/17	85,000	42,500
	026/s/17	85,000	35,417
	035/s/17	85,000	28,333
2018	MRC-08	58,028	38,952
	005/t/18	80,823	40,412
	011/s/18	85,000	53,111
	024/s/18	85,000	49,993
	030/s/18	85,000	49,229
	032/s/18	85,000	52,077
	036/s/18	85,000	49,583
	037/t/18	75,197	59,074
	043/s/18	85,000	63,750
2019	MRC-09	63,435	42,460
	099/t/19	170,000	136,470
	003/BSFBAD/19	8,380	8,380
	022/BSFBAD/19	9,960	9,960
	009/BSFBPG/19	10,000	10,000
	004/s/19	85,000	79,291
	005/s/19	85,000	77,917
	023/f/19	62,000	46,500
	024/f/19	62,000	31,000
	042/yi/19	79,902	79,902
	044/t/19	81,000	81,000
	045/t/19	80,701	55,530

19. GRANT COMMITMENTS - continued

2020	005/BSFSG/20	10,000	10,000
	019/BSFSG/20	9,991	9,991
	021/BSFSG/20	10,000	10,000
	024/BSFSG/20	10,000	294
	014/BSFBAD/20	9,967	9,967
	022/BSFBAD/20	9,900	9,900
	025/BSFBAD/20	10,000	10,000
	027/BSFBPG/20	9,960	9,960
	Total		<hr/> 1,512,097 <hr/>

20. RELATED PARTIES

The British Skin Foundation Chief Executive, Matthew Patey, is the sole owner and Managing Director of Skin Health Alliance Limited (Company Registration No. 07445820). Skin Health Alliance donated £174,500 to the British Skin Foundation in 2020 (2019: £183,694).

During the year trustee Tanya Bleiker was appointed President of the British Association of Dermatology ("BAD"). The charity received a donation of £286,250 from BAD (2019: £243,395).

British Skin Foundation

Detailed Statement of Financial Activities
for the Year Ended 31 December 2020

	31.12.20 £	31.12.19 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Gift aid	2,664	4,032
Legacies	134,772	5,152
Donations from individuals	20,787	190,748
Company donations	714,276	682,407
Trust donations	310	30,254
BAD Donations	286,250	299,395
	<u>1,159,059</u>	<u>1,211,988</u>
Other trading activities		
Fundraising events	64,655	104,043
Investment income		
Deposit account interest	4,217	11,156
Dividend income	1,088	932
	<u>5,305</u>	<u>12,088</u>
Total income and endowments	<u>1,229,019</u>	<u>1,328,119</u>

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Detailed Statement of Financial Activities
for the Year Ended 31 December 2020

	31.12.20	31.12.19
	£	£
EXPENDITURE		
Other trading activities		
Bad debts	3,500	-
Advertising	30,541	1,744
Events	5,659	19,952
Sponsorships	562	-
	<u>40,262</u>	<u>21,696</u>
Charitable activities		
Wages	272,168	266,619
Pensions	11,675	10,193
Postage and stationery	11,068	3,698
Travel expenses	519	494
Computer expenses	30,593	36,273
Staff training	1,557	-
Grants to institutions	752,868	573,802
	<u>1,080,448</u>	<u>891,079</u>
Support costs		
Management		
Trustees' expenses	96	487
Insurance	2,400	2,327
Sundries	945	1,127
Office accommodation charges	56,000	56,000
Subscriptions	1,468	3,215
Computer equipment	208	278
	<u>61,117</u>	<u>63,434</u>
Finance		
Bank charges	2,051	2,386
Payroll costs	3,390	4,254
	<u>5,441</u>	<u>6,640</u>
Governance costs		
Auditors' remuneration	4,631	4,410
Auditors' remuneration for non audit work	3,308	3,108
	<u>7,939</u>	<u>7,518</u>
Total expenditure	1,195,207	990,367
Net gains/(losses) on investments	<u>2,505</u>	<u>-</u>
NET INCOME	<u>36,317</u>	<u>337,752</u>

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