

REGISTERED COMPANY NUMBER: CE008950 (England and Wales)
REGISTERED CHARITY NUMBER: 1171373

Report of the Trustees and
Audited Financial Statements
for the Year Ended 31 December 2021
for
British Skin Foundation



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

British Skin Foundation

Contents of the Financial Statements
for the Year Ended 31 December 2021

	Page
Report of the Trustees	1 to 4
Report of the Independent Auditors	5 to 6
Statement of Financial Activities	7
Balance Sheet	8
Cash Flow Statement	9
Notes to the Cash Flow Statement	10
Notes to the Financial Statements	11 to 20
Detailed Statement of Financial Activities	21 to 22

British Skin Foundation

Report of the Trustees for the Year Ended 31 December 2021

The trustees present their report with the financial statements of the charity for the year ended 31 December 2021. 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, 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 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

2021 proved a positive year for the British Skin Foundation (BSF). Following the uncertainty of the previous year which was spent mostly in lockdown and saw many charities disappear due to the difficult financial climate, the BSF performed well. Not only was income back to pre-Covid norms but we were able to reinstate our suspended skin disease research grants programme.

Fundraising was dominated by our corporate donors who continue to support BSF's work through their generous support. BSF is recognised by their consumers as a respected and trustworthy source of information about skin health and disease. Event fundraising began to recover as lockdown restrictions were lifted with more donors returning as many big national and smaller bespoke events were reinstated. Philanthropic giving picked up too and the BSF team worked hard to secure large scale joint funding from the pharmaceutical industry in the shape of a generous donation from Pfizer. A further large donation was gratefully received from the British Association of Dermatologists. The Association has long been a loyal supporter of the BSF going back to its inception and the synergy between both organisations has resulted in an invaluable boost to British dermatological research.

In 2020, 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 Large Grants programme and freeze the BSF's contribution to the MRC/BAD/BSF Clinical Research Training Fellowship. Fortunately, in 2021 the BSF was in a strong financial position again and reinstated its Large Grants programme. We awarded £920,000 in our Large Grants programme meaning an impressive £1,070,000 in total being distributed to skin disease and skin cancer research during the year. The BSF is incredibly grateful to its Grants Advisory Committee, expertly chaired by Professor Patrick Maxwell, who generously donate their time and expertise to ensuring our grants programme is delivered fairly and efficiently. It was also agreed by Trustees that the MRC/BAD/BSF Clinical Research Training Fellowship would be made available again from January 2022.

Communication remains key to the BSF's success and in 2021 our messages reached far and wide. Supporters, donors, and the public heard the BSF continue to be a leading voice on skin disease and skin cancer related subjects. There was matching growth in media coverage into a wide variety of skin topics. The need for online answers remains high and BSF's website remains the main 'go to' for people looking for skin information, attracting more than 100,000 visits per month. Our social media platforms such as Twitter and Facebook are also a popular for engaging with supporters. Our website and e-newsletter articles therefore continue to provide the most effective and efficient way of communicating fundraising and grant giving news to our donors and supporters.

British Skin Foundation

Report of the Trustees for the Year Ended 31 December 2021

It is hoped 2022 will see the BSF continue to build on the successes of 2021 and grow in each key business area. Although an element of uncertainty remains with the echo of Covid, it is hoped a fresh business plan and our dedicated fundraising, media and grant giving team the British Skin Foundation is in good shape to meet the challenge of the next 12 months.

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 has also invested an additional £50,000 (2020: £50,000) in a listed investment fund and are monitoring its performance.

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 decreased from £2,798,375 to £2,328,154 during the year. Restricted funds invested in cash and debtors increased from £1,685 to £357,841. During the year, several grants were reclassified as restricted, resulting in a transfer of £134,786 from the unrestricted fund to the restricted fund.

RESERVES POLICY

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.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The charitable incorporated organisation ("CIO") was registered with the Charity Commissioners by Trust Deed on 30th 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 5th 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.

KEY MANAGEMENT REMUNERATION

The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Charity was £67,506 (2020: £96,181).

British Skin Foundation

Report of the Trustees
for the Year Ended 31 December 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
CE008950 (England and Wales)

Registered Charity number
1171373

Registered office
4 Fitzroy Square
London
W1T 5HQ

Trustees

Mrs E Erkal-Paler	Chairperson
Professor C B 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	
Mrs Y Burne	
Ms T Bleiker	

Auditors

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

Chief Executive Officer
Matthew Patey

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.

Report of the trustees approved by order of the board of trustees on 28 October 2022
and signed on the board's behalf by:

Professor C B Bunker
Trustee

Report of the Independent Auditors to the Trustees of
British Skin Foundation

Opinion

We have audited the financial statements of British Skin Foundation (the 'charity') for the year ended 31 December 2021 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 2021 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 where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; 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 Statement of Trustees' Responsibilities, 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

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 auditors' 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

Date: 28 October 2022

British Skin Foundation

Statement of Financial Activities
for the Year Ended 31 December 2021

	Notes	Unrestricted fund £	Restricted fund £	31.12.21 Total funds £	31.12.20 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	712,845	255,430	968,275	1,159,059
Other trading activities	3	80,840	-	80,840	64,655
Investment income	4	<u>3,803</u>	<u>-</u>	<u>3,803</u>	<u>5,305</u>
Total		797,488	255,430	1,052,918	1,229,019
EXPENDITURE ON					
Raising funds	5	23,764	-	23,764	40,262
Charitable activities	6				
Charitable Activities		1,037,283	34,060	1,071,343	1,080,448
Support Costs		<u>80,542</u>	<u>-</u>	<u>80,542</u>	<u>74,497</u>
Total		1,141,589	34,060	1,175,649	1,195,207
Net gains/(losses) on investments revaluation		<u>8,666</u>	<u>-</u>	<u>8,666</u>	<u>2,505</u>
NET INCOME/(EXPENDITURE)		(335,435)	221,370	(114,065)	36,317
Transfers between funds		<u>(134,786)</u>	<u>134,786</u>	<u>-</u>	<u>-</u>
NET MOVEMENT ON CHARITY FUNDS		(470,221)	356,156	(114,065)	36,317
RECONCILIATION OF FUNDS					
Total funds brought forward		2,798,375	1,685	2,800,060	2,763,743
TOTAL FUNDS CARRIED FORWARD		<u>2,328,154</u>	<u>357,841</u>	<u>2,685,995</u>	<u>2,800,060</u>

All income and expenditure have arisen from continuing activities.

The notes form part of these financial statements

British Skin Foundation

Balance Sheet

31 December 2021

	Notes	Unrestricted fund £	Restricted fund £	31.12.21 Total funds £	31.12.20 Total funds £
FIXED ASSETS					
Tangible assets	14	8,377	-	8,377	624
Investments	15	<u>111,171</u>	<u>-</u>	<u>111,171</u>	<u>52,505</u>
		119,548	-	119,548	53,129
CURRENT ASSETS					
Debtors	16	229,402	167,616	397,018	383,506
Cash at bank and in hand		<u>2,209,806</u>	<u>203,522</u>	<u>2,413,328</u>	<u>2,542,918</u>
		2,439,208	371,138	2,810,346	2,926,424
CREDITORS					
Amounts falling due within one year	17	(230,602)	(13,297)	(243,899)	(179,493)
NET CURRENT ASSETS		<u>2,208,606</u>	<u>357,841</u>	<u>2,566,447</u>	<u>2,746,931</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,328,154</u>	<u>357,841</u>	<u>2,685,995</u>	<u>2,800,060</u>
NET ASSETS		<u><u>2,328,154</u></u>	<u><u>357,841</u></u>	<u><u>2,685,995</u></u>	<u><u>2,800,060</u></u>
CHARITY FUNDS	18				
Unrestricted funds				2,328,154	2,798,375
Restricted funds				<u>357,841</u>	<u>1,685</u>
TOTAL CHARITY FUNDS				<u><u>2,685,995</u></u>	<u><u>2,800,060</u></u>

The financial statements were approved by the Board of Trustees and authorised for issue on 28 October 2022 and were signed on its behalf by:

Professor D Gawkrödger
Trustee

The notes form part of these financial statements

British Skin Foundation

Cash Flow Statement
for the Year Ended 31 December 2021

	Notes	31.12.21 £	31.12.20 £
Cash flows from operating activities			
Cash generated from operations	1	(74,561)	121,391
Tax paid		<u>2,000</u>	<u>2,000</u>
Net cash (used in)/provided by operating activities		<u>(72,561)</u>	<u>123,391</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(9,765)	-
Purchase of fixed asset investments		(50,000)	-
Interest received		772	4,217
Dividends received		<u>1,964</u>	<u>1,088</u>
Net cash (used in)/provided by investing activities		<u>(57,029)</u>	<u>5,305</u>
Change in cash and cash equivalents in the reporting period		(129,590)	128,696
Cash and cash equivalents at the beginning of the reporting period		<u>2,542,918</u>	<u>2,414,222</u>
Cash and cash equivalents at the end of the reporting period		<u><u>2,413,328</u></u>	<u><u>2,542,918</u></u>

The notes form part of these financial statements

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.12.21 £	31.12.20 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(114,065)	36,317
Adjustments for:		
Depreciation charges	1,678	208
Gain on investments	(8,666)	(2,505)
Loss on disposal of fixed assets	334	-
Interest received	(841)	(4,217)
Dividends received	(2,962)	(1,088)
Increase in debtors	(14,445)	(45,015)
Increase in creditors	64,406	137,691
Net cash (used in)/provided by operations	<u>(74,561)</u>	<u>121,391</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.21 £	Cash flow £	At 31.12.21 £
Net cash			
Cash at bank and in hand	<u>2,542,918</u>	<u>(129,590)</u>	<u>2,413,328</u>
	<u>2,542,918</u>	<u>(129,590)</u>	<u>2,413,328</u>
Total	<u>2,542,918</u>	<u>(129,590)</u>	<u>2,413,328</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:

Fixtures and fittings -	10% on cost
Computer equipment -	20% on cost

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

1. ACCOUNTING POLICIES - continued

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 are sufficient with the level of reserves for the charity to be able to continue as a going concern.

2. DONATIONS AND LEGACIES

	31.12.21	31.12.20
	£	£
Gift aid	2,127	2,664
Legacies	10,970	134,772
Donations from individuals	18,123	20,787
Company donations	415,683	714,276
Trust donations	70,717	310
BAD Donations	142,269	286,250
Donations from other charities	<u>308,386</u>	<u>-</u>
	<u>968,275</u>	<u>1,159,059</u>

3. OTHER TRADING ACTIVITIES

	31.12.21	31.12.20
	£	£
Fundraising events	<u>80,840</u>	<u>64,655</u>

4. INVESTMENT INCOME

	31.12.21	31.12.20
	£	£
Deposit account interest	841	4,217
Dividend income	<u>2,962</u>	<u>1,088</u>
	<u>3,803</u>	<u>5,305</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

5. RAISING FUNDS

OTHER TRADING ACTIVITIES

	31.12.21	31.12.20
	£	£
Bad debts	5,000	3,500
Advertising	12,234	30,541
Events	5,968	5,659
Sponsorships	<u>562</u>	<u>562</u>
	<u>23,764</u>	<u>40,262</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 7)	Grant funding of activities (see note 8)	Support costs (see note 9)	Totals
	£	£	£	£
Charitable Activities	310,137	761,206	-	1,071,343
Support Costs	<u>-</u>	<u>-</u>	<u>80,542</u>	<u>80,542</u>
	<u>310,137</u>	<u>761,206</u>	<u>80,542</u>	<u>1,151,885</u>

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31.12.21	31.12.20
	£	£
Staff costs	276,527	283,843
Postage and stationery	6,088	11,068
Travel expenses	-	519
Computer expenses	27,122	30,593
Staff training	<u>400</u>	<u>1,557</u>
	<u>310,137</u>	<u>327,580</u>

8. GRANTS PAYABLE

	31.12.21	31.12.20
	£	£
Charitable Activities	<u>761,206</u>	<u>752,868</u>

The grants paid to Institutions are detailed as follows:

<u>Ref</u>	<u>Institution</u>	<u>2021</u>	<u>2020</u>
7013s	Trinity College Dublin	27,000	14,515
8005s	Kings College London	-	28,333
8016s	University of Nottingham	13,863	684
8030s	Imperial College	-	7,083
009/s/16	Newcastle University	-	12,338
025/s/16	University of Ulster	2,132	22,090
041/s/16	University of Hull	-	15,336
059/s/16	Cardiff University	-	10,531

British Skin Foundation

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

8. GRANTS PAYABLE – continued

MRC-07	Medical Research Council	-	9,896
001/e/17	King's College	45,902	30,250
002/yi/17	Queen Mary University London	30,000	30,000
007/yi/17	University of Bristol	19,122	62,140
016/s/17	University of Manchester	28,332	21,249
025/s/17	University of Dundee	308	7,083
026/s/17	University of Edinburgh	28,333	14,167
035/s/17	University of Surrey	28,333	28,334
MRC-08	Medical Research Council	19,231	14,317
005/r/18	Imperial College	40,411	40,411
011/s/18	Queen Mary University London	33,195	31,889
	London School of Hygiene and Tropical		
024/s/18	Medicine	23,255	35,007
030/s/18	Huddersfield University	28,120	35,771
032/s/18	University College London	23,171	32,923
036/s/18	University of Bath	28,333	28,333
037/r/18	University of Dundee	20,766	11,672
043/s/18	Imperial College	14,167	21,250
MRC-09	Medical Research Council	31,781	10,508
099/r/19	George Kravvas	34,060	32,662
007/BSFSG/19	Huddersfield University	-	9,980
008/BSFSG/19	University of Southampton	-	10,000
	Northern Care Alliance NHS Foundation		
003/BSFBAD/19	Trust	8,380	-
002/BSFBAD/19	Newcastle University	-	9,985
	Guy's and St Thomas' NHS Foundation		
023/BSFBPG/19	Trust	-	10,000
004/s/19	Beatson Institute for Cancer Research	18,331	5,709
005/s/19	University of Glasgow	28,333	7,083
023/f/19	University of Southampton	46,500	15,500
	Guy's and St Thomas' NHS Foundation		
024/f/19	Trust	31,000	31,000
042/yi/19	King's College London	6,178	-
044/r/19	University of Leeds	10,125	-
045/r/19	University College London	52,586	25,170
014/BSFBAD/20	University Hospitals Birmingham Charity	9,967	-
005/BSFSG/20	Imperial College	10,000	-
019/BSFSG/20	University of Manchester	9,991	-
024/BSFSG/20	University of Dundee	-	9,707
025/BSFSG/20	University of Cambridge	10,000	-
026/BSFSG/20	Queen Mary University London	-	9,962
		<u>£ 761,206</u>	<u>£ 752,868</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**9. SUPPORT COSTS**

	Management	Finance	Governance	Totals
	£	£	costs £	£
Support Costs	<u>68,027</u>	<u>2,812</u>	<u>9,703</u>	<u>80,542</u>

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

	31.12.21	31.12.20
	Support	Total
	Costs	activities
	£	£
Trustees' remuneration etc	-	96
Insurance	2,882	2,400
Sundries	481	945
Office accommodation charges	56,000	56,000
Subscriptions	6,652	1,468
Depreciation of tangible fixed assets	1,678	208
Loss on sale of tangible fixed assets	334	-
Bank charges	1,792	2,051
Payroll costs	1,020	3,390
Auditors' remuneration	5,690	4,631
Auditors' remuneration for non-audit work	<u>4,013</u>	<u>3,308</u>
	<u>80,542</u>	<u>74,497</u>

10. NET INCOME/(EXPENDITURE)

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

	31.12.21	31.12.20
	£	£
Auditors' remuneration	5,690	4,631
Auditors' remuneration for non-audit work	4,013	3,308
Depreciation - owned assets	1,678	208
Deficit on disposal of fixed assets	334	-
(Profit)/loss on fair value movement of investments	<u>(8,666)</u>	<u>(2,505)</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2021 nor for the year ended 31 December 2020.

TRUSTEES' EXPENSES

During the year ended 31 December 2021, expenses totalling £Nil (2020: £96) were reimbursed to 0 Trustees (2020: 1) for travel costs.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**12. STAFF COSTS**

	31.12.21	31.12.20
	£	£
Wages and salaries	242,663	249,041
Social security costs	22,177	23,127
Other pension costs	11,687	11,675
	<u>276,527</u>	<u>283,843</u>

The average number of employees during the year was 6 (2020: 6).

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

	31.12.21	31.12.20
£60,001 - £70,000	2	-
£90,001 - £100,000	-	1
	<u>2</u>	<u>1</u>

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	1,159,059	-	1,159,059
Other trading activities	64,655	-	64,655
Investment income	<u>5,305</u>	<u>-</u>	<u>5,305</u>
Total	1,229,019	-	1,229,019
EXPENDITURE ON			
Raising funds	40,262	-	40,262
Charitable activities			
Charitable Activities	1,002,621	77,827	1,080,448
Support Costs	<u>74,497</u>	<u>-</u>	<u>74,497</u>
Total	1,117,380	77,827	1,195,207
Net gains on investments	<u>2,505</u>	<u>-</u>	<u>2,505</u>
NET INCOME/(EXPENDITURE)	114,144	(77,827)	36,317
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>2,684,231</u>	<u>79,512</u>	<u>2,763,743</u>
TOTAL FUNDS CARRIED FORWARD	<u>2,798,375</u>	<u>1,685</u>	<u>2,800,060</u>

14. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2021	-	1,744	1,744
Additions	5,652	4,113	9,765
Disposals	<u>-</u>	<u>(1,744)</u>	<u>(1,744)</u>
At 31 December 2021	<u>5,652</u>	<u>4,113</u>	<u>9,765</u>
DEPRECIATION			
At 1 January 2021	-	1,120	1,120
Charge for year	565	1,113	1,678
Eliminated on disposal	<u>-</u>	<u>(1,410)</u>	<u>(1,410)</u>
At 31 December 2021	<u>565</u>	<u>823</u>	<u>1,388</u>
NET BOOK VALUE			
At 31 December 2021	<u>5,087</u>	<u>3,290</u>	<u>8,377</u>
At 31 December 2020	<u>-</u>	<u>624</u>	<u>624</u>

15. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2021	52,505
Additions	50,000
Revaluations	<u>8,666</u>
At 31 December 2021	<u>111,171</u>
NET BOOK VALUE	
At 31 December 2021	<u>111,171</u>
At 31 December 2020	<u>52,505</u>

There were no investment assets outside the UK.

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.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.21	31.12.20
	£	£
BAD donation	-	200,000
Accrued interest	69	202
Other donations	123,769	150,000
Other debtors	10,000	-
Accrued dividend	998	-
Gift aid recoverable	19,000	21,000
Accrued income	209,404	10,000
Prepayments	<u>33,778</u>	<u>2,304</u>
	<u>397,018</u>	<u>383,506</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.21	31.12.20
	£	£
Grant payables	167,608	168,993
Trade creditors	26,549	520
Other creditors	1,657	-
Credit card	569	277
Accruals and deferred income	9,240	7,938
Accrued expenses	276	1,765
Deferred income	<u>38,000</u>	<u>-</u>
	<u>243,899</u>	<u>179,493</u>

18. MOVEMENT IN FUNDS

	Balance at 1st January 2021	Income	Expenditure	Transfers	Gains/(losses)	Balance at 31st December 2021
	£	£	£	£	£	£
Unrestricted	2,798,375	797,488	(1,141,589)	(134,786)	8,666	2,328,154
Restricted	<u>1,685</u>	<u>255,430</u>	<u>(34,060)</u>	<u>134,786</u>	<u>-</u>	<u>357,841</u>
	<u>2,800,060</u>	<u>1,052,918</u>	<u>(1,175,649)</u>	<u>-</u>	<u>8,666</u>	<u>2,685,995</u>

	Balance at 1st January 2020	Income	Expenditure	Transfers	Gains/(losses)	Balance at 31st December 2020
	£	£	£	£	£	£
Unrestricted	2,684,231	1,229,019	(1,117,380)	-	2,505	2,798,375
Restricted	<u>79,512</u>	<u>-</u>	<u>(77,827)</u>	<u>-</u>	<u>-</u>	<u>1,685</u>
	<u>2,763,743</u>	<u>905,462</u>	<u>(1,195,207)</u>	<u>-</u>	<u>2,505</u>	<u>2,800,060</u>

Fund description**a) Unrestricted funds**

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

b) Restricted funds

Donations received to be used to fund specific skin disease research projects.

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 £11,410 (2020 - £11,675).

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

20. FINANCIAL COMMITMENTS

£1,716,902 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 2021:

	Ref	Total value	Outstanding
2014	7013s	81,000	9,780
2015	8016s	85,000	1,880
2016	MRC-06	55,000	4,649
	016/s/16	85,000	35,417
	025/s/16	85,000	7,452
2017	MRC-07	58,422	4,592
	002/yi/17	90,000	30,000
	016/s/17	85,000	7,087
	025/s/17	85,000	42,193
	026/s/17	85,000	7,084
2018	MRC-08	58,028	19,720
	011/s/18	85,000	19,917
	024/s/18	85,000	26,737
	030/s/18	85,000	21,109
	032/s/18	85,000	28,907
	036/s/18	85,000	21,250
	037/t/18	75,197	38,308
	043/s/18	85,000	49,583
2019	MRC-09	63,435	10,679
	099/t/19	170,000	102,410
	022/BSFBAD/19	9,960	9,960
	009/BSFBPG/19	10,000	10,000
	004/s/19	85,000	60,960
	005/s/19	85,000	49,583
	042/yi/19	79,902	73,724
	044/t/19	81,000	70,875
	045/t/19	80,701	2,944

British Skin Foundation

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

20. FINANCIAL COMMITMENTS - continued

2020	021/BSFSG/20	10,000	10,000
	022/BSFBAD/20	9,900	9,900
	027/BSFBPG/20	9,960	9,960
	003/s/20	85,000	85,000
	007/s/20	85,000	85,000
	008/r/20	81,000	81,000
	009/r/20	80,200	80,200
	011/yi/20	89,978	89,978
	016/s/20	85,000	85,000
	017/s/20	85,000	85,000
	025/s/20	85,000	85,000
	037/r/20	81,000	81,000
	041/s/20	85,000	85,000
2021	010/BSFSG/21	10,000	10,000
	013/BSFSG/21	10,000	10,000
	014/BSFSG/21	10,000	10,000
	016/BSFSG/21	10,000	10,000
	017/BSFSG/21	9,876	9,876
	019/BSFBAD/21	10,000	10,000
	004/BSFBPG/21	8,188	8,188
	006/BSFBPG/21	10,000	10,000
Total			<u>£ 1,716,902</u>

21. RELATED PARTIES

British Skin Foundation Chief Executive is the sole owner and Managing Director of the Skin Health Alliance (Company Registration No. 07445820). The Skin Health Alliance donated £183,600 to the British Skin Foundation in 2021 (2020: £174,500).

Tanya Bleiker is a trustee of British Skin Foundation and President of the British Association of Dermatology ("BAD"). British Skin Foundation received donations totalling £142,269 from BAD in 2021 (2020: £286,250).

British Skin Foundation

Detailed Statement of Financial Activities
for the Year Ended 31 December 2021

	31.12.21 £	31.12.20 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Gift aid	2,127	2,664
Legacies	10,970	134,772
Donations from individuals	18,123	20,787
Company donations	415,683	714,276
Trust donations	70,717	310
BAD Donations	142,269	286,250
Donations from other charities	<u>308,386</u>	<u>-</u>
	<u>968,275</u>	<u>1,159,059</u>
Other trading activities		
Fundraising events	80,840	64,655
Investment income		
Deposit account interest	841	4,217
Dividend income	<u>2,962</u>	<u>1,088</u>
	<u>3,803</u>	<u>5,305</u>
Total incoming resources	1,052,918	1,229,019

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British Skin Foundation

Detailed Statement of Financial Activities
for the Year Ended 31 December 2021

	31.12.21 £	31.12.20 £
EXPENDITURE		
Other trading activities		
Bad debts	5,000	3,500
Advertising	12,234	30,541
Events	5,968	5,659
Sponsorships	<u>562</u>	<u>562</u>
	<u>23,764</u>	<u>40,262</u>
Charitable activities		
Wages	242,663	249,041
Social security	22,177	23,127
Pensions	11,687	11,675
Postage and stationery	6,088	11,068
Travel expenses	-	519
Computer expenses	27,122	30,593
Staff training	400	1,557
Grants to institutions	<u>761,206</u>	<u>752,868</u>
	<u>1,071,343</u>	<u>1,080,448</u>
Support Costs		
Management		
Trustees' expenses	-	96
Insurance	2,882	2,400
Sundries	481	945
Office accommodation charges	56,000	56,000
Subscriptions	6,652	1,468
Loss on sale of tangible fixed assets	334	-
Fixtures and fittings depreciation	565	-
Computer equipment depreciation	<u>1,113</u>	<u>208</u>
	<u>68,027</u>	<u>61,117</u>
Finance		
Bank charges	1,792	2,051
Payroll costs	<u>1,020</u>	<u>3,390</u>
	<u>2,812</u>	<u>5,441</u>
Governance costs		
Auditors' remuneration	5,690	4,631
Auditors' remuneration for non-audit work	<u>4,013</u>	<u>3,308</u>
	<u>9,703</u>	<u>7,939</u>
Total expenditure	<u>1,175,649</u>	<u>1,195,207</u>
Net gains/(losses) on investment revaluations	<u>8,666</u>	<u>2,505</u>
NET (EXPENDITURE)/INCOME	<u><u>(114,065)</u></u>	<u><u>36,317</u></u>

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