

**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 2022  
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 2022

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**TRUSTEES**

Mrs E Erkal-Paler	Chair Person
Professor C B Bunker	Honorary Secretary
Professor D J 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 (resigned 31.07.22)	
Dr N Rajan (appointed 22.09.22)	

**REGISTERED OFFICE**

4 Fitzroy Square  
London  
W1T 5HQ

**REGISTERED COMPANY  
NUMBER**

CE008950 (England and Wales)

**REGISTERED CHARITY  
NUMBER**

1171373

**AUDITORS**

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

The trustees present their report and the audited financial statements of the charity for the year ended 31 December 2022. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

## **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.

## **ACHIEVEMENTS AND PERFORMANCE**

2022 was the most financially successful year the British Skin Foundation (BSF) has ever had. Income was just over £1.3 million, with increases in many of the BSF's income streams. The BSF's profile continued to grow with the media and the public turning to the charity as a trusted source of skin information and comment.

It would appear the operational difficulties brought about by the Covid pandemic over the previous 2 years had subsided and the BSF's core businesses were running efficiently again. The BSF team had adapted well to hybrid working practices and overall output was unaffected. Working both from home and in the office, they had maintained a good team culture through regular zoom updates and physical catch-up meetings at least twice a week.

The BSF achieved a strong financial position during 2022, increasing in some areas whilst seeing reductions in others. This financial stability enables it to deliver a full grants programme at the start of 2023 (delayed from December 2022). General overheads remained within budget and even salary expenditure dropped to 22% of the BSF's overall revenue.

Corporate donations at £777,748 remain the charity's largest income source. In addition to their financial support many corporate donors also sought to partner with the BSF on various educational or PR initiatives helping build their and our profile in the field of skin health and disease. Companies such as Novartis chose to work with the BSF on patient educational materials which not only benefitted the public by supplying trustworthy information but also allowed further funds to be spent on quality research.

Public and events fundraising remains sluggish with a return to pre-Covid levels of support seemingly difficult to win back. This is not unique to the BSF and charities across the 3rd sector are experiencing similar difficulties. Events income was £53,499 but there are plans to build on these figures in 2023. Legacy income for the year was almost £100,000, illustrating that the BSF's awareness efforts in this area over recent years are showing results.

The BSF continues to be extremely grateful to the British Association of Dermatologists for their continued financial and voluntary support. They generously provided the BSF with £200,000 to be spent on research plus £86,000 for specific projects, whilst continuing to supply office space and dermatologist communications assistance when called upon. The Skin Health Alliance also remains a loyal supporter with a further £201,600 donation.

BSF's fundraising successes were matched by an equally generous research grants programme in 2022. An additional BAD/BSF/MRC Academic Training Fellowship worth £65,000 was awarded at the start of the year. Working with the BAD and the MRC this prestigious annual award demonstrates the great synergy between these three organisations and their ongoing commitment to dermatological research. Later in the autumn a further £60,000 worth of £10,000 small grants were awarded proving that this tranche of funding remains popular with researchers. The 2022 BSF Large Grants awards have been delayed from December to January 2023. Based on the reserves available it is anticipated that £1 million will be awarded meaning that 2022's total grant spend will be £1.125 million, setting a BSF record.

BSF's messages continued to be amplified throughout 2022. BSF Communications has become the first point of contact for media seeking opinion and comment on all skin issues. This service growth is due to the BSF being seen as a trustworthy and expert source of information. Projects such as 'The 7 Ages of Skin', a televisual collaboration with ITN Productions, boosted our messages bringing us to the attention of new audiences. Many corporate supporters also see the BSF's impartiality as an asset when communicating to the public or their consumers. The BSF partnered several brands on a variety of patient and consumer facing educational projects across many platforms.

By implementing the BSF's 2023 business plan, one that seeks to amplify our efforts in our core charitable activity of grant giving that necessarily requires fundraising and communications, we hope to make the BSF's voice even louder in what is becoming a very crowded space. The more people hear our name, and associate it with trustworthy advice and information, the more we anticipate they will choose to support our charitable aims and objectives. This in turn will allow us to support even more skin disease research in the future.

## **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 an additional £50,000 (2021: £50,000) in a listed investment fund and are monitoring its performance.

## **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.

Unrestricted funds invested in tangible fixed assets, listed investments and cash increased from £2,329,354 to £2,503,982 during the year. Restricted funds invested in cash increased from £203,522 to £314,740 during the year.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing document**

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 £76,305 (2021: £67,506).

## **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.

## **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 29 October 2023  
and signed on the board's behalf by:

Professor C B Bunker  
Trustee

### **Opinion**

We have audited the financial statements of British Skin Foundation (the 'charity') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of 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 UK 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 2022, 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 auditor 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 trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and 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 trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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.

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.

#### **Auditor 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 the Act and relevant regulations made or having effect thereunder.

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 procedure 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 charity'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/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. 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

Date: 29 October 2023



British Skin Foundation

Statement of Financial Activities  
for the Year Ended 31 December 2022

	Notes	Unrestricted fund £	Restricted fund £	31.12.22 Total funds £	31.12.21 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	1,202,295	66,683	1,268,978	968,275
Other trading activities	3	53,499	-	53,499	80,840
Investment income	4	<u>6,701</u>	<u>-</u>	<u>6,701</u>	<u>3,803</u>
<b>Total</b>		<u>1,262,495</u>	<u>66,683</u>	<u>1,329,178</u>	<u>1,052,918</u>
<b>EXPENDITURE ON</b>					
Raising funds	5	6,993	-	6,993	23,764
<b>Charitable activities</b>	6				
Charitable Activities		793,752	168,860	962,612	1,071,343
Support Costs		<u>81,786</u>	<u>-</u>	<u>81,786</u>	<u>80,542</u>
<b>Total</b>		<u>882,531</u>	<u>168,860</u>	<u>1,051,391</u>	<u>1,175,649</u>
Net gains/(losses) on investments		<u>(15,031)</u>	<u>-</u>	<u>(15,031)</u>	<u>8,666</u>
<b>NET INCOME/(EXPENDITURE)</b>		364,933	(102,177)	262,756	(114,065)
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		<u>2,328,154</u>	<u>357,841</u>	<u>2,685,995</u>	<u>2,800,060</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>2,693,087</u></u>	<u><u>255,664</u></u>	<u><u>2,948,751</u></u>	<u><u>2,685,995</u></u>

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements.

British Skin Foundation

Balance Sheet

31 December 2022

	Notes	Unrestricted fund £	Restricted fund £	31.12.22 Total funds £	31.12.21 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	14	8,301	-	8,301	8,377
Investments	15	<u>146,139</u>	<u>-</u>	<u>146,139</u>	<u>111,171</u>
		154,440	-	154,440	119,548
<b>CURRENT ASSETS</b>					
Debtors	16	451,558	-	451,558	397,018
Cash at bank and in hand		<u>2,349,542</u>	<u>314,740</u>	<u>2,664,282</u>	<u>2,413,328</u>
		2,801,100	314,740	3,115,840	2,810,346
<b>CREDITORS</b>					
Amounts falling due within one year	17	(262,453)	(59,076)	(321,529)	(243,899)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CURRENT ASSETS</b>		<u>2,538,647</u>	<u>255,664</u>	<u>2,794,311</u>	<u>2,566,447</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,693,087</u>	<u>255,664</u>	<u>2,948,751</u>	<u>2,685,995</u>
<b>NET ASSETS</b>		<u>2,693,087</u>	<u>255,664</u>	<u>2,948,751</u>	<u>2,685,995</u>
<b>FUNDS</b>	18				
Unrestricted funds				2,693,087	2,328,154
Restricted funds				<u>255,664</u>	<u>357,841</u>
<b>TOTAL FUNDS</b>				<u>2,948,751</u>	<u>2,685,995</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 29 October 2023 and were signed on its behalf by:

Professor D J Gawkrödger  
Trustee

The notes form part of these financial statements.

British Skin Foundation

Cash Flow Statement

for the Year Ended 31 December 2022

	Notes	31.12.22 £	31.12.21 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	22	298,235	(74,561)
Tax paid		<u>-</u>	<u>2,000</u>
Net cash provided by/(used in) operating activities		<u>298,235</u>	<u>(72,561)</u>
 <b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(1,457)	(9,765)
Purchase of fixed asset investments		(49,999)	(50,000)
Interest received		2,090	772
Dividends received		<u>2,085</u>	<u>1,964</u>
Net cash used in investing activities		<u>(47,281)</u>	<u>(57,029)</u>
		<u>                    </u>	<u>                    </u>
<b>Change in cash and cash equivalents in the reporting period</b>		250,954	(129,590)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>2,413,328</u>	<u>2,542,918</u>
 <b>Cash and cash equivalents at the end of the reporting period</b>		<u>2,664,282</u>	<u>2,413,328</u>

The notes form part of these financial statements.

## **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.

### **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.

### **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.

**1. ACCOUNTING POLICIES - continued**

**TANGIBLE FIXED ASSETS**

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

**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.

**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.

**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.

**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.

**2. DONATIONS AND LEGACIES**

	31.12.22	31.12.21
	£	£
Gift aid	4,188	2,127
Legacies	98,150	10,970
Donations from individuals	16,624	18,123
Company donations	777,748	415,683
Trust donations	499	70,717
BAD Donations	341,769	142,269
Donations from other charities	<u>30,000</u>	<u>308,386</u>
	<u>1,268,978</u>	<u>968,275</u>

**3. OTHER TRADING ACTIVITIES**

	31.12.22	31.12.21
	£	£
Fundraising events	<u>53,499</u>	<u>80,840</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2022

**4. INVESTMENT INCOME**

	31.12.22	31.12.21
	£	£
Deposit account interest	2,505	841
Dividend income	<u>4,196</u>	<u>2,962</u>
	<u>6,701</u>	<u>3,803</u>

**5. RAISING FUNDS**

**OTHER TRADING ACTIVITIES**

	31.12.22	31.12.21
	£	£
Bad debts	-	5,000
Advertising	4,594	12,234
Events	1,953	5,968
Sponsorships	<u>446</u>	<u>562</u>
	<u>6,993</u>	<u>23,764</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	347,953	614,659	-	962,612
Support Costs	<u>-</u>	<u>-</u>	<u>81,786</u>	<u>81,786</u>
	<u>347,953</u>	<u>614,659</u>	<u>81,786</u>	<u>1,044,398</u>

**7. DIRECT COSTS OF CHARITABLE ACTIVITIES**

	31.12.22	31.12.21
	£	£
Staff costs	300,018	276,527
Postage and stationery	5,801	6,088
Travel expenses	965	-
Computer expenses	40,292	27,122
Staff training	<u>877</u>	<u>400</u>
	<u>347,953</u>	<u>310,137</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2022

**8. GRANTS PAYABLE**

	31.12.22	31.12.21
	£	£
Charitable Activities	<u>614,659</u>	<u>761,206</u>

The grants paid to Institutions are detailed below:

<u>Ref</u>	<u>Institution</u>	<u>2022</u>	<u>2021</u>
7013s	Trinity College Dublin	9,780	27,000
MRC-06	Medical Research Council	3,548	-
8016s	University of Nottingham	-	13,863
016/s/16	Queen Mary University of London	8,854	-
025/s/16	University of Ulster	-	2,132
001/e/17	King's College	-	45,902
002/yi/17	Queen Mary University London	7,500	30,000
007/yi/17	University of Bristol	(282)	19,122
016/s/17	University of Manchester	7,087	28,332
025/s/17	University of Dundee	-	308
026/s/17	University of Edinburgh	7,084	28,333
035/s/17	University of Surrey	-	28,333
MRC-08	Medical Research Council	17,841	19,231
005/r/18	Imperial College	-	40,411
011/s/18	Queen Mary University London	19,917	33,195
	London School of Hygiene and Tropical		
024/s/18	Medicine	13,374	23,255
030/s/18	Huddersfield University	21,109	28,120
032/s/18	University College London	18,763	23,171
036/s/18	University of Bath	21,250	28,333
037/r/18	University of Dundee	3,229	20,766
043/s/18	Imperial College	14,167	14,167
MRC-09	Medical Research Council	5,340	31,781
099/r/19	George Kravvas	71,969	34,060
	Northern Care Alliance NHS Foundation Trust		
003/BSFBAD/19		-	8,380
002/BSFBAD/19	Newcastle University	9,960	-
004/s/19	Beatson Institute for Cancer Research	31,331	18,331
005/s/19	University of Glasgow	28,333	28,333
023/f/19	University of Southampton	-	46,500
024/f/19	Guy's and St Thomas' NHS Foundation Trust	-	31,000
042/yi/19	King's College London	51,205	6,178
044/r/19	University of Leeds	40,500	10,125
045/r/19	University College London	2,918	52,586
014/BSFBAD/20	University Hospitals Birmingham Charity	-	9,967
022/BSFBAD/20	Queen Mary University	9,900	-
005/BSFSG/20	Imperial College	-	10,000
019/BSFSG/20	University of Manchester	-	9,991
025/BSFSG/20	University of Cambridge	-	10,000
003/s/20	University of Hull	16,207	-
007/s/20	Newcastle University	13,576	-
008/r/20	Newcastle University	20,250	-
009/r/20	Newcastle University	17,087	-
016/s/20	University of Bath	14,167	-
037/r/20	University of Manchester	10,125	-
041/s/20	University of Nottingham	14,167	-
010/BSFSG/21	Trinity College Dublin	10,000	-
013/BSFSG/21	University of Manchester	10,000	-

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2022

**8. GRANTS PAYABLE - continued**

<u>Ref</u>	<u>Institution</u>	<u>2022</u>	<u>2021</u>
014/BSFSG/21	Cardiff University	10,000	-
016/BSFSG/21	South Warwick University	10,000	-
004/BSFBPG/21	St Vincent's Foundation	8,188	-
001/BSFSTART/22	University College London	6,215	-
001/LFRSMF/22	King's College London	30,000	-
		<u>£ 614,659</u>	<u>£ 761,206</u>

**9. SUPPORT COSTS**

	Management	Finance	Governance costs	Totals
	£	£	£	£
Support Costs	<u>63,838</u>	<u>3,512</u>	<u>14,436</u>	<u>81,786</u>

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

	31.12.22	31.12.21
	Support Costs	Total activities
	£	£
Trustees' remuneration etc	170	-
Insurance	1,528	2,882
Sundries	1,220	481
Office accommodation charges	56,000	56,000
Subscriptions	3,386	6,652
Depreciation of tangible fixed assets	1,534	1,678
Loss on sale of tangible fixed assets	-	334
Bank charges	2,288	1,792
HMRC interest	5	-
Payroll costs	1,219	1,020
Auditors' remuneration	6,054	5,690
Auditors' remuneration for non-audit work	6,618	4,013
Legal fees	1,764	-
	<u>81,786</u>	<u>80,542</u>

**10. NET INCOME/(EXPENDITURE)**

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

	31.12.22	31.12.21
	£	£
Auditors' remuneration	6,054	5,690
Auditors' remuneration for non-audit work	6,618	4,013
Depreciation - owned assets	1,533	1,678
Deficit on disposal of fixed assets	-	334
(Profit)/loss on fair value movement of investments	<u>15,301</u>	<u>(8,666)</u>



**11. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 December 2022 nor for the year ended 31 December 2021.

**TRUSTEES' EXPENSES**

During the year ended 31 December 2022, expenses totalling £170 (2021: £nil) were reimbursed to 1 Trustees (2021: nil) for travel costs.

**12. STAFF COSTS**

	31.12.22	31.12.21
	£	£
Wages and salaries	261,030	242,663
Social security costs	25,146	22,177
Other pension costs	<u>13,842</u>	<u>11,687</u>
	<u>300,018</u>	<u>276,527</u>

The average monthly number of employees during the year was as follows:

	31.12.22	31.12.21
Administration and management	<u>7</u>	<u>6</u>

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

	31.12.22	31.12.21
£60,001 - £70,000	-	2
£70,001 - £80,000	<u>2</u>	<u>-</u>
	<u>2</u>	<u>2</u>

**13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted fund £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	712,845	255,430	968,275
Other trading activities	80,840	-	80,840
Investment income	<u>3,803</u>	<u>-</u>	<u>3,803</u>
<b>Total</b>	<u>797,488</u>	<u>255,430</u>	<u>1,052,918</u>
<b>EXPENDITURE ON</b>			
Raising funds	23,764	-	23,764
<b>Charitable activities</b>			
Charitable Activities	1,037,283	34,060	1,071,343
Support Costs	<u>80,542</u>	<u>-</u>	<u>80,542</u>
<b>Total</b>	<u>1,141,589</u>	<u>34,060</u>	<u>1,175,649</u>
Net gains on investments	8,666	-	8,666

**13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued**

	Unrestricted fund £	Restricted fund £	Total funds £
<b>NET INCOME/(EXPENDITURE)</b>	(335,435)	221,370	(114,065)
<b>Transfers between funds</b>	<u>(134,786)</u>	<u>134,786</u>	<u>-</u>
<b>Net movement in funds</b>	(470,221)	356,156	(114,065)
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	<u>2,798,375</u>	<u>1,685</u>	<u>2,800,060</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u><u>2,328,154</u></u>	<u><u>357,841</u></u>	<u><u>2,685,995</u></u>

**14. TANGIBLE FIXED ASSETS**

	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>			
At 1 January 2022	5,652	4,113	9,765
Additions	<u>1,457</u>	<u>-</u>	<u>1,457</u>
At 31 December 2022	<u>7,109</u>	<u>4,113</u>	<u>11,222</u>
<b>DEPRECIATION</b>			
At 1 January 2022	565	823	1,388
Charge for year	<u>711</u>	<u>822</u>	<u>1,533</u>
At 31 December 2022	<u>1,276</u>	<u>1,645</u>	<u>2,921</u>
<b>NET BOOK VALUE</b>			
At 31 December 2022	<u><u>5,833</u></u>	<u><u>2,468</u></u>	<u><u>8,301</u></u>
At 31 December 2021	<u><u>5,087</u></u>	<u><u>3,290</u></u>	<u><u>8,377</u></u>

**15. FIXED ASSET INVESTMENTS**

	Listed investments £
<b>MARKET VALUE</b>	
At 1 January 2022	111,171
Additions	49,999
Revaluations	<u>(15,031)</u>
At 31 December 2022	<u>146,139</u>
<b>NET BOOK VALUE</b>	
At 31 December 2022	<u><u>146,139</u></u>
At 31 December 2021	<u><u>111,171</u></u>

**15. FIXED ASSET INVESTMENTS - continued**

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.

**16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.22	31.12.21
	£	£
Accrued interest	484	69
Other donations	338,000	123,769
Other debtors	-	10,000
Accrued dividend	3,109	998
Gift aid recoverable	18,000	19,000
Accrued income	54,000	209,404
Prepayments	<u>37,965</u>	<u>33,778</u>
	<u>451,558</u>	<u>397,018</u>

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.22	31.12.21
	£	£
Grant payables	119,000	167,608
Trade creditors	17,672	26,549
Other creditors	-	1,657
Credit card	208	569
Accruals and deferred income	11,352	9,240
Accrued expenses	297	276
Deferred income	<u>173,000</u>	<u>38,000</u>
	<u>321,529</u>	<u>243,899</u>

**18. MOVEMENT IN FUNDS**

	Balance at 1 <sup>st</sup> January 2022 £	Income £	Expenditure £	Transfers £	Gains/(losses) £	Balance at 31 <sup>st</sup> December 2022 £
Unrestricted	2,328,154	1,262,495	(882,531)	-	(15,031)	2,693,087
Restricted	<u>357,841</u>	<u>66,683</u>	<u>(168,860)</u>	<u>-</u>	<u>-</u>	<u>255,664</u>
	<u>2,685,995</u>	<u>1,329,178</u>	<u>(1,051,391)</u>	<u>-</u>	<u>(15,031)</u>	<u>2,948,751</u>

  

	Balance at 1 <sup>st</sup> January 2021 £	Income £	Expenditure £	Transfers £	Gains/(losses) £	Balance at 31 <sup>st</sup> 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>

**18. MOVEMENT IN FUNDS - continued****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 £13,842 (2021 - £11,687).

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

**20. FINANCIAL COMMITMENTS**

£2,124,749 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 31st December 2022:

	<u>Ref</u>	<u>Total value</u> £	<u>Outstanding</u> £
2016	MRC-06	55,000	1,100
	016/s/16	85,000	26,563
	025/s/16	85,000	7,452
2017	MRC-07	58,422	4,592
	002/yi/17	90,000	22,500
	025/s/17	85,000	42,193
2018	MRC-08	58,028	1,879
	024/s/18	85,000	13,363
	032/s/18	85,000	10,144
	037/r/18	75,197	35,079
	043/s/18	85,000	35,417
2019	MRC-09	63,435	5,340
	099/r/19	170,000	30,441
	009/BSFBPG/19	10,000	10,000
	004/s/19	85,000	29,629
	005/s/19	85,000	21,250
	042/yi/19	79,902	23,617
	044/r/19	81,000	30,375
2020	021/BSFSG/20	10,000	10,000
	027/BSFBPG/20	9,960	9,960
	003/s/20	85,000	68,793
	007/s/20	85,000	71,424
	008/r/20	81,000	60,750
	009/r/20	80,200	63,113

**20. FINANCIAL COMMITMENTS - continued**

	<u>Ref</u>	<u>Total value</u> £	<u>Outstanding</u> £
2020	011/yi/20	89,978	89,978
	016/s/20	85,000	66,033
	017/s/20	85,000	85,000
	025/s/20	85,000	85,000
	037/r/20	81,000	70,875
	041/s/20	85,000	70,833
2021	017/BSFSG/21	9,876	9,876
	019/BSFBAD/21	10,000	10,000
	001/r/21	40,500	30,468
2022	MRC10	65,000	65,000
	001/BSFSTART/22	50,000	41,098
	021/BSMD/22	9,994	9,994
	002/BSPAD/22	10,000	10,000
	004/SG/22	9,993	9,993
	011/SG/22	9,500	9,500
	014/SG/22	9,945	9,945
	016/SG/22	9,984	9,984
	018/SG/22	10,000	10,000
	006/r/22	80,406	80,406
	008/s/22	85,000	85,000
	009/s/22	85,000	85,000
	012/r/22	39,766	39,766
	014/s/22	85,000	85,000
	021/s/22	85,000	85,000
	023/yi/22	80,325	80,325
	028/s/22	85,000	85,000
	034/yi/22	89,862	89,862
	037/r/22	80,839	80,839
Total			<u>£ 2,124,749</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 £201,600 to the British Skin Foundation in 2022 (2021: £183,600).

Tanya Bleiker resigned as a trustee of British Skin Foundation during the year and is President of the British Association of Dermatology ("BAD"). British Skin Foundation received donations totalling £341,769 from British Association of Dermatology ("BAD") in 2022 (2021: £142,269).

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2022

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

	31.12.22	31.12.21
	£	£
<b>Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)</b>	262,756	(114,065)
<b>Adjustments for:</b>		
Depreciation charges	1,533	1,678
Losses/(gain) on investments	15,031	(8,666)
Loss on disposal of fixed assets	-	334
Interest received	(2,505)	(841)
Dividends received	(4,196)	(2,962)
Increase in debtors	(52,014)	(14,445)
Increase in creditors	77,630	64,406
<b>Net cash provided by/(used in) operations</b>	<u>298,235</u>	<u>(74,561)</u>

**23. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1/1/22	Cash flow	At 31/12/22
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	<u>2,413,328</u>	<u>250,954</u>	<u>2,664,282</u>
	<u>2,413,328</u>	<u>250,954</u>	<u>2,664,282</u>
<b>Total</b>	<u>2,413,328</u>	<u>250,954</u>	<u>2,664,282</u>