

**THE BRITISH ASSOCIATION OF DERMATOLOGISTS**  
**REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**Charity number: 258474**

# THE BRITISH ASSOCIATION OF DERMATOLOGISTS

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# THE BRITISH ASSOCIATION OF DERMATOLOGISTS

## REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Trustees</b>	President (7/18-7/20)	Dr Ruth Murphy
	Immediate Past President (7/18-7/19)	Dr Nick Levell
	Academic Vice President (7/17-7/19)	Dr Mabs Chowdhury
	Clinical Vice President (7/18-7/20)	Dr Louise Fearfield
	Honorary Treasurer (7/16-7/19)	Dr Anshoo Sahota
	Honorary Treasurer Elect (7/18-7/19)	Dr Tanya Bleiker
	Honorary Secretary (7/17-7/19)	Dr Karen Gibbon
	Asst Honorary Secretary (7/17-7/19)	Dr Tabi Leslie
	Editor BJD (7/16-6/19)	Professor Alex Anstey
	North East Representative (7/17-7/20)	Dr David Brass
	Yorkshire & the Humber Representative (7/16-7/19)	Dr Julia Stainforth
	North West Representative (7/18-7/21)	Dr John Newsham
	East Midlands Representative (7/16-7/19)	Dr Graham Johnston
	West Midlands Representative (7/16-7/19)	Dr Irshad Zaki
	East of England Representative (7/17-7/20)	Dr George Millington
	Thames Valley and Wessex Representative (7/16-7/19)	Dr Michelle Oakford
	North London Representative (7/17-7/20)	Dr Anthony Bewley
	South London Representative (7/18-7/21)	Dr Piu Banerjee
	South East Coast Representative (7/17-7/20)	Dr Larry Shall
	South West Representative (7/16-7/19)	Dr William Porter
	N Ireland / Republic of Ireland Representative (7/18-7/21)	Dr Olivia Dolan
	Scotland Representative (7/17-7/19)	Dr Michael Tidman
	Wales Representative (7/18-7/21)	Dr Colin Long
	Trainee Representative (7/17-7/19)	Dr Amr Salam
<b>Senior Leadership Team</b>	Marilyn Benham – Chief Executive Officer	
	Catherine Hanaway – Finance Officer	
	Nina Goad – Head of Communications	
	Tania Von Hospenthal – Clinical Services Manager	
	M. Firouz Mohd Mustapa – Clinical Standards Manager	
	Christopher Garrett – Conference Services Manager	
	Sagair Hussain - Clinical Project Manager - BAD Biologics Register	
<b>Principal Office</b>	Willan House 4 Fitzroy Square London W1T 5HQ	
<b>Bankers</b>	Lloyds TSB Bank plc Eastern Branch 35 Whitechapel High Street London E1 7PH	
<b>Investment Advisors</b>	Rathbone Brothers Plc 8 Finsbury Circus London EC2M 7AZ	
<b>Solicitor</b>	Mills & Reeve LLP Botanic House 100 Hills Road Cambridge CB2 1PH	
<b>Independent Auditor</b>	RSM UK Audit LLP, Statutory Auditor Chartered Accountants Davidson House Forbury Square Reading Berkshire RG1 3EU	

# THE BRITISH ASSOCIATION OF DERMATOLOGISTS

## REPORT OF THE TRUSTEES

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The trustees present their report and audited financial statements for the year ended 31 December 2018.

The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

### Objectives and Activities for the Public Benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

The association's objectives are to promote for the public benefit the knowledge, practice and teaching of Dermatology. All of our activities relate to the development of knowledge and improvement in patient care but for many years the public have had difficulty accessing dermatology services because of lack of NHS funding and a DH restriction on the number of consultants that can be trained. Therefore, a major part of our work is to expand the knowledge base of other healthcare professionals and to develop best practice so that everyone has access to dermatology care. We have organised our staffing and committee structures to deliver in the following areas:

### Clinical Services

The British Association of Dermatologists (BAD) continues to work at a number of levels to try to ensure that patients with skin disease have access to care and are not disadvantaged. The continued changes to the National Health Service under successive governments have led to a fracturing of patient pathways and the underinvestment in trained clinicians mean that patients no longer have direct access to secondary care dermatology services.

Dermatology is a complex specialty with over 3,000 disease areas, the Clinical Services Unit, under the direction of the Clinical Vice President, has produced robust service standards to provide guidance to the multiple providers entering the health care arena. The Association continues to champion patient care and aims to advise all providers, stakeholders and the public on Dermatological care. The Association has successfully challenged inappropriate commissioning throughout the UK but also provided best practice advice to those commissioners who wish to provide a quality service. It has developed a process for service reviews that seek to bring the trust, commissioners and consultants together in a collaborative process to improve provision of patient care.

The Association has continued to provide support to many dermatology departments in the UK facing threats to service delivery as commissioners seek to move more dermatology into the community, in some cases with the mistaken belief that this will save money. An important element of this work has been the interaction with patient panels and overview and scrutiny committees in the defence of local services. The Clinical Services Unit is developing resources to inform the commissioning of effective and efficient dermatological services; these include appropriate service models, governance and commissioning advice which is available on the public area of the BAD Website.

The Association has met with the Care Quality Commission (CQC) to provide guidance about dermatology service provision. It held a one day meeting to educate CQC inspectors and is producing resources to educate inspectors in what to look for when reviewing services.

NHS Trusts are no longer the only provider of healthcare funded by the State to the public and the BAD now needs to engage with a multitude of independent providers. The Association has always considered that the practice of Dermatology and the delivery of high quality patient care is one of its primary objects.

### Education and Training

The Academic Vice President oversees education and research activities which are focused on improving the quality of dermatology training and providing an environment in which research into skin disease can flourish. The Research Committee have introduced a number of initiatives to encourage collaborative translational research between the dermatology, other disciplines and pharma with the aim of delivering benefit directly to patients. Activity has taken place to encourage medical students to consider dermatology as a career by the provision of meetings and educational resources.

The BAD has established an Education Unit, led by a Director of Education, to provide dermatology training to other doctors and healthcare professionals so that they can contribute to service delivery as part of the multidisciplinary team.

The BAD Education Unit in conjunction with the RCGP has developed a curriculum to accredit GPs With an Extended Role (GPwER) as another way of promoting quality in the patient pathway. This is currently in the pilot phase.

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## REPORT OF THE TRUSTEES

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### Promotion of research and knowledge

The Conference Unit continues to provide high quality service for external meetings and to organise the BAD's annual conference. During 2018 it continued to support the clinical service, education and research units by facilitating courses and meetings on skin disease at Willan House, as well as organising national and international income generating meetings.

The promotion of research and improvement in clinical care are fundamental to the objects of the association and these developments are disseminated in the Association's journals that have wide readership both nationally and internationally. Skin disease research is vital to continued dermatological healthcare improvement, the BAD has donated over £6m to the BSF grant giving process for skin disease since the organisation was founded in 1996.

### Setting Standards

The Clinical Standards Unit manages the production of high-quality clinical guidelines published in the BJD to improve patient care, the process for which attained NICE Accreditation status in 2010 with the Association being one of the first few to be certified. This status has since been renewed in 2016 following the BAD's adoption of the more rigorous, international gold-standard GRADE methodology.

The unit also has a portfolio of almost two hundred patient information leaflets (PILs) on the BAD website, which are the most accessed pages and have proved to be invaluable to members of the public, particularly when they are first diagnosed. The BAD has been committed to producing patient information for many years. From the outset this activity has been fundamental to the fulfilment of the charitable objects of the Association for patient benefit. The Association has been awarded the Information Standard certification from NHS England for seven consecutive years, for the process it employs to produce PILs. The Information Standard was established to certify the provision of high quality, clear, accurate, balanced and trustworthy information as an essential component of effective health and care.

The authorship of guidelines and PILs is by the Members of the Association who give their time and expertise on a voluntary basis, and the Association now employs professional members of staff (guideline research fellows, an information scientist and project manager) to carry out all technical work associated with guideline development (e.g. reading and critically appraising papers; data extraction & syntheses, and summaries of evidence), essentially adopting the NICE model. The unit also manages the Association's national clinical audit programme with nine national audits now completed since 2012 with three audit reports currently being prepared for official publication in the BJD/CED.

### Disseminating knowledge

Much of the work of the Communications Team over the last 12 months has built on the BAD's mission to improve public access to many core aspects of dermatology, including research, patient information, and access to services.

NHS workforce issues have maintained their place at the heart of the work of both the Communications and Skin Cancer Prevention Sub-committees. In recent months, we have been working with other departments and the All-Party Parliamentary Group on Skin (APPGS) to highlight the workforce issue, through lobbying and the media.

This included a successful parliamentary skin cancer event and exhibition for MPs and their staff, which saw BAD Officers running mole checks for 30 MPs and included a talk from Chris Bryant MP about his experience of skin cancer. This event was an important opportunity to highlight some of the key issues facing dermatology, including workforce and training. Following the event Chris Bryant also asked a question at Prime Minister's Question Time, calling for a major public health campaign around skin cancer.

In respect of patient information, the Communications Team has been working hard to develop web-based, free, expert resources for use by members of the public, as well as in clinics. Following the success of BAD's Skin Support and Acne Support websites, the Communications Team, working with the Patient Workstream and other BAD departments, was tasked with creating a Patient Hub for all existing patient focussed materials that the BAD produces. The website, [www.bad.org.uk/public](http://www.bad.org.uk/public), launched in March 2019 and has received very positive feedback from users. In the month prior to writing this report, the site had 1,913 users and the user base is growing month on month since its launch.

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Guided by the Skin Cancer Prevention Sub-committee, the Communications Team has continued its work to promote the prevention and early detection of skin cancer through the annual Sun Awareness Campaign and targeted media coverage. One key priority is to ensure timely diagnosis and correct referral of skin cancer cases. This Sun Awareness Week our messaging focussed on reaching those involved in outdoor sports and activities. As part of this work we collaborated with British Cycling, British Rowing, England Bowls, the Croquet Association, Women & Golf magazine and Totally Active magazine, combined with a social media campaign during Sun Awareness Week.

The association is also working to make dermatological research findings more accessible to the public, through the advent of free Plain Language Summaries, which provide concise, accessible synopses of selected research published in our journals. Nearly all Original Articles are accompanied by a summary that explains the research in a short, public-friendly format.

### **Access to treatment**

A matter of grave concern is the problem many skin patients are facing when trying to access special order (unlicensed) dermatology drugs. A dedicated Medicines Working Group (previously Specials Working Group) had been meeting with DHSC Officials to raise the issue of government policy that allows specials prescribed by GPs to cost up to 17 times more than the same drugs prescribed in hospitals, needlessly wasting the NHS millions of pounds each year, and causing many CCGs to restrict access to treatments. The working group had escalated its lobbying to the House of Lords, Public Accounts Committee and the National Audit Office, following media exposure in The Times which was picked up by most media outlets. It will continue to press this important issue of access to treatment.

The Association maintains a close relationship with the many individual disease specific charities that provide direct and practical support to patients and their families and holds regular meetings of the Patient Support Groups as an opportunity to share and learn. An addition to the financial support to these groups via the Patient Support Group Fund has been the establishment of study days to share expertise and information about fundraising, charity law etc.

### **Grant-making Policy**

The Association is not a grant making body.

The Association has a number of fellowships to enable Members to spend a period of time in study and/or research or to attend international meetings. The fellowships are advertised in the BAD Newsletter, Handbook and website. The Association also awards a number of undergraduate fellowships which are advertised in medical schools. The Fellowship Committee meets two times a year to judge applications and make the awards.

The Association makes annual donations to a number of affiliated special interest groups upon application.

Upon application the Association makes donations to assist the work of other bodies working for patients or to support research in Dermatology. These donations are decided by the Executive.

### **Strategic report**

#### **Achievements and Performance**

#### **Governance**

A Code of Conduct for BAD Members and Committees has been developed by the Honorary Secretary with advice from our lawyers. All members will be required to adhere to the code which will be reviewed annually.

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### Education and Training

The principal reason for establishing the Education Unit is to increase the training and education delivered to all those who work in dermatology with a form of accreditation that would enable employers to build quality services. The Education Unit and Director of Education, working under the guidance of the Academic Vice President, have established a number of work streams developing and delivering educational resources for SAS doctors, CESR applicants and undergraduates. They have established collaborations with the RCGP, PCDS and BDNG and are working with a number Royal Colleges to improve the dermatology content of the curricula in those specialties.

The Education Sub-committee has started work on updating the pre CCT curriculum including new disease areas and preparing for the inclusion of Competencies in Practice (CIP) which are to become mandatory. The committee has also been extremely active delivering the specialty updates for Training Programme Directors and Specialty Training Committee chairs and the annual course for Assessing the Assessors, this work is on behalf of the Dermatology SAC of the JRCPTB. Dermatology continues to be an extremely popular specialty and the Association provides learning opportunities via DermSchool, and many resources such as the e-Learning resource, the Student Handbook and App as well as practical support to the many DermSocs which have formed throughout the UK.

### Clinical Services

A major part of the work of the Association has been the support of dermatology service delivery in the NHS via the Clinical Services Unit and its Clinical Services and Cancer Services Sub-committees. During 2018 more than 50 departments sought help over problems with workforce, poor commissioning, coding and problems with the independent sector-NHS interface and issues between colleagues over these matters. Support can range from letters addressing governance issue to extensive work in advising on the restructuring of whole services.

In addition, we are working with Commissioners to help resolve contractual issues with independent providers of dermatology services in order to identify areas of improvement.

### Promotion of research and knowledge

The BAD Research Sub-committee has continued the role of ensuring that trainees have access to high-quality research training with a view to "future-proofing" the specialty in relation to one of the core principles of the NHS constitution (2012), namely "the commitment to the promotion and conduct of research to improve the current and future health and care of the population". There is recognition that some trainees can find it difficult to gain exposure to laboratory-based research and has established an annual Research Techniques course for them to gain an understanding of, as well as getting some hands-on skills in, laboratory techniques and is also putting in place a system for research-active trainees in each region to provide guidance to juniors.

BAD UK TREND conducted a E-Delphi review to identify the key priority areas for skin and then held very successful open meetings to discuss the interest and potential in establishing networks to advance and promote translational research into eczema and non-melanoma skin cancer, resulting in a number of collaborations being formed. In the field of eczema the BAD is supporting the setting up of a registry project similar to BAD BRL. BAD A\*Star will work with industry to provide safety and efficacy information on the use of biologic therapies in eczema. The UK Keratinocyte Cancer Collaborative (UKKCC) has been established by the BAD to bring together epidemiologists, clinicians and dermato-pathologists working in the field of keratinocyte cancer to create a collaborative network for clinical epidemiology, tissue banking and molecular pathology initiatives to improve the KC patient outcomes and stratification of risk of progression.

BADGEM's three main work streams of informatics, diagnostic signposting and clinical trials are actively progressing and a successful clinical session was held at the 2018 BAD Annual Meeting.

### Setting Standards

The Clinical Standards Unit and Therapy & Guidelines Sub-committee have had a very productive year following expansion of the unit; five guidelines will have been published in successive months in the BJD by July 2019, with another currently being prepared for submission. New topics have been approved for development. The BJD reported that five BAD guidelines appeared in the journal's top 20 most accessed articles of 2018, three of which occupied the top 3, and with the biologics guideline for psoriasis claiming the top spot for a second year in a row.

A total of 31 new and updated PILs have been uploaded on the BAD website over the past 12 months.

Around 25 official responses to relevant NICE technology and guideline appraisals have been submitted.

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Work is ongoing with the BNF and BNFC to keep the skin chapter updated and the committee responds regularly to enquiries from the membership, health-related institutions, industry and the general public.

Liaison with the MHRA continues on matters relating to retinoids and fire hazards of emollients.

The Communications Team has generated widespread coverage on a range of topics including research published in the BJD, skin disease prevention methods, the need for increased dermatology training posts, and much more. The Skin Cancer Prevention committee has guided the work on the BAD's major skin cancer education initiatives including the Roadshow, and Sun Awareness Week.

### Access to treatment

The Medicines Working Group (previously Specials Working Group) continues to work valiantly on improving patient access to Dermatology specials. An updated list of preferred Dermatology specials was published in 2018. ([www.bad.org.uk/specials](http://www.bad.org.uk/specials)).

The working group helped influence the wording for the Health Service Medical Supplies (Costs) Bill 2017, which provided government with the power and duty to ensure that specials are reasonably priced. This primary legislation paved the way for the secondary legislation in 2018 on how prices are set. Professional bodies from multiple specialties are finalising their preferred lists of specials to show a united front to government and to facilitate future specials procurement and price-setting. The Secretary of State for Health now has the power to request for regular reporting from some companies as to how prices are set and what profit companies are making from the products they manufacture.

### Communications between the BAD and its Members includes;

- The President's monthly e-Bulletin has proved very popular with Members and gives them an instant report of important issues and events as well as the key activities of the Officers and their engagement with external stakeholders. The President gives details of their meetings and correspondence with DH officials, Government Officers, NHSE, HEE, CQC, NICE, MHRA and Presidents of other colleges and patients groups etc.
- The quarterly newsletter serves as a conduit for the BAD and its Members to inform and update the Membership.
- BAD ALERT emails provide rapid and topical communication to Members on issues that require particular note or action.
- BAD regularly surveys the Members to gain their views on all aspects of the work of the Association and Members engagement
- The BAD Communications Circular gives an opportunity to circulate less critical information and to allow Members to inform each other of educational events or research studies they are undertaking.
- The BAD Website provides access to guidelines and other important documents.
- The Membership database enables Members to access details of other Members and departments via the website and will enable the Association to collect data directly from Members.

### The BAD continues to serve its Membership in the following ways:

- Education and updating in clinical and research developments via the publication of the British Journal of Dermatology and Clinical and Experimental Dermatology, the Annual Meeting and an annual joint conference with the RCP on Medical Dermatology.
- The BAD continues to argue the case for an increase in the dermatology workforce with Health Education England and other NHS and Government departments.
- Via the Education Committee and the RCP Joint Specialty Committee, the BAD has been instrumental in developing training competencies and knowledge-based assessment.
- Dermatology is the leading specialty in the development of Post CCT curricula and fellowships
- The BAD is working with other specialties to develop joint curricula in order to expand the provision of service to patients
- The BAD is developing specialty-specific standards for service delivery which will also be useful for revalidation.
- The BAD worked with the Department of Health to develop a web based e-learning tool to deliver the curriculum to dermatologists and other health professionals within the NHS.

The Association is a founder Member of the Coalition of Medical Specialty Societies which meets to exchange information of mutual benefit and lobby for improvements in healthcare delivery for patients and educational opportunities for healthcare professionals.



# THE BRITISH ASSOCIATION OF DERMATOLOGISTS

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### Journal Publishing

During 2017, following an extensive review of publishers the BAD awarded a further 5 year contract to Wiley to publish the BJD and CED. All the publishers offered a signing bonus and competitive financial agreements. However, Wiley's bid was the most competitive offer with a bonus offer of £2 million and increased profit share of 76% for both journals. They put forward sound strategies for development and marketing as well as providing funding for a bespoke website for both journals. In 2018, both BJD and CED performed well not only financially but also editorially. BJD closed the year with a healthy surplus of £1,709,573 to the BAD and CED reported a surplus of just over £311,920 to the BAD. The Impact factor for BJD reported its highest ever impact factor in 2018 of 6.1 and ranked 4<sup>th</sup>.

John Ingram was appointed as the Editor Elect in 2018 and will be starting as the new Editor from 1 July 2019. Alexa Shipman has taken over from George Millington from 1 Jan 2019 as the new Editor of CED. Under Alexa's leadership, CED's vision is to be BAD's educational journal with a clear mandate to publish more CPD type articles. Besides publishing review articles from BAD courses, it is also inviting submissions for educational research.

Most dermatology journals publish some section of education, but CED is the CPD journal. In terms of submissions, BJD ended 2018 with a high of 2819 submissions and CED with 1117 submissions. Both journals have shown very high article downloads levels in 2018: BJD had 1 million full text article downloads and CED had over 200,000 full text downloads. The editorial office was also expanded in 2018 with appointment of a full-time managing editor to oversee the journal publishing activities and to provide strategic support for both the journals.

In 2018 BJD launched its new BJD website as developed with Wiley, <https://www.bjdonline.com/> and is meant to help users find BJD content more easily with commenting facilities. However, all the articles will still be available on Wiley's platform, <https://onlinelibrary.wiley.com/journal/13652133>.

### Biologics Intervention Register

The Association has established a biologics registry for psoriasis which will follow a large cohort of patients treated with biological agents so that their long-term safety can be monitored. The Register is owned and operated by a not for profit company limited by guarantee registered under the Companies Acts: British Association of Dermatologists Biologics Register Limited, Company No. 6434034 (BADBRL). BADBRL effectively operates as a subsidiary of BAD and its two Members hold their Membership on trust for BAD. BADBRL, and the Register it owns and operates, are therefore ultimately assets of BAD. The Register as such, and the intellectual property rights arising in the data generated, belongs to the Association. BADBRL has entered into contracts with pharmaceutical companies to provide them with safety data monitoring and observational data resulting from the register. The payments provided for these services fund the register. Companies pay for a pharmacovigilance service for each patient receiving their drug at recruitment and follow-up during the life of the register. In addition, they pay a proportion of the overhead costs. To ensure that the funds are in place to follow up all patients as long as the register is in existence all payments by the companies are made in advance. All payments are attached to patient numbers and a record is maintained of all payments made. This is reconciled each year for each company so that when their contract ends or when the register is closed all funds will be apportioned and repaid to the companies. This is shown in the long-term creditors in the accounts.

The BAD has established a web based programme of Good Clinical Practice training for staff to meet one of the requirements of participating trusts.

The register continues to work closely with the participating research centres through register initiation and set-up, and assist with the registration of initial patients. Advice and guidance is provided to help boost recruitment and ensure good quality data is being collected from all hospitals. In addition, the BADBIR study team are fully engaged with improving data quality of the information collected via a source data verification programme.

The company incorporated on 22 November 2007 and began operating on 25 March 2008.

The focus of the BAD efforts during 2018 has been to continue to increase the numbers of patients registered and to assist departments that encountered problems with set up because of the complex R&D and governance requirements of Trusts. In 2018, the register had 11 participating pharmaceutical companies, but 14 drugs enrolled; 7 biologics, 5 biosimilars and 2 small molecules. After 10 years of participation, Pfizer decided not to extend the contract for their biologic Enbrel (Etanercept) because of the change in the market due to the launch of a number of Etanercept biosimilars. In addition, AbbVie's patent for Adalimumab expired leading to 4 Adalimumab biosimilars being launched into the market; Amgen (Amgevita), Sandoz (Hyrimoz), Samsung Bioepis (imraldi) and Mylan (Hulio). Both Amgen and Sandoz have formally joined the register and Samsung joined in early 2019. The research and publication strategy for the project has been produced and in 2018 11 abstracts were presented at international dermatology conferences. Five scientific manuscripts in line with the abstracts have been published in internationally recognised journals. Further publications are aimed for 2019 and the coming years.

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### Financial Review

The consolidated financial statements include the results of the British Association of Dermatologists Biologics Register, details of which can be found in note 12. For the year ended 31 December 2018 the Association has achieved total consolidated income of £5,391,081 (2017: £7,082,032). Total consolidated expenditure have totalled £4,878,124 (2017: £4,606,866) resulting in an overall consolidated surplus of income over expenditure after gains on investments of £364,600 (2017: £2,566,741).

### British Skin Foundation (BSF)

A donation of £200,000 has been made to the BSF during 2018 (2017: £400,000). Further to this the BAD has supported the BSF with fully equipped office accommodation and all overheads without charge. The value of this support during 2017 was approximately £56,000. Since the founding of the BSF in 1996 the BAD has given the BSF over £6 million in donations to distribute funds for dermatology research.

In 2017 the BAD agreed to fund the pilot phase of an Eczema Biologics Register and provided a grant of £200,000 (£70k per annum for three years) to the BSF to be awarded in open competition to UK academic centres. The successful project was A\*Star.

### No 4 Fitzroy Square (Willan House)

The Property, Fabric & Content Sub-Committee continue to meet and regularly review the planned maintenance programme, this includes the fire alarms, intruder alarms, lift mechanisms and roof drainage maintenance. The Health & Safety committee meet regularly to check current procedures are appropriate.

### Conference and Events Office

The conference team continues to work professionally and efficiently on the events programme, involved in 22 events in 2018. There were 4093 attendees and 127 exhibiting companies. The overall fees charged for the department's service was £107,527. Some meeting surpluses were distributed to the appropriate organising groups. The income generated for the BAD directly including any agreed profit share totalled £500,957. The conference programme of events is now split into three main areas: Core events, (BAD Annual Meeting, Medical Dermatology Day, StR Course); PCO Events where the department works as a hired Professional Conference Organiser (Special Interest Group Annual Meetings, International Congresses); and Co-Badged Educational events (Events mapped to the dermatology curriculum). 2018 saw the conference team produce the International meeting: 18th Annual Meeting of the European Society for Paediatric Dermatology in London.

### Reserves Policy

The Association's reserves policy is that we have reserves that would allow us to keep functioning for 6 - 9 months if we did not receive any income, this would require a sum of approximately £1.6m. In addition, the Trustees have agreed to build up funds for the development of the College Project.

In addition, the Association has set aside funds for specific projects, these are the 'designated funds' (see note 19).

The current level of general reserves (unrestricted reserves less fixed assets reserves less designated funds) is £3.3m (2017: £3.2m). The current level of restricted reserves is £140k (2017: £126k).

### Investment Policy and Performance

The Association's reserves are held in bank accounts, a Fixed interest account and in a portfolio of fixed interest securities and UK equities, in a pooled portfolio from many charitable organisations managed by our investment advisors at Rathbones. Bi-annual meetings are held between our fund managers and the finance committee to review the performance of the portfolio, which are managed on a growth/medium risk basis. The diversification across several asset classes had resulted in satisfactory performance when benchmarked against other comparison indices ie FT-SE 100 Index, APCIMS Balanced and ABI Cautious Pension over the same period. The Committee agreed that this position was appropriate in the current market conditions and did not to make any significant changes in-year. Rathbones have set up a pooled portfolio whereby funds from many charitable organisations are aggregated for investment purposes. They also have an ethical dimension to them. In 2017 we invested a further £500,000 into the Rathbones investments to improve on the current, poor return from bank accounts.

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### Plans for Future Periods

The BAD understands that there will not be an increase National Training Numbers for and focusses on the development of appropriate curricula for other healthcare professionals who can contribute to the multidisciplinary teams working in dermatology. The Education Unit is working in a number of workstreams with other stakeholders to deliver these.

The undergraduate Workstream published a revised curriculum in Undergraduate Dermatology Curriculum in July 2016 which has been provided to all UK medical schools. They continue to work to identify the barriers to implementation and seek to find ways to overcome these. At a time when medical school curricula are under increasing pressure from all specialties and there is limited Dermatology in the curriculum they will encourage Members to create innovative methods of teaching and share best practice to make Dermatology attractive.

The Undergraduate Dermatology Curriculum has proved to be a useful template to develop curricula for other groups that we are currently working with in specialist areas ie, nurses, physicians associates, vulval disease and skin cancer.

The BAD also provides support to those doctors who wish to enter the specialist register via the CESR route, this support includes workshops to help guide them through the process, including mentoring and learning from those who have successfully completed the process. The BAD also provides administrative support to the SAC assessors.

One of the key areas identified has been the need to educate patients, a working party was formed to look at all BAD patient focussed information and a website project set up to communicate accurate information in an accessible way. The Communications team are leading on this project to improve public access to research, patient information, and service information through the newly formed Public Education workstream. This resource [www.bad.org.uk/public](http://www.bad.org.uk/public) is a web hub for all our public-facing materials, from patient information leaflets to news of NHS changes affecting dermatology. The scale of this project has been sizeable but will help patients access information about the skin that is reliable and accurate, against a backdrop of misinformation and pseudoscience that sadly prevails online.

The BAD will continue with the development of training programmes for Members and commissioners on Coding improvement, Commissioning, Patient engagement, Business management skills, Job planning and employment guidance, Clinical management, communication, consent and complaint management; improving interaction with patients.

The RCP pilot for the post-CCT Fellowships in Advanced Dermatology Surgery, Advanced Paediatric Dermatology and Cutaneous Allergy ended in June 2016. The Education Unit has now taken over the role of badging these fellowships for anyone appointed to these posts from June 2015. It is working with the Specialist groups to develop post-CCT curricula for Advanced Medical Dermatology and Photodermatology.

In order to demonstrate a record of achievement in our educational activities with financial viability we will set up a limited company to be called The British College of Dermatology (BCD), with the remit to provide dermatology training to other grades of doctors and healthcare professionals. This will be set up by the BAD as a not for profit activity.

In addition, the BAD is setting up a trading company, Fitzroy Dermatology Limited, a not for profit company limited by guarantee, wholly owned by the British Association of Dermatologists. The Conference and Events team act as PCO (Professional Conference Organisers) to non-BAD events, eg Psoriasis Gene to Clinic, World Congress of Cancers of the Skin etc, and the BAD receives fee income for these services. current PCO activities, the exhibition and sponsorship elements of the Annual Meeting, room hire for non-educational purposes and future income generating activities of the Clinical Services Unit will be channelled through this company. All profits will be donated back to the BAD or BCD.

The Clinical Services Unit will publish its Case Note Audit Process which is a service to commissioners and trusts which will help to address a number of quality issues with community services. It will continue to provide where possible Service Reviews to secondary care services as requested to help with service redesign in order to address demand and capacity issues with the aim of improving quality outcomes for patients.

The Service Standards project is progressing rapidly, and the Phototherapy self-audit survey has now been sent to departments. Mohs Standards and PDT are published, Patch Testing is being piloted and Teledermatology is underway. Paediatrics and Psychodermatology will be next. The BAD has been working with NHS Digital to develop the audit software to support the service standards and has now agreed the Patch Testing platform.

# THE BRITISH ASSOCIATION OF DERMATOLOGISTS

## REPORT OF THE TRUSTEES

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The unit is also working with other stakeholders to prepare National Guidelines for GP referral of the top ten dermatology conditions, with the potential to develop an App for clinical use.

Results of recently published data testing the validity of the keratinocyte skin cancer (BCC and SCC) registration system, by looking at a random sample of data from 2013-2015, suggest that there is an under reporting of these tumours. Having more accurate, annual keratinocyte data will be useful to inform future workforce planning. The BAD will therefore fund a data analyst embedded in Public Health England working with the UK Keratinocyte Cancer Committee at the BAD, to get more accurate data. This project will also link with registries in the devolved nations to improve our understanding of UK wide skin cancer data.

### Patient Support Groups (PSGs)

In 2007, The Executive of the BAD established a designated fund of £100,000 to be distributed in small grants to the patient support groups. A small committee, which included representatives of the PSGs, was formed to judge applications. The Executive approved a further donation to the fund of £50,000 in April 2010. In 2014 an extra £15,000 was added to this designated fund and in 2015 £5,000 was added. The Officers of the Association agreed that further applications will be considered in Spring and Autumn each year as usual but in the future, this will be budgeted and therefore no further funds added to this designated fund. In 2018 the BAD award a total of £23,450 to 10 Patient Support Groups.

### Structure, Governance and Management

#### Constitution

##### Title and Objects

The Association shall be called the British Association of Dermatologists.

Its objects shall be to promote for the public benefit the knowledge, practice and teaching of dermatology and in furtherance of the above object but not otherwise:

- a) To stimulate and promote appropriate medical and scientific research and to publish the results of such research.
- b) To collect, collate and publish information and to hold conferences, meetings and seminars for the purpose of promoting such object.
- c) To publish and disseminate Journals called the British Journal of Dermatology and Clinical and Experimental Dermatology for the purpose of promoting such object.
- d) To relieve distress by promoting improvements in dermatological care.
- e) To advise Government, political parties, commissioners, healthcare providers, professional bodies, patients and the public on dermatology.
- f) To do any and all acts and things which may be necessary, useful, suitable and proper for the furtherance, accomplishment or attainment of the object hereof.

The Association has adopted the slogan 'Healthy Skin for All' and will carry out the following activities in furtherance of the above objects:

(These statements each have the same value and will not be numbered or lettered to indicate any priority.)

- Promote high quality care for patients with skin disease by setting and monitoring standards of service delivery.
- Promote the best training and education of all personnel involved in delivery of dermatological care.
- Promote all aspects of dermatology research to improve the understanding, diagnosis and management of skin disease.
- Support members and represent the views of the membership to local, national and international bodies.
- Raise awareness of all facets of skin health and disease to the public, influential bodies and the Government.

# THE BRITISH ASSOCIATION OF DERMATOLOGISTS

## REPORT OF THE TRUSTEES

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### Trustees

The trustees in office at the date of approval of this report are set out on the Reference and Administrative Details page of these accounts.

The following trustees completed their terms of office on 3rd July 2018:

Dr Richard Azurdia  
Dr Anna Chapman  
Dr David Alderdice  
Dr Jenny Hughes

The following Members became trustees on 3rd July 2018:

Dr John Newsham  
Dr Piu Banerjee  
Dr Olivia Dolan  
Dr Colin Long

The trustees are the elected officers, The President, Vice-President Clinical, Vice-President Academic, Honorary Secretary, Assistant Honorary Secretary, who all serve a two-year term and the Honorary Treasurer who serves a three-year term. In addition, the Immediate Past President and President-Elect serve a one-year term consecutively. They are elected by secret ballot of the Ordinary, Honorary and Trainee Members only using the single transferable vote system. The Editor of the British Journal of Dermatology is also a trustee and is appointed by the trustees. The views of the Ordinary, Honorary and Associate Members are represented by the trustees elected as regional representatives.

The UK and Ireland is divided into constituencies and only those Ordinary and Honorary Members working in the said constituencies elect by secret ballot using, if appropriate, the single transferable vote system, 14 Ordinary or Honorary Members to sit as trustees on the Executive Committee. The constituencies were previously based on the National Health Service Management Executive (NHSME) regional offices but subject to be changed as deemed necessary by the Executive Committee. At the AGM in 2013 the boundaries of the constituencies were changed to map to the new NHS structure and an additional constituency was created.

The elected representatives for England, Eire & Northern Ireland and Wales hold office for three years and are not eligible for re-election until after a lapse of three years. The elected representative for Scotland holds office for two years and is not eligible for re-election until after a lapse of two years. Where the elected representative is unable to attend, the immediate predecessor of the representative in question should be able to attend instead, with the full rights of the representative.

The views of the Trainee and Associate Trainee Members are represented by the Trainee Representative. The Trainee Members only elect by secret ballot using, if appropriate, the single transferable vote system, a Trainee Member to sit as a trustee on the Executive Committee. The Trainee Representative holds office for a maximum period of two years or until he or she is registered as a specialist or ceases to be a Trainee in Dermatology.

The trustees (as Members of the Executive) are responsible for the policies of the Association. The periods of office, dictated by the Constitution, ensure there is a constant turnover of trustees with wide geographical and Dermatological backgrounds.

All trustees are unpaid and carry out this work in addition to their normal clinical or academic roles. The only trustee who receives remuneration is the editor of our official journal, the British Journal of Dermatology.

The Charity Commission has agreed that the BAD may reimburse the employers of the President and BJD Editor in relation to the amount of time and services provided to the Charity, which is considered to exceed that of a normal Trustee. During the year, Betsi Cadwaladr University Health Board received reimbursement from the BAD in relation to the exceptional services provided by Professor Alex Anstey.

# THE BRITISH ASSOCIATION OF DERMATOLOGISTS

## REPORT OF THE TRUSTEES

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The trustees are all Consultant Dermatologists practising within the NHS and therefore have detailed knowledge of all aspects of the speciality of Dermatology including training, research and the delivery of patient care. They are elected to office by the Membership. They are long standing Ordinary Members of the Association and so are familiar with its objects and activities. They are provided with an induction pack giving details of the duties and responsibilities of a trustee, the Association's financial governance and the names and roles of its advisers. The senior officers serve a term in an elect or assistant capacity so that they gain an understanding of the role. The regional and trainee representatives undertake a period of shadowing their predecessor before taking office. All trustees are invited to visit the headquarters at any time to learn more about the administration processes.

### Structure

The makeup of the Executive and Sub-committees is governed by rules laid down in the Association's Constitution. The trustees are the elected and voting Members of the Executive Committee and they represent the incorporated body of 'trustees' of the Association.

The charity is based in the UK with its headquarters in London with an incorporated body of trustees. The business of the Association is co-ordinated by the officers (President, President Elect, Vice President Clinical, Vice President Academic, Honorary Secretary, Honorary Secretary Elect, Honorary Treasurer, Honorary Treasurer Elect) who meet monthly. Further/final discussion of policy and ratification of decisions are made by the Executive whose Membership is the elected trustees who are the Officers, Regional Representatives and Trainee Representative of the Association, a lay Member and a number of co-opted and ex-officio Members to provide expert advice on other aspects of dermatology.

The Association continually reviews its constitution and the structure of the trustee body, setting the Presidential term of office at two years and the supportive roles of the Academic Vice President and Clinical Vice President are designed to enable continuity, strength for change and interaction with outside bodies.

Various sub-committees are appointed to oversee specific aspects of the Association's activities (for instance, Education, Research, Skin Cancer, Therapeutics, Guidelines and Patient Information (PILS), Health Informatics, website development and maintenance.) The Association has created units to support the work of the committees and the further development of activities under the guidance of the officers. These departments deliver the objects of the charity in the areas of Clinical Standards, Clinical Services, Communications, Research, Education, Conference and Events.

The Association forges relationships with other societies whose interests pertain to skin disease. The Dermatology Council for England and All Party Parliamentary Group on Skin work to protect and promote the interests of patients. The British Skin Foundation raises funds for research and distributes them via a grant giving process. The Dowling Club promotes education and training for trainees. A number of other groups are dedicated to specific aspects of Dermatology such as the British Society of Investigative Dermatology, the British Dermatological Nursing Group and the British Society for Dermatological Surgery. The Association provides support to all these groups by means of financial donations, assistance with administrative services and advice.

The BAD is a Member of the International League of Dermatology Societies (ILDS) and a supporter of the International Foundation for Dermatology (IFD). The Association makes donations to support the work that of the IFD in providing Dermatology training to healthcare workers in the developing world. The BAD is a Member of the European Academy of Dermatology and Venereology (EADV).

### Key Management Personnel

The trustees consider the board of trustees, the chief executive and the senior management team, as identified on page 1 as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in the accounts.

Trustees are required to disclose all relevant interests and register them with the BAD Declaration of Interest On-line Register and in accordance with the Association's policy to withdraw from decisions where a conflict of interest arises. Neither the Association nor any of the trustees have interests with the pharmaceutical industry but any such interests would be disclosed.

## THE BRITISH ASSOCIATION OF DERMATOLOGISTS

### REPORT OF THE TRUSTEES

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The pay of the charity's key management is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity, its economy of operations, and the extensive use of professional advisers to the trust board, the trustees consider market rate salaries are appropriate for these roles. The remuneration is also bench-marked with grant-making charities of a similar size and activity to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

#### **Risk Management**

The trustees and officers regularly review the major risks faced by the charity. The key risks identified include:

- Strategic and Governance
- Finance & Resources
- External Environment
- Information & Technology
- Internal & External Relationships
- People

These are minimised as outlined below:

- 1) All policy decisions of the Association must be ratified by the Executive (which meets 4 times yearly) before implementation.
- 2) The financial affairs of the Association are reviewed at the 3-monthly meetings of the Finance Committee. This Committee monitors the ongoing balance sheet for the year at each of its meetings and is responsible (with the Executive) for approval of expenditure made by the Association. All transactions related to outgoings must be signed by two officers.
- 3) The BAD Annual Meeting and other meetings are a regular source of income for the Association. The BAD Meeting Sub-committee reviews all decisions to ensure the consistency and probity of this part of the Association's activities.
- 4) The Association's auditors (RSM UK Audit LLP) advise the Finance Committee on appropriate matters. The Association also seeks legal advice where necessary from its solicitors (Mills & Reeve LLP) and receives advice where appropriate on human resources issues from Croner.
- 5) The Association maintains insurance policies to cover general risks to public liability, its building, assets and staff and took out professional indemnity insurance from 2002. Currently these policies are managed by Hiscox.
- 6) The Association maintains a risk register which is regularly reviewed by the Finance Committee.

# THE BRITISH ASSOCIATION OF DERMATOLOGISTS

## REPORT OF THE TRUSTEES

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### Trustees' responsibilities statement

The trustees are responsible for preparing the Trustees' Annual Report 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 2015 (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 Charity (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.

### Auditors

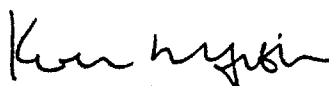
RSM UK Audit LLP has been appointed as auditor and has indicated its willingness to continue in office.

Signed on behalf of the trustees:



Dr Anshoo Sahota  
Honorary Treasurer

Date: 4/7/19



Dr Karen Gibbon  
Honorary Secretary

Date: 4/7/19



# **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE BRITISH ASSOCIATION OF DERMATOLOGISTS**

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## **Opinion**

We have audited the financial statements of The British Association of Dermatologists (the 'charity') and its subsidiary (the 'group') for the year ended 31 December 2018 which comprise the Group Statement of Financial Activities, the Group and parent charity Balance Sheets, the Group and parent charity Cash Flow Statements 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 FRS 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 group's and charity's affairs as at 31 December 2018 and of their incoming resources and application of resources 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 have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Act 2011 requires 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
- sufficient accounting records have not been kept by the parent charity; 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 set out on page 14, 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.

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE BRITISH ASSOCIATION OF DERMATOLOGISTS

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In preparing the financial statements, the trustees are responsible for assessing the group's and parent 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 group or parent charity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of this report**

This report is made solely to the charity's trustees as a body, in accordance with the Charities Act 2011. 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.

**RSM UK Audit LLP**

RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Davidson House  
Forbury Square  
Reading, Berkshire  
RG1 3EU

Date: **24 July 2019**

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**THE BRITISH ASSOCIATION OF DERMATOLOGISTS**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	General Funds	Designated Funds	Restricted Funds	Total 2018	Total 2017
		£	£	£	£	£
<b>Income from:</b>						
<b>Investments:</b>						
Investment income	2	11,816	-	-	11,816	12,297
<b>Charitable activities:</b>						
Membership	3	387,460	-	8,788	396,248	339,197
Journals	3	2,021,493	-	-	2,021,493	3,786,293
Conferences	3	1,085,462	-	-	1,085,462	1,161,167
Education	3	19,844	-	10,000	29,844	4,609
Raising awareness	3	-	-	-	-	9,290
Biologics Register	3	1,480,984	-	-	1,480,984	1,389,053
Other trading activities	4	365,234	-	-	365,234	380,126
<b>Total income</b>		<b>5,372,293</b>	<b>-</b>	<b>18,788</b>	<b>5,391,081</b>	<b>7,082,032</b>
<b>Expenditure on:</b>						
<b>Charitable activities:</b>						
Setting standards of service delivery	5	685,867	42,599	-	728,466	729,673
Promoting training and education	5	685,867	35,540	-	721,407	732,729
Promoting dermatology research	5	685,867	64,383	-	750,250	704,141
Support and representation	5	539,540	-	2,000	541,540	526,841
Raise awareness of skin health	5	570,658	123,849	2,810	697,317	592,530
Biologics Register	5	1,439,144	-	-	1,439,144	1,320,952
<b>Total expenditure</b>		<b>4,606,943</b>	<b>266,371</b>	<b>4,810</b>	<b>4,878,124</b>	<b>4,606,866</b>
Net (losses)/gains on investments		(148,357)	-	-	(148,357)	91,575
<b>Net income/(expenditure)</b>		<b>616,993</b>	<b>(266,371)</b>	<b>13,978</b>	<b>364,600</b>	<b>2,566,741</b>
Transfers		(610,000)	610,000	-	-	-
<b>Net movement in funds</b>		<b>6,993</b>	<b>343,629</b>	<b>13,978</b>	<b>364,600</b>	<b>2,566,741</b>
<b>Fund balances brought forward 1 January</b>		<b>6,680,852</b>	<b>3,230,437</b>	<b>126,246</b>	<b>10,037,535</b>	<b>7,226,627</b>
<b>Fund balances carried forward 31 December</b>		<b>6,687,845</b>	<b>3,574,066</b>	<b>140,224</b>	<b>10,402,135</b>	<b>10,037,535</b>

**THE BRITISH ASSOCIATION OF DERMATOLOGISTS**

**CONSOLIDATED AND CHARITY BALANCE SHEETS**

**AS AT 31 DECEMBER 2018**

	Notes	Group 2018	2017	Charity 2018	2017
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	10	40,867	57,670	40,867	57,670
Tangible assets	11	3,243,926	3,353,299	3,243,926	3,353,299
Investments	12	2,576,589	1,224,945	2,576,589	1,224,945
		5,861,382	4,635,914	5,861,382	4,635,914
<b>Current assets</b>					
Debtors	13	4,802,281	3,244,633	1,954,895	2,133,176
Cash at bank and in hand		5,644,743	7,879,893	2,519,900	4,819,523
Current asset investments	14	2,001,253	-	1,000,000	-
		12,448,277	11,124,526	5,474,795	6,952,699
<b>Creditors: amounts falling due within one year</b>	15	(3,835,986)	(3,092,727)	(984,073)	(1,597,308)
<b>Net current assets</b>		8,612,291	8,031,799	4,490,722	5,355,391
<b>Creditors: amounts falling due after more than one year</b>	16	(4,071,538)	(2,630,178)	-	-
<b>Net assets</b>		<b>10,402,135</b>	<b>10,037,535</b>	<b>10,352,104</b>	<b>9,991,305</b>
<b>Funds</b>					
Fixed asset reserve	21	3,284,793	3,410,969	3,284,793	3,410,969
General reserves	21	3,353,022	3,223,653	3,353,021	3,223,653
Restricted funds	21	140,224	126,246	140,224	126,246
Designated funds	21	3,574,066	3,230,437	3,574,066	3,230,437
Non-charity funds	21	50,030	46,230	-	-
		<b>10,402,133</b>	<b>10,037,535</b>	<b>10,352,104</b>	<b>9,991,305</b>

The financial statements were approved and signed on behalf of the Board by:



Dr Ruth Murphy  
President

Date: 04-07-19



Dr Anshoo Sahota  
Honorary Treasurer

Date: 04-07-19

The notes on pages 17 to 36 form part of these financial statements.

**THE BRITISH ASSOCIATION OF DERMATOLOGISTS**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 £	2017 £
<b>Cash flow from operating activities</b>	22	1,254,658	3,167,415
Interest receivable		11,816	12,297
Corporation tax paid		(371)	-
<b>Net cash flow from operating activities</b>		1,266,103	3,179,712
<b>Cash flow from investing activities</b>			
Purchase of tangible fixed assets		-	(66,553)
Purchase of intangible fixed assets		-	(52,191)
Purchase of current asset investments		(2,001,253)	-
Purchase of fixed asset investments		(1,500,000)	(500,000)
<b>Net cash flow from investing activities</b>		(3,501,253)	(618,744)
<b>Net (decrease)/increase in cash and cash equivalents</b>		(2,235,150)	2,560,968
Cash and cash equivalents at 1 January		7,879,893	5,318,925
<b>Cash and cash equivalents at 31 December</b>		<b>5,644,743</b>	<b>7,879,893</b>
<b>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT</b>			
(Decrease)/Increase in cash in the period / change in net debt		(2,235,150)	2,560,968
Net debt at 1 January		7,879,893	5,318,925
<b>Net debt at 31 December</b>		<b>5,644,743</b>	<b>7,879,893</b>
<b>Cash and cash equivalents consists of:</b>			
Cash at bank and in hand		<b>5,644,743</b>	<b>7,879,893</b>

# THE BRITISH ASSOCIATION OF DERMATOLOGISTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1. Accounting policies

##### **Basis of preparation**

The British Association of Dermatologists is registered charity in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are detailed on page 2.

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 (FRS 102) issued on 16 July 2014, the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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 prepared 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.

##### **Reduced disclosures**

The charity is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepare a publicly available consolidated financial statements, including this charity, which are intended to give a true and fair view of the assets, liabilities, financial position and surplus or deficit of the group. The charity has therefore taken advantage from the following exemptions in its individual financial statements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures; and
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral; loan defaults or breaches; details of hedges' hedging fair value changes recognised in profit or loss and in other comprehensive income; and
- Section 33 'Related Party Disclosures' – Compensation for company key management personnel

##### **Consolidation**

These financial statements consolidate the results of the charity, and its wholly owned subsidiary, British Association of Dermatologists Biologics Register Limited on a line by line basis. The charity has taken advantage of the exemption available from publishing its own statement of financial activities.

The charity has three dormant subsidiaries who are not included in the consolidation and further details can be found in the investments note 12.

##### **Income recognition**

All income is 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.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

# THE BRITISH ASSOCIATION OF DERMATOLOGISTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1. Accounting policies (continued)

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends and interest. Where it is not practical to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

#### **Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

- Charitable expenditure includes the direct costs of the activities and depreciation on related assets. Where such costs relate to more than one category, they have been apportioned on a percentage basis.
- Grants are accounted for when they are committed to be paid. Approved and unpaid grants are included as commitments.

#### **Support costs allocation**

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. All premises overheads have been allocated on a per-capita basis of staff basis.

The analysis of these costs is included in note 7.

#### **Website development costs**

Where a website is expected to provide economic benefit through the provision of educational information to beneficiaries of the charity, expenditure on the functionality of the website is capitalised and treated as an intangible fixed asset.

#### **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.

#### **Taxation**

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

#### **Intangible fixed assets other than goodwill**

Intangible assets comprise of website development costs. Such assets are defined as having finite useful lives and the costs are amortised on a reducing balance basis of 33.33%. Intangible assets are stated at cost less amortisation and are reviewed for impairment whenever there is an indication that the carrying value may be impaired.

#### **Tangible fixed assets**

Fixed assets are stated at cost or estimated market value at the date of receipt where assets have been donated to the charity.

Depreciation is provided to write off the cost (or market value at the date of receipt) less estimated residual values of all fixed assets over their expected useful lives at the following rates:

Freehold buildings	- 2% per annum straight line
Office equipment and fittings	- 25% per annum reducing balance
Computer equipment	- 33.33% per annum reducing balance

# THE BRITISH ASSOCIATION OF DERMATOLOGISTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 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.

Investments in subsidiaries are measured at cost less impairment.

##### **Funds accounting**

Restricted funds – these are funds that can only be used for specific restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Designated funds – these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

##### **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.

##### **Pension**

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

##### **Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised at transaction value and subsequently measured at their settlement value.

Financial assets and financial liabilities are recognised when the charitable company becomes a party to the contractual provisions of the instrument, and are offset only when the charitable company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

##### **Financial assets**

Fee debtors, amounts owed by subsidiary undertakings and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument and subsequently measured at amortised cost.

##### **Financial liabilities**

Basic financial liabilities, including trade and other payables and amounts owed to subsidiary undertakings, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.



# THE BRITISH ASSOCIATION OF DERMATOLOGISTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 1. Accounting policies (continued)

##### Judgements and key sources of estimation uncertainty

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

##### Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the property plant and equipment, and the corresponding accounting policy for the useful economic lives for each class of assets.

##### Bad debts

Trade debtors are regularly reviewed for recoverability. Any debts which in the opinion of management are not recoverable are provided for as a specific bad debt.

##### Treatment of Surpluses in British Association of Dermatologists Biologics Register Limited

A judgement is made as to the treatment of surpluses made on the contracts with pharmaceutical companies. It is the intention of BADBRL and the pharmaceutical companies that these contracts do not run at a profit and therefore that any surpluses on the contract should be returned to the individual pharmaceutical companies at the end of the term of the contract. Therefore, the Directors believe that these surpluses should be included within long-term creditors as amounts due to the Pharmaceutical companies to be repaid upon termination of the contracts in place.

2.	Investment income	2018 £	2017 £
	Interest receivable	11,816	12,297
		<u>11,816</u>	<u>12,297</u>

3.	Charitable activities	General Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
	Membership	387,460	8,788	396,248	339,197
	Journals	2,021,493	-	2,021,493	3,786,293
	Conferences	1,085,462	-	1,085,462	1,161,167
	Education	19,844	10,000	29,844	4,609
	Raising awareness	-	-	-	9,290
	Biologics Register	1,480,984	-	1,480,984	1,389,053
		<u>4,995,243</u>	<u>18,788</u>	<u>5,014,031</u>	<u>6,689,609</u>

Of the total charitable income received for the year to 31 December 2017 £12,290 was attributable to restricted funds and £6,677,319 to unrestricted funds.

**THE BRITISH ASSOCIATION OF DERMATOLOGISTS**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

4. Other trading activities	Unrestricted	
	Total	Total
	2018	2017
	£	£
Recharged expenses	154,099	134,359
Recharged salaries	126,954	137,505
Room hire	30,217	39,793
Advertising – BAD newsletter	22,346	18,810
Communications Campaigns	229	35,010
Specialty Certificate Examination	19,369	13,821
Other income	12,020	828
	<b>365,234</b>	<b>380,126</b>

5. Expenditure	Indirect	Direct	Support	Total	Total
	Staff	Costs	costs	2018	2017
	costs	(note 6)	(note 7)	£	£
	£	£	£		
<b>Charitable activities:</b>					
Setting standards of service delivery	274,956	335,253	118,257	728,466	729,673
Promoting training and education	274,956	328,194	118,257	721,407	732,729
Promoting dermatology research	274,956	357,037	118,257	750,250	704,141
Support and representation	274,956	148,327	118,257	541,540	526,841
Raise awareness of skin health	274,956	272,985	149,376	697,318	592,530
Biologics Register	-	1,416,752	22,392	1,439,144	1,320,952
	<b>1,374,780</b>	<b>2,858,548</b>	<b>644,796</b>	<b>4,878,214</b>	<b>4,606,866</b>

Of the total expenditure for the year to 31 December 2017 £70,139 was attributable to restricted funds, £31,307 to unrestricted designated funds and £4,475,420 to unrestricted funds.

6. Grants and donations	2018	2017
	£	£
Included within direct costs above are the following grant payments:		
Institutions	331,277	537,627
Individuals	88,192	51,266
	<b>419,469</b>	<b>588,893</b>

# THE BRITISH ASSOCIATION OF DERMATOLOGISTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 6. Grants and donations (continued)

	2018 £	2017 £
Grants of over £1,000 were paid to institutions are as follows:		
British Skin Foundation	200,000	400,000
Medical Research Council	42,599	32,261
The All Party Parliamentary Group on Skin	30,000	-
The International Foundation for Dermatology	31,868	25,314
The British Cosmetic Dermatology Group	3,360	-
Ectodermal Dysplasia Society	-	2,226
The Herpes Viruses Association	-	2,138
DEBRA	1,198	-
Ichthyosis Support Group	-	2,075
Ectodermal Dysplasia Society	3,138	-
Ichthyosis Support Group	1,880	-
University of Nottingham Clinical Trials Development Manager	-	57,545
Quality Standards for Mobile Devices	-	7,613
Vitiligo Society	-	1,500
Lymphoedema Support Group	-	2,500
British Association of Skin Camouflage	1,500	1,075
XP Support Group	-	3,380
Herpes Virus Association	1,961	-
Hidradenitis Suppurative Trust	2,353	-
Alopecia Association	2,575	-
Changing Faces	5,420	-
Skin Care Cymru	3,425	-
	<b>331,277</b>	<b>537,627</b>

	2018 £	2017 £
Grants of over £1,000 were paid to individuals as follows:		
B Bhoyrul - Geoffrey Dowling Fellowship	25,000	-
K Bhate - Geoffrey Dowling Fellowship	-	25,000
T Anbarasan Intercalated Degree Fellowship	3,000	-
M Lyman - Intercalated Degree	-	3,000
F Shekleton - Intercalated Degree	-	3,000
M Sharma - Education Bursary	5,000	-
N Burrows - Consultant Sabbatical	20,000	-
S Brown - Roger Harman Fellowship	-	1,389
S Shaya - Intercalated Degree Award	3,000	-
S Muthiah - Study Fellowship	3,750	-
C Broderick - Dowling Club Overseas Bursary	1,000	-
J Scarisbrick - NIHR/BAD Award	-	1,000
J Xu - NIHR/BAD Award	-	1,000
J Xu - Dowling Club Overseas Bursary	1,000	-
T King - Dermatology Education Bursary	-	5,000
B Olabi - DC Overseas Award	1,000	-
M Papanikolaou - DC Overseas 2019	1,000	-
M Judge - Roger Harman Fellowship	1,572	-
C Tziotzios - NIHR/BAD Award	1,000	-
N Burrows - Roger Harman Fellowship	1,055	-
S Hogan - Roger Harman Fellowship	1,071	-
M A Gkini - NIHR/BAD Award	1,000	-
Grants < £1,000	18,744	11,877
	<b>88,192</b>	<b>51,266</b>

**THE BRITISH ASSOCIATION OF DERMATOLOGISTS**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

<b>7. Support Costs</b>	<b>2018 £</b>	<b>2017 £</b>
Printing, postage & stationery	31,086	31,166
Committee support	67,047	81,925
Travel costs (non executive)	26,696	13,777
Bad debts	387	11,586
Depreciation and amortisation	126,176	132,236
Communication Strategy expenses	33,195	36,329
Telephone/computer expenses	123,310	64,405
Property costs	110,566	110,439
Legal & professional fees	51,068	34,384
Other management & administration costs	53,965	33,260
Governance costs	21,300	32,225
	<b>644,796</b>	<b>581,732</b>

Support costs provide the organisational infrastructure that enables the charitable activities. They have been allocated on a per-capita basis of staff employed. Staff work across several activities therefore the costs have been allocated in proportion to the percentage of the time spent on each activity.

<b>8. Governance Costs</b>	<b>2018 £</b>	<b>2017 £</b>
Auditors' remuneration - for audit (BAD)	12,250	12,000
- for audit (BADBRL)	4,000	4,000
- under provision	-	4,925
Auditors' non audit services for the group		
- Other services	3,000	3,500
- Taxation compliance	1,050	1,050
- VAT planning and advice	-	6,750
	<b>20,300</b>	<b>32,225</b>

<b>9. Staff Costs</b>	<b>2018 £</b>	<b>2017 £</b>
Salaries and wages	1,204,315	1,123,221
Social security costs	122,532	111,905
Other pension costs	47,933	44,314
	<b>1,374,780</b>	<b>1,279,440</b>

None of the Trustees received any remuneration during the year (2017: £nil). Travelling and accommodation expenses of £63,034 (2017: £31,082) were reimbursed to 118 (2017: 121) Trustees and committee members.

The average monthly number of employees during the year was 31 (2017: 31). This included 1 member of staff in the British Association of Dermatologists Biologics Register (2017: 1).

Three employees earned emoluments between £60,001 and £70,000 during the year (2017: 2), one employee between £70,001 and £80,000 (2017: 1), one employee between £80,001 and £90,000 (2017: 0) and nil employee earned emoluments between £100,001 and £110,000 during the year (2017: 1).

# THE BRITISH ASSOCIATION OF DERMATOLOGISTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 9. Staff Costs (continued)

The group considers the board of trustees, the chief executive and the senior management team as their key management personnel. The total amount of employee remuneration received by key management personnel is £498,923 (2017: £508,464).

During the year 1 (2017: 0) trustee received £50,000 remuneration for their services to the charity. The payments were paid directly to the Trustees employer as compensation for their time given to the charity.

#### 10. Intangible fixed assets

Group and charity	Website development costs £
<b>Cost</b>	
As at 1 January 2018	182,521
As at 31 December 2018	182,521
<b>Amortisation</b>	
As at 1 January 2018	124,851
Charge for year	16,803
As at 31 December 2018	141,654
<b>Net Book Value</b>	
<b>At 31 December 2018</b>	<b>40,687</b>
At 31 December 2017	57,670

Amortisation is charged in the statement of financial activities through support costs.

#### 11. Tangible fixed assets

Group and charity	Freehold property £	Computer equipment £	Office equipment and furniture £	Total £
<b>Cost</b>				
As at 1 January 2018	4,431,275	326,549	231,455	4,989,279
As at 31 December 2018	4,431,275	326,549	231,455	4,989,279
<b>Depreciation</b>				
As at 1 January 2018	1,154,587	274,602	206,791	1,635,980
Charge for year	88,626	15,135	5,612	109,373
As at 31 December 2018	1,243,213	289,737	212,403	1,745,353
<b>Net Book Value</b>				
<b>At 31 December 2018</b>	<b>3,188,062</b>	<b>36,812</b>	<b>19,052</b>	<b>3,243,926</b>
At 31 December 2017	3,276,688	51,947	24,664	3,353,299

The freehold property is used for direct charitable purposes.

**THE BRITISH ASSOCIATION OF DERMATOLOGISTS**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

<b>12. Fixed asset investments</b>	<b>2018 £</b>	<b>2017 £</b>
<b>Group and charity</b>		
Market Value at 1 January 2018	1,224,945	633,370
Additions	1,500,000	500,000
Change in market value	(148,356)	91,575
<b>Market value at 31 December 2018</b>	<b>2,576,589</b>	<b>1,224,945</b>
<b>Cost at 31 December 2018</b>	<b>2,481,183</b>	<b>981,183</b>

All investments are carried at their fair value. Investments in equities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

**Investment in subsidiary undertaking**

The subsidiary undertaking, a company limited by guarantee, is the British Association of Dermatologists Biologics Register, the principal activity of which is the running of the British Association of Dermatologists Biologics Register. The registered office is 4 Fitzroy Square, London, W1T 5HQ, and company number 06434034.

A summary of the results is shown below. Audited accounts will be filed with the Registrar of Companies.

<b>Income and expenditure account</b>	<b>Year to 31 Dec 18 £</b>	<b>Year to 31 Dec 17 £</b>
Income	1,476,285	1,385,255
Direct costs	(1,384,916)	(1,297,323)
Gross surplus	91,369	87,932
Administrative expenses	(90,419)	(86,932)
Bank interest received	4,699	3,789
Other interest paid	(6)	(4)
Surplus before tax	5,643	4,794
Taxation	(1,843)	(923)
Retained surplus	3,800	3,871

**THE BRITISH ASSOCIATION OF DERMATOLOGISTS**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**12. Fixed asset investments (continued)**

<b>Balance Sheet</b>	<b>2018 £</b>	<b>2017 £</b>
Debtors	2,851,385	1,775,516
Investments	1,001,253	-
Cash at bank and in hand	3,124,843	3,060,370
	<u>6,977,481</u>	<u>4,835,886</u>
Creditors: Amounts falling due within one year	(2,855,913)	(2,159,478)
Net current assets	<u>4,121,568</u>	<u>2,676,408</u>
Creditors: Amounts falling due after one year	(4,071,538)	(2,630,178)
Total assets	<u>50,030</u>	<u>46,230</u>

During the year the charity set up 3 further subsidiaries. These are:

The British College of Dermatology, company number 11704655  
British Association of Dermatologists Eczema Register Limited, company number 11491107  
Fitzroy Dermatology Limited, company number 11409485

The registered offices are 4 Fitzroy Square, London, United Kingdom, W1T 5HQ.

These entities were dormant during the year ended 31 December 2018 and therefore are exempt from audit by virtue of Section 476A of the Companies Act 2006.

**13. Debtors**

	<b>Group</b>		<b>Charity</b>	
	<b>2018 £</b>	<b>2017 £</b>	<b>2018 £</b>	<b>2017 £</b>
Trade debtors	2,658,260	980,454	274,396	431,667
Other debtors	1,637,357	1,317,595	1,476,282	1,317,598
Prepayments and accrued income	506,664	946,584	200,217	271,004
Amounts owed by group companies	-	-	4,000	112,907
	<u>4,802,281</u>	<u>3,244,633</u>	<u>1,954,895</u>	<u>2,133,176</u>

**14. Current asset investments**

	<b>Group</b>		<b>Charity</b>	
	<b>2018 £</b>	<b>2017 £</b>	<b>2018 £</b>	<b>2017 £</b>
<b>Under 1 year to maturity</b>				
Investments held	2,001,253	-	1,000,000	-
	<u>2,001,253</u>	<u>-</u>	<u>1,000,000</u>	<u>-</u>

All investments are carried at their fair value and represent cash held in deposit accounts.

THE BRITISH ASSOCIATION OF DERMATOLOGISTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

15. Creditors: amounts falling due due within one year	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	177,913	153,265	177,755	153,265
Other creditors	307,028	505,753	237,777	472,999
Other taxation and social security	323,173	429,468	-	357,337
Accruals and deferred income	3,027,872	2,004,241	568,541	613,707
	<b>3,835,986</b>	<b>3,092,727</b>	<b>984,073</b>	<b>1,597,308</b>
<b>Deferred income:</b>				
Deferred income at 1 January	1,215,115	1,592,896	198,091	186,698
Release from previous years	(1,215,115)	(1,592,896)	(198,091)	(186,698)
Amounts deferred in the year	2,396,234	1,215,115	317,983	198,091
Deferred income at 31 December	<b>2,396,234</b>	<b>1,215,115</b>	<b>317,983</b>	<b>198,091</b>

Deferred income comprises contract fee income which relates to services that will be provided in future periods.

16. Creditors: amounts falling due after one year	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Other creditors	4,071,538	2,630,178	-	-

17. Financial instruments	Group	
	2018	2017
	£	£
<b>Carrying amounts of financial assets</b>		
Equity instruments measured at fair value	2,576,589	1,224,945

18. Retirement benefit schemes	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
<b>Defined contribution schemes</b>				
Charge to statement of financial activities in respect of defined contribution schemes	47,933	44,314	47,933	44,314

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.



**THE BRITISH ASSOCIATION OF DERMATOLOGISTS**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**19. Restricted funds**

<b>Group and charity</b>	<b>1 January 2018</b>	<b>Income</b>	<b>Expenditure</b>	<b>31 December 2018</b>
	£	£	£	£
Betty Parkes Fund	20,890	-	-	20,890
eLFH-Dermatology	64,818	10,000	(2,025)	72,793
THESIS Fund	38,397	-	(785)	37,612
BADGEM Sub Award – Clinical fellowships	2,141	-	-	2,141
Teledermatology	-	8,788	(2,000)	6,788
	<b>126,246</b>	<b>18,788</b>	<b>(4,810)</b>	<b>140,224</b>

<b>Group and charity</b>	<b>1 January 2017</b>	<b>Income</b>	<b>Expenditure</b>	<b>31 December 2017</b>
	£	£	£	£
Betty Parkes Fund	20,890	-	-	20,890
eLFH-Dermatology	64,818	-	-	64,818
THESIS Fund	35,144	9,290	(6,037)	38,397
Psychological Support for Skin Conditions	29,633	-	(29,633)	-
BADGEM Sub Award – Clinical fellowships	24,778	3,000	(25,637)	2,141
	<b>175,263</b>	<b>12,290</b>	<b>(61,307)</b>	<b>126,246</b>

Betty Parkes fund – In 1995 a bequest of NZ\$50,000 was made by Mrs Parkes to contribute to the costs of visits by appropriate UK consultants as guest speakers at conferences of the New Zealand Dermatological Society (NZDS). From time to time the NZDS draw down funds for this purpose and accumulated interest is added to the fund by the BAD.

eLFH–Dermatology – In 2008 the Department of Health and the BAD agreed to work together to provide the dermatology curriculum through e-learning as part of a blended training solution to dermatology trainees. The DH covered all the management and technical costs including the platform and provided a grant to the BAD to pay for the production of the content and the BAD received an initial fund of £50,000 in 2008, £77,000 in 2009, £77,000 in 2010, £45,000 in 2011 and a further £108,000 in 2012. The project is ongoing, work continues around promoting use of the resource and continual updating of sessions.

THESIS - In 2012, the Association set up the restricted THESIS Fund with a donation of £5,000 from Dr Clive Archer, this was matched with a donation from the BAD Education Fund. Each year a THESIS/BAD/BSID Research Course is held at the BAD, any surplus funds after expenses of the meeting are added to the THESIS Fund. Annually, as part of the BAD fellowship awards committee, the Clive Archer THESIS Fellowship of £500 is awarded from this fund. The THESIS fund also covers the costs of binding any completed theses given to the BAD by members.

BADGEM - In August 2016, the University of Dundee awarded a fund of £80,000 to the British Association of Dermatologists to fund clinical fellowships specifically for data importation to support the development of a national clinical network for skin diseases.

Teledermatology - In 2018 the British Teledermatology Society was wound up. All remaining funds, £8,788, were passed to the BAD to hold as a restricted fund. The purpose of the fund is to offer an annual fellowship to registrars interested in Teledermatology to attend an appropriate meeting

Psychological Support for Skin Conditions online resource (formally Skin and Mind) - The BAD and others have recognised the severe under provision of psychological support for patients with skin disease and in 2013 the BAD was awarded a DH grant to produce a Psychodermatology patient focused website as part of a three year project to develop further patient support resources. In 2013 we received the first tranche of £54,000 and the second year funding of £18,000 in 2014. A multidisciplinary group of organisations was assembled and the website launched in July 2015.

THE BRITISH ASSOCIATION OF DERMATOLOGISTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

20. Designated funds

Group and charity	1 January 2018 £	New Designations £	Expenditure in the year £	31 December 2018 £
Education fund	228,448	-	(16,607)	211,841
Research fund	32,975	-	(14,383)	18,592
Short term strategic projects	6,991	-	-	6,991
Quality assurance fund	63,506	-	-	63,506
BAD/BSF/MRC fellowships	124,517	60,000	(42,599)	141,918
Organisation review	50,000	-	-	50,000
Eczema Registry Year 1	210,000	-	(123,849)	86,151
Photo Net type database	70,000	-	-	70,000
UKDCTN – Development Manager, further 2 years	114,000	-	-	114,000
Psort	50,000	-	(50,000)	-
BAD guideline Development	50,000	-	-	50,000
Patient engagement hub website	30,000	-	(18,933)	11,067
College Project	1,500,000	-	-	1,500,000
BAD UK Keratinocyte Cancer Collaborative (UKKCC)	350,000	-	-	350,000
A*Star Eczema Registry	350,000	-	-	350,000
BAD Service Standards and Clinical Registries Fund	-	400,000	-	400,000
Willan House refurbishment	-	50,000	-	50,000
Publishing development	-	50,000	-	50,000
Skin Cancer and Public Health England Fund	-	50,000	-	50,000
	<b>3,230,437</b>	<b>610,000</b>	<b>(266,371)</b>	<b>3,574,066</b>

**THE BRITISH ASSOCIATION OF DERMATOLOGISTS**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**20. Designated funds (continued)**

**Designated funds – prior year**

<b>Group and charity</b>	<b>1 January 2017 £</b>	<b>New Designations £</b>	<b>Expenditure in the year £</b>	<b>31 December 2017 £</b>
Education fund	243,181	1,200	(15,933)	228,448
Patient support groups	298	-	(298)	-
Research fund	48,369	-	(15,394)	32,975
Short term strategic projects	6,991	-	-	6,991
Quality assurance fund	69,759	-	(6,253)	63,506
BAD/BSF/MRC fellowships	96,778	60,000	(32,261)	124,517
Organisation review	50,000	-	-	50,000
Eczema Registry Year 1	70,000	140,000	-	210,000
Photo Net type database	70,000	-	-	70,000
UKDCTN – Development Manager, further 2 years	-	114,000	-	114,000
Psort	-	50,000	-	50,000
BAD guideline Development	-	50,000	-	50,000
Patient engagement hub website	-	30,000	-	30,000
College Project	-	1,500,000	-	1,500,000
BAD UK Keratinocyte Cancer Collaborative (UKKCC)	-	350,000	-	350,000
A*Star Excema Registry	-	350,000	-	350,000
	<b>655,376</b>	<b>2,645,200</b>	<b>(70,139)</b>	<b>3,230,437</b>

**Education fund**

The Education Fund established in 2005 continues to support DermSchool, the Trainee activities and to support and underwrite educational meetings that, by their nature or design, are unlikely to make a large profit. Members can apply for BAD Education Funding for such meetings. The balance at the end of December 2018 was £211,841 (2017: £228,448) and this will be used to develop new educational resources as part of the College project.

**Patient support group fund**

In 2007 the Patient Support Group Fund was established to provide ways to closely support the many valuable patient support groups for skin diseases. Funds are available through application by PSG's to be considered twice a year by a panel which include representatives of other PSG's. The Executive approved a further uplift to the fund of £50,000 in April 2010. This has been a very successful initiative and the initial funds were all awarded during 2014. The Officers agreed to further allocate £15,000 to this fund in 2015 and a further £5,000 for 2016.

**Research fund**

The research fund was set up to support research as a development activity. Entirely separate to the donation given to the BSF for skin disease research, the fund utilised by the Research Sub-committee to identify ways of promoting research into skin health and disease. UKTREND was established in 2012 as a separate company within the BAD Research Unit with a clear set of objectives and an agreement for the BAD to pay the costs of meetings that will identify the research projects and give some administrative support to enable the groups to seek external funding from industry and the major funding bodies.

**Short term strategic fund**

In March 2013 the BAD tasked the King's Fund to look into the challenges facing dermatology services and identify opportunities for the future. The findings of the report were published in April 2015. The project has totalled £92,261 to date with the remaining funds available for publicity and dissemination.

# THE BRITISH ASSOCIATION OF DERMATOLOGISTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 20. Designated funds (continued)

##### **Quality assurance fund**

In 2011 with the introduction of the Health & Social Care Bill there was uncertainty about the future shape of healthcare in the UK the Association designated £150,000 in a Quality Assurance Fund. There have been continual changes to healthcare commissioning since that time so the need for the fund still exists. At 31 December 2018, the balance of the funds stands at £63,506. In 2018 £6,253 was spent obtaining legal advice to successfully challenge professional and commissioning issues.

##### **BAD/BSF/MRC fellowships**

In the spring of 2009 the BAD, BSF and MRC agreed to jointly fund four Clinical Training Fellowships. These were made over a three year period with no more than one fellowship awarded in each round.

In October 2014 the BAD, BSF and MRC agreed to further fund one joint fellowship capped at £55,000 and will reconsider on an annual basis whether to fund more fellowships. In 2017 a further £60,000 was added to the fund for another BAD/BSF/MRC joint fellowship.

##### **Organisation review**

In view of possible changes to objects of the Association in becoming a College, the Officers agree it to be pragmatic to ring fence £50,000 for an external review of structure and strategy of the organisation for future development.

##### **UK Biologics Eczema Register Year 1**

BADBIR has been a great success for British Dermatology putting the UK at the front of psoriasis clinical and translational research. Its aim is to investigate the long-term safety for patients treated with biologic agents, compared with conventional systemic therapy. The register now has over 13,000 patients contributed by 153 dermatology centres and is yielding significant data and publications.

Translational research in atopic eczema has been identified as a key priority by an e-Delphi study carried out by the BAD's UKTREND initiative. As a result, the BAD have agreed to fund the pilot phase of an Eczema Biologics Register and will provide a grant of circa £200,000 (£70k per annum for three years), with the intention that future funding is sought from industry or major funding bodies. UK academic centres have been invited to bid for the project via the BSF Grants Advisory Committee which will award in July. The Data will be wholly owned by the BAD who will make it available to Academic centres for the purposes of research and teaching. The study will be multicentred at the outset with the potential of expanding to all dermatology departments who wish to contribute. The BAD will utilise its experience at managing industry contracts for the benefit of research projects will be available to register.

In 2017, £140,000 has been designated for the next two years of the project as originally agreed in 2016.

##### **Photo Net type database**

Phototherapy is an established low cost outpatient treatment for psoriasis and other inflammatory skin diseases. Predominantly hospital based, it is commonly used prior to considering systemic therapy in those patients for whom topical treatment has proved unsatisfactory. The BAD Officers have agreed to designate £70,000 to build a networked database for the UK based on the Scottish model of Photonet.

##### **UKDCTN – Development Manager, further 2 years**

The BAD have already donated £57k to UKDCTN to support a Clinical Trials Manager. In 2017 additional funding was designated to extend the post for another two years. The clinical trials are a collaboration with patients and methodologists across the UK. During the 2-year time period the plan is to focus efforts on three key deliverables: i) working with UK DCTN SpR Trainee groups to develop their study ideas into fundable research proposals; ii) progressing ideas that are submitted via UK DCTN Themed Calls; and iii) developing studies identified as key research uncertainties by clinicians and patients through Priority Setting Partnerships. These projects will deliver tangible outputs that meet the BAD objectives of *“stimulating and promoting appropriate medical and scientific research and to publish the results of such research.”*

# THE BRITISH ASSOCIATION OF DERMATOLOGISTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 20. Designated funds (continued)

##### **Psort**

The BAD is a partner in PSORT (Psoriasis Stratification to Optimise Relevant Therapy) which is a prestigious 4 year, £7m MRC and industry funded stratified medicine consortium (one of 13 across all of medicine) involving the key psoriasis researchers in the UK. Its aim is to use clinical, genetic and immune biomarkers to predict and reproducibly stratify response of psoriasis to current and future biologic therapies in a manner that is minimally-dosed, scalable and cost-effective. In 2017 the Executive Committee agreed £50k to jointly fund a further fifth year of the study.

##### **BAD guideline Development**

BAD Clinical Guidelines, using GRADE methodology are recognised as world leading and £50k has been set aside to ensure that we continue to develop our guideline capacity.

##### **Patient engagement hub website**

This project will improve public access to research, patient information, and service information through a newly formed Public Education workstream for which £30k has been set aside. This will include expansion of our online presence, beyond acne and psychodermatology, to a web hub for all our public-facing materials, from patient information leaflets to news of NHS changes affecting dermatology.

##### **College Project**

The Executive Committee have agreed to designate £1,500,000 for future educational activity, capital projects, legal fees etc in support of developing the British College of Dermatology over the next 5 years.

##### **BAD UK Keratinocyte Cancer Collaborative (UKKCC)**

The Executive Committee further agreed to designate a £350,000 to a project that will bring together epidemiologists, clinicians and dermato-pathologists working in the field of keratinocyte cancer to create a collaborative network for clinical epidemiology, tissue banking and molecular pathology initiatives to improve the Keratinocyte Cancer patient outcomes. A part of this project will be to develop the national keratinocyte database and create a national tissue bio-bank for application of molecular pathology developments to clinical practice.

##### **A\*Star Eczema Registry – BSF**

An eczema register is one of the outcomes of BAD UK TREND. The Executive Committee approved to allocate £350,000 into a designated fund over a 5-year period, for future development of an eczema bio-bank. The data from the Registry would be owned by the BAD and that authors utilising the data would be expected to submit papers to the BJD where appropriate.

##### **BAD Service Standards and Clinical Registries Fund**

£400,000 has been ringfenced for the provision of registry platforms for the Service Standards developed by the Clinical Services Department. A procurement process has identified NHS Digital as the trusted provider and contracts are in place.

##### **Willan House refurbishment**

Following the purchase of Willan House in 2004, a major refurbishment was undertaken from 2005 to 2008. The Executive concluded that a fund of £50,000 should be set aside for the update of the fabric of the building.

##### **Publishing development**

Given the uncertainty around open access and publishing the Executive agreed it would be prudent to set aside a fund of £50,000 for future publishing developments.

##### **Skin Cancer and Public Health England Fund**

In May 2019, the Executive approved an allocation of £50,000 for the employment of an analyst appointed and embedded within Public Health England (PHE) to collect and analyse non-melanoma skin cancer data under the direction of UKKCC.

THE BRITISH ASSOCIATION OF DERMATOLOGISTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

21. Allocation of net assets

Group	Fixed assets £	Net current assets £	Long term liabilities £	TOTAL £
Restricted funds	-	140,224	-	140,224
Unrestricted funds	5,861,382	4,350,499	-	10,211,881
Non-charity funds	-	4,121,568	(4,071,538)	50,030
	<b>5,861,382</b>	<b>8,612,291</b>	<b>(4,071,538)</b>	<b>10,402,135</b>

Charity	Fixed assets £	Net current assets £	Long term liabilities £	TOTAL £
Restricted funds	-	140,224	-	140,224
Unrestricted funds	5,861,382	4,350,498	-	10,211,880
	<b>5,861,382</b>	<b>4,490,722</b>	<b>-</b>	<b>10,352,104</b>

Allocation of net assets prior year

Group	Fixed assets £	Net current assets £	Long term liabilities £	TOTAL £
Restricted funds	-	126,246	-	126,246
Unrestricted funds	4,635,914	5,629,145	-	10,265,059
Non-charity funds	-	2,676,404	(2,630,174)	46,230
	<b>4,635,914</b>	<b>8,431,795</b>	<b>(2,630,174)</b>	<b>10,437,535</b>

Charity	Fixed assets £	Net current assets £	Long term liabilities £	TOTAL £
Restricted funds	-	126,246	-	126,246
Unrestricted funds	4,635,914	5,629,142	-	10,265,056
	<b>4,635,914</b>	<b>5,755,388</b>	<b>-</b>	<b>10,391,302</b>

**THE BRITISH ASSOCIATION OF DERMATOLOGISTS**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**22. Cash generated from net income of group operations**

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Net income	364,599	2,566,741
Depreciation and amortisation	126,176	132,237
Loss/(Gains) on investments	148,357	(91,575)
Investment income	(11,816)	(12,297)
(Increase) in debtors	(1,557,647)	(600,847)
Increase in creditors	2,184,989	1,173,156
	<u>1,254,658</u>	<u>3,167,415</u>
Net cash flow from operating activities	<u>1,254,658</u>	<u>3,167,415</u>

**23. Related party transactions**

During the year the charity charged British Association of Dermatologists Biologics Register Limited, £70,263 (2017: £64,226) in relation to costs incurred on their behalf during the year. During the year the charity wrote off £31,836 of debts owing from British Association of Dermatologists Biologics Register Limited. At the balance sheet date £4,000 (2017: £112,907) was owed to the charity.

All of the above balances and transactions have been eliminated on consolidation.

There were no further related party transactions (2017: None).