



Financial Statements

The Psoriasis Association

For the year ended 31 December 2017

References and administrative information

The National Council of Trustees of the Psoriasis Association presents its annual report and audited financial statements for the year ended 31 December 2017

Charity Numbers

257414 and SC039886

Principal Office

Dick Coles House
2 Queensbridge
Northampton
NN4 7BF

Life Vice Presidents:

Professor Terence Ryan
Baroness Jill Knight DBE
Dr Harvey Baker
Mr Ray Jobling MBE
John Ford MBE

Research Committee

Professional Advisors:

Professor Jonathan Barker
Dr Anthony Bewley
Professor Christopher Griffiths
Professor Eugene Healy
Dr Julia Schofield MBE
Mr Steve Churton (Chairman)
Ms Helen McAteer

Holding Trustees:

Mr Jonathan Swift
Mr Nick Evans

External Peer Reviewers:

Professor David Burden
Dr David Kelsell
Dr Elise Kleyn
Professor Nick Reynolds

Chairman:

Mr Nick Evans

Finance Committee:

Mr Jonathan Swift (Chairman)
Mr Brian Murkin
Mr Michael Israel
Mr Steve Churton

Vice Chairman:

Mr Jonathan Swift

Treasurer:

Mr Brian Murkin

Bankers:

National Westminster	COIF Charity Funds
41 The Drapery	85 Queen Victoria Street
Northampton	London
NN1 2EY	EC4V 4ET

Elected members:

Mr Steven Astaire
Mr Thomas Ball (from 6th May 2017)
Mr Steve Churton
Mrs Chris Dyer
Mrs Gill Hynes (from 6th May 2017)
Mr Michael Israel
Mrs Susan Morgan (from 6th May 2017)
Mr Matthew Swift

Cambridge and Counties

Charnwood Court
5B New Walk
Leicester
LE1 6TE

Representative members:

Dr Julia Schofield MBE

Investment advisors:

Brewin Dolphin
12 Smithfield Street
London
EC1A 9BD

Co-opted member:

Mrs Susan Morgan (until 6th May 2017)
Mrs Gill Hynes (until 6th May 2017)
Mr Thomas Ball (until 6th May 2017)

References and administrative information

Corporate members:

AbbVie
Celgene

Dermal Laboratories
Eli Lilly
LEO Pharma
T & R Derma
UCB

Staff:

Ms Helen McAteer
Mrs Polly Matthews
Miss Carla Renton
Mr Dominic Urmston
Mrs Laura Bell
Mrs Tessa Farnsworth
Mrs Sarah Hartwell

Auditor:

Grant Thornton UK LLP
Victoria House
199 Avebury Boulevard
Milton Keynes
MK9 1AU

Chief Executive
Finance Officer
Information and Communications Manager
Digital Communications Officer
Administrator
Administrator (retired 30th April 2017)
Research Engagement Officer and Membership
Support (from 6th November 2017)

Index to the financial statements

	PAGE
Report of the trustees	4 - 20
Report of the independent auditor	21 - 23
Principal accounting policies	24 - 26
Statement of financial activities	27 - 28
Balance sheet	29
Statement of cash flows	30
Notes to the financial statements	31 – 44

Report of the trustees

The National Council of Trustees of the Psoriasis Association has pleasure in presenting their annual report and audited financial statements for the year ended 31 December 2017. The financial statements comply with current statutory requirements and have been prepared in accordance with the 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 (FRS 102) (the Charities SORP (FRS102)).

Structure, Governance and Management

Constitution

The Psoriasis Association is registered with the Charity Commissioners in England and Wales - no. 257414 and with the Office of the Scottish Charity Regulator - no. SC039886. The Psoriasis Association is administered and managed in accordance with the rules adopted by the Association at its 38th Annual General Meeting on 12 May 2007.

Objects of the Association

- To promote research into the causes, nature and cure of Psoriasis and to publish and disseminate the results of that research.
- To advance public education in the causes, nature and cure of Psoriasis.
- To relieve all those suffering from Psoriasis.

Election of Officers

The Officers of the Psoriasis Association are appointed on an annual basis at the Annual General Meeting.

At the 48th Annual General Meeting held on 6 May 2017, Nick Evans and Jonathan Swift were re-elected as Chairman and Vice Chairman respectively, and Brian Murkin was re-elected as Treasurer.

Elected members

Elected members are appointed at the Annual General Meeting for a term of three years. Competent members of the Council are eligible for re-appointment after three years. There were three new appointments in 2017, Thomas Ball, Gill Hynes and Susan Morgan – all had previously been co-opted onto the Board of Trustees.

Co-opted members

No new members had been co-opted onto the Board of Trustees during 2017.

Holding trustees

The Holding Trustees are appointed annually by the Board of Trustees.

Nick Evans and Jonathan Swift were appointed as holding trustees at a meeting of the Board of Trustees on 20 July 2017.

Representative Members of Council

Representative members are appointed by the Board of Trustees for a term of three years.

Dr. Julia Schofield was confirmed as a representative member of the Council on 20 July 2017.

Secretary

Helen McAteer was appointed as Secretary to the Board of Trustees at the meeting held on 20 July 2017.

Report of the trustees (continued)

Structure, Governance and Management (continued)

The Appointment and Training of Trustees

Trustees have traditionally been recruited through the membership of the Psoriasis Association, however, in 2016 three Trustees were co-opted onto the Board of Trustees following a recruitment campaign and formal interview process. These Trustees were subsequently elected onto the Board of Trustees at the AGM held on 6 May 2017. No further advertising for Trustees took place in 2017, however efforts were made to recruit an additional Representative Member.

All prospective and new Trustees meet with the Chairman and are given a comprehensive information pack including relevant Psoriasis Association policy documents, the content of the constitution, recent financial performance of the charity and details of Trustee Responsibilities, including the “Essential Trustee” guidance issued by the Charity Commission. A Register of Interest is required for all new Trustees and reviewed annually. Additionally Trustees are given opportunity at the beginning of all Trustee meetings to declare any Conflicts of Interest with items on the Agenda.

Further training, including formal training, in specific areas will be provided where necessary. During 2017, further training was received in relation to the General Data Protection Regulation changes, Fundraising and Trustee Responsibilities and Conversion to Charitable Incorporated Organisations. Around two-thirds of the Trustees have Psoriasis themselves.

Meetings

The National Council (Board of Trustees) held three formal meetings – March, July and October.

The Finance Committee met on two occasions in 2017.

The Officers Group corresponded regularly via telephone and email, and met twice in 2017.

The Council

Management of the Psoriasis Association is vested in a Council which shall consist of a maximum of 24 members made up as follows:

- Chairman, Vice-Chairman and Treasurer (Officers)
- Chairman of the Research Committee
- 10 elected members
- 5 representative members
- 5 co-opted members

A Chief Executive is appointed by the Council to manage the day to day operations of the Psoriasis Association within an agreed framework. The authority to make specified decisions is delegated to the Finance Committee.

2017

The aim of the Psoriasis Association's work in 2017 was to sustain and develop our work of supporting people whose lives are affected by Psoriasis, raising awareness of the condition, raising money to fund research and to maintain, administer and develop the research portfolio.

Work commenced on the Psoriasis Priority Setting Partnership in which patients, relatives, healthcare professionals and scientists come together to find the top 10 unanswered research questions relating to Psoriasis.

The Research Strategy for 2017-2022 was implemented and the portfolio of research funded by the Psoriasis Association increased in 2017 with the addition of three PhD Studentship Grants and one Small Grant.

Report of the trustees (continued)

Structure, Governance and Management (continued)

The Psoriasis Association continued to raise awareness of, and support those with the condition by promoting, updating and maintaining the two websites. The success of the websites continues, focussing on an improved user experience on the forums and donation facilities, ensuring ease of navigation (in particular on mobile devices and tablets) and the supply of accurate and up to date information. The social media platforms offered by the Psoriasis Association have grown markedly in use. The Psoriasis Association has a presence on Facebook, Twitter, YouTube, Instagram and LinkedIn all of which provide users with a different method of accessing reliable information. The websites and social media platforms raise awareness of Psoriasis and Psoriatic Arthritis in addition to offering information and important peer-to-peer support.

The information provided by the Psoriasis Association remains of the highest standard, with all pieces of information meeting the Information Standard run by NHS England. Engaging with healthcare professionals remains an important area of work and so the Psoriasis Association had a presence at a number of conferences from the Royal College of General Practitioners, to the British Dermatological Nursing Group, to the British Association of Dermatologists. When a physical presence cannot be achieved, materials are made available for the delegate bags.

The Psoriasis Association continued to recognise and be involved in key economic and political issues, working with the National Institute for Health and Care Excellence (NICE) and the Scottish Medicines Consortium (SMC).

Exploratory work on marking the 50th Anniversary of the Psoriasis Association in 2018 began and we look forward to embarking on this new chapter.

The Trustees sought advice from Hewitsons LLP regarding conversion to a Charitable Incorporated Organisation (CIO) – the recommendations arising from the discussions will be taken to the Annual General Meeting in 2018.

Public Benefit

The Trustees have referred to the Charity Commission's guidance on public benefit when deciding on the activities the Psoriasis Association should undertake. The Psoriasis Association provides public benefit:

- by promoting and funding research into the treatment and care of Psoriasis and by publishing and disseminating the results of that research;
- by working with statutory bodies such as the NHS and NICE and others that provide for the treatment and welfare of people affected by Psoriasis and Psoriatic Arthritis;
- by providing members, the wider public and healthcare professionals with information and support regarding Psoriasis and Psoriatic Arthritis.

The following is a more detailed account of the Psoriasis Association's main activities in 2017 in support of the objects of the charity and to fulfil the public benefit requirement.

Report of the trustees (continued)

Objectives, activities, achievements and performance

Promote and Fund Research

Aims for 2017: To agree research awards available in 2017. To monitor progress of ongoing grants and PhD Studentships. To explore ways of targeting funding to secure greatest benefit, being sensitive to patient preferences. To complete a full review of the Psoriasis Association five year Research Strategy and adopt. Support the Priority Setting Partnership on Psoriasis through representation on the Steering Group. To explore ways to best disseminate the results of research to members and patients.

- The Psoriasis Association received nine PhD Studentship and two Small Project Grant applications by the December 2016 deadline. The Research Committee and External Peer Reviewers – Dr John Ingram (Cardiff University), Dr Elise Kleyn (University of Manchester), and Professor Nick Reynolds (Newcastle University), reviewed, commented on and scored every application (unless they had a conflict of interest) ahead of the meeting of the Research Committee in February 2017. Professor Hywel Williams (University of Nottingham) was invited to review one application owing to his expertise in epidemiology.
- The National Institute for Health Research Evaluation, Trials and Studies Coordinating Centre completed the administration of the reviewer feedback for the 2016 call.
- The Research Committee recommended that the Trustees award three PhD Studentship and one Small Grant. The PhD Studentships awarded were -
Dr Francesca Capon at Guys Hospital, *The role of IL-1 and IL-36 in Palmar Plantar Pustulosis (PPP)*
Professor Eugene Healy at the University of Southampton, *Mutation burden of narrowband UVB*
Dr Richard Warren at the University of Manchester, *The risk of cancer in Psoriasis patients treated with biologic therapies compared with conventional systemic therapies: results from BADBIR.*
The Small Grant was awarded to Dr Henry Grantham at the Royal Victoria Infirmary, Newcastle; *A pilot study to compare the response of Psoriasis to narrow-band UVB phototherapy in the morning and afternoon.*
- Members of the Psoriasis Association were kept informed of the grants awarded via publication of the lay summaries in Pso. The lay summaries were also included on the Psoriasis Association website. Followers on the social media channels Twitter, Facebook and Instagram were also informed as to the grants awarded.
- The Psoriasis Association received the first two bound PhD theses during 2017, from -
Student – Dorottya Berki. Supervisor – Dr Francesca Capon (Kings College London) – *The molecular genetic basis of Generalised Pustular Psoriasis.*
Student – Lisa Auken. Supervisor - Dr Helen Young (University of Manchester) – *The role of exercise on cardiovascular disease risk in Psoriasis.*
Ongoing PhD Studentships included -

Dr Chris Bundy at the University of Manchester – *Psoriasis and sleep deprivation.*

Dr Elise Kleyn at the University of Manchester – *Neuropsychological morbidity in Psoriasis.*

Dr Julian Knight at Oxford University – *Functional characterisation of genetic susceptibility to Psoriasis.*

Dr Richard Warren at the University of Manchester – *An investigation into genetic factors which discriminate Psoriasis from Psoriatic Arthritis.*

Prof. Silvia Bulfone-Paus at the University of Manchester - *The role of mast cell tryptase in Psoriatic itch.*

Dr Francesca Capon at Kings College London – *Characterisation of novel pathogenic pathways for generalised pustular Psoriasis.*

Dr Patricia Martin at Glasgow Caledonian University – *A role for connexin-mediated signalling events in the pathogenesis of Psoriasis.*

Dr Tim Millar at Southampton General Hospital – *Not just skin deep: circulating lipids in a 'localised' disease.*

Report of the trustees (continued)

Promote and Fund Research

- The small grant programme saw the completion of the project by Dr Richard Weller at Queens Medical Research Institute, University of Edinburgh – *Investigation of the roles of UV-induced nitric oxide and vitamin D in narrow-band UVB phototherapy treated Psoriasis patients*. There was an ongoing small grant by Dr Elise Kleyn at the University of Manchester – *An innovative mixed methods study investigating altered emotional processing in Psoriasis patients*.
- Articles authored by sponsored PhD students were published in the following journals in 2017; British Journal of Dermatology, Science Translational Medicine, BMC Health Services Research and the Journal of Allergy and Clinical Immunology.
- Letters and fliers bringing attention to the 2017 call for applications were sent to all Dermatology and Rheumatology Departments in the United Kingdom, the Deans of all Medical Schools in the United Kingdom, in addition to the Deans of all Health Schools in the United Kingdom and the Heads of all Health Service Research Centres. Contact was made with the British Association of Dermatologists and the British Dermatological Nursing Group in order to bring their members attention to the call. The Psoriasis Association Twitter account was used to target tweets throughout the call to healthcare professionals, researchers and relevant organisations. The call for applications took place between 1 September 2017 and 10 December 2017, resulting in ten PhD Studentship applications. These will again be reviewed by the Research Committee and External Peer Reviewers ahead of a meeting of the Research Committee after which recommendations will be made to the Trustees regarding suitable applications to fund.
- Prior to the meeting of the Medical and Research Committee in February 2017, an information gathering exercise was carried out in which the Committee were invited to comment on the review of the Research Strategy 2017-2022. The Medical and Research Committee approved the new Research Strategy at their meeting in February 2017, for formal agreement by the Trustees at their meeting in March 2017. The Research Strategy 2017-2022 would be subject to continuous review in order to stay relevant and keep the charity at the forefront of Psoriasis research.
- Recruitment to the new role of Research Engagement and Membership Support Officer took place with the appointment of Sarah Hartwell to the post in November 2017. This position will seek to further the involvement of people whose lives are affected by Psoriasis in the research process of the Psoriasis Association through the establishment of a lay advisory panel. Improving the dissemination of the results of research funded by the Psoriasis Association, or research that we have been involved with will also be a focus of this new position.
- Work began on the Psoriasis Association funded Priority Setting Partnership on Psoriasis with the initial survey operating between July and November 2017. All members of the Psoriasis Association were invited to submit their “unanswered questions” via postal survey and email. Staff promoted the Psoriasis Priority Setting Partnership (PSP) to healthcare professionals at the Annual Conferences of the British Dermatological Nursing Group, British Association of Dermatologists, Primary Care Dermatology Society and the Royal College of General Practitioners. Fliers were also inserted into delegate bags at the Primary Care Dermatology Society meeting. Promotion of the PSP to the public was carried out in the form of fliers sent to all Dermatology and Rheumatology Departments in the United Kingdom, and via the Psoriasis Association websites, Twitter, Facebook, Instagram and LinkedIn accounts. The Chief Executive and Information and Communications Manager serve as members of the PSP Steering Group, and the Information and Communications Manager gave extensive support to the research team at the University of Manchester when setting up the online survey.
- The Chief Executive continued to serve as a member of the Steering Committees for the Psoriasis Stratification to Optimise Therapy (PSORT), a Medical Research Council and pharmaceutical and diagnostics companies funded piece of research.

Report of the trustees (continued)

Promote and Fund Research (continued)

- The Information and Communications Manager continued to serve as a member of the Steering Committee for Anakinra for Pustular psoriasis: Response in a Controlled Trial (APRICOT), a National Institute of Health Research and Medical Research Council funded clinical trial in Palmoplantar Pustulosis, in addition to advising on the formation of Pustular Psoriasis, Elucidating underlying mechanisms (PLUM). Members of the Psoriasis Association have been informed of how they can become involved in the PSORT, APRICOT and PLUM research via the membership publication Pso, the Annual Conference, the Psoriasis Association website and various social media channels.
- The Psoriasis Association is a member of the Association of Medical Research Charities (AMRC) which continues to be an invaluable source of strategic and practical guidance.

Future developments

- Agree research awards available in 2018.
- Monitor progress of ongoing grants and PhD Studentships.
- Support the Priority Setting Partnership on Psoriasis through representation on the steering group.
- Explore ways to best involve and inform members and patients of research funded or supported by the Psoriasis Association.
- Explore possibilities of developing training for Healthcare Professionals utilising materials developed in the Identification and Management of Psoriasis Associated Co-morbidities (IMPACT) research programme.

Raising Awareness

Aims for 2017: To maintain, develop and promote both websites for the Psoriasis Association. To ensure that the forums on both the main Psoriasis Association website and Psoteen.org.uk, in addition to social media are monitored. To run an Awareness Week in 2017. To use all social media channels to full potential both for informing people of developments regarding Psoriasis and Psoriatic Arthritis, but also to promote the work of the Psoriasis Association. To explore possibilities of additional social media resources where needed.

- The main Psoriasis Association website and sister site Psoteen.org.uk remain vital information resource for many people with Psoriasis. Complementing the websites are the Psoriasis Association's Social Media channels; Instagram, Facebook, Twitter, YouTube and LinkedIn.
- There were 566,961 visits to the main Psoriasis Association website in 2017.
- There were 4,983 visits to the Psoteen.org.uk website in 2017.
- The main website address is always included on promotional materials originating from the Psoriasis Association. This can take the form of adverts in popular health magazines such as the At Home magazine "Ask the Doctor", posters displayed in Dermatology and Rheumatology Departments and banners at fundraising events such as the British 10K.. In April 2017 a Google AdWords charity account was created which returned 32,266 website visits in eight months. By the end of 2017, links from Google AdWords was the third most used way in which to access the Psoriasis Association website.
- Both websites (the main Psoriasis Association website and Psoteen.org.uk) have a forum for people to exchange hints, tips and experiences of living with, and treating Psoriasis. As both websites share a "back office", the same security measures are in place for both. The Digital Communications Officer along with the Information and Communications Manager monitor the forums regularly, in addition to in-built security measures whereby offensive posts can be reported by users.

Report of the trustees (continued)

Raising Awareness (continued)

- The majority of visitors continue to arrive at the main website via search engines (446,816 (79%)) and in particular, Google (422,722 (75%)). It is therefore important that the Psoriasis Association maintains its top rankings on the first page of Google results when terms relating to Psoriasis are searched for. Work is ongoing around search engine optimisation. The top three pages in terms of views were Psoriasis and Treatments section, Psoriasis and Treatments – Treatments and the Homepage. Peer-to-peer support continues to be extremely valued, with the Forum being the fourth most popular website page.
- Similarly to the main website, the majority of visitors to Psoteen.org.uk come via search engines (2,239) (45%) and in particular Google (2,194) (44%). However, a significant proportion visit the site by typing the web address directly into the address bar (1,070 22%) which could in part be in response to recommendations from healthcare professionals. Peer-to-peer support is especially important for this demographic, with the most visited page on Psoteen.org.uk on the Forum, in particular “What treatments are working for you?”
In mid-2016, both websites were relaunched. As expected, both experienced a significant drop in traffic (it takes search engines time to re-crawl the sites, amongst other factors). Psoteen has not recovered from this change as successfully as the main website, however work is ongoing around search engine optimisation for both sites, and there will be a focus on this in 2018.
- The presence of the Psoriasis Association on the social networking sites Twitter, Facebook, Instagram, YouTube and LinkedIn was further maximised in 2017. Social media lends itself both to “Raising Awareness” and “Supporting People”. As the use of the social media increases, the Psoriasis Association has observed that Twitter, Instagram and LinkedIn are increasingly used as awareness raising platforms, with Facebook and YouTube lending themselves more positively towards offering support.
The Psoriasis Association’s Twitter account had 9,462 followers in 2017, with 1,983,100 total impressions (tweet views). There was regular tweeting of Psoriasis Association activities, news relating to Psoriasis and Psoriatic Arthritis, and opportunities to take part in approved research. Tweets were consciously planned for and implemented in connection with other significant events in the Psoriasis Association calendar such as the Annual Conference and AGM, Royal College of GPs Annual Conference and Awareness Week.
The Psoriasis Association’s Instagram account was first launched in 2016, and continues to build the following. By the end of 2017 there were 1,685 people following the Psoriasis Association on Instagram. There were regular posts regarding relevant items in the popular press, fundraising and research opportunities alongside activities that the staff were undertaking.
LinkedIn was used to communicate to researchers and healthcare professionals about the Research Grant programme and Psoriasis Priority Setting Partnership.
- **Awareness Week** ran from 29th October to 5th November 2017. This year’s main theme focused on the See Psoriasis: Look Deeper collaboration (supported by Abbvie Pharmaceuticals) and the positive Small Steps campaign highlighting the small positive changes people with psoriasis can make to their lives, which could produce marked changes in overall wellbeing. Initially a short survey was carried out in August 2017 asking people to contribute their lifestyle tips for improving Psoriasis. These were then reviewed and condensed into eight tips, illustrated in a video animation.
- Each tip was then also made available in a still illustration paired with an explanation of the relevant scientific evidence base, and why it may be effective. These illustrations and explanations were shared on social media, aiming to spread information and encourage audience engagement and sharing.

Report of the trustees (continued)

Raising Awareness (continued)

In addition to the Small Steps campaign, Awareness Week was utilised to promote the Psoriasis Priority Setting Partnership and how people could take part. Posters, fliers and literature were sent to all Dermatology and Rheumatology departments and an email to all members who had agreed to be contacted in this way. During Psoriasis Awareness Week posts across our Facebook, Twitter and Instagram presences were seen a total of 177,756 times. We attracted a further 72 followers on Twitter and 65 followers on Instagram. There was very positive engagement on Facebook, and despite LinkedIn not being a major component of the Psoriasis Awareness Week 2017 social media strategy, it is notable that the post that was published was seen 4,500 times ('impressions').

- There were 14,670 visits to the main Psoriasis Association website during Awareness Week 2017. There was an average of 2,096 visits to the website each day during Awareness Week 2017 (the daily average for the rest of the year being 1,553). Two Google AdWords adverts themed around the Small Steps campaign ran for the duration of Awareness Week 2017 and for two weeks after, returning 1029 'clicks' (visits to the website). Google adverts themed around the Psoriasis Priority Setting Partnership returned 89 'clicks'.
- Other media during Awareness Week 2017 included the Chief Executive being interviewed on BBC Radio Northampton (weekly listenership 114,000), and the Information and Communications Manager being interviewed on BBC Radio Cambridgeshire and UK Health Radio alongside Dr Dawn Harper (combined weekly listenership 348,000). The Information and Communications Manager also had an article published in the Practice Nursing Journal and contributed to an article published on treated.com (a registered pharmacy and health blog) to coincide with Psoriasis Awareness Week 2017.

Media, Presentations and Publications outside Psoriasis Awareness Week

- The Information and Communications Manager authored an article for the British Journal of Family Medicine, and Practice Nursing.
- The Information and Communications Manager provided interviews to Media Planet to feed into their supplement in the Guardian newspaper and BBC Radio Nottingham.
- The Information and Communications Manager presented at the Royal Association for Deaf People "Deaf Achieve" workshop and Nursing in Practice Conference.
- The Chief Executive presented to MSc students at the University of Hertfordshire.
- A one page advert was taken out in the magazine Ask the Doctor with Dr Christian Jessen, and a 'How To... Understand Psoriasis' guide written for their online publication.
- **Pso** – the official magazine of the Psoriasis Association is a quarterly publication which ensures that members are kept up to date with the activities of the charity, along with developments regarding the treatment and management of Psoriasis and Psoriatic Arthritis. The publication is also sent to all Dermatology, Rheumatology and GP with a Special Interest Clinics in the United Kingdom.

Conferences and Meetings – throughout the year staff had an information stand at a number of locations for both the general public and healthcare professionals to attend. These included the British Association of Dermatologists Annual Conference in Liverpool, where the Chief Executive and Information and Communications Manager and Finance Officer also attended lectures and symposia. The Information and Communications Manager and Digital Communications Officer also attended the Royal College of GPs Annual Conference in Liverpool, to increase awareness amongst GPs of Psoriasis and Psoriatic Arthritis, as well as the existence of the Psoriasis Association and the Psoriasis Priority Setting Partnership. Materials were made available for the delegate bags of the British Dermatological Nursing Group Annual Conference. The Information and Communications Manager and Digital Communications Officer also attended the Royal College of GPs One Day Essentials Course on Dermatology.

Report of the trustees (continued)

Raising Awareness (continued)

The Finance Officer and Administrator had an information stand at a Health and Wellbeing Day in Northampton.

The Information and Communications Manager and the Research Engagement Officer had an information stand at the triennial Psoriasis: from Gene to Clinic Conference in London, where they were also able to attend lectures and symposia.

The Digital Communications Officer represented the Psoriasis Association at the Dermatology Council for England, Cross Party Group on Skin (Wales) and Patient Support Group meetings hosted by the British Association of Dermatologists. The Information and Communications Manager represented the Psoriasis Association at the British Association of Dermatologists Specials Working Group regarding restricted access to treatments that require being made by a pharmacist.

- **All Party Parliamentary Group on Skin** - The Psoriasis Association continued to be represented on the Advisory Group of the All Party Parliamentary Group on Skin (APPGS). Chairman Nick Evans additionally is the Chair of the Advisory Panel. The Digital Communications Officer attended a parliamentary event on New Models of Care in Dermatology.
- Staff and Trustees continue to be involved in a number of external networks –All Party Parliamentary Group on Skin, Cross Party Group on Skin (Wales), Dermatology Council for England, The ALLIANCE, as well as holding membership of the Association of Medical Research Charities, National Council of Voluntary Organisations, National Voices and the Patient Information Forum.
- Work began exploring ways in which to best commemorate the 50th Anniversary of the Psoriasis Association in 2018.

Future developments

- To maintain, develop and promote both websites for the Psoriasis Association.
- To ensure that the forums on both the main Psoriasis Association website and Psoteen.org.uk, in addition to social media are monitored.
- To run an Awareness Week in 2018.
- To use all social media channels to full potential both for informing people of developments regarding Psoriasis and Psoriatic Arthritis, but also to promote the work of the Psoriasis Association.
- To explore possibilities of additional social media resources where needed.
- To commemorate the 50th Anniversary of the Psoriasis Association.

Providing Information, Advice and Support for People with Psoriasis

Aims for 2017: To explore current patterns of membership recruitment and retention and encourage additional members. To further develop all streams of communications with members, donors and enquirers where appropriate. To finalise development of the membership database to include accurate and secure data entry and individual contact preferences. To maintain and regularly update information on the Psoriasis Association websites and social media sites. To monitor information exchanged on Psoriasis Association forums and social media sites and use the information to better target resources. To provide high quality, independent information about Psoriasis in line with the standards set by the Information Standard. To feature Annual Conference speakers more prominently on the Psoriasis Association website. To keep up to date with relevant developments in NHS policy.

Report of the trustees (continued)

Providing Information, Advice and Support for People with Psoriasis(continued)

- It has long been recognised that the reach of the Psoriasis Association extends much further than that of the traditional member. Increasingly people are choosing to support the work of the Psoriasis Association by completing challenge events, donating in lieu of presents for birthdays and anniversaries, and leaving legacies. There were 566,961 visits to the main Psoriasis Association website in 2017, with 8,490 people registered to participate in our online forums. Traditional Membership numbers stand at 1,670. There are 4,950 people registered to contribute in our Facebook Group and 9,462 people keeping up to date with Psoriasis news via our Twitter.
- Communications via email to members continued where possible, in particular alerting them to how they could participate in the Psoriasis Priority Setting Partnership and to events in their locality.
The development of a new membership database is ongoing and is now in a pilot phase with planned completion summer 2018. The new database will extend to supporters of the Psoriasis Association in addition to members, and much research has been carried out by the Information and Communications Manager and the Finance Officer as to compliance with the General Data Protection Regulation changes coming into force in May 2018.
Regular contact was established and maintained with people who were fundraising on behalf of the Psoriasis Association to encourage, support and show appreciation.
Enquiries by letter, email and telephone for the year totalled 850. A new system of identifying and recoding genuine helpline enquiries opposed to general business enquiries was implemented in order for a full review to take place. In order to monitor the needs of people telephoning the helpline, the time duration of the call is noted, along with the nature of the call. Almost three-quarters of telephone calls (73%) have a duration of between six and 30 minutes. Enquirers receive tailored information for their needs, in addition to a general information pack when necessary.
- There were some differences between information requested over the telephone and that requested via email, but of interest is the frequency with which enquirers are now asking about associated conditions. The Psoriasis Association has supported high profile research into the comorbidities associated with Psoriasis, and whilst this research is ongoing, it is encouraging that people are becoming aware of other conditions that may be affected by, or linked to Psoriasis. Of particular note are discussions around stress, depression and difficulty in coping, which are much more common via email than the telephone. This may in part be due to the difficult and sensitive nature of this topic lending itself to the relative anonymity of email. In response to this, the Psoriasis Association aims to initiate a WhatsApp messaging service in 2018.
The most discussed topics on the telephone and email helpline concern general information about Psoriasis, topical treatments and Ultraviolet Light Therapy, indicating that those with more localised disease, or recently diagnosed are in most need of our services. Of the information disseminated, however, “Treatments from a Specialist” continues to be used extensively with many enquirers, often living with devastating disease, being desperate for a referral to see a Dermatologist.
- The Information Standard, which denotes that the charity’s information production processes are of high quality, and information produced by the Psoriasis Association is reliable was awarded to the Psoriasis Association during 2011. All new information continues to be produced to this standard. The Information and Communications Manager continues to be involved in the discussions regarding future-proofing the Information Standard.
- The Psoriasis Association operates two websites, a main website and one specifically to appeal to teenagers and young people. Both websites provide a vital link to people with Psoriasis in addition to being a reliable source of information and an area where peer to peer support can be accessed. The total number of web visits in 2017 was 566,961 to the main website, and 4,983 to Psoteen.org.uk.

Report of the trustees (continued)

Providing Information, Advice and Support for People with Psoriasis (continued)

The websites offer quality information, all of which meets the requirements of the Information Standard. Visitors to the websites are updated regularly via the news section with articles including regulatory and treatment updates, clarification of newspaper reports and details of ways to be involved in research. A detailed analysis of web statistics is maintained for both websites, and is used to identify changing requirements and potential gaps in information provision. The top pages on the main Psoriasis Association website were regarding treatments and the forum (where registered users can talk to one another about all aspects of Psoriasis). The top pages on the Psoteen.org.uk website were the forum and facts about Psoriasis.

The forums on both websites continue to be a valuable source of peer-to-peer support and conversation, and encourage return-visits. The number of people signed up to the forums currently stands at 8,491. There is a great range of topics being discussed by users of both the main website forums and Psoteen.org.uk forums. Conversations are monitored by the Digital Communications Officer and Information and Communications Manager.

- The Psoriasis Association's following on social media sites such as Facebook, Twitter Instagram and YouTube has again increased during 2017. Communication using these sources continues to be monitored and analysed. The Facebook Group offers a community of peer-to-peer support amongst the 4,950 members.

The Psoriasis Association YouTube channel offers excellent information in video format with 2,320 video views during 2017. The videos on the Psoriasis Association YouTube channel include the presentations from the Annual Conferences held in 2016 and 2017. The health information website "Healthline" named one of our videos in the article "Best Psoriasis Videos of the Year".

Pso – the official magazine of the Psoriasis Association, continues to be an important means of communicating with members. There has been continued positive feedback from members over the past year. A variety of articles are included in the publication informing members of outcomes of research grants the charity has funded, conference write-ups, NHS policies, spotlights on the various types and treatments for Psoriasis and fundraising activities.

- **The Psoriasis Association Annual Conference and AGM** – continues to give members and non-members opportunity to hear about the work of the charity, and presentations from eminent speakers. The 2017 Annual Conference featured Psoriasis Association funded PhD student Effie Bellou presenting "An investigation into genetic factors which discriminate Psoriasis from Psoriatic Arthritis", Professor Richard Warren presenting "The workings of a combined Dermatology and Rheumatology clinic and a busy research job; feedback on BADBIR and PSORT" and Dr Sandy McBride and Sarah Sutcliffe presenting "Psoriasis: The Skin I'm In". The Conference also featured an update on the Psoriasis Priority Setting Partnership. A full write-up of the Annual Conference was included in Pso for members who had been unable to attend, and live tweeting was carried out throughout the Conference in order for people to follow the information. Additionally, the Conference sessions were filmed and uploaded to the Psoriasis Association YouTube channel ensuring the reach of the Annual Conference was wider than just those who could attend on the day.
- **Regulatory Activities** - On behalf of the Psoriasis Association, the Chief Executive provided input to the National Institute for Health and Care Excellence (NICE) technology appraisals regarding Dimethyl Fumarate for Psoriasis, Abatacept for Psoriatic Arthritis, Ixekizumab for Psoriasis, Brodalumab for Psoriasis, and Tofacitinib for Psoriatic Arthritis. The Chief Executive submitted comments to the Scottish Medicines Consortium (SMC) hearing on Brodalumab for the treatment of Psoriasis.
- The Chief Executive provided input to the British Association of Dermatologists' Guideline on the use of Biologic Medications to treat Psoriasis.

Report of the trustees (continued)

Providing Information, Advice and Support for People with Psoriasis(continued)

- Members were kept updated with regards to the decisions of the Regulatory Bodies such as NICE and the SMC via Pso, whilst those using Psoriasis Association digital resources were kept informed via the websites and social media.
- The Information and Communications Manager contributed to the UK Guidance on the Use of Mobile Photographic Devices in Dermatology guideline.
- The Chief Executive contributed to the GP's with Extended Roles in Dermatology taskforce group.
- The Chief Executive, Information and Communications Manager and Finance Officer attended training workshops on the General Data Protection Regulations.
- The Information and Communications Manager and the Digital Communications Officer attended online training regarding Social Media advertising.
- The Psoriasis Association will keep up to date and involved with proposed changes in NHS Dermatology service provision in order to provide information for members and representation for people with Psoriasis and Psoriatic Arthritis.

Future Developments

- To maintain and regularly update the Psoriasis Association websites and social media sites.
- To explore ways in which to better promote the Psoteen.org.uk website and drive traffic towards it.
- To further develop all streams of communication with members, donors and enquirers where appropriate.
- To establish and make use of a new database for accurate and secure data entry, including the contact preferences of individuals.
- To further develop all streams of communication with members, donors and enquirers where appropriate.
- To monitor information exchanged on Psoriasis Association forums and social media sites and explore the best use of these resources.
- To provide high quality, independent information about Psoriasis in line with the standards set by the Information Standard.
- To keep up to date with relevant developments in NHS policy.
- To review the operation and impact of the telephone advice service.

Scotland

Aims in 2017: To continue representation on key regulatory bodies such as the Scottish Medicines Consortium, key networks and attend key meetings at the Scottish Parliament. To explore ways in which to best communicate with members in Scotland regarding issues specific to them. To explore opportunities to hold members and patients meetings in Scotland. To continue to work closely with research institutions in Scotland.

- Two ongoing pieces of research into Psoriasis undertaken in Scotland were monitored in 2017. A Psoriasis Association PhD Student supervised by Dr Patricia Martin at Glasgow Caledonian University – *A role for connexin-mediated signalling events in the pathogenesis of Psoriasis*. And a small grant awarded to Dr Richard Weller at the Queen's Medical Research Institute, Edinburgh – *Investigation of the roles of UV-induced nitric oxide and vitamin D in Narrow-band UVB phototherapy treated Psoriasis patients*.
- A new External Peer Reviewer for the Psoriasis Association PhD Studentship grant applications was recruited, Professor David Burden, from the Royal Infirmary of Edinburgh.
- The Chief Executive submitted comments to the Scottish Medicines Consortium hearing on Brodalumab for the treatment of Psoriasis.

Report of the trustees (continued)

Scotland (continued)

- The Psoriasis Association is represented on a number of networks in Scotland, including the Scottish Intercollegiate Guideline Network (SIGN), The ALLIANCE (formerly Long Term Conditions Alliance Scotland) and Voluntary Health Scotland. The Psoriasis Association is also a member of the Association of Medical Research Charities in Scotland.
- Both the Skin Conditions Campaign Scotland and the Cross-party Group on Skin and Associated Rheumatic Conditions (formerly Cross Party Group on Psoriasis and Psoriatic Arthritis) ceased operation during 2017.
- Members were alerted to events and research happening in their area, however it was not feasible to host a meeting for members and patients in 2017. All of the Psoriasis Association's patient information, support and awareness-raising materials, services and initiatives are to the benefit of people in the United Kingdom. 30,902 (5.5%) visits to the main website came from Scotland in 2017.

Future Developments

- To continue representation with key regulatory bodies such as the Scottish Medicines Consortium and key networks.
- To explore ways in which to best communicate with members in Scotland regarding issues specific to them.
- To continue to work closely with research institutions in Scotland.

Administration and Committee support

- The Psoriasis Association has in place comprehensive policy documents including those relating to staffing issues.
- The accounts are fully computerised.
- The Finance Committee of the Psoriasis Association met twice during 2017. The Committee Chairman and Finance Officer monitored all investment transactions.
- The Officers Committee of the Psoriasis Association met twice during 2017 and maintained regular telephone and email contact.
- The Chairman and Chief Executive maintain telephone and e-mail contact, and meet regularly to review progress and work on forward planning.
- New members of Council have a comprehensive information pack about the Psoriasis Association including all relevant policy documents. A meeting is held with the Chairman and opportunity is given to meet all members of staff. A formal meeting of the Trustees is held within two months of the AGM.
- The Psoriasis Association will maintain careful monitoring of its finances and will continue to seek a range of funding sources for its core activities.

Corporate support

- Funding from the pharmaceutical companies will not exceed 15 per cent of the Psoriasis Association's total annual income as per the Psoriasis Association's policy on working with commercial companies.
- In 2017 there were seven Corporate Members; Abbvie, Celgene, Dermal Laboratories, Eli Lilly, LEO Pharma, T & R Derma and UCB.
- Work highlighting the impact of Psoriasis continued in collaboration with the Mental Health Foundation on the See Psoriasis: Look Deeper initiative funded by Abbvie. This culminated in the launch of the Small Steps campaign to coincide with Psoriasis Awareness Week.
- The Life's an Itch awareness campaign with Celgene continued in 2017 with further promotion of the Itch Discussion Tool (to help patients discuss the impact of itch with their healthcare professional).

Report of the trustees (continued)

Corporate support (continued)

- The Psoriasis Association partnered with Eli Lilly to promote a national survey of living with psoriasis to members and supporters via the Psoriasis Association website and social media channels. The Information and Communications Manager and Digital Communications Officer assisted in the planning and promotion of, and attended a Psoriatic Arthritis patient workshop held in August 2017.
- Dermal Laboratories and Clinica Mirak took advertising space in Pso – the official magazine of the Psoriasis Association.
- The Chief Executive and Information and Communications Manager maintained contact with representatives at LEO Pharma throughout the year via meetings and teleconferences. Results of the LEO Pharma sponsored “Pso Happy” survey results were highlighted via the social media channels of the Psoriasis Association. The Psoriasis Association was grateful for the efforts of representatives from LEO Pharma in climbing Ben Nevis and in turn raising funds for the Psoriasis Association.
- A sampling initiative of Cetraben emollient was carried out with T and R Derma, promoting to the members and also the wider public’s patient information on Psoriasis.
- The Chief Executive and Information and Communications Manager presented to staff at UCB during a lunch and learn session. Prior to the session, the Chief Executive and Information and Communications Manager were given a tour of UCB’s laboratories.
- Communications via teleconference with non-member corporates including Novartis, Phillips and Janssen to discuss possible future collaboration took place throughout 2017. Phillips organised a radio day ahead of Psoriasis Awareness Week enabling the Information and Communications Manager to promote the work of the Psoriasis Association.
- The Chairman continued to contribute to the Association of the British Pharmaceutical Industry Dermatology Initiative Expert Working Group whose report is due to be published in 2018.

System of internal controls

- The Finance Committee meets twice a year with the Investment Adviser to review the investment portfolio. Additional reports are provided from the Investment Adviser regarding activity, and online access is in place.
- A full review of investments and portfolio risk allocation was undertaken by the Finance Committee in 2017.
- A Finance Policy Document is in place which is reviewed annually.
- The Risk Analysis is reviewed annually and reported to Trustee meetings.
- The Treasurer visits the office monthly, or more frequently and with senior management authorises all payments on invoices as well as monitoring other financial matters. The Treasurer remains in regular contact with the office via telephone and email between meetings.
- The Finance Committee reviews budgets.
- The Treasurer and Finance Officer present a financial report to the National Council at its thrice yearly meetings.
- The reporting of budgets to Officers, the Finance Committee and Council remains constantly under review in line with the wishes of the Trustees.

The Annual General Meeting approves the Annual Report and elects the National Officers.

Report of the trustees (continued)

Financial review

The results for the year are set out on pages 27 and 30.

Investments are held to maximise total return through a suitable balance of income and capital growth. Portfolio One directly supports the Research Funds and Portfolio Two the General Funds through dividend yield which represents a significant contribution to income. Unrealised investment gains and losses are allocated to Endowments and realised investment gains and losses to General Funds.

There were net incoming resources on the general unrestricted fund amounting to £22,140 (2016 - £60,569) net incoming resources on restricted funds amounting to £61,903 (2016 - £152,381) and net incoming resources of designated funds amounting to £111,581 (2016 - £265,462). The net incoming resources on designated funds are due to transfers in funds during the year. The net incoming resources on restricted funds are due to investment income and donations received in the year. There were net incoming resources to the Endowment fund amounting to £281,301 (2016 - £186,731).

Investment policy

- The Finance Committee reviewed the Investment Policies, including risk categories for the two portfolios at the March and October 2017 meetings.
- The investment objective of Portfolio One for the Psoriasis Association is to maximise the total return on the investment portfolio through a suitable balance of income and capital growth, with due regard to the investments being managed within the moderate investment risk classification.
- The investment objective of Portfolio Two for the Psoriasis Association is to maximise the total return on the investment portfolio through a suitable balance of income and capital growth, with due regard to the investments being managed within a low to moderate investment risk classification.
- The aim of Portfolio One is to maintain a portfolio which may include a significant majority of investments in equities in order to achieve higher returns at the expense of greater risk to capital. Substantially higher weighting towards equities than fixed income investments and moderate market volatility. This is subject to investments as agreed by the Finance Committee.
- The aim of Portfolio Two is to maintain a portfolio which may include a significant proportion of the portfolio in higher risk investments with greater short term potential for losses from overall portfolio in order to generate potentially higher long term returns. There may be higher exposure to equities than fixed income investments and is likely to have low to moderate levels of market volatility. This is subject to exceptions as agreed by the Finance Committee.
- The Council of the Psoriasis Association prefers that direct investment is not made in any shares, bonds or other instrument representing an interest in the production of tobacco or the production of asbestos products.
- The Finance Committee meets twice per year with the investment advisors from Brewin Dolphin to review the portfolios and also receives a quarterly valuation of the portfolios. There is access to the portfolio online, and a contract note detailing each purchase and sale is received, specifying the name and quantity of each share together with price and transaction date. A comprehensive yearend report is also received from the investment advisors.
- The rates of return were in line with the objectives set by the Trustees.

Report of the trustees (continued)

Remuneration policy

The Finance Committee discuss the remuneration of staff annually, giving attention to career progression and training needs for all staff, along with performance.

The salary scale used by the Psoriasis Association is the National Joint Council scale. This is a local government pay scale, frequently used in the voluntary sector. Staff reach a key management role from Spinal Column Point 32 onwards. Three members of staff are currently on Spinal Column Point 32 or above. The total employee benefit of the key management personnel in 2017 was £118,856 (2016 £99,007). This increase is due in part to the return of the Chief Executive from maternity leave.

All staff are enrolled onto the private health and pension scheme following successful completion of a three month probationary period. Staff are entitled to time off in lieu for the equivalent of any overtime that is worked. In exceptional circumstances, should it prove difficult for time off in lieu to be taken as time away from the workplace, the Finance Committee may authorise payment for the overtime hours at the employees' standard rate of pay.

Reserves policy

The Council agrees that in the event of a major financial crisis it would be prudent to hold a minimum of six months operating costs as free reserves, allowing an orderly wind-down of the charity – estimated at £200,000. The Council will normally seek to meet this from current resources and immediate measures would be taken to cut costs. There is also an ongoing policy of seeking to increase income to further the objects of the Psoriasis Association and to ensure adequate reserves. The actual free reserves at 31 December 2017 stood at £269,281. The Finance Committee reviews the Reserves Policy annually.

Risk review

The Psoriasis Association regularly reviews its risk strategy. The Council ensures that available resources are used appropriately to fund work priorities and when necessary curtails activities when funds are not available. The Council considers ways of ensuring income levels for all aspects of the work of the Psoriasis Association. The Psoriasis Association has implemented the Charity Commission's Guidance on Internal Financial Controls for Charities. The Trustees review the Risk Assessment schedule each year.

The Psoriasis Association continues membership of key groups such as the All Party Parliamentary Group on Skin, National Council of Voluntary Organisations, Association of Chief Executives of Voluntary Organisations, Association of Medical Research Charities, Skin Care Cymru and The Alliance in order to be kept abreast of key policy changes affecting the work of the charity. The Psoriasis Association does not rely on government funding, however it does benefit from Gift Aid contributions.

Areas in which highest risk is predicted, including Loss of Key Staff, Security of Assets and Information Technology, with systems in place, can be managed to a more moderate level. All members of staff have notice periods and regular meetings take place between the key management team. Staff are encouraged to embark on training programmes, and the Trustees maintain a budget for staff training purposes. Contracts are in place with external organisations to host the websites of the Psoriasis Association, with security being a priority. The Psoriasis Association is mindful of the General Data Protection Regulations (GDPR) changes being enforced in May 2018 and as such is aiming to run a new database from this date. Significant additional staff training has been provided around the GDPR changes. Outgoing communications will also address any changes required from the GDPR. The Psoriasis Association has insurance policies to cover Employer, Trustee and Public Liability along with Buildings and Contents. During 2017 the Trustees received advice from Hewitsons LLP regarding conversion of the charity to a Charitable Incorporated Organisation. This process is ongoing and will be brought to the attention of the members at the Annual General Meeting in May 2018.

Report of the trustees (continued)

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

The Charities Act 2011 and regulations made thereunder, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of the resources, including the income and expenditure, 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 set out in the Charities SORP (FRS 102) (effective 1 January 2015);
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 and regulations made thereunder, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the trust deed. The Trustees 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.

Approval of financial statements

The Trustees consider that the attached financial statements comply with the requirements of the charity's rules and with the Charities Act 2011.

ON BEHALF OF THE TRUSTEES

N C Evans
Chairman



Independent auditor's report to the Trustees of The Psoriasis Association (registered numbers 257414 and SC039886)

Opinion

We have audited the financial statements of The Psoriasis Association for the year ended 31 December 2017 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2017 and of its 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We have been appointed as auditor under sections 151 of the Charities Act 2011 and 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under those Acts. 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 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.

Who we are reporting to

This report is made solely to the charity's trustees, as a body, in accordance with Section 154 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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 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.



Independent auditor's report to the Trustees of The Psoriasis Association (continued) (registered numbers 257414 and SC039886)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, set out on pages 4 to 20 other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient and proper accounting records; or
- the charity's 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 for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities set out on page 20, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



Independent auditor's report to the Trustees of The Psoriasis Association (continued) (registered numbers 257414 and SC039886)

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 located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Milton Keynes

Date

Grant Thornton UK LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Principal accounting policies

Basis of preparation

The 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 give a 'true and fair' view. This departure has involved following the Statement of Recommended Practice: 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) effective from 1 January 2015 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has been withdrawn, The Charities and Trustee Investment (Scotland) Act 2005, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011. They have been prepared under the historical cost convention except that investments and freehold property are valued at market value (see below).

The charity constitutes a public benefit entity defined by FRS 102.

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The most significant areas of uncertainty that affect the value of assets held by the charity are the level of investment return and the performance of the investment markets. Areas of judgment and key assumptions that affect items in the accounts are based around the timing of legacy income recognition. Grants are awarded only when sufficient funds are held to meet commitments made.

Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Subscriptions, donations, legacies and gifts

All monetary donations and gifts are included in full in the Statement of Financial Activities when receivable, provided that there are no donor-imposed restrictions as to the timing of the performance of the related expenditure, in which case recognition is deferred until the pre-condition has been met.

Legacies entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intent to make distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have been met, then the legacy is treated as a contingent asset and disclosed if material (see note 12).

Local group income is accounted for when received. The local groups' results have not been consolidated into these financial statements as they are not considered to be material in relation to the overall organisation.

Life subscriptions and annual membership subscriptions are accounted for in full when received.

Investment income

Investment income is recognised when receivable. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Principal accounting policies (continued)

Expenditure

Classification of expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to the expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses are allocated or apportioned to the applicable expenditure headings.

Expenditure is shown gross, inclusive of irrecoverable VAT.

Costs of generating voluntary income comprise those costs directly attributable to managing the membership database which includes staff costs, attributable overhead costs and the direct cost of managing the database.

Investment management costs are the fees paid to the investment advisors.

Charitable activities expenditure represents the overhead costs, grants and staff costs incurred for the furtherance of the charity's objectives as stated in the annual report.

Governance costs which are included within charitable activities in the Statement of Financial Activities, represent the costs directly attributable to Trustees' meetings and the audit process such as staff costs, printing, meeting and travel costs.

Grants payable

Grants are recognised when a legal or constructive obligation has been created. All grants payments are subject to satisfactory completion of terms and conditions as set out in the Research Grant Agreement. Grants offered subject to conditions which have not been met at the year-end are noted as a commitment, but are not accrued as expenditure. In 2017 the PhD Studentship grant awarded is for a period of three years and the small grant for 1 year. Small grants are paid in full at time of agreement and PhD Studentships year one at time of agreement with years two and three following satisfactory completion of terms and conditions set.

Fixed assets and depreciation

Tangible fixed assets are capitalised.

Freehold property is stated in the balance sheet at market value. Any revaluation movements will be charged or credited to the statement of financial activities. Depreciation is not charged where the trustees estimate the residual value to be equal to or in excess of the contest valuation.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets except freehold property by equal annual instalments over their expected useful lives. The rate applicable is 5 years straight line for fixtures and fittings.

Principal accounting policies (continued)

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Unrealised investment gains and losses are allocated to Endowments and realised investment gains and losses to General Funds as shown in the Statement of Financial Activities.

Contributions to pension funds

Defined Contribution Schemes

The pension costs charged against income represents the amount of contributions payable to the schemes in respect of the accounting period.

Leased assets

All leases are regarded as operating leases and the payments made under them are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Fund accounting

Endowment funds are funds which are held as capital. They represent the market value of investments and cash deposits. The income from Endowment fund investments and cash deposits are shown as income in the restricted and general funds.

Restricted funds are to be used for specified purposes laid down by the donor. Expenditure for those purposes is charged to the fund, together with a fair allocation of overheads and support costs.

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the charity. A proportion of these funds have been set aside by the Trustees for specific purposes and these are referred to as Designated funds.

The Psoriasis Association

Financial statements for the year ended 31 December 2017

Statement of financial activities

	Note	Unrestricted funds			Restricted funds	Endowment funds	Total 2017	Total 2016
		General £	Designated £	Property £	£	£	£	£
Income and endowments from								
Donations and legacies	1	467,612	-	-	8,732	-	476,344	474,881
Income from investments	2	74,319	-	-	73,541	-	147,860	150,355
Income from Charitable activities	3	23,261	-	-	-	-	23,261	37,851
Total income and endowments		565,192	-	-	82,273	-	647,465	663,087
Expenditure on								
Raising funds	4	81,334	8,119	-	-	-	89,453	89,714
Charitable activities	4	201,982	30,300	-	153,020	-	385,302	504,901
Total expenditure	4	283,316	38,419	-	153,020	-	474,755	594,615
Net gains /(losses) on investments		22,914	-	-	-	281,301	304,215	291,909
Net income /(expenditure)		304,790	(38,419)	-	(70,747)	281,301	476,925	360,381

The accompanying accounting policies and notes form part of these financial statements.

The Psoriasis Association

Financial statements for the year ended 31 December 2017

Statement of financial activities (continued)

	Note	Unrestricted funds			Restricted funds	Endowment funds	Total 2017	Total 2016
		General £	Designated £	Property £				
Transfers between funds		(282,650)	150,000	-	132,650	-	-	
Gains on revaluation of fixed assets		-	-	-	-	-	196,000	
Net movement in funds		22,140	111,581	-	61,903	281,301	556,381	
Reconciliation of funds								
Total funds brought forward		247,141	981,311	490,000	486,747	3,543,239	5,192,057	
Total funds carried forward		269,281	1,092,892	490,000	548,650	3,824,540	5,748,438	

The accompanying accounting policies and notes form part of these financial statements.

Balance sheet

	Note	2017	2016
		£	£
Fixed assets			
Tangible fixed assets	8	490,000	490,000
Investments	9	4,965,121	4,484,302
		<u>5,455,121</u>	<u>4,974,302</u>
Current assets			
Debtors	10	116,853	29,844
Cash at bank and in hand		723,810	756,835
		<u>840,663</u>	<u>786,679</u>
Creditors: amounts falling due within one year	11	70,421	12,543
Net current assets		<u>770,242</u>	<u>774,136</u>
Total assets less current liabilities		<u>6,225,363</u>	<u>5,748,438</u>
Capital funds			
Endowments	13	3,824,540	3,543,239
Income funds			
Restricted funds	14	548,650	486,747
Unrestricted funds:			
Property fund		490,000	490,000
General funds		269,281	247,141
Designated funds	15	1,092,892	981,311
		<u>6,225,363</u>	<u>5,748,438</u>

The financial statements were authorised and approved by the Board of Trustees on

N Evans
Chairman

Brian Murkin
Treasurer

The accompanying accounting policies and notes form part of these financial statements.

Statement of cash flows

	Note	2017 £	2016 £
Net cash generated from operating activities	17	18,633	22,031
<i>Cash flows from investing activities:</i>			
Interest received		4,369	2,959
Investment income received		143,491	147,396
Purchase of investments		(1,584,156)	(1,398,627)
Sale of investments		1,384,638	1,400,909
Net cash (utilised)/provided by investing activities		<u>(51,658)</u>	<u>152,637</u>
Change in cash and cash equivalents in the year		(33,025)	174,668
Cash and cash equivalents brought forward		<u>756,835</u>	<u>582,167</u>
Cash and cash equivalents carried forward		<u><u>723,810</u></u>	<u><u>756,835</u></u>

Notes to the financial statements

1 Donations and legacies

	2017	2016
	£	£
Membership subscriptions		
- individual	38,666	40,785
- corporate	10,250	10,000
Gift Aid from subscriptions and donations	11,163	12,534
Donations from Charitable Trusts	600	2,600
Donations in memoriam	7,224	5,859
Other donations	12,904	11,158
Legacies (see below)	373,383	372,132
Bank interest receivable	9	26
Group income	-	3,122
Fundraising income donated by individuals	22,145	16,665
	<u>476,344</u>	<u>474,881</u>

The Psoriasis Association is committed to complying with the Charities (Protection and Social Investment) Act 2016 and has not employed any professional third party fundraising organisation during 2017. Cold calling and direct mailing for fundraising purposes are not utilised by the Psoriasis Association and supporter details are not shared or sold to any third party. No complaints were received in 2017 with regard to fundraising activities.

Legacies received during the year are as follows:

	2017	2016
	£	£
Joyce Standley	-	1,751
Erika Pfeffer	-	5,735
Mary Elizabeth Haskell	-	5,000
Grace Margaret Grundon	-	3,002
Ceridwen Roach	-	2,000
Ujar Singh and Jai Kaur	-	7,650
Lizzie Jessie Alice Smart	-	10,000
Gordon Frank Felce	-	2,500
Eileen Mavis Leadley	-	4,578
June Aurelie Jenkins	-	28,866
Julie Margaret McKnight	-	48,450
Joy Murrell	138,000	150,000
George William Grove	80,987	100,000
Susan Jayne Larby	42,000	-
Mary Frances Harper	19,494	-
Miss C Burrell	14,984	-
Mr J Greenwood	50,000	-
Doris Rosina Diston	19,893	-
Other legacies	8,025	2,600
	<u>373,383</u>	<u>372,132</u>

Notes to the financial statements (continued)

2 Income from investments

Investment income comprises income from:

	2017 £	2016 £
Listed investments	143,491	147,396
Bank deposits	4,369	2,959
	<u>147,860</u>	<u>150,355</u>

3 Income from charitable activities

	2017 £	2016 £
Corporate sponsorship	13,900	17,298
Trust donations	1,000	1,000
Bank interest receivable	8	26
Journal advertising	2,580	2,580
Annual Conference/AGM and Awareness week	1,347	1,593
Reimbursements	3,087	3,063
Other	1,339	12,291
	<u>23,261</u>	<u>37,851</u>

4 Analysis of total resources expended

	Staff costs £	Other £	Total 2017 £	Total 2016 £
Raising funds:				
Costs of generating voluntary income	37,506	19,675	57,181	59,959
Investment management costs	-	32,272	32,272	29,755
Charitable activities:				
Charitable activities	109,576	235,426	345,002	482,153
Governance costs	24,907	15,393	40,300	22,748
	<u>171,989</u>	<u>302,766</u>	<u>474,755</u>	<u>594,615</u>
Total				

Notes to the financial statements (continued)

Analysis of total resources expended (continued)

Total resources expended include:

	2017	2016
	£	£
Raising funds		
Rent and rates	203	233
Heat and light	453	446
Phone and fax	204	182
Internet and email	202	190
Office insurance	283	257
Hire/repair and maintenance of equipment	514	519
Professional fees	77	75
Bank charges	897	933
Computer costs	1,175	1,225
Printing and stationery	608	358
Annual report	1,247	1,236
Post and carriage	445	593
Fundraising costs	2,770	1,465
Staff recruitment costs	200	-
Website	176	40
Subscriptions	777	744
Sundries	152	357
Office equipment	125	-
Property maintenance	1,048	887
Designated fund (development)	8,119	4,167
	<hr/>	<hr/>
	19,675	13,907
	<hr/>	<hr/>
Investment Management Costs	32,272	29,755
	<hr/>	<hr/>
Charitable activities		
Grants payable	152,500	239,470
Rent and rates	608	698
Heat and light	1,361	1,337
Phone and fax	815	726
Internet and email	808	761
Office insurance	850	772
Hire/repair and maintenance of equipment	1,541	1,557
Professional fees	141	137
Bank charges	898	934
Computer costs	1,176	1,225
Printing and stationery	1,824	1,076
Printing educational	1,104	5,054
Annual report	2,494	2,472
Journals and postage	8,661	9,076
Post and carriage	1,780	2,373
	<hr/>	<hr/>
	176,561	267,668

Notes to the financial statements (continued)

Analysis of total resources expended (continued)

	2017	2016
	£	£
Brought forward	176,561	267,668
Staff Recruitment	299	-
Advertising and promotion	9,175	5,823
Website	704	158
Travel and subsistence	1,731	963
Meetings and conferences	1,826	1,058
AGM costs	2,630	2,793
Grant Management	7,361	-
Subscriptions	777	744
Sundries	246	411
Office equipment	125	-
Property maintenance	3,668	3,103
Designated fund (staff training)	2,370	492
Designated fund (promotion and education)	17,586	92,036
Designated fund (development)	9,847	4,055
Scotland	520	520
	<u>235,426</u>	<u>379,824</u>
Governance costs		
Sundries	158	758
Trustees insurance	742	694
Auditor's remuneration – audit services	10,815	10,718
Surveyor fees	-	1,140
Annual report	416	412
Travel and subsistence	1,311	1,616
Legal Fees	264	-
AGM costs	657	698
Property maintenance	524	443
Professional fees	9	9
Designated fund (staff training)	497	288
	<u>15,393</u>	<u>16,776</u>
	<u>302,766</u>	<u>440,262</u>

An analysis of support costs relating to the above headings has not been carried out or disclosed above as they are not considered to be of a material amount.

Notes to the financial statements (continued)

5 Grants payable

The amount paid in the year comprises:

	2017	2016
Research grants:		
Dr Elise Kleyn, University of Manchester	-	9,970
Dr Henry Grantham, Newcastle University	4,000	-
PhD studentship grants 2017:		
Dr Francesca Capon, Kings College, London	27,000	-
Prof Eugene Healy, Southampton University	27,000	-
Dr Richard Warren, University of Manchester	27,000	-
PhD studentship grants 2016:		
Dr Tim Millar, University of Southampton	13,500	13,500
PhD studentship grants 2015:		
Prof Silvia Bulfone-Paus, University of Manchester	27,000	27,000
Dr Francesca Capon, Kings College, London	-	27,000
Dr Patricia Martin, Glasgow Caledonian University	27,000	27,000
PhD studentship grants 2014:		
Dr Chris Bundy, University of Manchester	-	27,000
Dr Elise Kleyn, University of Manchester	-	27,000
Dr Julian Knight, Oxford University	-	27,000
Dr Richard Warren, University of Manchester	-	54,000
	<u>152,500</u>	<u>239,470</u>

Reconciliation of grants payable:

	2017	2016
	£	£
Commitments at 1 January 2017 subject to the satisfaction of grant conditions	108,000	297,000
Commitments made in the year subject to the satisfaction of grant conditions	247,000	50,470
Grants payable during the year	<u>(152,500)</u>	<u>(239,470)</u>
Commitments at 31 December 2017 subject to the satisfaction of grant conditions	<u>202,500</u>	<u>108,000</u>

Notes to the financial statements (continued)

5 Grants payable (continued)

Commitments are payable as follows:

	2017	2016
	£	£
Within one year	121,500	94,500
Within two years	81,000	13,500
	<u>202,500</u>	<u>108,000</u>

Commitments

The commitments noted above have been approved by the National Council and will be payable provided the grant conditions are met. Grants are payable from Restricted Funds.

All of the above grants were made in accordance with the grant making policies on pages 7 to 9.

6 Employees

Staff costs during the year were as follows:

	2017	2016
	£	£
Wages and salaries	150,553	133,456
Social security costs	14,289	12,987
Other pension costs	7,147	7,910
	<u>171,989</u>	<u>154,353</u>

The average number of employees of the charity during the year was 6 (2016 - 6).

Pension costs are proportioned to the related staff costs incurred and are wholly charged to unrestricted funds.

No employee had employment benefits in excess of £60,000 per annum or more in the current or preceding accounting period.

There are 3 key management personnel excluding Trustees (2016 - 3) with total employee benefits of £118,856 (2016 - £99,007).

7 Trustees' remuneration and expenses

No Trustee or person with a family or business connection with a Trustee, received remuneration in the year, directly or indirectly, from the charity.

Travel expenses have been reimbursed during the year. 5 (2016 - 6) Trustees received a total of £843 (2016 - £671).

Notes to the financial statements (continued)

8 Tangible fixed assets

	Total £	Fixtures and fittings £	Freehold property £
Cost or valuation			
At 1 January 2017	519,602	29,602	490,000
Revaluation	-	-	-
At 31 December 2017	<u>519,602</u>	<u>29,602</u>	<u>490,000</u>
Depreciation			
At 1 January 2017	29,602	29,602	-
Provided during the year	-	-	-
At 31 December 2017	<u>29,602</u>	<u>29,602</u>	<u>-</u>
Net book amount at 31 December 2017	<u>490,000</u>	<u>-</u>	<u>490,000</u>
Net book amount at 31 December 2016	<u>490,000</u>	<u>-</u>	<u>490,000</u>

The net book value at 31 December 2017 and 31 December 2016 represents fixed assets used solely for direct charitable purposes.

The freehold property has been valued at 31 December 2017 by the Trustees at market value. If the freehold property had not been revalued, it would have been included at cost of £462,015 at 31 December 2017 and 31 December 2016 respectively.

9 Fixed asset investments

	No 1 Portfolio £	No 2 Portfolio £	Total £
Investments			
Listed investments			
Market value at 1 January 2017	2,349,684	2,134,618	4,484,302
Additions	943,046	641,110	1,584,156
Disposals	(811,085)	(573,553)	(1,384,638)
Net unrealised investment gain	<u>163,060</u>	<u>118,241</u>	<u>281,301</u>
Market value at 31 December 2017	<u>2,644,705</u>	<u>2,320,416</u>	<u>4,965,121</u>

Listed investments are stated at their bid price at the balance sheet date.

The significance of financial instruments to the ongoing financial sustainability of the charity is considered in the principal accounting policies, financial review and investment policy.

Notes to the financial statements (continued)

9 Fixed asset investments (continued)

The main risk to the charity from financial instruments lies in the combination of uncertain investment markets and volatility in yield. The charity is reliant in part on dividend yield to finance its work and this may lead to greater exposure to international companies, the value of which, together with their yield are exposed to exchange rate risk when converting the holdings to sterling.

The charity manages all investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges, and adopts a view that investments are held for their longer term yield with confidence that volatility noted in any particular 5 year period will normally be corrected.

If the listed investments had not been revalued, they would have been included on the historical cost basis at the following amounts:

	No 1 Portfolio £	No 2 Portfolio £	Total £
Historical cost at 31 December 2017	<u>2,094,209</u>	<u>2,039,167</u>	<u>4,133,376</u>
Historical cost at 31 December 2016	<u>1,802,398</u>	<u>1,922,884</u>	<u>3,725,282</u>

Realised gains made during the year on disposals totalled £ 22,914 (2016 - £105,178).

The investments are registered as follows:

	No 1 Portfolio £	Market value		Total 2016 £
		No 2 Portfolio £	Total 2017 £	
United Kingdom	1,647,790	1,678,230	3,326,020	2,711,377
Overseas	<u>996,915</u>	<u>642,186</u>	<u>1,639,101</u>	<u>1,772,925</u>
	<u>2,644,705</u>	<u>2,320,416</u>	<u>4,965,121</u>	<u>4,484,302</u>

10 Debtors

	2017 £	2016 £
Investment income	22,823	23,806
Other debtors	90,333	2,350
Prepayments	<u>3,697</u>	<u>3,688</u>
	<u>116,853</u>	<u>29,844</u>

Notes to the financial statements (continued)

11 Creditors: amounts falling due within one year

	2017 £	2016 £
Grants approved, not yet paid	58,000	-
Other creditors	1,365	348
Accruals	11,056	12,195
	<u>70,421</u>	<u>12,543</u>

12 Contingent assets – legacy income

As at 31 December 2017 the Trustees have been notified of 2 (2016 – 5) residuary legacies the values of which are uncertain and have not therefore been accrued.

13 Endowments

Permanent Endowment funds	Josie Bradbury Memorial £	Research £	Total £
At 1 January 2017	25,039	3,518,200	3,543,239
Unrealised investment gains	-	281,301	281,301
	<u>25,039</u>	<u>3,799,501</u>	<u>3,824,540</u>
At 31 December 2017			

The Josie Bradbury Memorial fund was established in 1974 and the Education fund in 1976 and were amalgamated in 2015 to promote a wider awareness of Psoriasis and income for approved research projects. It is represented by quoted investments and cash deposits.

The Research fund has accumulated since 1976 as a result of legacies and other gifts and provides income for approved research projects. It is represented by quoted investments and cash deposits.

The income from investments is shown as an incoming resource into the restricted and unrestricted fund (see notes 2 and 13). The income from cash deposits is shown as an incoming resource into the unrestricted fund.

The realised gains and losses on the sales of investments are shown as income for the unrestricted fund.

Notes to the financial statements (continued)

14 Restricted funds

	Research £	Scotland £	Total £
At 1 January 2017	377,346	109,401	486,747
Incoming resources	81,967	306	82,273
Expenditure	(125,500)	(27,520)	(153,020)
Transfers	140,000	(7,350)	132,620
	<u>473,813</u>	<u>74,837</u>	<u>548,650</u>
At 31 December 2017	<u>473,813</u>	<u>74,837</u>	<u>548,650</u>

The Research fund was established in 1971 by donations from branches to provide income for approved research projects.

The Scotland fund was established in 2009 following a specific bequest to develop the Association's work in Scotland.

15 Designated funds

	Training £	Development £	Education £	Research £	50 th Anniversary £	Total £
At 1 January 2017	27,978	86,309	427,024	40,000	400,000	981,311
Expenditure	(2,867)	(17,966)	(16,880)	(706)	-	(38,419)
Transfers	-	-	5,000	45,000	100,000	150,000
	<u>25,111</u>	<u>68,343</u>	<u>415,144</u>	<u>84,294</u>	<u>500,000</u>	<u>1,092,892</u>
At 31 December 2017	<u>25,111</u>	<u>68,343</u>	<u>415,144</u>	<u>84,294</u>	<u>500,000</u>	<u>1,092,892</u>

The Education Fund was created in 2003 for the promotion of the wider awareness of Psoriasis. The Development Fund was created in 2004 for the development of the membership database and new technology. The Research Fund was created in 2006 following the receipt of a legacy with a request from the family of the benefactor that it be spent on research outside the scope of the Psoriasis Association research programme. The Training Fund was created in 2008 for Staff further education courses. The 50th Anniversary Fund was established in 2015 for the purpose of funding a significant commemorative project. Designated Funds have been supported by transfers throughout the year from unrestricted funds.

The development of a new supporter database is ongoing with planned completion summer 2018, in line with GDPR compliance requirements. Work will continue in 2018 towards significant commemorative projects to co-inside with the 50th Anniversary of the Psoriasis Association in 2018. The filming of speaker sessions at the Psoriasis Association Annual Conference was funded from the Education fund in 2017, for availability through the Psoriasis Association main website and social media channels, additional funding being available for 2018 filming. The Psoriasis Association funded a Psoriasis Priority Setting Partnership (PSP) project in 2016 from the Research fund with ongoing support costs during 2017. A contingency amount has been transferred to the Research fund for non-research programme projects. Staff training in 2017 was supported by the Training fund, with four members of staff attending training programmes. A new accounting system is to be installed in 2018 supported by the Development fund.

Notes to the financial statements (continued)

16 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £
Tangible fixed assets	490,000	-	-	490,000
Investments	820,000	450,000	3,695,121	4,965,121
Current assets	612,594	98,650	129,419	840,663
Current liabilities	(70,421)	-	-	(70,421)
	<u>1,852,173</u>	<u>548,650</u>	<u>3,824,540</u>	<u>6,225,363</u>
Unrealised gains included above:				
Tangible fixed assets	196,000	-	-	196,000
Investments	137,238	74,857	619,650	831,745

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

	2017 £	2016 £
Net movement in funds	476,925	556,381
Interest and investment income receivable	(147,860)	(150,355)
Net gains on investments	(281,301)	(186,731)
Gain on revaluation of fixed assets	-	(196,000)
Increase in debtors	(87,009)	(4,133)
Increase in creditors	57,878	2,869
Net cash (used)/ generated from operating activities	<u>18,633</u>	<u>22,031</u>

18 Transfers between funds

A grant was received from Janssen-Cilag in support of filming speaker sessions at the Psoriasis Association Annual Conference which has been transferred to Designated Funds. Legacy monies have been transferred to the Designated Funds in support of the 50th Anniversary Fund. Legacy monies have been transferred to the Designated Funds for research projects not included in the Psoriasis Associations research programme. Legacy monies have been transferred to the Restricted Funds in support of the Psoriasis Association research programme.

19 Pensions**Defined Contribution Schemes**

The charity operates a defined contribution pension scheme for the benefit of employees. The assets of the scheme are administered by Trustees in a fund independent from those of the charity.

Notes to the financial statements (continued)

20 Leasing commitment

Other operating lease payments amounting to £ 2,006 (2016 - £2,006) are due within one to five years.

The Psoriasis Association

Financial statements for the year ended 31 December 2017

Notes to the financial statements (continued)

21 Statement of financial activities – prior year comparatives

	Unrestricted funds			Restricted funds	Endowment funds	Total 2016
	General	Designated	Property	funds	funds	Total
	£	£	£	£	£	£
Income and endowments from						
Donations and legacies	454,785	-	-	20,096	-	474,881
Income from investments	72,842	-	-	77,513	-	150,355
Income from Charitable activities	27,851	-	-	10,000	-	37,851
Total income and endowments	555,478	-	-	107,609	-	663,087
Expenditure on						
Raising funds	85,547	4,167	-	-	-	89,714
Charitable activities	168,040	96,871	-	239,990	-	504,901
Total expenditure	253,587	101,038	-	239,990	-	594,615
Net gains / (losses) on investments	105,178	-	-	-	186,731	291,909
Net income/(expenditure)	407,069	(101,038)	-	(132,381)	186,731	360,381

Notes to the financial statements (continued)

Statement of financial activities – prior year comparatives (continued)

	Unrestricted funds			Restricted funds	Endowment funds	Total 2016
	General	Designated	Property			
	£	£	£	£	£	£
Transfers between funds	(346,500)	366,500	-	(20,000)	-	-
Gains on revaluation of fixed assets	-	-	196,000	-	-	196,000
Net movement in funds	<u>60,569</u>	<u>265,462</u>	<u>196,000</u>	<u>(152,381)</u>	<u>186,731</u>	<u>556,381</u>
Reconciliation of funds	186,572	715,849	294,000	639,128	3,356,508	5,192,057
Total funds brought forward	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total funds carried forward	<u><u>247,141</u></u>	<u><u>981,311</u></u>	<u><u>490,000</u></u>	<u><u>486,747</u></u>	<u><u>3,543,239</u></u>	<u><u>5,748,438</u></u>