

THE SCAR FREE FOUNDATION

England & Wales · Charity number 1078666

Details

Other names THE HEALING FOUNDATION, THE HEALING TRUST

Status Registered

Legal form Charitable company

Company number [03831398](#)

Registered 1999-12-17

Register [View on the Charity Commission register](#)

Contact

Address The Scar Free Foundation
Royal College Of
Surgeons Of England
38-43 Lincoln's Inn Fields
London
WC2A 3PE

Phone 02039585800

Email INFO@scarfree.org.uk

Website www.scarfree.org.uk

Activities

Objects: FOR THE RELIEF OF SICKNESS AND FOR THE PROTECTION AND PRESERVATION OF PUBLIC HEALTH BY:- (1) CARRYING OUT AND FUNDING RESEARCH INTO THE IMPROVEMENT OF TREATMENTS FOR THE BENEFIT OF PEOPLE WHO SUFFER FROM PHYSICAL, PSYCHOLOGICAL, SOCIAL, OR EMOTIONAL DISADVANTAGE AS A RESULT OF PHYSICAL DISFIGUREMENT OR FUNCTIONAL IMPAIRMENT PRESENT AT BIRTH OR ACQUIRED THROUGH ACCIDENT, DISEASE, OR ILLNESS AND INTO THE PREVENTION OF ACCIDENTS WHICH MAY CAUSE SUCH CONDITIONS; AND (2) DISSEMINATING THE USEFUL RESULTS OF SUCH RESEARCH AND TO HELP TRAIN HEALTH WORKERS IN APPROPRIATE TREATMENTS THROUGHOUT THE WORLD; AND (3) INFORMING PEOPLE ABOUT THE AVAILABILITY OF SUCH TREATMENTS

Activities: Carry out and fund research into the improvement of treatments for the benefit of people who suffer from physical, psychological, social or emotional disadvantages as a result of physical disfigurement or functional impairment present at birth or acquired through accident, disease or illness and into the prevention of accidents which may cause such conditions.

Classification

- **How:** Makes Grants To Organisations, Sponsors Or Undertakes Research
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives
- **Who:** Other Defined Groups

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£493,298	£1,052,511	-	-
2024-03-31	£868,951	£1,114,630	£2,960,634	5
2023-03-31	£1,252,740	£1,610,710	£3,197,215	4
2022-03-31	£1,090,637	£1,865,229	£3,603,270	5
2021-03-31	£1,985,844	£1,784,966	£4,354,018	6

Trustees

Name	Role	Appointed
Professor Sir Bruce Edward Keogh	Chair	2014-07-16
Alison Clarke		2018-02-14
Bridget Edminson		2025-11-01
Galina Wells		2026-01-28
Hemani Modasia-Shah		2022-01-20
Iwan Robert-Mok		2026-01-28
Liaquat Verjee		2025-04-01
Sam Tillotson		2026-01-28
Sridhar Athreya		2026-01-28

THE SCAR FREE FOUNDATION

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Accounts

The logo features a large red '25' with three diagonal lines on the top left and bottom right. To the right of the '5' is the word 'YEARS' in red. Below this, the word 'THE' is centered in red. Underneath 'THE' is a red rectangular box containing the word 'SCAR' in white, followed by the word 'FREE' in red. At the bottom, the word 'FOUNDATION' is written in large red capital letters.

25 YEARS
THE
SCAR FREE
FOUNDATION

**THE ANNUAL REPORT
& AUDITED ACCOUNTS**

31st March 2025

Chairman of the Board of Trustees
Professor Sir Bruce Keogh

THE SCAR FREE FOUNDATION
The Royal College of Surgeons of England
35-43 Lincoln's Inn Fields
London WC2A 3PE

OUR VISION

A world without scarring

OUR MISSION

To achieve scar free healing within a generation and transform the lives of those affected by scarring

CHAIRMAN'S MESSAGE

When facing the apparently intractable problem of scar free healing, it helps to step back and reflect on the pace of scientific change.

Only 65 years after the Wright brothers' first heavier than air flight, Neil Armstrong set foot on the moon.

Over the following 50 years, things have moved even faster. We have harnessed nuclear energy and seen the transistor give way to silicon chips and rapidly increasing computer power. This in turn has ushered in the ubiquitous use of personal computers, the internet, smartphones, digital cameras and streaming services, along with machine learning and increasingly sophisticated artificial intelligence.

Similarly, medical science has advanced with the introduction of birth control pills, CT and MRI scanners and progressively complex surgical procedures. But above all, it was the joint discovery of DNA by a cousin of our Chief Executive, Rosalind Franklin at Kings College in London, and Francis Crick and James Watson in Cambridge that has changed the face of medical science. DNA influences the way individual cells function and respond to insults such as disease and trauma. This is now the new frontier in medical science.

This science is also accelerating. Even over the last year we have seen some remarkable progress. Building on the success of mRNA vaccines against COVID-19, researchers have made substantial progress in utilising this technology for cancer, HIV, and infectious diseases. Gene editing and stem cell technology have continued to evolve, offering cures for previously incurable diseases such as haemophilia, sickle cell anaemia and muscular dystrophy. There is even an early report of stem cell technology being used to cure insulin dependent diabetes.

How is this relevant to scarring? Firstly, scarring is the way the body heals imperfectly but rapidly – speed over perfection. It is the biological and cellular response to damage. Secondly, we know that some animals, human foetuses and even our own liver heal without scarring. Therefore, there must be mechanisms in biology that we can unlock to reduce or eliminate scarring. Understanding and modifying these mechanisms through emerging biological science gives us confidence that scar free healing is achievable.

This confidence is enhanced by the combination of medical science with computational advances in machine learning and artificial intelligence. Earlier this year a British scientist won the Nobel prize for developing an AI system which can accurately predict a protein's 3-D structure from its amino acid sequence which, in turn, is encoded in a cell's DNA. Drug companies are using AI to re-look at old drugs to see which may offer a new treatments for different diseases, while researchers are using it to identify 'scar-associated' genes and analyse the immense scientific and clinical literature to focus on solutions, such as scar free healing.

So, given this and the human and financial burden of scarring, we have set ourselves the goal of supporting research that will lead to a world of scar free healing within a generation.

Our charity has struggled since the pandemic, but we can now see a pipeline of grant income. This is down to the relentless focus and adaptability of our small and dedicated team, led by our Chief Executive, Lt General Richard Nugee, and supported by our Trustees.

All of us would like to thank Alexandra Thrower who served as a legal Trustee for six years who demitted office this year due to pressures of work. We wish Alex success in her career. In turn we welcome Dr Liaquat Verjee as a Trustee; he comes with great energy and experience, having been the beneficiary of Scar Free funding earlier in his career.

Finally, I would like to thank all our Ambassadors, donors, scientists and surgeons who are helping to drive our ambition to reality.

A handwritten signature in black ink that reads "Bruce Keogh". The signature is written in a cursive style with a long horizontal line extending from the end.

Professor Sir Bruce Keogh KBE, FMedSci, FRCS, FRCP
Chairman

CHIEF EXECUTIVE'S WELCOME

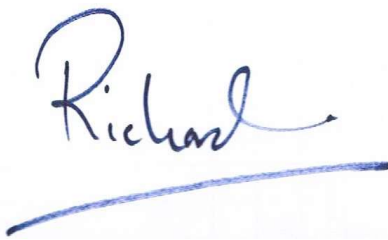
This year, 2024, we celebrated our 25th Anniversary, proud of the incredible achievements over the last 25 years in the vital areas of research into scar free healing (and attracting upwards of £50 million in grant giving, matched funding and funding in kind). We celebrated with a superb two day international symposium at the Royal Society introduced by a video message from our Royal Patron, HRH the Duchess of Edinburgh, with over 80 of the top scientists and researchers in this area of medicine, from the US and Europe. We included a short session on the real effects of war and conflict, with contributions from Ukraine and Gaza. We also celebrated by holding a very well attended party, with 200 of our closest friends, hosted by our President Lord Stuart Rose, which included the new Minister for Defence People and Veterans, Al Carns DSO MC OBE, who spoke vividly about the effect of his own scars, and a very moving speech from one of our most supportive Ambassadors, Lottie Pollack.

This has been a year of contrasts. Very sadly, our Trustee and most generous supporter David Allen, passed away; we were privileged to have been invited to his funeral. But on a much more positive note, our royal patron visited two of our research centres during the year. In October 2024 HRH Duchess of Edinburgh visited Swansea University to meet with Dr Denis Mukwege, a Nobel Laureate who has been pioneering clinical support for victims of conflict related sexual violence. This visit has sparked the possibility in the future of creating a Centre to research, educate and practice developed techniques to support victims - the Swansea Panzi Alliance for Reconstruction Centre (SPARC). In March this year our Royal Patron also visited Bristol University to meet with the team looking at advanced genetic identifiers for scar free healing, and the Cleft Collective, which was primarily funded by David Allen; we were privileged to have been joined on this visit by Maria, David's daughter. And importantly the charity was asked, as only one of 5 AMRC medical research charities, to showcase their output to MPs and Lords in Parliament, a rare honour.

Over the year we have further evolved our research ideas. While we still categorise our research into *Identifying* the causes of scarring, *Changing* the pathways by which the body scars, and *Supporting* those with scars, we have simplified what type of scars we address into Scars from Conflict (which incorporates conflict wounds and scars from conflict related sexual violence) and Scars in Peace (which incorporates burns and the discovery science of the genetic makeup of scars). We have started the research into the AFTER Study: Armed Forces genital Trauma and psychosexual Experiences Research, after a generous grant from the Armed Forces Covenant Fund Trust, and have sponsored a PhD looking into the possible uses of Bioglass. The charity has been recognised as one of the Legacy participants for the Invictus Games in 2027, coming to Birmingham, with some potentially exciting projects in collaboration with the Defence Science and Technology Laboratories, looking at conflict wound healing.

We had our most successful Big Give year in the Autumn, which topped off a good year in fundraising, although less than our ambitious targets. In the future we are looking to significantly diversify and widen our fundraising approaches, to ensure that our strong supporter base has every opportunity to contribute. As part of this we are looking to revitalise how our Ambassadors can contribute more fully. Part of this has been a complete rewrite and launch of a much refreshed website, and improved and much more focused communications with our supporters.

As a small charity with a very small staff, every change in people matters, and we were sad to lose some excellent staff. They have been replaced and the team now feels settled and very positive about the future so that those who have been affected by scarring can be even better supported over the coming years. As was said last year, there is still a mountain to climb: there are more than 20 million people living with scarring in the UK today and the needs of people affected by scarring conditions - lost function, reduced mobility, psychological challenges - remain the same within ever increasing pressure on the NHS. We are still on track to be able to improve their lives and those around the world who suffer from scarring.

A handwritten signature in blue ink that reads "Richard". The signature is written in a cursive style and is underlined with a single horizontal stroke.

Lt Gen Richard Nugee CB CVO CBE
Chief Executive

COMPANY INFORMATION

Company Number

03831398

Charity Number

1078666

Patron

HRH The Duchess of Edinburgh

President

Lord Stuart Rose

Vice Presidents

Dr Geraldine Brough

Lord Christopher Patten

Professor Sir Kenneth Calman

Professor Sir John Temple

Trustees

Professor Sir Bruce Keogh, Chairman

Mr Richard Collier, Honorary Treasurer

Professor Peter Weissberg, Research Council Chairman

Ms Alison Clarke

Dr Hemani Modasia-Shah

Mr Timothy Streatfeild

Mr Liaquat Verjee

Partner Members of The Scar Free Foundation

British Association of Plastic Reconstructive and Aesthetic Surgeons (BAPRAS)

British Association of Aesthetic Plastic Surgeons (BAAPS)

British Burn Association (BBA)

British Psychological Society (BPS)

British Society for Surgery of the Hand (BSSH)

Craniofacial Society of Great Britain & Ireland (CFSGB&I)

Staff

Lt Gen Richard Nugee - Chief Executive

Ms Charlotte Coates - Head of Research, appointed Deputy Chief Executive from 1st February 2025

Ms Amanda McKechnie-Head of Finance & Operations; on maternity leave from February 2024 and resigned on 23rd February 2025

Dr Lubna Arif-Schmidt - Head of Development, served from July 2023 and resigned 6th February 2025

Ms Jenni Herd - Communications and Project Manager, served from August 2023 and resigned 13th September 2024

Ms Catherine Attwood - Finance and Operations Manager (maternity cover from February 2024); appointed Head of Finance & Operations from 23rd February 2025

Ms Suz Mendus - Communications Manager; appointed 14th October 2024

Bankers

CAF Bank Ltd
25 King's Hill Avenue
West Malling
Kent
ME19 4JQ

Cash Management Platform

Flagstone Group Ltd
1st Floor Clareville House
26-27 Oxendon Street
London
SW1Y 4EL

Auditors

Buzzacott Audit LLP
130 Wood Street
London
EC2V 6DL

Solicitors

Baker McKenzie
280 Bishopsgate
London
EC2M 4RB

Registered Office Address

The Royal College of Surgeons
38-43 Lincoln's Inn Fields
London
WC2A 3PE

TRUSTEE'S REPORT

The Trustees present their report and the audited financial statements for the year ended 31 March 2025.

Reference and administrative information set out on pages six and seven form part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, the Charities Act 2011 and 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 United Kingdom and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

The Scar Free Foundation is a charitable company limited by guarantee, incorporated on 25th August 1999 and registered as a charity on 17th December 1999.

The charity's constitutional document is its Articles of Association which set out the charitable objectives. Our aim is to raise funds in the most efficient and cost-effective way; to invest in and manage high-quality research in the UK and Ireland; and to run the charity in a transparent, accountable and sustainable manner to deliver transformational change for people with scarring.

OBJECTS AND AIMS OF THE CHARITY

The Scar Free Foundation's charitable objectives are the relief of sickness and the protection and preservation of public health by:

- carrying out and funding research into the development of treatments and interventions for scarring. This will benefit people who live with a physical, psychological, social, or emotional disadvantage as a result of scarring present at birth or acquired through accident, disease, illness, conflict or terrorist attacks;
- disseminating the useful results of such research and to help train health workers in appropriate treatments throughout the world;
- informing people about the availability of such treatments for scarring.

The Charity is governed by a Board of Trustees chaired under powers defined in the Memorandum and Articles of Association.

The Board is supported by two sub-committees: the Finance and Operations Committee and the Research Council.

The day-to-day running of the Charity is the responsibility of the Executive Team, led by the Chief Executive, Lt Gen Richard Nugee.

The Charity Governance Code has been adopted by the Foundation and the Code's principles are regularly revisited by the Chief Executive and the Board.

Governance

The Board

The Trustees confirm that they have referred to the Charity Commission's guidance on public benefit in their annual review of aims and objectives, and in all future planning of the charity's activities. We believe the benefits of our work – to a broad public of people and families affected by scarring, both now and in the future – are clearly demonstrated through our commitment to advancing understanding and developing improved treatments. These benefits are particularly evident in our work on burns, conflict wounds, and our scientific pursuit of scar free healing, where our research could lead to fewer serious injuries and the possibility of scar-free recovery.

The governing body of the charity is the Board of Trustees (the Board), which holds overall responsibility for the governance and strategic direction of the organisation. The Board ensures that the charity complies with its legal and regulatory obligations while delivering its charitable objectives. It sets the vision, mission, and values of the charity, oversees the long-term strategy, approves the business plan and key organisational policies, defines the charity's risk appetite, and monitors both strategic risks and overall performance.

Our Trustees are volunteers. They are not remunerated for their work but may claim reasonable expenses incurred through attending meetings or undertaking other duties.

The Board may consist of up to 15 Trustees. As of 27 August 2025, there are 7 Trustees in post, two of whom are serving on annual terms. Three honorary roles exist – the Chairman, the Honorary Treasurer, and the Research Council Chairman – which the Trustees may appoint from among their number for a term of office as they see fit.

Details of our Trustees (those currently in post and who served during 2024-25) are listed on page 29.

Trustee Recruitment, Appointment and Induction

A Skills, Diversity, Inclusion and Experience Audit is scheduled for 2025. However, the Board is already aware of certain skills gaps and has taken steps to address these, including the recruitment of a new Trustee earlier in the year. Future recruitment is likely to focus on strengthening the Board's links to corporate networks and enhancing its breadth of professional experience.

On appointment, all Trustees undergo an induction with the Chief Executive and the Head of Finance & Operations, where their responsibilities and duties are formally outlined and an update on current business is provided. Charity Commission materials are provided offering further information as well as all copies of relevant documents such as the Memorandum & Articles of Association, the Management Plan, the Staff Handbook, the Financial Controls & Procedures Manual, the Manual for the Management of Research and other strategy and policy documents. Further development opportunities are offered at quarterly Trustees' meetings and have previously included training in governance and charity regulation.

Committees

The Board is supported by two committees to which it delegates certain authorities. The committees work to their terms of reference, which are approved by the Board and reviewed periodically.

Finance and Operations Committee

The Finance and Operations Committee is chaired by the Honorary Treasurer, Richard Collier, and meets at least four times a year. It reviews and makes recommendations to the Board on:

- Finance, including budgets and management accounts
- Risk management
- Audit and statutory reporting
- Investments
- Human resources

Research Council

The Research Council is chaired by the Research Council Chairman and meets at least twice a year. Members are scientific and lived experience experts in wound healing and scarring conditions. The Research Council informs, reviews and makes recommendations on the implementation and development of the Research Strategy and the Scar Free Research Programmes. During the year the Research Council was chaired by Professor Peter Weissberg.

Ambassadors

People affected by scarring are at the heart of all that we do. We are privileged to have a passionate and committed team of Ambassadors, who are volunteers, either living with or impacted by scarring. Ambassadors are experts in scarring and offer advice and guidance for our research, fundraising and communications work. The charity has begun to look at how to increase the opportunity that our excellent Ambassadors afford us.

Key Management Personnel

The Trustees consider that they, together with the Chief Executive comprise the key management in charge of running the charity on a day-to-day basis.

The Board oversees the Chief Executive's performance through reports and briefings, which are presented at Board meetings as part of the planning and budgeting process. The Chairman of the Board carries out the Chief Executive's formal appraisal annually, on behalf of the Board. The Board approves proposals regarding the salary and benefits of the Chief Executive and staff through the Finance & Operations Committee. These proposals are presented by the Honorary Treasurer and informed by recommendations from an independent HR consultant, which include salary benchmarking and a 'cost of living' recommendation.

Staff Remuneration

We pay a fair and appropriate salary to attract and retain the best people with the right management and leadership experience. The earnings of senior staff above £60,000 are disclosed in the financial statements at note 5 on page 46.

RESEARCH

During the reporting year we have continued to pursue our research strategy:

- **Identifying** the biological pathways which lead to scarring
- **Changing** these pathways to prevent or improve scarring
- **Supporting** people living with scars

We also managed existing work and sought to develop collaborations with other charities and relevant organisations to address mutual areas of interest, enhance the impact of the Foundation's funds, and foster networks and partnerships.

Research Performance and Achievements

In the reporting year, two new research projects focused on conflict wounds were launched. The foundation continued to develop collaborative research relationships with organisations that share our research aims, and a research symposium was held to mark our 25th anniversary.

The Scar Free Symposium

The Symposium took place on 30–31 October 2024 at The Royal Society in London. A total of 87 participants registered for the event, which featured 27 speakers representing scientific research, clinical practice, and lived experience perspectives.

The Symposium featured a strong international presence, highlighting global innovation in wound healing and scar prevention. Professor Geoffrey Gurtner from the University of Arizona delivered a keynote on the potential for scarless healing in humans, while Professor Fernando Hartwig presented groundbreaking genomic research using the Pelotas Cohort in Brazil. Professor Ibrahim Ozbolat shared pioneering work on 3D printing technologies for therapeutic applications in scarring, and Dr Anastasiia Ihnatieva from Ukraine offered an important international perspective on trauma and recovery.

Special thanks go to Scar Free Foundation Ambassadors Lottie Pollak, Dr Jaco Nel, and Rachel McDermott, whose powerful personal reflections on lived experience helped to frame the importance and impact of this research.

The Deputy Chief Executive would also like to extend sincere thanks to Professor Paul Martin and Professor Peter Weissberg for their invaluable support in organising the Symposium.

The AFTER Study

Following a competitive national call, Dr Mary Keeling, Dr Natalie Hammond, and Professor Nicola Fear were selected to undertake the Foundation's Armed Forces Covenant Fund Trust-funded intimate scarring project. The project is a collaboration between Kings College London, Rand Europe and Manchester Metropolitan University with additional input from the charity Combat Stress.

The project, entitled *Understanding Long-Term Psychosocial and Sexual Impacts of Conflict-Related Genital Injury and Intimate Scarring to Develop Evidence-Based Psychological Support*, has been given the acronym AFTER—Armed Forces Genital Trauma and Psychosexual Experiences Research.

This groundbreaking project explores how serious conflict-related genital injuries and intimate scarring affect the long-term mental, emotional, and sexual well-being of veterans—and their partners. These types of injuries can have profound and lasting effects on self-esteem, identity, and intimate relationships. Yet, there is currently little research or support available to address these challenges.

Working directly with injured veterans and their loved ones, the study will gather personal insights through surveys and interviews to better understand their needs and experiences. This knowledge will inform the co-design of new psychological support resources, specifically tailored to this unique group.

The ultimate goal is to break the silence around these life-changing injuries and create effective, compassionate support that helps veterans and their families lead fulfilling, connected lives after injury.

Bioglass PhD

The Scar Free Foundation is working with Defence Medical Services (DMS) to support a PhD Fellowship at Imperial College London, led by Major Harry Claireaux.

The project—*Traumatic Bone Defects and Infection: Using Bioglass to Fill the Void and Improve Outcomes for Military Patients*—investigates how Bioglass, a ceramic that bonds with bone, promotes regrowth, and offers antimicrobial properties, can treat severe bone and soft tissue injuries. It explores both standard Bioglass and new forms like Bouncy Bioglass scaffolds and wound dressings, aiming to optimise limb salvage and reduce the need for amputation in military patients. The Foundation gratefully acknowledges the Veterans Foundation for providing funding that enables our participation in this important project.

Electives

In the reporting year, three Electives were awarded in association with the British Burn Association and the British Association of Plastic, Reconstructive and Aesthetic Surgeons. The following students were successful:

- Miss Cara Salt, a fourth-year clinical psychology student from Staffordshire University, received £1,200 to undertake the project, *What is the impact of parents/caregivers viewing child scald prevention materials?* Ms. Salt was supervised by Dr. Laura Shepherd. The project took place at Staffordshire University.
- Ms Poppy Barnes, a fifth-year medical student from Hull/York Medical School, received £1,200 to undertake the project, *Timeline of Scar Maturation*. Miss Barnes was supervised by Miss Preetha Muthayya. The project took place at the Yorkshire Regional Burns Unit, Pinderfields Hospital, Wakefield.
- Miss Evelyn Wong, a fourth-year medical student from the University of Manchester, received £1,200 to undertake the project, *An in-vitro laser axotomy model for peripheral nerve injury: investigating Golgi apparatus and cytoskeletal dynamics in adult dorsal root ganglion neurons*. Miss Wong was supervised by Mr. Adam Reid. The project took place at the Blond McIndoe Laboratories, University of Manchester.

The total cost of the Electives was £1,200 per placement (a total of £3,600). Half of this (£1,800) was funded by our Partner Member Organisations through unrestricted income gifts to the Foundation, and the remaining £1,800 was covered by the Foundation from its own unrestricted expenditure.

We extend our sincere thanks to our Partner Member Organisations for their continued collaboration and valued support in making these awards possible.

Association of Medical Research Charities Medical Research Charity Showcase at the Houses of Parliament.

The Foundation was one of five charities selected by the AMRC to demonstrate examples of innovative charity-funded research at their medical research charity showcase at the Houses of Parliament on 21 January 2025. The primary aim of this event was to explain the vital role of UK medical research charities and engage with parliamentarians about the research taking place across AMRC member charities.

To enable MPs and peers to get ‘hands-on’ with charity-funded research, member charities were invited to suggest interactive examples of their work. The Foundation proposed the 3D Bioface project. Octavian Parkes and D. Laurence Hill travelled from Swansea with a 3D printer to demonstrate the process of printing ear constructs. A total of 75 member charities and 19 peers and MPs, including Lord Bethell, attended the event.

The Amber Young Fellowship

In the most recent round of the Burns Research Fellowship, the Advisory Panel, chaired by Professor Folke Sjoberg, reviewed a number of high-quality applications. However, after careful consideration, the Panel concluded that none fully met the criteria established by Professor Amber Young when she created the Fellowship.

Professor Young’s vision was clear: to fund research that:

- Tackles key clinical challenges in burn care for children and young people (from birth to 25 years), and
- Demonstrates meaningful impact on clinical care and patient benefit within a five-year timeframe.

As no application sufficiently addressed both aspects, the decision was made not to award the Fellowship in this cycle. The award is being advertised in 2025/2026 with renewed emphasis on alignment with the original remit.

A significant milestone was reached this year in advancing Professor Amber Young’s legacy. Shortly before her death, Professor Young was awarded a major NIHR grant to lead a James Lind Alliance (JLA) Priority Setting Partnership focused on global burns research. This project aimed to identify the most important unanswered questions in the field.

The culmination of this work—Top Ten Research Priorities in Global Burns Care—was published in *The Lancet Global Health* on April 23, 2025. The Foundation was proud to be invited to be on the panel for the JLA. Following Amber’s passing, the project was completed by her colleagues and now stands as a defining contribution to the future of burns research.

As part of the next Fellowship call, applicants will be strongly encouraged to frame their proposals around these ten priorities. In doing so, the Fellowship will continue Amber’s work by funding research that directly addresses the questions she helped to define—ensuring her legacy translates into real-world clinical impact.

Research Projects

2024/25 has seen progress across the Foundation's key areas of research.

THE SCAR FREE FOUNDATION PROGRAMME OF WOUND HEALING RESEARCH

The Scar Free Foundation Programme of Wound Healing Research at the University of Bristol combines Bristol's established expertise in wound healing biology and population-based cohort studies of human disease, in order to identify scar associated genes.

The five-year programme comprises the following projects:

Using Large Cohort Studies to Identify Genetic Variants For Mechanistic Testing In Mouse And Zebrafish Models of Wound Healing. Professor Paul Martin, Professor Nic Timpson.

The project aims to use health data to find out if certain genes are linked to scarring, using both human and animal studies. Initial data from a group of people in Bristol showed a gene called LGR4 might be involved in scarring. Further research involves studying how this gene works in wound repair, using zebrafish. The project began by analysing data from a group of people in Bristol, focusing on variations in scarring. Further research has involved studying zebrafish with mutations in the LGR4 gene. These fish showed differences in their response to wounds, suggesting that LGR4 plays a role in wound healing. Collaborating with other researchers studying lung and caesarean scarring provides valuable insights that could lead to new ways to prevent scarring in both skin and internal organs.

Integrating Human and Animal Studies to Investigate Known Clefting Genes Linked to Wound Healing. Dr Rebecca Richardson

The project focuses on investigating how four genes associated with cleft lips also affect scarring severity. The team has conducted experiments with zebrafish to explore how specific genes linked to cleft lips affect scarring and wound healing. Initial experiments with IRF6 mutant fish show they develop thicker skin, similar to certain human patients. Further analysis reveals irregular collagen distribution in these mutants, suggesting a role in scar formation and a reduced immune response in mutant fish after injury. The team's collaboration with the Cleft Collective Cohort, which was established by the Foundation, provides access to human tissue samples, allowing them to validate their findings. Their ongoing research aims to uncover the specific pathways these genes influence, shedding light on how scarring occurs.

During the reporting year the team has achieved significant progress in understanding the genetics of wound healing and scarring. Researchers identified key genetic variants—such as LGR4 and ARHGAP10—linked to scar formation through large-scale population health studies in UK and Brazilian cohorts. These genes are now being tested in zebrafish models to explore their role in immune response, cell proliferation, and collagen deposition at wound sites. Prompted by the Symposium, the team also deepened collaborations with international fibrosis researchers, uncovering common pathways between skin and internal organ scarring, thereby broadening the programme's potential impact.

Complementing this work, a completed PhD, project by Dr Tim Byatt, used comparative proteomics to identify ancient, conserved proteins involved in wound repair, highlighting candidates like thioredoxin and RNASET2 for further study. Meanwhile, researchers investigating cleft lip-associated genes demonstrated that IRF6 mutations in zebrafish result in more severe scarring and altered immune responses, reflecting human clinical conditions. These discoveries continue to shape a deeper understanding of the biology of scarring and inform future strategies for therapeutic intervention.

A key highlight of the year was the visit of The Scar Free Foundation's Patron, Her Royal Highness The Duchess of Edinburgh, to the Bristol research programme on 20 March 2025. She was welcomed by the Vice-Chancellor of the University of Bristol, Professor Judith Squires, the Lord Lieutenant of Bristol, Peaches Golding OBE, and the Foundation's Chairman, Professor Sir Bruce Keogh. Professor Paul Martin and Dr Beck Richardson presented an overview of their work, supported by Scar Free Foundation-funded researchers Dr Oscar Peña Cabello and Dr Kevin Thiessen. Her Royal Highness also met with participants from the Avon Longitudinal Study of Parents and Children (ALSPAC) and members of the Cleft Collective. Having officially opened the Cleft Collective in 2012, The Duchess was especially interested in hearing how the research has progressed. Maria Allen, daughter of the principal funder of the programme and a Bristol alumna, also attended the visit.

Governance

The Foundation's Research Council Chairman, Professor Peter Weissberg, oversees the progress of the programme. This includes making site visits, assessing the team's annual report and making a recommendation to the Board of Trustees as to whether they should be accepted.

THE SCAR FREE FOUNDATION/HEALTH AND CARE RESEARCH WALES PROGRAMME OF REGENERATIVE MEDICINE

This programme comprises the following projects:

3D BIOFACE - *3D Bioprinting Facial Cartilage Using Human Cartilage Specific Stem/Progenitor Cells and Nanocellulose Bioinks for Facial Reconstruction.* Professor Iain Whitaker

The 3D Bioface project aims to 3D 'bio-print' replacement cartilage, specifically tailored to patients with facial cartilage defects. Currently, surgeries rely on harvesting the patient's own cartilage, leading to scarring and complications. To achieve this, suitable ink, or 'bioink', is vital for creating living tissue constructs. Our research focuses on three key areas: Biomaterials, Cells, and Toxicology/Biocompatibility. By adopting the Suspended Layer Additive Manufacturing (SLAM) printing method, the team has successfully printed soft hydrogels into complex shapes like ears. They have identified potential biomaterials like nanocellulose and alginate, and conducted tests to evaluate printability and strength, surpassing traditional printing methods.

In the reporting year, the 3D Bioface team made major progress in proving the safety and effectiveness of their bioink. Lab tests confirmed that the material is non-toxic and well tolerated by human blood and cartilage cells. The team also ruled out certain bioink variants that were prone to breakdown, helping refine the final formulation for future use. These findings mark an important step toward developing a bioink suitable for clinical applications in facial reconstruction.

The project also made significant technical advances in its custom 3D printing process. Using a technique called SLAM, the team successfully printed complex shapes—such as ears—while preserving the soft environment needed for living cells. A new crosslinking method was introduced to improve shape stability and control over the bioink's strength. Alongside this, the team completed a systematic review of growth factors to optimise cartilage cell development and secured funding to build a bespoke perfusion system to enhance cell growth in printed structures.

In addition, the Foundation manages project *RESECT: Recommendations for service redesign in skin cancer management*, on behalf of Health and Care Research Wales.

The RESECT project is rooted in the principles of prudent healthcare, aiming to co-produce healthcare with the public, prioritise patients with the greatest needs, and reduce unnecessary variation using evidence-based methods. It aligns with value-based healthcare (VBHC), striving to achieve optimal patient outcomes at minimal cost. By leveraging big data and patient-reported outcomes, RESECT aims to enhance skin cancer healthcare services in Wales. Divided into two parts, the project focuses on analysing big data related to skin cancer and gathering patient-reported outcome measures to improve service design and effectiveness.

Swansea - Panzi Alliance for the Reconstruction & Care of victims of conflict related sexual violence (SPARC)

Over the last 12 months the Foundation has been working in collaboration with Professor Iain Whitaker and Mr Octavian Parkes of the Swansea programme centred on the treatment of conflict-related sexual violence (CRSV).

In July 2024, Professor Iain Whitaker and colleagues undertook an exploratory visit to the Panzi Hospital in the Democratic Republic of Congo to launch the new initiative to support the care of female victims of Conflict-Related Sexual Violence (CRSV). This initiative forms part of the Foundation's conflict wound research agenda, seeking to address the challenges faced by those living with conflict-related scarring that results in a loss of function, impacting both physical and psychological wellbeing.

The visit was undertaken at the request of the Foundation's Patron, HRH The Duchess of Edinburgh. The Duchess is committed to raising awareness of the disproportionate impact of conflict on women and girls, and the positive role women play in building peace. During their visit, Professor Whitaker and colleagues undertook clinics and operations and took 3D printed models to use as teaching aids.

In October, we were deeply honoured to welcome Her Royal Highness to Swansea University in 2024. During her time with us, The Duchess met with Panzi Director Nobel Peace Prize Laureate Dr Denis Mukwege and Professor Iain Whitaker to discuss the programme's aims, including surgical training, knowledge exchange, and the development of pioneering tools such as 3D-printed surgical models.

Unfortunately, the team was unable to proceed with the planned visit to the Democratic Republic of Congo in early 2025 due to the deteriorating security situation. However, efforts to further develop and advance the project are underway.

Governance

The programme is overseen by the Research Council Chairman, Professor Peter Weissberg. This includes making site visits, assessing the team's annual report and making a recommendation to the Board of Trustees as to whether they should be accepted.

THE SCAR FREE FOUNDATION CENTRE FOR CONFLICT WOUND RESEARCH

The aim of the Centre is to reduce and eventually eradicate the impact of scarring and related loss of function amongst Armed Forces personnel, who sustain critical injuries during their deployment, as well as civilians injured in conflict or terrorism incidents. It is achieving this by supporting a programme of biological and clinical research. The main funder of the Centre for Conflict Wound Research is HM Government, with support from the LIBOR fines fund.

The following projects are currently underway:

DeSCAR: First in human clinical trial of a bioactive dressing designed to prevent scarring of skin burns, Professor Liam Grover.

De Scar is a first-in-human clinical trial of a new battle-ready dressing that actively prevents scar formation. Containing the naturally occurring protein Decorin, the dressing is being developed for ease-of-use in austere conflict and humanitarian environments.

In 2024, the team faced a major regulatory barrier: the UK facility planned for Decorin manufacture was found unsuitable by the MHRA after an 18-month delay in performing an inspection of the facility. Three options were presented to move forward. Ultimately, Option 2 was chosen—using the gellan dressing with Decorin supplied separately. This amendment to the study avoids the need for a special manufacturing license and enables a compliant clinical trial using in-house production and pharmacy release.

Following agreement to amend the research protocol for the DeScar Trial, the team has finalised the Clinical Trial Authorisation (CTA) documentation, which is now ready for imminent submission to the MHRA. Approval is required for both the revised protocol and the updated combination of drug and device before patient recruitment can commence. Funding to decant the Decorin into single-use vials has been secured from the University of Birmingham, and a specialist company has been commissioned to carry out this work. Meanwhile, hundreds of dehydrated dressings have already been produced in preparation for the trial.

Although the MHRA's standard review period for CTA submissions is 60 days, recent delays may affect this timeline. If approval is granted without significant delay, patient recruitment is expected to begin at University Hospital Birmingham NHS Foundation Trust in July.

The project continues to show promise, with commercial interest and multiple patents supporting the underlying technologies.

SMOOTH: A prospective randomised controlled trial to examine the efficacy and mechanistic basis of fractional ablative carbon dioxide laser therapy in treating hypertrophic scarring, Professor Naiem Moiemem, Professor Janet Lord, University Hospitals Birmingham NHS Foundation Trust/University of Birmingham.

SMOOTH involves civilians and military veterans with scars that are over a year old recruited from Burns Centres in Birmingham and Swansea. The study is assessing the effectiveness

of laser therapy to breakdown scar tissue from burn and blast injuries and restore lost function.

Following clinical issues related to sample collection, University Hospital Birmingham undertook protocol amendments and additional training to address the challenges and enable the study to resume in November 2024. The project is now back on track and is expected to conclude in September 2026.

Governance

The programme is overseen by the Research Council Chairman, Professor Peter Weissberg. This includes making site visits, assessing the team's annual report and making a recommendation to the Board of Trustees as to whether they should be accepted.

THE UK BURNS RESEARCH NETWORK SUPPORTED BY THE VTCT FOUNDATION

The Foundation established the UK Burns Research Network in 2018. The 'Network' is a collaborative, coordinated programme of burns research aimed at delivering tangible care and treatment benefits to those encountering serious thermal injuries. Four projects were funded, three of which have successfully completed. The remaining project is entitled: *BOSS: Development of a multicentre cohort of burn injury patients - a feasibility study and a prospective study to examine the validity of a panel of objective burn scar measurement tools.*

Research Summary

Following significant advances in medical science, patients with burns that involve as much as 95% of their total body surface area can now survive. Unfortunately, research into scarring does not match the improvement in survival following burn injury, and the quality of studies that have been conducted were hindered by a lack of validated, objective tools used to grade scars. The subjective tools that were used are prone to individual clinician bias, leading to inconsistent findings. The aim of this project is to assess a group of patients from the time of their injury to the time of wound healing and for two years afterwards. The team are measuring their scars with a range of objective scar measuring tools that have been shown to work in a previous smaller study alongside subjective questionnaires that look at how the patients view their own scars, and the effect these scars have on their quality of life. The project has faced significant challenges.

In August 2023, UHB R&D was alerted to a possible information governance issue. No breach occurred, but the review revealed that DermaScan™ equipment needed recalibration, halting recruitment and causing the study's end date to lapse. A major amendment was submitted to extend the trial, shorten follow-up to 12 months, remove an unfeasible assessment, and appoint Ms Sarah Bache as Principal Investigator. Once approved, recruitment resumed with full Capacity and Capability clearance.

In April 2024, the revised protocol was submitted to the Research Ethics Committee, and local approvals began. With a high screen failure rate, only about 20 of 100 potential patients at UHB are eligible annually. So far, nine patients have been recruited, reflecting the strict inclusion criteria. All remain in the study, and follow-ups are underway. A new, fully trained team is now delivering the project, with recruitment extended to August 2026.

Governance

The Foundation has established an Advisory Panel to advise on the prioritisation, funding and management of research projects in the Burns Network. The Chairman, Professor Folke Sjöberg, Professor of Burn Surgery and Critical Care at Linköping University, Sweden

demitted the panel due to retirement. We would like to extend our thanks to Professor Folke Sjoberg for his guidance of burns research projects. Professor Mamta Shah has kindly agreed to Chair the panel until the conclusion of the BOSS project.

The Burns Research Network Advisory Panel comprises:

- Dr Sophie Dix, VP of Content, Koa Health, lived experience of burns.
- Professor Esther Middelkoop, Burns and Wound Healing Scientist, VUMC Medical Centre, Amsterdam, the Netherlands.
- Professor Mamta Shah, Consultant Burns and Plastic Surgeon, Royal Manchester Children's Hospital, Wythenshawe Hospital and the University of Manchester. (Chair)

We are extremely grateful to the Advisory Panel for their advice and guidance during the reporting year.

THE MANAGEMENT OF RESEARCH

Research is the core business of The Scar Free Foundation. The Foundation has policies for the management of research, which comply with the guidelines set by the Association of Medical Research Charities (AMRC). They include:

- Oversight provided by Advisory Panels, the Research Council, and the Board of Trustees
- Development, review, and maintenance of the Research Strategy
- Transparent and impartial application and selection processes for research funding, including independent peer review
- Written Agreement and Terms and Conditions for grant awards
- Procedures to identify and address potential conflicts of interest

Research Council

The Research Council, led by the Research Council Chairman and Trustee, Professor Peter Weissberg, advises the Scar Free Foundation's Board of Trustees on implementing and developing the Scar Free Strategy for research objectives. It ensures adherence to legal and best practice guidelines. Responsibilities include overseeing the strategy, identifying research gaps, and scanning global research for emerging technologies and leaders. The Council maintains awareness of evolving clinical and scientific landscapes and involves patients and the public in setting priorities. Members typically serve three years, extendable to six years at the Board's discretion.

As at 27th August 2025, membership of the Scar Free Foundation Research Council is as follows:

- Chair, Professor Peter Weissberg, Research Council Chairman and Trustee
- Professor Andrew Hart, Consultant Plastic and Hand Surgeon, Canniesburn Plastic Surgery Unit, Glasgow Royal Infirmary. Representative of the British Association of Plastic, Reconstructive and Aesthetic Surgeons

- Professor Joseph Hardwicke, Consultant Plastic and Reconstructive Surgeon, University Hospitals of Coventry and Warwickshire. Representative of the British Association of Plastic, Reconstructive and Aesthetic Surgeons
- Professor Shehan Hettiaratchy, Professor of Practice & Consultant Plastic and Reconstructive Surgeon Major Trauma Director Imperial College & Imperial College Healthcare NHS, National Specialty Advisor Armed Forces Health, National Clinical Director Op RESTORE, NHS England. Representative of the British Association of Plastic, Reconstructive and Aesthetic Surgeons
- Mr Simon Booth, Senior Burn Research Nurse, Queen Victoria Hospital, East Grinstead, Representative of the British Burn Association
- Mr Bruce Richard, Consultant Plastic and Cleft Lip and Palate Surgeon, Birmingham Women's and Children's Hospital NHS Foundation Trust. Representative of the Craniofacial Society of Great Britain and Ireland
- Miss Alexia Karantana, Consultant Orthopaedic Surgeon in Hand Surgery at Queens Medical Centre, Nottingham. Representative of the British Society for Surgery of the Hand
- Mrs Rachel McDermott, Invited Member, Lived experience of scarring
- Dr Yvonne Wren, Invited Member, Allied Health Professional, Director of Bristol Speech and Language Therapy Research Unit
- Dr Jaco Nel, Invited Member, Lived experience of scarring
- Ms Krissie Styles, Clinical Burns Specialist

Trustees would like to extend our sincere gratitude to Research Council members for their counsel and support over the past year.

Chief Scientific Adviser

The role of Chief Scientific Adviser was established in 2018 to assist in the assessment of new work and the broader pursuit of our research strategy. From 2018-2023 the role was fulfilled by Professor Paul Stewart, Professor of Medicine & Health Policy Advisor to the Vice Chancellor at the University of Leeds. Thoughtful and pragmatic advice and guidance provided to the Foundation by Professor Stewart has been invaluable. We extend our thanks to him for all his assistance. Professor Peter Weissberg is currently temporarily overseeing the work of the Chief Scientific Adviser until a replacement is recruited.

FUNDRAISING

Our Fundraising Approach

The Scar Free Foundation is grateful to all those who support our work – from individuals and families to trusts, foundations and partners. Their generosity enables us to fund pioneering research with the potential to transform lives affected by scarring.

In 2024-25, we operated in a fundraising environment that remained difficult for many charities. High inflation, international conflicts and economic uncertainty continued to affect donor behaviour and funding availability. Despite these challenges, we made progress in laying the foundations for longer-term growth.

Our income for the year was £493K, a decrease from £869k in the previous year. This reduction was anticipated, following a period of transition in our fundraising team. While this inevitably had a short-term impact on relationship-building and pipeline development, we used the opportunity to review our strategy and realign our approach.

Over the course of the year, we began implementing a new model focused on relationship-led fundraising, long-term partnership development, and broader supporter engagement. We also invested in our digital presence and laid the groundwork for a more joined-up approach between fundraising and communications.

Looking ahead, we are focused on rebuilding capacity, refining our case for support, and creating a more structured programme of cultivation and stewardship. By engaging supporters in our mission, telling compelling stories, and delivering high-quality experiences, we aim to grow income and ensure we can continue funding research that brings us closer to a scar free future. We have been joined by a new senior fundraiser, with extensive experience of widening the donor base, from individual to community to corporate donors, as well as looking for the traditional High net Worth individuals. This will be a new and exciting chapter for the charity to manage.

Fundraising Highlights

Philanthropy and Partnerships

We are deeply grateful to the individuals, charitable trusts, and foundations whose generosity enables us to invest in groundbreaking scar free research and deliver long-term impact. Many of these supporters commit multi-year funding, allowing us to plan ahead with confidence and pursue bold, innovative programmes.

We extend our sincere thanks to The CHEAR Foundation, J P Moulton Charitable Foundation, the MRC, The Worshipful Company of Tin Plate Workers (Wire Workers), The Armed Forces Covenant Trust, Mr Norman Heckington and the late Professor Amber Young, The Integra Foundation, Sylvia Waddilove, The Astor Foundation, The Edinburgh Trust and The Dorus Trust. We are also especially thankful for the enduring support of Professor Jonathan Sandy, Nigel Mercer, Professor Vivien Lees, and Alex Wilshere.

We would like to give particular thanks to The Reed Foundation and Big Give Pledger, whose generous contributions during the Big Give Christmas Challenge 2024 helped drive the success of our Scar Free Appeal.

We continue to work closely with our Partner Member Organisations, as outlined earlier. These collaborations play a vital role in advancing research and supporting the development of the next generation of experts in wound healing and scarring.

Fundraising Governance and Supporter Care

The Scar Free Foundation is committed to upholding the highest standards in all our fundraising activity. We are registered with the Fundraising Regulator and adhere to the Code of Fundraising Practice. Our fundraising is legal, open, honest and respectful, and reflects our values of transparency and integrity.

We are also guided by the Chartered Institute of Fundraising's principles on treating donors fairly, including how we engage with individuals who may be in vulnerable circumstances. All supporter interactions are handled sensitively, and we respect individual preferences regarding communications.

In 2024-25, we received no complaints about our fundraising, either directly or via the Fundraising Regulator or Fundraising Preference Service. We remain committed to resolving any concerns promptly, should they arise.

All fundraising during the year was carried out in-house. We did not work with any third-party fundraising agencies or commercial participators. We continue to monitor and review our approach to ensure it reflects both regulatory requirements and the expectations of our supporters.

RAISING AWARENESS

In October 2024, we hired a new Communications and Projects Manager. Since then, the Scar Free Foundation's communications priorities have included a new data-driven strategy, improved digital discoverability across platforms, and growth in engagement.

In Q4 of 2024, communications were focused on two major priorities: the Scar Free Foundation Research Symposium (October 2024), and the Big Give (December 2024), both of which provided valuable insight into how donor and general audience communications were managed. In January 2025, a new communications and social media strategy was circulated, which aimed to improve processes, make communications practices and decisions based on data, and tailor our audience approach.

Website

In September 2024, a new website was built by an external agency, and the Communications Manager has continued to oversee and ensure the continuous improvement of the site. The successful installation of Google Analytics, Google Site Kit, and Yoast SEO mean we will be able to continually monitor and react to audience behaviours, while making sure the data from these plugins is reported and acted upon. Our Ambassador stories and general information on scarring remain the popular search result pages. Similarly, the analysis of Mailchimp newsletter data has led to the creation of more engaging content with growing click-through rates.

Newsletter

The Scar Free Foundation newsletter remains a valuable communication tool with engaged users. By collecting and analysing data between January 2024 to January 2025, the newsletter's content performance has increased, reflected in its outperformance of industry benchmarks (a 49% open rate - compared to the sector average of 37% - and a click-through rate of up to 9.4%, compared to a sector average of 4.9%).

Engagement is highest among UK and US audiences, with our most-clicked content falling into the category of charity activity and fundraising (i.e. the Big Give, the House of Commons AMRC Showcase).

The current Communications Manager and new Head of Fundraising agree that, to maintain and improve the effectiveness of the newsletter, audience segmentation will be undertaken. This will allow us to continue to reach and engage our most supportive audiences, with content tailored to their preferences.

Social media

The 2025 Communications and Social Media strategy has delivered strong results in terms of social media content, solidifying plans for LinkedIn to be used as the primary channel for research-focused content, and Instagram to be used as the primary channel for community building and storytelling content.

After analysis of LinkedIn data, it was decided that a new research video format would be trialled. Two separate 30-second videos (the Genital Injury Project and the Scar Free Defence Medical Services inaugural PhD) had a combined watch time of around five hours in total, high engagement rates, and high click through rates. They were also well received, both publicly through social media comments and privately via email, by the researchers involved in the respective projects.

On Instagram, a storytelling approach has proved successful and garnered much higher engagement. This has included a proactive engagement approach from the Scar Free account too (i.e. seeking out relevant content/accounts to interact with to boost profile and exposure). HRH the Duchess of Edinburgh visiting Scar Free labs in Bristol was viewed around 6.4k times, while a move to highlight Ambassador stories resulted in an improved engagement rate. News of the 2025 electives also performed well.

Communications: 2025 and beyond

The Communications Manager is committed to a strategic, data-driven approach, which will inform the types of stories we tell to maximise impact among our audiences. Key in this is identifying and segmenting those audiences and working closely with the Head of Fundraising to ensure clear, engaging messaging and branding. Now work on optimising the website is underway, plans for 2025 and beyond) can continue.

Volunteer help

The Scar Free Foundation relies on the help of volunteers in all aspects of its activities. This support is provided principally by members of the Board of Trustees, the Research Council and Research Advisory Panels who all give their time freely. We are also very grateful to our Scar Free Ambassadors, volunteers with lived experience of scarring, who help communicate the Scar Free ambition and ensure that a patient perspective is at the heart of our research; their stories convey more powerfully than anything else the need for more research and activity in this area. We are grateful to all Ambassadors who give their time, honesty, understanding and support to attend events, workshops, meetings and promotion through our social media platforms.

Finally, we are grateful to the CASEVAC Club of injured veterans from recent conflicts in Iraq and Afghanistan, and its co-founders David Wiseman and Dave Henson MBE for partnering with the Foundation on the Centre for Conflict Wound Research and our wider ambitions in this area. They have been invaluable in helping us develop a new slate of Conflict Wound research, including our successful bid to the Armed Forces Covenant Fund Trust.

Future Plans

We are delighted to have been recognised as a key partner by the Invictus Game Birmingham 2027 Team. The Birmingham team aim to produce a lasting legacy for the wounded as part of Invictus Games 2027 package and have asked the Scar Free Foundation to be part of that legacy, with research to support those in the Armed Forces affected by conflict. And, although still to be negotiated, part of the funds raised for the Games will be used on research. Currently the approach is to collaborate with the Defence Science and Technology Laboratories for a key multi year project.

FINANCIAL REVIEW

During the year, our spend on total charitable expenditure decreased due to the completion of research projects from a spend of £1,114,630 in 2023/24. to £1,052,512 in 2024/25.

We also made a significant change to our financial systems, transitioning from Sage to Xero. This has improved the accuracy and timeliness of our financial reporting, streamlined our processes for authorising payments and reconciling accounts, and enabled clearer internal oversight. Trustees and staff now receive more accessible and regular financial updates, enhancing both day-to-day management and long-term planning.

We finish the financial year with reserves that meet our policy aim: to maintain sufficient unrestricted funds to support the charity's core activities while ensuring all research obligations remain fully funded.

RESERVES POLICY

The Scar Free Foundation holds restricted funds that are raised for specific purposes, typically to support individual research projects or programmes. These funds are either spent directly on the relevant activity or used to generate further restricted income to maintain our long-term research goals.

In addition to restricted income, we retain a level of unrestricted reserves to support the organisation's ongoing core costs. Our policy is to maintain unrestricted reserves sufficient to cover at least 12 months of core expenditure and to meet redundancy and closure costs, should they ever be required.

At the end of March 2025, our unrestricted reserves stood at £751,891, of which £734,352 represented free reserves. Our forecast for core costs in 2025/26 is approximately £518,240 meaning our free reserves remain within the target range. The team is focused on continuing to build unrestricted income through a strengthened fundraising strategy, ensuring we remain in a resilient position to support our work.

GOING CONCERN STATEMENT

The Trustees have assessed the Foundation's financial position and its ability to continue as a going concern for the foreseeable future (defined as a period of at least 12 months from the date of approval of the financial statements).

Based on current forecasts, unrestricted reserves are sufficient to cover the charity's core costs over the next 12 months. While they are expected to fall below the target set out in our reserves policy during part of the 2025/26 financial year, this will be the first time the Foundation has dipped below the policy threshold. The shortfall is expected to be temporary, with reserves projected to return to above-policy levels by the end of the year.

Restricted reserves remain sufficient to cover all known project commitments and, in practice, may be in surplus where project delivery costs have come in under budget.

The Foundation has recently appointed a senior fundraiser with a strong track record and confidence in their ability to significantly increase income generation. Their relationship-led approach is already showing early promise, opening new funding avenues not previously explored. In addition, a newly appointed Trustee is actively supporting fundraising efforts, bringing further expertise and momentum to this area.

The Trustees are satisfied that the Foundation has adequate financial resources, robust governance, and effective planning in place. There are no material uncertainties that cast significant doubt on the charity's ability to continue operating. Accordingly, the financial statements have been prepared on a going concern basis.

RISK ASSESSMENT

The Board reviewed and updated the organisation's risk assessment during the year. Trustees receive a detailed quarterly report, including a numerical risk matrix, a heat map, and management commentary. These reports help to prioritise mitigation efforts and ensure the Board maintains effective oversight of key risks.

The main risks currently identified include:

- Fundraising: A delay in developing a high-net-worth donor network remains a concern. Work is ongoing to broaden our funding base and accelerate income generation.
- Financial stability: A short-term imbalance between income and expenditure could pose a risk to the charity's 'going concern' status. We mitigate this through prudent budgeting, active cost control, and regular review of reserves.
- Staffing and leadership: The unplanned departure of senior staff or delays in recruitment remain key risks. Succession planning and regular HR oversight help to manage this.

RESPONSIBILITIES OF THE TRUSTEES

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

Company law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare the financial statements in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law). The Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the charity's affairs and of its income and expenditure for that period.

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

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP (Statement of Recommended Practice), applicable to charities preparing their accounts under FRS 102;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume the charity will continue to operate.

The Trustees are also responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy its financial position at any time. They must ensure that the financial statements comply with the Companies Act 2006, safeguard the charity's assets, and take reasonable steps to prevent and detect fraud and other irregularities.

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

Each Trustee confirms that, to the best of their knowledge, there is no relevant audit information of which the charity's auditors are unaware. Each Trustee has also taken all necessary steps to ensure that they are aware of any relevant audit information and that it has been communicated to the auditors.

The Trustees

Trustees, who are also Directors under company law, who served during the year and up to the date of this report were as follows:

Professor Sir Bruce Keogh (Chairman)
Mr Richard Collier (Honorary Treasurer)
Ms Alison Clarke
Ms Hemani Modasia-Shah
Mr Tim Streatfeild
Mrs Alexandra Thrower (*retired on 31 March 2025*)
Professor Peter Weissberg (Research Council Chairman)
Mr Liaquat Verjee (*joined on 1 April 2025*)

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31st March 2025 was £7 (2024 - £6). The Trustees have no beneficial interest in the charitable company.

Approved by the Trustees on 27th August 2025 and signed on their behalf by



[Bruce Keogh \(Oct 7, 2025 10:59:23 GMT+1\)](#)

Professor Sir Bruce Keogh
Chairman

Independent auditor's report to the members of The Scar Free Foundation

Opinion

We have audited the financial statements of The Scar Free Foundation (the 'charitable company') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 charitable company's affairs as at 31 March 2025 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

Other information (continued)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 28, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognised non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011, Companies Act 2006 and data protection legislation; and
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, inspecting legal correspondence and reviewing trustee meeting minutes.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships'
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of trustee meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with HMRC and the Charity Commission.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott Audit LLP

Alison Pyle (Senior Statutory Auditor)

For and on behalf of Buzzacott Audit LLP, Statutory Auditor
130 Wood Street

London
EC2V 6DL

Date: 8 October 2025

Statement of financial activities (including income and expenditure account) Year to 31 March 2025

	Notes	Restricted £	Unrestricted £	2025 Total £	Restricted £	Unrestricted £	2024 Total £
Income from:							
Donations and capital grants	1	289,350	117,714	407,064	693,644	71,152	764,796
Investments	2	—	86,234	86,234	—	104,155	104,155
Total		289,350	203,948	493,298	693,644	175,307	868,951
Expenditure on:							
Raising funds		—	381,558	381,558	—	373,358	373,358
Charitable activities							
· Research programmes		586,653	—	586,653	584,015	—	584,015
· Research development		—	84,300	84,300	—	157,257	157,257
Total	3	586,653	465,858	1,052,511	584,015	530,615	1,114,630
Net income (expenditure) before gains (losses on investments)							
	4	(297,303)	(261,910)	(559,213)	109,629	(355,308)	(245,679)
Net gains on investments	9	—	—	—	—	9,098	9,098
Transfers between funds	12	(41,446)	41,446	—	(380,008)	380,008	—
Net (expenditure) income and net movement in funds		(338,749)	(220,464)	(559,213)	(270,379)	33,798	(236,581)
Reconciliation of funds							
Funds brought forward		1,988,279	972,355	2,960,634	2,258,658	938,557	3,197,215
Funds carried forward		1,649,530	751,891	2,401,421	1,988,279	972,355	2,960,634

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

Balance sheet 31 March 2025

	Notes	2025 £	2025 £	2024 £	2024 £
Fixed assets					
Tangible fixed assets	7		2,236		1,046
Intangible fixed assets	8		15,303		—
			17,539		1,046
Current assets					
Debtors	10	760		51,321	
Short – medium term deposits		2,010,705		1,027,412	
Cash at bank and in hand		635,292		2,096,095	
		2,646,757		3,174,828	
Liabilities					
Creditors: amounts falling due within one year	11	(262,875)		(215,240)	
Net current assets			2,383,882		2,959,588
Total net assets					
			2,401,421		2,960,634
Funds of the Academy					
Restricted funds	13		1,649,530		1,988,279
Unrestricted funds					
. Designated funds			—		—
. General funds		751,891		972,355	
			751,891		972,355
Total funds					
	12		2,401,421		2,960,634

Approved by the Trustees on

07/10/2025

and signed on their behalf by:
Professor Sir Bruce Keogh

Bruce Keogh

[Bruce Keogh \(Oct 7, 2025 10:59:23 GMT+1\)](#)

Company Limited by Guarantee
Registration Number: 03831398 (England and Wales)

Statement of cash flows Year to 31 March 2025

	Note	2025 £	2024 £
Cash flow from operating activities			
Net cash (used in) operating activities	A	(543,983)	(120,906)
Cash flows from investing activities			
Dividends and interest from investments	B	86,234	104,155
Purchase of tangible fixed assets		(1,846)	(1,390)
Purchase of intangible fixed assets		(17,916)	—
Sale of investments		—	620,687
Purchase of deposit accounts		(983,292)	1,247,798
Net cash (used in) provided by investing activities		(916,820)	1,971,250
Change in cash and cash equivalents in the year		(1,460,803)	1,850,344
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 April 2024		2,096,095	245,751
Cash and cash equivalents at 31 March 2025	D	635,292	2,096,095

Notes to the statement of cash flows for the year to 31 March 2025

A Reconciliation of net movement in funds to net cash provided by operating activities

	2025 £	2024 £
Net expenditure for the year (as per the statement of financial activities)	(559,213)	(236,581)
Adjusted for:		
Depreciation	656	1,510
Amortisation	2,613	—
Gains on investments	—	(9,098)
Dividends and interest from investments	(86,234)	(104,155)
Decrease in debtors	50,561	339,159
Increase (decrease) in creditors	47,634	(111,741)
Net cash (used in) operating activities	(543,983)	(120,906)

B Analysis of cash and cash equivalents

	2025 £	2024 £
Cash at bank and in hand	635,292	2,096,095
Total cash and cash equivalents	635,292	2,096,095

Statement of accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These accounts have been prepared for the year to 31 March 2025.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgements

Preparation of the accounts requires the Trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- ◆ the allocation of staff and support costs; and
- ◆ estimating the useful economic life of tangible fixed assets.

Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

The Trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above.

With regard to the next accounting period, the year ending 31 March 2026, Trustees believe that the charity is a going concern on the basis detailed within the Trustees' report.

Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Voluntary income is received by the way of donations and gifts and is included in full in the Statement of Financial Activities when receivable. Intangible income and gifts in kind are not included unless they represent goods or services which would have otherwise been purchased, in which case they are valued and brought in as income and the appropriate expenditure.

Revenue grants are credited to the Statement of Financial Activities when received or receivable whichever is earlier, unless they relate to a specific period, in which case they are deferred.

Where unconditional entitlement to grants receivable is dependent upon fulfilment of conditions within the Charity's control, the incoming resources are recognised when there is sufficient evidence that conditions will be met. Where there is uncertainty as to whether the Charity can meet such conditions the incoming resource is deferred.

Grants for the purchase of fixed assets are credited to restricted income when receivable. Depreciation of fixed assets purchased with such grants is charged against the restricted funds.

Interest on term deposits is recognised on an accruals basis, so that the appropriate proportion is included in each year's financial statements.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Expenditure recognition

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

All expenditure is accounted for on an accrual's basis. Expenditure includes attributable VAT that cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the costs of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, are apportioned between activities as described in note 3.

The costs of generating funds relate to the costs incurred by the charity in raising funds for the charitable work.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Short term deposits

Short term deposits represent fixed term deposit accounts with a maturity date between 3-12 months.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities in the year in which they fall due.

Pension contributions

The charitable company makes contributions on behalf of its employees into their personal pension funds. The amounts charged in the statement of financial activities represent the contributions payable to the funds in respect of the accounting period. Outstanding pension contributions at the year end are included in creditors.

Fixed asset investments

Listed 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 charity does not acquire put options, derivatives or other complex financial instruments.

Realised gains (or losses) on investment assets are calculated as the difference between disposal 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 at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Fund structure

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure, which meets these criteria are charged to the fund together with a fair allocation of management and support costs.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Transfers are made from unrestricted funds to establish designated funds, which are in turn used to cover the cost of Research Projects. These designations are agreed annually by the Board of Trustees. Transfers are made from designated funds to restricted funds where restricted funding is not sufficient to cover a particular project, or if it is unclear as to how much will be required for a project. Transfers from restricted funds to unrestricted funds are made with the prior consent of the donor.

1 Donations and grants

Unrestricted

	2025 £	2024 £
Anonymous	29,484	49,411
Charles Wilson	10,000	—
The Reed Foundation	12,800	—
The Dorus Trust	5,000	5,000
Karl Hinett	1,000	—
Nigel Mercer	1,300	1,200
Professor Jonathan Sandy	1,200	1,200
Professor Vivien Lees	1,000	1,000
Lt Gen Richard Nugee	7,000	—
The Worshipful Company of Tin Plate Workers alias Wire Workers	1,000	2,000
Harry Hampson	20,000	—
Richard and Anne Collier	5,000	—
Tim Streatfield	2,000	—
Sandy Legacy	—	5,000
BAPRAS	600	0
BBA	600	0
BSSH	600	0
Gift aid claims	14,916	4,838
Gifts in Kind	4,100	—
Sundry donations	114	1,503
	117,714	71,152

Restricted

	2025 £	2024 £
The Medical Research Charity	—	290,461
Polynovo	1,500	—
Astor Foundation	2,000	—
Syliva Waddilove	2,000	—
Integra Foundation	7,834	—
The Edinburgh Trust	10,000	—
CHEAR Foundation	150,000	150,000
Health and Care Research Wales	—	50,000
BAPRAS	—	600
BBA	—	533
CFSGB&I	—	300
Amber Young	—	150,000
Chidwick	—	20,000
The Armed Forces Covenant Fund Trust	95,000	1,750
The J P Moulton Foundation	—	30,000
Veterans Foundation	2,388	—
Sundry donations	18,628	—
	289,350	693,644

2 Investment income

	Unrestricted	
	2025 £	2024 £
Income from listed investments	—	13,617
Interest receivable	86,234	90,538
Total	86,234	104,155

3 Total expenditure

	Cost of raising funds £	Research grants £	Research develop- ment £	Support costs £	Governance £	2025 Total £
Staff costs (note 5)	250,680	4,363	49,447	59,857	—	364,347
Other staff costs	6,943	—	1,346	1,629	—	9,918
Rent	11,114	—	2,155	2,608	—	15,877
Computer and other office	12,782	—	2,478	3,000	—	18,260
Consultancy	3,032	—	588	712	—	4,332
Audit and accountancy fees	—	—	—	—	19,461	19,461
Staff travel	2,860	—	555	671	—	4,086
Trustees' travel expenses	419	—	81	98	—	598
Depreciation & Amortisation	2,288	—	444	537	—	3,269
Recruitment	7,789	—	1,510	1,828	—	11,127
Appeal costs	6,639	—	—	—	—	6,639
Insurance	—	—	—	—	2,385	2,385
Project Siler/Research Symposium	—	63,871	—	—	—	63,871
Research programmes						
Bristol Programme	—	263,942	—	—	—	263,942
The Cleft Collective	—	6,542	—	—	—	6,542
Centre for Conflict Wound	—	—	—	—	—	—
Regenerative Research	—	242,247	—	—	—	242,247
BSSH	—	5,688	—	—	—	5,688
Management of Research	—	—	1,518	—	—	1,518
Electives	—	—	1,800	—	—	1,800
Research support costs	—	—	6,604	—	—	6,604
	304,546	586,653	68,526	70,940	21,846	1,052,511
Support costs	58,880	—	12,060	(70,940)	—	—
Governance costs	18,132	—	3,714	—	(21,846)	—
Total expenditure	381,558	586,653	84,300	—	—	1,052,511

Support costs and governance costs have been allocated to each activity on the basis of staff time being 83% to costs of raising funds and 17% to research management and development.

3 Total expenditure (continued)

	Cost of raising funds £	Research grants £	Research development £	Support costs £	Governance £	2024 Total £
Staff costs (note 5)	191,836	—	76,170	70,528	—	338,534
Other staff costs	5,735	—	2,277	2,108	—	10,120
Rent	25,076	—	9,957	9,219	—	44,252
Computer and other office	20,243	—	8,038	7,442	—	35,723
Consultancy	1,252	—	497	460	—	2,209
Legal fees	—	—	—	—	40	40
Audit and accountancy fees	—	—	—	—	15,260	15,260
Staff travel	1,962	—	779	721	—	3,462
Trustees' travel expenses	106	—	42	40	—	188
Depreciation	856	—	340	314	—	1,510
Recruitment	5,836	—	2,317	2,145	—	10,298
Appeal costs	31,690	—	—	—	—	31,690
Insurance	—	—	—	—	3,477	3,477
Project Siler/Research Symposium	4,746	—	1,885	1,745	—	8,376
<i>Research programmes</i>						
Bristol Programme	—	217,159	—	—	—	217,159
The Cleft Collective	—	47,535	—	—	—	47,535
Centre for Conflict Wound	—	(46,875)	—	—	—	(46,875)
Regenerative Research	—	293,317	—	—	—	293,317
BSSH	—	47,295	—	—	—	47,295
UK Burns Research Network	—	22,719	—	—	—	22,719
Support Projects	—	2,865	—	—	—	2,865
PPI	—	—	2,594	—	—	2,594
Research support costs	—	—	19,001	—	—	19,001
	<u>289,339</u>	<u>584,015</u>	<u>123,897</u>	<u>94,722</u>	<u>22,657</u>	<u>1,114,630</u>
Support costs	67,801	—	26,921	(94,722)	—	—
Governance costs	16,218	—	6,439	—	(22,657)	—
Total expenditure	<u>373,358</u>	<u>584,015</u>	<u>157,257</u>	<u>—</u>	<u>—</u>	<u>1,114,630</u>

4 Net expenditure for the year before gains on investments

This is stated after charging:

	2025 £	2024 £
Depreciation and amortisation	3,269	1,510
Trustees' remuneration	—	—
Trustees' expenses	599	156
Auditors' remuneration		
. Audit	13,380	9,500
Operating lease rentals		
. Property	9,698	44,251

Trustees' expenses represent that 1 Trustee were reimbursed for travel costs (2024: 2).

5 Staff costs

Staff costs were as follows:

	2025 £	2024 £
Salaries and wages	312,750	285,595
National Insurance costs	30,251	28,830
Pension contributions	21,346	24,109
	364,347	338,534

The number of employees whose emoluments exceeded £60,000 are:

	2025 No.	2024 No.
£60,001 - £70,000	1	1
£70,001 - £80,000	—	2
£80,001 - £90,000	1	—

Employer's pension contributions of £6,083 (2024: £12,439) were made in respect of those included above.

The full-time equivalent of employees during the year was as follows:

	2025 No.	2024 No.
Fundraising and communications	3.6	2.6
Research management / development	0.7	1.1
Support and governance costs	1.3	1.1
	5.6	4.8

The average number of employees (headcount) during the year was 6 (2024: 5).

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the Trustees together with the Chief Executive. The total remuneration (including taxable benefits and employers pension contributions) of the key management personnel for the year was £91,062 (2024: £244,470).

6 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

7 Tangible fixed assets

	Computer equipment and furniture £	Total £
Cost		
At 1 April 2024	17,706	17,706
Additions	1,846	1,846
Disposals	(5,838)	(5,838)
At 31 March 2025	<u>13,714</u>	<u>37,468</u>
Depreciation		
At 1 April 2024	16,660	16,660
Charge for the year	656	656
Disposals	(5,838)	(5,838)
At 31 March 2025	<u>11,478</u>	<u>11,478</u>
Net book value		
At 31 March 2025	<u>2,236</u>	<u>2,236</u>
At 31 March 2024	<u>1,046</u>	<u>1,046</u>

8 Intangible fixed assets

	Website £	Total £
Cost		
At 1 April 2024	—	—
Additions	17,916	17,916
At 31 March 2025	<u>17,916</u>	<u>17,916</u>
Depreciation		
At 1 April 2024	—	—
Charge for the year	2,613	2,613
At 31 March 2025	<u>2,613</u>	<u>2,613</u>
Net book value		
At 31 March 2025	<u>15,303</u>	<u>15,303</u>
At 31 March 2024	<u>—</u>	<u>—</u>

9 Investments

	2025 £	2024 £
Market value at the start of the year	—	611,591
Transfers in	—	—
Additions at cost	—	—
Disposals	—	(611,591)
Unrealised gains (losses)	—	—
	—	(611,591)
Add		
Market value at the end of the year	—	—
Cost at the end of the year	—	—

10 Debtors

	2025 £	2024 £
Grants receivable	—	50,000
Prepayments	760	1,321
	760	51,321

11 Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	19,757	3,458
Deferred income	16,712	—
Accruals	226,406	211,782
	262,875	215,240

12 Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	2025 Total funds £
Tangible fixed assets	—	—	2,236	2,236
Intangible fixed assets	—	—	15,303	15,303
Net current assets	1,649,530	—	734,352	2,383,882
Net assets at the end of the year	1,649,530	—	751,891	2,401,421

	Restricted funds £	Designated funds £	General funds £	2024 Total funds £
<i>Tangible fixed assets</i>	—	—	1,046	1,046
<i>Net current assets</i>	1,988,279	—	971,309	2,959,588
<i>Net assets at the end of the year</i>	1,988,279	—	972,355	2,960,634

13 Movements in funds

	At 1 April 2024 £	Income £	Expenditure £	Transfers £	At 31 March 2025 £
Restricted funds					
The Professor Amber Young Fellowship	150,000	—	—	—	150,000
AFTER	—	95,000	—	(9,500)	85,500
Bristol Programme	840,901	150,000	(263,942)	(45,000)	681,959
The Cleft Collective	25,563	—	(6,542)	(19,021)	—
Centre for Conflict Wound Research	258,149	—	—	—	258,149
BSSH Clinical Academic Post	14,356	—	(5,688)	(8,668)	—
UK Burns Research Network	102,295	—	—	—	102,295
Regenerative Research	592,652	4,000	(242,247)	—	354,405
Bioglass	—	2,388	—	(2,000)	388
SPARC	—	17,834	—	(1,000)	16,834
Management of Research Projects	4,363	—	(4,363)	—	—
Grant Refund Imperial	—	18,628	—	(18,628)	—
Symposium	—	1,500	(63,871)	62,371	—
Total restricted funds	1,988,279	289,350	(586,653)	(41,446)	1,649,530
Unrestricted funds					
Designated funds:					
Student Electives and other	—	1,800	(1,800)	—	—
Total designated funds	—	1,800	(1,800)	—	—
General funds	972,355	202,148	(464,058)	41,446	751,891
Total unrestricted funds	972,355	203,948	(465,858)	41,446	751,891
Total funds	2,960,634	493,298	(1,052,511)	—	2,401,421

Research Projects – Where donations were not restricted by the donor, or where restricted funds were under- or over-utilised, the Foundation made a number of transfers between restricted and unrestricted funds in line with its financial procedures and in compliance with donor intent. These transfers are detailed below:

AFTER – £9,500 was transferred from restricted to unrestricted funds to cover project management costs associated with the grant from the Armed Forces Covenant Fund Trust.

The Cleft Collective – Following the conclusion of this long-running project, a balance of £19,021 was transferred to unrestricted funds. This reflected interest accrued while the budget was held in investment over the project's ten-year duration.

The BSSH Clinical Academic Post – A balance of £8,668 was transferred to unrestricted funds following the final payment of project invoices. This amount also reflects interest accumulated during the project.

Bioglass – £2,000 was transferred to unrestricted funds to contribute to administrative and support costs associated with this research.

SPARC – £1,000 was transferred to unrestricted funds to cover core costs incurred in establishing and managing the project.

13 Movements in funds (continued)

Symposium – The total cost of the October 2024 Scar Free Symposium was £63,871. Of this, £1,500 was met through a restricted donation, with the remaining £62,371 funded via transfers from unrestricted funds.

Bristol Programme – Within the total symposium spend, £45,000 was specifically transferred from the Bristol Programme budget to cover costs relating to content and support associated with that programme.

Imperial College – A refund of £18,628 was received from Imperial College relating to previously completed activity. The funder agreed to transfer these funds to the symposium.

The Professor Amber Young Fellowship - The Fellowship was established in memory of Professor Amber Young through a generous donation from her family. No awards were made during 2024/25, and the fund balance of £150,000 remains available to support future Fellowship awards.

The Centre for Conflict Wound Research - The Centre's projects, including DeScar and SMOOTH, experienced delays due to regulatory and clinical issues in 2023/24. As a result, no expenditure was incurred in 2024/25. The work is expected to recommence shortly, and the balance has been carried forward.

The UK Burns Research Network - The Network's final project, BOSS II, continued to experience delays during 2024/25 due to technical issues with specialist equipment. No expenditure was incurred in the year, and the balance remains available to complete the work, now scheduled to conclude in 2025.

Regenerative Research - This programme, supported by Health & Care Research Wales and other donors, continued during 2024/25. Income of £4,000 was received in the year, and project costs of £242,247 were incurred. The programme is due to conclude in 2025/26.

Student Elective Awards – The £1,800 of income supporting the Student Elective Awards was received from three of our Partner Member Organisations (BAPRAS, BBA and BSSH) as unrestricted income. The Foundation designated a further £1,800 from its own unrestricted funds to cover the full cost of the 2024/25 elective placements.

	At 1 April 2023 £	Income £	Expenditure £	Gains on investments & transfers £	At 31 March 2024 £
<i>Restricted funds</i>					
Bristol Programme	919,734	305,192	(220,025)	(164,000)	840,901
Scar Free Projects	—	150,000	—	—	150,000
The Cleft Collective	73,187	—	(47,624)	—	25,563
Centre for Conflict Wound Research	385,442	41,750	46,965	(216,008)	258,149
BSSH Clinical Academic Post	61,651	—	(47,295)	—	14,356
UK Burns Research Network	125,014	—	(22,719)	—	102,295
Regenerative Research	689,267	196,702	(293,317)	—	592,652
Student Elective Awards	—	—	—	—	—
Management of Research Projects	4,363	—	—	—	4,363
Total restricted funds	2,258,658	693,644	(584,015)	(380,008)	1,988,279

Unrestricted funds

13 Movement in funds (continued)

<i>Centre for Conflict Wound Research</i>	80,000	—	—	(80,000)	—
<i>Scar Free Projects</i>	15,000	—	—	(15,000)	—
<i>Bristol Centre</i>	—	—	—	—	—
<i>Regenerative Research</i>	134,249	—	—	(134,249)	—
<i>Student Electives and other</i>	1,900	1,433	(2,866)	(467)	—
<i>Total designated funds</i>	<u>231,149</u>	<u>1,433</u>	<u>(2,866)</u>	<u>—</u>	<u>—</u>
<i>General funds</i>	<u>707,408</u>	<u>173,874</u>	<u>(527,749)</u>	<u>618,822</u>	<u>972,355</u>
<i>Total unrestricted funds</i>	<u>938,557</u>	<u>175,307</u>	<u>(530,615)</u>	<u>389,106</u>	<u>972,355</u>
<i>Total funds</i>	<u>3,197,215</u>	<u>868,951</u>	<u>(1,114,630)</u>	<u>9,098</u>	<u>2,960,634</u>

14 Operating lease commitments

The charity had future minimum commitments at 27 June 2025 under operating leases expiring as:

	2025 £	2024 £
Within one year	—	6,570
Within one to two years	—	—
Within two to five years	—	—
	<u>—</u>	<u>6,570</u>

15 Related party transactions

During the year the charity received donations from Trustees totalling £7,900 for the Big Give Campaign (2024: £6,900). In addition, £Nil (2024: £150,000) was received from a Foundation of which a Trustee (David Allen) was also a Trustee.

THE SCAR FREE FOUNDATION

England & Wales - Charity number 1078666

Accounts

THE FREE FOUNDATION

MAKING A WORLD WITHOUT SCARS A REALITY

THE ANNUAL REPORT & AUDITED ACCOUNTS

31st March 2024

Chairman of the Board of Trustees
Professor Sir Bruce Keogh

The Scar Free Foundation
The Royal College of Surgeons of England
38-43 Lincoln's Inn Fields
London WC2A 3PE

OUR VISION

A world without scarring

OUR MISSION

To achieve scar free healing within a generation and transform the lives of those affected by scarring

CHAIRMAN'S MESSAGE

Science and technology move fast. It took 65 years from the Wright brothers' first flight to Neil Armstrong landing on the moon. Over the last 40 years we have seen massive advances in telecommunications and the internet which has shaped the way we live our lives. The speed of AI development is daunting.

Similarly, we have seen exciting developments in biomedical science. Most notably, in 1990, scientists around the world coalesced in an endeavour to sequence the human genome. Thirteen years and \$2.7bn later that sequencing was deemed complete. Now such sequencing takes less than 24hrs and costs around \$1,000. This might seem all very academic, but it has had very practical implications. Through this enterprise we have learnt an extraordinary amount about how cells work and how intracellular mechanisms influence disease and healing processes. This science, which underpinned mRNA vaccines which were so successful in the pandemic, has had additional profound and practical implications reflected in emerging cures for an increasing number of previously incurable diseases. This frontier of medicine is more exciting and offers wider benefit than even the advent of antibiotics.

We all know people with scars. But we also know that some animals heal without scarring. Therefore, there must be mechanisms in biology that we can unlock to reduce or eliminate scarring. Understanding and modifying these mechanisms could transform the fortunes and lives of those who suffer scar inducing injury or burns.

We believe that the science to unlock this exists, and we believe that the expertise exists in the UK. After all, this science started in the UK with the discovery of DNA. But it doesn't stop there. The UK is home to 4 of the top ten universities in the world, has the second highest number of Nobel laureates in the world (with twice as many per capita of population as the USA) and our academics produce 16% of the world's highest rated medical research papers. We also consistently rank among the top five countries in the Global Innovation Index.

So, given this scientific expertise and the human and financial burden of scarring, we have set ourselves the goal of supporting research that will lead to a world of scar free healing within a generation.

This ambition is shared by our ambassadors who have experienced serious scarring and help guide our efforts ensuring we remain utterly focussed on what matters.

Nevertheless, our charity has found it hard going during, and since, the pandemic, but as you will see from the CEO report we have reduced our costs and overheads significantly over the last year, whilst allowing greater flexibility from an increased team. This is down to the relentless focus and adaptability of our small and dedicated team, led by our Chief Executive, Lt. General Richard Nugee, and supported by our Trustees.

Finally, I would like to thank all our Ambassadors, donors, scientists and surgeons who are helping to drive our ambition to reality.

Bruce Keogh.



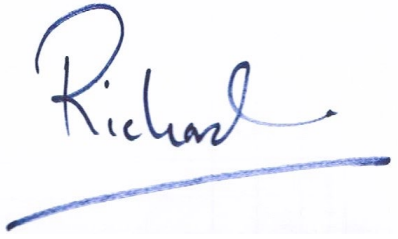
Professor Sir Bruce Keogh KBE, FMedSci, FRCS, FRCP
Chairman

CHIEF EXECUTIVE'S WELCOME

2024 is the Foundation's 25th Anniversary, which we will celebrate with an international symposium at the Royal Society, gathering some of the best scientists globally in the field of scarring. At this symposium, already mostly organised, we will also look to the next 25 years, within which we plan to meet our mission, scar free healing within a generation. We have developed an ambitious but simple Research Strategy focused on a structure of *Identify-Change-Support* and will also be using different methods for delivering research, such as Fellowships and Joint Ventures. With new support from the Armed Forces Covenant Fund Trust, potential collaborations with our Partner Membership Organisations, dstl (the defence science and technology laboratory) and the Defence Medical Services, as well as the emergency services (police, fire and ambulance), there is optimism that 2024-25 will see a step change in our ability to deliver meaningful and impactful research.

This year has, however, presented notable challenges for the Foundation, marked by the departure of our longstanding Chief Executive and the continued absence of a Development Board. The Foundation's income declined due to a variety of factors: the inability to pursue our traditional proactive fundraising style during lockdown was compounded by the more difficult fundraising landscape in the aftermath of the COVID-19 pandemic, which has had a discernible impact on our ability to maintain crucial relationships. The outcome is a financial position worse than at the start of the year, despite significant cost saving measures having been taken. To safeguard our financial stability in the forthcoming fiscal year, we are looking at new and imaginative ways to raise funds, as well as rebuilding and developing relationships in different areas, such as becoming an Associate Member of COBSEO, the Confederation of British Service Charities, to bolster our awareness among the Defence community. As we close the financial year, we remain confident that our funding will regain significant momentum and that our research projects will continue to make significant progress.

Although the Foundation finds itself in a less-than-ideal financial position, we remain blessed with high quality volunteer support through our honorary management structures. Our small but expert and experienced staff team remain focused and committed to building a sustainable financial base, to allow crucial research to be carried out. We have an exciting, broad and innovative programme of research underway with a refreshed Research Strategy, and importantly we have the support of our Ambassadors. Their compelling and inspirational stories, highlighting the experiences of those living with scars, lie at the very heart of all that we do. There is still a mountain to climb: there are more than 20 million people living with scarring in the UK today and the needs of people affected by scarring conditions – lost function, reduced mobility, psychological challenges – remain the same within ever increasing pressure on the NHS. With a revised Research Strategy, new relationships and increased funding, we are on track to be able to improve their lives and those around the world who suffer from scarring.

A handwritten signature in blue ink that reads "Richard". The signature is written in a cursive style and is underlined with a single horizontal stroke.

Lt Gen Richard Nugee CB CVO CBE
Chief Executive

COMPANY INFORMATION

Company Number

03831398

Charity Number

1078666

Patron

HRH The Duchess of Edinburgh

President

Lord Stuart Rose

Vice Presidents

Dr Geraldine Brough

Lord Christopher Patten

Professor Sir Kenneth Calman

Professor Sir John Temple

Trustees

Professor Sir Bruce Keogh, Chairman

Mr Richard Collier, Honorary Treasurer

Professor Peter Weissberg, Research Council Chairman

Ms Alison Clarke

Dr Hemani Modasia-Shah

Mr Timothy Streatfeild

Mrs Alexandra Thrower

Partner Members of The Scar Free Foundation

British Association of Plastic Reconstructive and Aesthetic Surgeons (BAPRAS)

British Association of Aesthetic Plastic Surgeons (BAAPS)

British Burn Association (BBA)

British Psychological Society (BPS)

British Society for Surgery of the Hand (BSSH)

Craniofacial Society of Great Britain & Ireland (CFSGB&I)

Staff

Lt Gen Richard Nugee, Chief Executive, from April 2023

Mr Brendan Eley, Chief Executive, to April 2023

Ms Charlotte Coates, Head of Research Funds

Ms Amanda McKechnie, Head of Finance & Operations, to February 2024 (then on maternity leave)

Dr Lubna Arif-Schmidt, Head of Development, from July 2023

Ms Jenni Herd, Communications and Project Manager, from August 2023

Ms Catherine Attwood, Finance and Operations Manager, maternity cover from February 2024

Bankers

CAF Bank Ltd

25 King's Hill Avenue

West Malling, Kent

ME19 4JQ

Cash Management Platform

Flagstone Group Ltd
1st Floor Clareville House
26-27 Oxendon Street
London
SW1Y 4EL

Auditors

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Solicitors

Baker McKenzie
280 Bishopsgate
London
EC2M 4RB

Investment Managers until 1st February 2024

Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London
EC4M 8BU

Registered Office Address

38-43 Lincoln's Inn Fields
London
WC2A 3PE

TRUSTEE'S REPORT

The Trustees present their report and the audited financial statements for the year ended 31 March 2024.

Reference and administrative information set out on pages three and four form part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, the Charities Act 2011 and 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 United Kingdom and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

The Scar Free Foundation is a charitable company limited by guarantee, incorporated on 25th August 1999 and registered as a charity on 17th December 1999.

The charity's constitutional document is its Articles of Association which set out the charitable objectives. Our aim is to raise funds in the most efficient and cost-effective way; to invest in and manage high-quality research in the UK and Ireland; and to run the charity in a transparent, accountable and sustainable manner to deliver transformational change for people with scarring.

On 29th September 2023 the 6 Partner Member Organisations of The Scar Free Foundation agreed to amend the charitable objectives to align better with our mission to pursue scar free healing. The submitted Charity Commission's approval of the amendments is still pending.

Objects and aims of the charity

The Scar Free Foundation's charitable objectives are the relief of sickness and the protection and preservation of public health by:

- carrying out and funding research into the development of treatments and interventions for scarring. This will benefit people who live with a physical, psychological, social, or emotional disadvantage as a result of scarring present at birth or acquired through accident, disease, illness, conflict or terrorist attacks;
- disseminating the useful results of such research and to help train health workers in appropriate treatments throughout the world;
- informing people about the availability of such treatments for scarring.

The Charity is governed by a Board of Trustees chaired under powers defined in the Memorandum and Articles of Association.

The Board is supported by two sub-committees: the Finance and Operations Committee and the Research Council.

The day-to-day running of the Charity is the responsibility of the Executive Team, led by the Chief Executive, Lt Gen Richard Nugee.

The Charity Governance Code has been adopted by the Foundation and the Code's principles are regularly revisited by the Chief Executive and the Board.

Governance

The Board

Trustees are pleased to report that they have referred to the Charity Commission's guidance on public benefit in their annual review of aims and objectives and in all future planning of the charity's activities. We believe these benefits – to a broad 'public' of people and their families affected by scarring both now and in the future – are clearly represented in our determination to deliver better understanding and improved treatments, through research. These benefits will be greatly enhanced through work supported by the Foundation, for example, in burns, conflict wounds research and our scientific pursuit of scar free healing, where the findings of our work could result in fewer incidents of serious accident, as well as scar free outcomes.

Our governing body, the Board of Trustees (the Board), is responsible for the overall governance and work of the Charity. The Board is responsible for ensuring that the charity meets its legal and regulatory obligations while fulfilling its charitable purpose. It sets the charity's vision, mission and values, and its long-term strategy. It approves the business plan as well as key organisational policies. It defines the charity's risk appetite and monitors the strategic risks the charity faces, as well as the impact of the charity's performance.

Our Trustees are volunteers, and are not remunerated for their work, but may claim reasonable expenses incurred through attending meetings or carrying out other duties.

The Board may have up to 15 Trustees. As of 8 July 2024, our Board consists of 7 Trustees, two of whom are on yearly terms. Three honorary roles exist: the Chairman, the Honorary Treasurer and the Research Council Chairman, that the Trustees may appoint from their number for a term of office as they see fit.

Details of our Trustees (those currently in post and who served during 2023-24) are listed on page 6.

Trustee Recruitment, Appointment and Induction

Every three years, the Charity conducts a Skills, Diversity, Inclusion and Experience Audit. Since the last Audit in 2021, there have been three resignations and one addition to the Board. Using the audit and recommended advice, it is clear that the Foundation has a few areas to recruit for in the coming year, including fundraising expertise – particularly cultivating relationships, establishing high net worth networks and formulating grant submissions - and potentially someone with start-up or with an entrepreneurial interest.

On appointment, all Trustees undergo an induction with the Chief Executive and the Head of Finance & Operations, where their responsibilities and duties are formally outlined and an update on current business is provided. Charity Commission materials are provided offering further information as well as all copies of relevant documents such as the Memorandum & Articles of Association, the Management Plan, the Staff Handbook, the Financial Controls & Procedures Manual, the Manual for the Management of Research and other strategy and policy documents. Further development opportunities are offered at quarterly Trustees' meetings and have previously included training in governance and charity regulation.

Committees

The Board is supported by two committees to which it delegates certain authorities. The committees work to their terms of reference, which are approved by the Board and reviewed periodically.

Finance and Operations Committee

The Finance and Operations Committee is chaired by the Honorary Treasurer, Richard Collier, and meets at least four times a year. It reviews and make recommendations to the Board on:

- Finance, including budgets and management accounts
- Risk management
- Audit and statutory reporting
- Investments
- Human resources

Research Council

The Research Council is chaired by the Research Council Chairman and meets at least twice a year. Members are scientific and lived experience experts in wound healing and scarring conditions. The Research Council informs, reviews and makes recommendations on the implementation and development of the Research Strategy and the Scar Free Research Programmes. During the year the Research Council was chaired by Professor Peter Weissberg. In October 2023, Professor Paul Stewart stepped down after serving 6 years as the Chief Scientific Advisor and Professor Weissberg assumed the role on an interim basis.

Ambassadors

People affected by scarring are at the heart of all that we do. We are privileged to have a passionate and committed team of Ambassadors, who are volunteers, either living with or impacted by scarring. Ambassadors are experts in scarring and offer advice and guidance for our research, fundraising and communications work.

Key Management Personnel

The Trustees consider that they, together with the Chief Executive comprise the key management in charge of running the charity on a day-to-day basis. On 17th April 2023 the Chief Executive, Brendan Eley, stepped down after serving 17 years. Lt Gen (retd) Richard Nugee resigned as a Trustee and assumed the Chief Executive role on 25th April 2023, after permission was obtained from the Charity Commission.

The Board oversees the Chief Executive's performance through reports and briefings, which are presented at Board meetings as part of the planning and budgeting process. The Chairman of the Board carries out the Chief Executive's formal appraisal annually, on behalf of the Board. The Board approves proposals regarding the salary and benefits of the Chief Executive and staff through the Finance & Operations Committee. These proposals are presented by the Honorary Treasurer and informed by recommendations from an independent HR consultant, which include salary benchmarking and a 'cost of living' recommendation.

Staff Remuneration

We pay a fair and appropriate salary to attract and retain the best people with the right management and leadership experience. The earnings of senior staff above £60,000 are disclosed in the financial statements at note 7 on page 42.

RESEARCH

In 2023/24, we simplified the research strategy into three broad themes:

- **Identifying** the biological pathways which lead to scarring
- **Changing** these pathways to prevent or improve scarring
- **Supporting** people living with scars

We will also manage existing work and seek to develop collaborations with other charities and relevant organisations to address mutual areas of interest, enhance the impact of the Foundation's funds and foster networks and partnerships.

Research Performance and Achievements

In the reporting year the Foundation has seen the successful conclusion of two research projects and the development of exciting new funding initiatives.

The Veteran Aging project at the Scar Free Foundation Centre for Conflict Wound Research investigated the 'biological aging' of veterans from the conflicts in Iraq and Afghanistan. Studies have indicated that survivors of major trauma, including war injuries, face increased risks of age-related diseases like heart disease and cancer, leading to earlier mortality. The team's research with veterans from Iraq and Afghanistan found they were biologically older regardless of injury. Notably, age acceleration wasn't heightened in veterans, but those engaging in vigorous physical activity or holding officer ranks showed slower biological aging. Deployment itself didn't accelerate biological aging, suggesting various factors like physical activity and socioeconomic status influenced aging pace. Interventions to slow aging could benefit military veterans' long-term health.

The *Assessing the burden of facial scarring and associated mental health conditions to identify patients at greatest risk* (AFFECT) study, undertaken at the Scar Free Foundation/ Health and Care Research Wales Programme of Reconstructive Research revealed that individuals with facial scarring had a higher likelihood of experiencing anxiety and depression. The study utilised health records from over 170,000 individuals to assess mental health struggles among those with facial scars. Published in the psychiatry journal *BJPsychOpen* in Autumn 2023, the study, led by Professor Iain Whitaker, analysed data from Wales using the SAIL databank. Findings indicated that factors such as the origin of scars, history of mental health issues, gender, and socioeconomic status influenced the prevalence of anxiety and depression among those with facial scars. This research shed light on the importance of addressing mental health support for individuals living with facial scarring in the UK.

During the reporting year, the Foundation developed The Form, Function and Feeling Programme. Working with members of our Partner Membership Organisations and Scar Free Foundation Ambassadors we developed a suite of projects to address the visual, functional and psychological impact of scarring. We would like to thank the following Ambassadors; Mrs Rachel McDermott for chairing the Form, Function and Feeling Working Group and to Dr Jaco Nel, Miss Tattyana Findlay and Mr Justyn Howlett for providing their insights in the development of this work.

This year the Foundation has worked to actively re-engage our founding partners, known as the Principal (now Partner) Member Organisations; the British Association of Plastic Reconstructive and Aesthetic Surgeons, the British Burns Association, the British Association of Aesthetic Plastic Surgeons, the Craniofacial Society of Great Britain and Ireland, the British Society for Surgery of the Hand and the British Psychological Society. A workshop and follow up meeting have been held to discuss research commonalities and the

ways in which the organisations can collaborate. Discussions thus far have been encouraging and we are currently exploring the opportunity for a formalised collaboration. The Foundation has also been exploring the opportunities to develop co-funded Fellowships with a number of organisations which we hope will come to fruition in the next 12 months.

This year has seen the launch of the Amber Young Research Fellowship. The Fellowship has been made possible by a generous donation in memory of Professor Amber Young, an inspirational and much-missed Scar Free Foundation-funded researcher, from her husband, Norman Heckington. The Fellowship aims to support high-quality, clinically focused research aimed at improving outcomes for children and young people affected by burns. The emphasis of the Fellowship is on 'pump priming', proof of principle, and feasibility studies that can demonstrably lead to larger applications from established grant makers such as the NIHR and the MRC.

Preparations are underway for the Scar Free Symposium which will be held at the Royal Society in London on 30th and 31st October 2024. The aim of the symposium is to showcase some of the approaches to scar free healing currently being pioneered by researchers in receipt of our funding. Sessions include; *Population Health and Genomic Approaches to Scar Free Healing*, *Delivering Scar Therapeutics to the Patient* and *Conflict Wound Research*.

In February 2024 the Foundation was delighted to be awarded £300,000 from the Armed Forces Covenant Fund Trust Transformational Grant Scheme for the next financial period. This funding will enable us to deliver a project focused on understanding the effects of intimate scarring among veterans and developing psychological support resources tailored to their needs. A funding call for this project will be undertaken in April 2024.

Research Projects

2023/24 has seen progress across the Foundation's key areas of research.

THE SCAR FREE FOUNDATION PROGRAMME OF WOUND HEALING RESEARCH
The Scar Free Foundation Programme of Wound Healing Research at the University of Bristol combines Bristol's established expertise in wound healing biology and population-based cohort studies of human disease, in order to identify scar associated genes.

The five-year programme comprises the following projects:

Using Large Cohort Studies to Identify Genetic Variants For Mechanistic Testing In Mouse And Zebrafish Models of Wound Healing. Professor Paul Martin, Professor Nic Timpson.

The project aims to use health data to find out if certain genes are linked to scarring, using both human and animal studies. Initial data from a group of people in Bristol showed a gene called LGR4 might be involved in scarring. Further research involves studying how this gene works in wound repair, using zebrafish. The project began by analysing data from a group of people in Bristol, focusing on variations in scarring. Further research has involved studying zebrafish with mutations in the LGR4 gene. These fish showed differences in their response to wounds, suggesting that LGR4 plays a role in wound healing. Collaborating with other researchers studying lung and caesarean scarring provides valuable insights that could lead to new ways to prevent scarring in both skin and internal organs.

Integrating Human and Animal Studies to Investigate Known Cleaving Genes Linked to Wound Healing. Dr Rebecca Richardson

The project focuses on investigating how four genes associated with cleft lips also affect scarring severity. The team has conducted experiments with zebrafish to explore how specific genes linked to cleft lips affect scarring and wound healing. Initial experiments with IRF6 mutant fish show they develop thicker skin, similar to certain human patients. Further analysis reveals irregular collagen distribution in these mutants, suggesting a role in scar formation and a reduced immune response in mutant fish after injury. The team's collaboration with the Cleft Collective Cohort, which was established by the Foundation, provides access to human tissue samples, allowing them to validate their findings. Their ongoing research aims to uncover the specific pathways these genes influence, shedding light on how scarring occurs.

Governance

The Foundation's Research Council Chairman, Professor Peter Weissberg, oversees the progress of the programme. This includes making site visits, assessing the team's annual report and making a recommendation to the Board of Trustees as to whether they should be accepted.

THE SCAR FREE FOUNDATION/HEALTH AND CARE RESEARCH WALES PROGRAMME OF REGENERATIVE MEDICINE

This programme comprises the following projects:

3D BIOFACE - 3D Bioprinting Facial Cartilage Using Human Cartilage Specific Stem/Progenitor Cells and Nanocellulose Bioinks for Facial Reconstruction. Professor Iain Whitaker

The 3D Bioface project aims to 3D 'bio-print' replacement cartilage, specifically tailored to patients with facial cartilage defects. Currently, surgeries rely on harvesting the patient's own cartilage, leading to scarring and complications. To achieve this, suitable ink, or 'bioink', is vital for creating living tissue constructs. Our research focuses on three key areas: Biomaterials, Cells, and Toxicology/Biocompatibility. By adopting the Suspended Layer Additive Manufacturing (SLAM) printing method, the team has successfully printed soft hydrogels into complex shapes like ears. They have identified potential biomaterials like nanocellulose and alginate, and conducted tests to evaluate printability and strength, surpassing traditional printing methods.

The team has identified a favourable tissue source for cartilage cells and are exploring ways to optimize their growth environment. They are also experimenting with a variant of nanocellulose supplemented with mannitol to enhance cell viability. The team is collaborating with bioengineering colleagues at Swansea University to ensure the safety of their bio-printed constructs. This involves microbial growth assays, testing individual bioink materials with cells, and assessing the inflammatory response and cell viability.

In addition, the Foundation manages project *RESECT: Recommendations for service redesign in skin cancer management*, on behalf of Health and Care Research Wales.

The RESECT project is rooted in the principles of prudent healthcare, aiming to co-produce healthcare with the public, prioritise patients with the greatest needs, and reduce unnecessary variation using evidence-based methods. It aligns with value-based healthcare (VBHC), striving to achieve optimal patient outcomes at minimal cost. By leveraging big data and patient-reported outcomes, RESECT aims to enhance skin cancer healthcare services in Wales. Divided into two parts, the project focuses on analysing big data related to skin cancer and gathering patient-reported outcome measures to improve service design and effectiveness.

Governance

The programme is overseen by the Research Council Chairman, Professor Peter Weissberg. This includes making site visits, assessing the team's annual report and making a recommendation to the Board of Trustees as to whether they should be accepted.

THE SCAR FREE FOUNDATION CENTRE FOR CONFLICT WOUND RESEARCH

The aim of the Centre is to reduce and eventually eradicate the impact of scarring and related loss of function amongst Armed Forces personnel, who sustain critical injuries during their deployment, as well as civilians injured in conflict or terrorism incidents. It is achieving this by supporting a programme of biological and clinical research. The main funder of the Centre for Conflict Wound Research is HM Government, with support from the LIBOR fines fund.

The following projects are currently underway:

DeSCAR: First in human clinical trial of a bioactive dressing designed to prevent scarring of skin burns, Professor Liam Grover.

De Scar is a first-in-human clinical trial of a new battle-ready dressing that actively prevents scar formation. Containing the naturally occurring protein Decorin, the dressing is being developed for ease-of-use in austere conflict and humanitarian environments.

During the reporting year, the team achieved MHRA approval to commence the clinical arm of the project. However, work on the project is currently halted pending an MHRA amendment to enable the manufacture of the dressing on site at the University of Birmingham.

SMOOTH: A prospective randomised controlled trial to examine the efficacy and mechanistic basis of fractional ablative carbon dioxide laser therapy in treating hypertrophic scarring, Professor Naiem Moiemem, Professor Janet Lord, University Hospitals Birmingham NHS Foundation Trust/University of Birmingham.

SMOOTH involves civilians and military veterans with scars that are over a year old recruited from Burns Centres in Birmingham and Swansea. The study is assessing the effectiveness of laser therapy to breakdown scar tissue from burn and blast injuries and restore lost function.

Unfortunately, work has not progressed as planned over the last 12 months due to clinical issues involving the collection of samples. The researchers are currently working through regulatory approvals to enable the project to recommence the collection of samples.

Governance

The programme is overseen by the Research Council Chairman, Professor Peter Weissberg. This includes making site visits, assessing the team's annual report and making a recommendation to the Board of Trustees as to whether they should be accepted.

THE UK BURNS RESEARCH NETWORK SUPPORTED BY THE VTCT FOUNDATION

The Foundation established the UK Burns Research Network in 2018. The 'Network' is a collaborative, coordinated programme of burns research aimed at delivering tangible care and treatment benefits to those encountering serious thermal injuries. Four projects were funded, three of which have successfully completed. The remaining project is entitled: *BOSS: Development of a multicentre cohort of burn injury patients – a feasibility study and a prospective study to examine the validity of a panel of objective burn scar measurement tools*. Professor Naiem Moiemem, University Hospitals Birmingham NHS Foundation Trust.

Research Summary

Following significant advances in medical science, patients with burns that involve as much as 95% of their total body surface area can now survive. Unfortunately, research into scarring does not match the improvement in survival following burn injury, and the quality of studies that have been conducted were hindered by a lack of validated, objective tools used to grade scars. The subjective tools that were used are prone to individual clinician bias, leading to inconsistent findings. The aim of this project is to assess a group of patients from the time of their injury to the time of wound healing and for two years afterwards. The team are measuring their scars with a range of objective scar measuring tools that have been shown to work in a previous smaller study alongside subjective questionnaires that look at how the patients view their own scars, and the effect these scars have on their quality of life. Due to the length of follow up, the revised end date of this project is July 2025.

Unfortunately, due to issues involving the calibration of pieces of equipment needed for the project, the project suffered significant delays during the reporting year.

Governance

The Foundation has established an Advisory Panel to advise on the prioritisation, funding and management of research projects in the Burns Network. The Chairman is Professor Folke Sjoberg, Professor of Burn Surgery and Critical Care at Linköping University, Sweden. We would like to extend our thanks to Professor Folke Sjoberg for his guidance of burns research projects. Membership is composed of UK and European clinicians and academics working in burn care and treatment, and 'lived experience' volunteers. In the reporting year the Panel worked virtually to review final reports and updates.

The Burns Research Network Advisory Panel comprises:

- Dr Sophie Dix, VP of Content, Koa Health, lived experience of burns.
- Professor Esther Middelkoop, Burns and Wound Healing Scientist, VUMC Medical Centre, Amsterdam, the Netherlands.
- Professor Mamta Shah, Consultant Burns and Plastic Surgeon, Royal Manchester Children's Hospital, Wythenshawe Hospital and the University of Manchester.
- Dr Lisa Williams, Consultant Clinical Psychologist, Chelsea and Westminster Hospital, London.

We are extremely grateful to the Advisory Panel for their advice and guidance during the reporting year.

THE BSSH CENTRE FOR EVIDENCE-BASED HAND SURGERY RESEARCH AT THE UNIVERSITY OF NOTTINGHAM

Work concluded on the project in April 2024.

THE SCAR FREE FOUNDATION ELECTIVE AWARDS

The Foundation continues to support surgeons through the Medical Elective Awards, which have been running for 20 years. This year's awards were reviewed by members of the Research Council.

The following projects were funded:

Mr Isaac Jarrett Barnham, a 5th year medical student from the University of Oxford, received a BSSH/Scar Free Foundation Elective to undertake the project, *Exploring the relationship between the occupational and genetic risk factors predisposing to Dupuytren's Contracture*. Mr Jarrett Barnham undertook his project at the Nuffield Department of Orthopaedics, Rheumatology and Musculoskeletal Sciences, University of Oxford and was supervised by Professor Dominic Furniss.

Mr Rafsan Chowdhury, a 5th year medical student from the University of Aberdeen, received a BAPRAS/Scar Free Foundation Elective to undertake the project, *Developing an Evidence Based and Anxiety Reducing Protocol for Keloid Management in the Paediatric Population*. Mr Chowdhury undertook his project at Evelina Children's Hospital, London, and was supervised by Mr Simon Filson.

Mr Alexander Plonkowski, a 5th year medical student from the University of Newcastle, received a CFSGB&I/Scar Free Foundation Elective to undertake the project, *Eye-tracking as a tool for the assessment of appearance outcomes following cleft lip surgery*. Mr Plonkowski undertook his project at the Northern and Yorkshire Cleft Service, Royal Victoria Infirmary, Newcastle-upon-Tyne, and was supervised by Mr David Sainsbury.

THE MANAGEMENT OF RESEARCH

Research is the core business of The Scar Free Foundation. The Foundation has policies for the management of research, which comply with the guidelines set by the Association of Medical Research Charities (AMRC). They include:

- Oversight provided by Advisory Panels, the Research Council, Chief Scientific Adviser, and the Board of Trustees
- Development, review, and maintenance of the Research Strategy
- Transparent and impartial application and selection processes for research funding, including independent peer review
- Written Agreement and Terms and Conditions for grant awards
- Procedures to identify and address potential conflicts of interest.

Research Council

The Research Council, led by the Research Council Chairman and Trustee, Professor Peter Weissberg, advises the Scar Free Foundation's Board of Trustees on implementing and developing the Scar Free Strategy for research objectives. It ensures adherence to legal and best practice guidelines. Responsibilities include overseeing the strategy, identifying research gaps, and scanning global research for emerging technologies and leaders. The Council maintains awareness of evolving clinical and scientific landscapes and involves patients and the public in setting priorities. Members typically serve three years, extendable to six years at the Board's discretion.

As at 8th July 2024, membership of the Scar Free Foundation Research Council is as follows:

- Chair, Professor Peter Weissberg, Research Council Chairman and Trustee
- Mr Manaf Khatib, Consultant Plastic Surgeon, East and North Hertfordshire, NHS Trust. Representative of the British Association of Aesthetic Surgeons
- Professor Andrew Hart, Consultant Plastic and Hand Surgeon, Canniesburn Plastic Surgery Unit, Glasgow Royal Infirmary. Representative of the British Association of Plastic, Reconstructive and Aesthetic Surgeons
- Professor Joseph Hardwicke, Consultant Plastic and Reconstructive Surgeon, University Hospitals of Coventry and Warwickshire
- Mr Adam Reid, Academic Consultant Plastic Surgeon, University Hospital South Manchester. Representative of the British Association of Plastic, Reconstructive and Aesthetic Surgeons
- Mr Simon Booth, Senior Burn Research Nurse, Queen Victoria Hospital, East Grinstead, Representative of the British Burn Association
- Mr Bruce Richard, Consultant Plastic and Cleft Lip and Palate Surgeon, Birmingham Women's and Children's Hospital NHS Foundation Trust. Representative of the Craniofacial Society of Great Britain and Ireland

- Miss Alexia Karantana, Consultant Orthopaedic Surgeon in Hand Surgery at Queens Medical Centre, Nottingham. Representative of the British Society for Surgery of the Hand
- Mrs Rachel McDermott, Invited Member, Lived experience of scarring
- Dr Yvonne Wren, Invited Member, Allied Health Professional, Director of Bristol Speech and Language Therapy Research Unit
- Dr Jaco Nel, Invited Member, Lived experience of scarring
- Professor David Abraham, Invited Member, Professor of Cell and Molecular Biology, University College London.

Trustees would like to extend our sincere gratitude to Research Council members for their counsel and support over the past year.

Chief Scientific Adviser

The role of Chief Scientific Adviser was established in 2018 to assist in the assessment of new work and the broader pursuit of our research strategy. From 2018-2023 the role was fulfilled by Professor Paul Stewart, Professor of Medicine & Health Policy Advisor to the Vice Chancellor at the University of Leeds. Thoughtful and pragmatic advice and guidance provided to the Foundation by Professor Stewart has been invaluable. We extend our thanks to him for all his assistance. Professor Peter Weissberg is currently temporarily overseeing the work of the Chief Scientific Adviser until a replacement is recruited.

FUNDRAISING

Our Fundraising Approach

The Scar Free Foundation relies almost exclusively on voluntary donations and grants from individuals and grant-making organisations. Whether through gifts of time, money or voice, we are incredibly fortunate to have such loyal and generous supporters.

The fundraising environment continued to be challenging in 2023-24, set against a backdrop of economic and political uncertainties, with global conflicts and a rising cost of living. Total income was £869k, down from £1,253k in the previous year. Most of this reduction is attributed to the loss of relationship building that an in-house fundraiser provides.

Our new strategic direction is focused on engaging a wider and more diverse scar free community, alongside implementing relationship-driven fundraising programmes. We know that developing new fundraising initiatives takes time, and we recognise the necessity of investing funds and resources wisely in the short-term to establish a sustainable fundraising model for the longer term.

Investing in innovation, partnerships and digital strategies is crucial to strengthening, diversifying and growing our income streams. This will ensure that we remain relevant, financially sustainable and capable of delivering transformational change for everyone with scarring.

Looking ahead to 2024-25, we will strive to deliver on our fundraising vision to ensure that the funds needed to invest in scar free research are always available. We will develop an integrated, planned approach across fundraising and communications to attract, inspire and engage new supporters. And we will have clearly articulated calls to action and inspiring cases for support that appeal to a broader audience.

Fundraising Highlights

Philanthropy and Partnerships

Thanks to the support from grant-making organisations and individuals, often with multi-year commitments, we can pursue innovative scar free research programmes and plan long-term charitable activities.

We are grateful to The CHEAR Foundation, J P Moulton Charitable Foundation, Health and Care Research Wales, MRC, The Childwick Trust, The Worshipful Company of Tin Plate Workers (Wire Workers), and The Dorus Trust. We also greatly appreciate the long-standing support of Professor Jonathan Sandy, Nigel Mercer, Professor Vivien Lees, and Alex Wilshere.

We especially wish to acknowledge Douglas McGeorge, The Reed Foundation and Irie Perera for their wonderful support of the Scar Free Appeal during the Big Give Christmas Challenge 2023.

We are proud to collaborate with our Partner Member Organisations as outlined previously. Together, we are dedicated to nurturing the next generation of researchers in wound healing and scarring conditions.

Donations in Memory and Gifts in Wills

This year, we were privileged to receive a legacy from the late Jack Desmond Sandy and a donation in memory of the late Professor Amber Young, totalling £155K in legacy income. To honour their memory and fulfil their wishes, we are committed to investing both gifts strategically to achieve the greatest impact. Specifically, we have established the Amber Young Burns Research Fellowship with the in memory donation for Professor Amber Young to support emerging talent in burns research.

As ever, we remain deeply grateful to all those, both past and present, who have chosen to include a gift in their Will or a donation in memory to The Scar Free Foundation. Your generosity will power pioneering research and help make a world without scars a reality.

Community Fundraising

Our amazing scar free supporters cycled, ran, and orchestrated their own brilliant fundraising activities throughout the year to advance our mission towards scar free healing.

Dr Peter Homa celebrated his retirement as Director General of the Defence Medical Services with a remarkable feat, cycling from Land's End to John O'Groats, raising over £4,100.

The Victory Belles Women's Institute, inspired by our Ambassador Karl Hinett, chose The Scar Free Foundation as their charity-of-the-year and raised £211. Similarly, children from Hethersett Woodside Primary & Nursery fundraised £100.

Driven by her passion for plastic surgery and burns, Dr Luanne Lai marked her 26th birthday with a significant personal challenge, running 62 miles and raising over £385. James Masters, inspired by our Ambassador Elizabeth Soffe, took on the iconic London Marathon and raised £940.

Fundraising Governance and Regulations

Our participation in fundraising regulation and our compliance with the code

At The Scar Free Foundation, we value the support of every one of our donors and work hard to ensure that our fundraising activities are open, legal, honest and respectful. By working with the Fundraising Regulator and the Chartered Institute of Fundraising, we make sure our fundraising operates to the highest standards.

We have maintained our longstanding commitment to the Code of Fundraising Practice and we adhere to the principles of our fundraising promise and our "Your Privacy" statement. Internally, our Board of Trustees oversees our fundraising. It ensures we comply with all the relevant rules and regulations, and that our fundraising upholds the highest standards.

We will never:

- sell your data to another organisation
- share your information with another charity, without your specific and explicit consent.

We will always:

- do our best to keep your personal details safe
- listen to you, and ensure we communicate with you in the way you want
- treat you fairly and reasonably
- act with transparency, answering questions in an open and honest way
- be accountable, if you don't like what we are doing we would like to hear from you

To read more about our fundraising promise and your privacy, please visit our website.

Listening to our supporters

We encourage supporters to share their feedback, suggestions or complaints with us. The Scar Free Foundation did not receive any direct complaints about our fundraising activities. Also, there were no complaints from the Fundraising Preference Service and the Fundraising Regulator.

With the diversification of our income streams and increased focus on donor acquisition, we acknowledge that this may change due to increased activity. We take all complaints seriously and the Head of Development aims to resolve or acknowledge receipt of any complaints within five working days.

How we protect vulnerable people

Every donor is unique, with diverse backgrounds, experiences and circumstances, and every interaction between a fundraiser and donor is different. Our work is almost exclusively reliant on voluntary donations, which means we do have to ask for money. When we do, we always treat donors fairly and try to ask responsibly and respectfully.

When we identify people who may be vulnerable, we take steps to protect them from fundraising requests. This includes stopping fundraising communications to them. Our approach is aligned with the Chartered Institute of Fundraising's guidance on "Treating Donors Fairly".

How we monitor our fundraising activities undertaken by third parties

This year, we employed one part-time professional fundraiser who assisted in bid preparations and prospect research. We did not work with any commercial participators.

We signed contracts to ensure the third party only ever used supporter data on our behalf in accordance with our instructions. And we asked them to adhere to the same high levels of data security as we do, following the Data Protection Act. We closely monitored them by holding regular review meetings to ensure they met our high fundraising standards and represented our charity appropriately. We encourage supporters to share their feedback, suggestions or complaints with us. This year, The Scar Free Foundation did not receive any direct complaints about our fundraising activities. Also, there were no complaints from the Fundraising Preference Service and the Fundraising Regulator.

RAISING AWARENESS

In October, we also hosted, our Annual Ambassador and Update Event at The Royal College of Surgeons. The Ambassador Event provided an opportunity for those with a lived experience of scarring to convene and discuss the challenges they face.

Communications

In July 2023, we hired a new Communications and Projects Manager – Jenni Herd - and released Barley Communications from their contract. This personnel change has not only cut costs but has allowed the Foundation more time to create engaging communication materials across social media, the newsletter, and the website.

Our social media presence continued to grow, thanks to the help of our Ambassadors and Partner Member Organisations. In September 2023, we were verified as a charity by Meta, allowing us to fundraise on Facebook and Instagram. Our current social media strategy is geared towards LinkedIn and Instagram, engaging followers with valuable, sharable content. A large focus of this strategy has been expanding our video library. The Communications and

Projects Manager has a background in video production, which has been put to good use: videos have been made on two new Ambassadors, Black History Month, and our research centres at the University of Bristol and Swansea University. This new video content has boosted interest on social media and allowed us to showcase our work in new ways.

In February 2024, we initiated a project with creative agency United by Design to refresh our website. The new design will address known issues with the navigation of the current site: the new layout will funnel people towards the donate button, with new copy on our impact to encourage people to give. This new website will launch in July 2024 to coincide with the Scar Free Symposium and our 25th Anniversary.

The increased capacity in Communications has also enabled us to explore other avenues to raise awareness and funds. In February 2024, we submitted a radio advertisement to Charity Fillers - a service providing charities with airtime on local radio stations. We have also written a Wikipedia page ([The Scar Free Foundation - Wikipedia](#).) We are confident these avenues will introduce our mission of scar free healing to new audiences and establish The Scar Free Foundation as an authority in the field of wound healing.

We are very grateful to our Patron, HRH The Duchess of Edinburgh, for her constant support for our work.

Volunteer help

The Scar Free Foundation relies on the help of volunteers in all aspects of its activities. This support is provided principally by members of the Board of Trustees, the Research Council and Research Advisory Panels who all give their time freely. We are also very grateful to our Scar Free Ambassadors, volunteers with lived experience of scarring, who help communicate the Scar Free ambition and ensure that a patient perspective is at the heart of our research; their stories convey more powerfully than anything else the need for more research and activity in this area. We are grateful to all Ambassadors who give their time, honesty, understanding and support to attend events, workshops, meetings and promotion through our social media platforms.

Finally, we are grateful to the CASEVAC Club of injured veterans from recent conflicts in Iraq and Afghanistan, and its co-founders David Wiseman and Dave Henson MBE for partnering with the Foundation on the Centre for Conflict Wound Research and our wider ambitions in this area. They have been invaluable in helping us develop a new slate of Conflict Wound research, including our successful bid to the Armed Forces Covenant Fund Trust.

Future Plans

We are delighted to have been recognised as a key partner by the 2027 Invictus Games in Birmingham. The UK team aim to produce a lasting legacy for the wounded as part of the Invictus Games 2027 package and have asked The Scar Free Foundation, potentially in partnership with Dstl and Defence Medical Services to be part of that legacy, with research to support those in the Armed Forces community. And, although still to be negotiated, part of the funds raised from the Games will be used on research. We are working in collaboration with Scar Free Fellowship and Elective Alumni to build a new generation of Scar Free Researchers and clinicians.

We are also proud to be funding our first collaborative PhD Fellowship with Defence Medical Services and hope this is the first of many such collaborations.

In October 2024 The Scar Free Foundation will be hosting an international symposium in London. Over two days, scientists and clinicians at the forefront of wound healing and scarring research will convene at The Royal Society. Speakers from the UK, the USA, Brazil, Belgium and Ukraine will participate in sessions on Population Health and Genomics, Delivering Scar Therapeutics to the Patient, Mechanisms, Models, Novel Therapies in Fibrosis Research and the Mechanobiology of Conflict Wounding.

FINANCIAL REVIEW

During the year, our spend on research decreased due to the completion of research projects from a spend of £1,610,710 in 2022/23 to £1,114,630 in 2023/24.

A review of the schedule comparing commitments against available restricted and designated funds is reviewed every year by our auditors Buzzacott. The latest review conducted in May 2024 confirmed the Foundation's position that all commitments are adequately provided for.

We end the year carrying forward reserves that both match our stated policy to provide sufficient, but not excessive, core funding, and the reassurance that all research commitments can be fully funded through existing restricted and designated funds.

RESERVES POLICY

The Scar Free Foundation has restricted funds which have been, and will be, generated through fundraising. Depending on the specified restriction, these will be either used to generate further funding to establish and maintain our major research programmes or used directly on particular research projects.

We continue to retain sufficient unrestricted funds to meet on-going core costs. The aim is to maintain sufficient unrestricted reserves to cover core costs for a 12-month period and to meet redundancy costs should the Foundation ever have to be closed down.

Unrestricted reserves at the end of March 2024 were £972,355 (£938,557 2022/23) and constitutes free reserves. The core-costs for 2024/25 are forecast to be approximately £514,350 The free reserves are therefore in line with the target set out above. The team are not complacent and are keen to push forward with a strong fundraising strategy.

INVESTMENT POLICY

After reviewing our investments, it was decided by the board to liquidate our funds with Sarasin Partners LLP in January 2024 and reinvest them into various medium-term accounts within Flagstone.

RISK ASSESSMENT

The Board updated the original Risk Assessment in this financial year. Trustees diligently review these reports on a quarterly basis, which includes a numerical risk assessment, a heat map, management commentary and reduction in score if mitigated. The Risk Management table and accompanying heat map serve to deepen understanding, aid decision-making, and optimize risk mitigation efforts. Accordingly, we can confirm that the major risks to which the Foundation is exposed have been reviewed and actions are in place to mitigate those risks.

Current risks of greatest concern (i.e. the risks with greatest combined 'impact' and 'likelihood' score in the Trustees' quarterly risk assessment exercise) include:

1. **Fundraising Issues:** Delay in building a high-net-wealth networking infrastructure - Efforts to expand income sources are paramount.
2. **Financial Issues:** Income/expenditure imbalance threatens 'going concern' status of charity – We maintain a prudent level of reserves, reviewed quarterly. We actively control costs and try to maximise income.
3. **Management Issues:** Unplanned loss of senior staff and delay in recruiting staff – We will maintain active succession planning and recruitment oversight.

RESPONSIBILITIES OF THE TRUSTEES

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

Company Law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the income or expenditure of the charitable company for that period.

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

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102).
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards (United Kingdom Generally Accepted Accounting Practice) have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the “going concern” basis unless it is inappropriate to assume that the company will continue in operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company’s transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Each of the Trustees confirms that to the best of his/her knowledge there is no information relevant to the audit of which the auditors are unaware. Each of the Trustees also confirms that he/she has taken all necessary steps to ensure that he/she is aware of all relevant audit information and that this information has been communicated to the auditors.

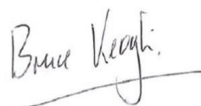
The Trustees

Trustees, who are also Directors under company law, who served during the year and up to the date of this report were as follows:

Professor Sir Bruce Keogh (Chairman)
Mr David Allen (*retired on 18 July 23*)
Mr Richard Collier (Honorary Treasurer)
Lt Gen Richard Nugee (*retired 17 April 23*)
Ms Alison Clarke
Ms Hemani Modasia-Shah
Mr Tim Streatfeild
Mrs Alexandra Thrower
Professor Peter Weissberg (Research Council Chairman)

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31st March 2024 was £6 (2023 – £6). The Trustees have no beneficial interest in the charitable company.

Approved by the Trustees on 8 July 2024 and signed on their behalf by

A handwritten signature in cursive script that reads "Bruce Keogh". The signature is written in dark ink and is positioned above a horizontal line.

Professor Sir Bruce Keogh
Chairman

Independent auditor's report to the members of The Scar Free Foundation

Opinion

We have audited the financial statements of The Scar Free Foundation (the 'charitable company') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements. The financial reporting framework that has been applied in their presentation 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 charitable company's affairs as at 31 March 2024 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

Other information (continued)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

Responsibilities of trustees (continued)

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognised non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011, Companies Act 2006 and data protection legislation; and
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, inspecting legal correspondence and reviewing trustee meeting minutes.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Auditor's responsibilities for the audit of the financial statements (continued)

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships'
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations. we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of trustee meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with HMRC and the Charity Commission.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP

12 September 2024

Alison Pyle (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Statement of financial activities (including income and expenditure account) Year to 31 March 2024

	Notes	Restricted £	Unrestricted £	2024 Total £	Restricted £	Unrestricted £	2023 Total £
Income from:							
Donations and legacies	1	693,644	71,152	764,796	802,695	394,273	1,196,968
Investments	2	—	104,155	104,155	—	55,772	55,772
Total		693,644	175,307	868,951	802,695	450,045	1,252,740
Expenditure on:							
Raising funds	3	—	373,358	373,358	—	327,611	327,611
Charitable activities							
· Research programmes		584,015	—	584,015	1,042,321	—	1,042,321
· Research development		—	157,257	157,257	—	240,778	240,778
Total		584,015	530,615	1,114,630	1,042,321	568,389	1,610,710
Net income (expenditure) before gains (losses) on investments							
	4	109,629	(355,308)	(245,679)	(239,626)	(118,344)	(357,970)
Net gains on investments	8	—	9,098	9,098	—	(48,085)	(48,085)
Transfers between funds	12	(380,008)	380,008	—	(266,189)	266,189	—
Net income (expenditure) and net movement in funds		(270,379)	33,798	(236,581)	(505,815)	99,760	(406,055)
Reconciliation of funds							
Funds brought forward		2,258,658	938,557	3,197,215	2,764,473	838,797	3,603,270
Funds carried forward		1,988,279	972,355	2,960,634	2,258,658	938,557	3,197,215

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

Balance sheet 31 March 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible fixed assets	7		1,046		1,166
Investments	8		—		611,589
			1,046		612,755
Current assets					
Debtors	9	51,321		390,480	
Short – medium term deposits		1,027,412		2,275,210	
Cash at bank and in hand		2,096,095		245,751	
		3,174,828		2,911,441	
Liabilities					
Creditors: amounts falling due within one year	10	(215,240)		(326,981)	
Net current assets			2,959,588		2,584,460
Total net assets					
			2,960,634		3,197,215
Funds of the charity					
Restricted funds			1,988,279		2,258,658
Unrestricted funds					
. Designated funds		—		231,149	
. General funds		972,355		707,408	
			972,355		938,557
Total funds					
	12		2,960,634		3,197,215

Approved by the Trustees on 29/07/2024 and signed on their behalf by:

Richard Collier

Richard Collier – Treasurer

Date: 04/09/2024

Company Limited by Guarantee

Registration Number: 03831398 (England and Wales)

Statement of cash flows Year to 31 March 2024

	Note	2024 £	2023 £
Cash flow from operating activities			
Net cash used in operating activities	A	(120,906)	(940,565)
Cash flows from investing activities			
Dividends and interest from investments	B	104,155	55,772
Purchase of tangible fixed assets		(1,390)	—
Sale of investments		620,687	241,683
Purchase of deposit accounts		1,247,798	(2,275,210)
Net cash provided by (used in) investing activities		1,971,250	(1,977,755)
Change in cash and cash equivalents in the year		1,850,344	(2,918,320)
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 April 2023		245,751	3,164,071
Cash and cash equivalents at 31 March 2024	D	2,096,095	245,751

Notes to the statement of cash flows for the year to 31 March 2024

A Reconciliation of net movement in funds to net cash provided by operating activities

	2024 £	2023 £
Net expenditure for the year (as per the statement of financial activities)	(236,581)	(406,055)
Adjusted for:		
Depreciation	1,510	1,048
(Gains) losses on investments	(9,098)	48,085
Dividends and interest from investments	(104,155)	(55,772)
Decrease (increase) in debtors	339,159	(389,396)
Decrease in creditors	(111,741)	(138,475)
Net cash used in operating activities	(120,906)	(940,565)

B Analysis of cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	2,096,095	245,751
Total cash and cash equivalents	2,096,095	245,751

Statement of accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These accounts have been prepared for the year to 31 March 2024.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgements

Preparation of the accounts requires the Trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- ◆ the allocation of staff and support costs; and
- ◆ estimating the useful economic life of tangible fixed assets.

Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

The Trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above.

With regard to the next accounting period, the year ending 31 March 2025, Trustees believe that the charity is a going concern on the basis detailed within the Trustees' report.

Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Voluntary income is received by the way of donations and gifts and is included in full in the Statement of Financial Activities when receivable. Intangible income and gifts in kind are not included unless they represent goods or services which would have otherwise been purchased, in which case they are valued and brought in as income and the appropriate expenditure.

Revenue grants are credited to the Statement of Financial Activities when received or receivable whichever is earlier, unless they relate to a specific period, in which case they are deferred.

Where unconditional entitlement to grants receivable is dependent upon fulfilment of conditions within the Charity's control, the incoming resources are recognised when there is sufficient evidence that conditions will be met. Where there is uncertainty as to whether the Charity can meet such conditions the incoming resource is deferred.

Grants for the purchase of fixed assets are credited to restricted income when receivable. Depreciation of fixed assets purchased with such grants is charged against the restricted funds.

Interest on term deposits is recognised on an accruals basis, so that the appropriate proportion is included in each year's financial statements.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Expenditure recognition

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

All expenditure is accounted for on an accruals basis. Expenditure includes attributable VAT that cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the costs of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, are apportioned between activities as described in note 3.

Expenditure recognition (continued)

The costs of generating funds relate to the costs incurred by the charity in raising funds for the charitable work.

Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities.

Grants payable are charged to the statement of financial activities in the year in which the offer is conveyed to the recipient, except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

Governance costs include the management of the charity's assets, organisational management and compliance with constitutional and statutory requirements.

Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life. The depreciation rates in use are as follows:

- | | |
|----------------------------------|----------------------------|
| ◆ Leasehold improvements | Over the life of the lease |
| ◆ Computer equipment | 3 years |
| ◆ Office furniture and equipment | 3 years |

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Short term deposits

Short term deposits represent fixed term deposit accounts with a maturity date between 3-12 months.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities in the year in which they fall due.

Pension contributions

The charitable company makes contributions on behalf of its employees into their personal pension funds. The amounts charged in the statement of financial activities represent the contributions payable to the funds in respect of the accounting period. Outstanding pension contributions at the year-end are included in creditors.

Fixed asset investments

Listed 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 charity does not acquire put options, derivatives or other complex financial instruments.

Realised gains (or losses) on investment assets are calculated as the difference between disposal 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 at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Fund structure

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure, which meets these criteria are charged to the fund together with a fair allocation of management and support costs.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Fund structure (continued)

Transfers are made from unrestricted funds to establish designated funds, which are in turn used to cover the cost of Research Projects. These designations are agreed annually by the Board of Trustees. Transfers are made from designated funds to restricted funds where restricted funding is not sufficient to cover a particular project, or if it is unclear as to how much will be required for a project. Transfers from restricted funds to unrestricted funds are made with the prior consent of the donor.

1 Donations and legacies

Unrestricted

	2024 £	2023 £
Anonymous	49,411	375,000
The Dorus Trust	5,000	4,000
Karl Hinett	—	3,375
Angelica Kavoni & Lucian Ion	—	2,500
Nigel Mercer	1,200	1,200
Professor Jonathan Sandy	1,200	1,200
Professor Vivien Lees	1,000	1,000
The Worshipful Company of Tin Plate Workers alias Wire Workers	2,000	—
Sandy Legacy	5,000	—
Gift aid claims	4,838	2,380
Sundry donations	1,503	3,618
	71,152	394,273

Restricted

	2024 £	2023 £
The Medical Research Charity	290,461	504,401
CHEAR Foundation	150,000	150,000
VTCT Foundation	—	70,000
Health and Care Research Wales	50,000	50,000
The Hobson Charitable Trust	—	10,000
Lady Jenny Rose	—	9,994
The Holbeck Charitable Trust	—	4,000
Andrew Robson	—	2,500
BAPRAS	600	600
BBA	533	600
BSSH	—	600
CFSGB&I	300	—
Amber Young	150,000	—
Chidwick	20,000	—
The Armed Forces Covenant Fund Trust	1,750	—
The J P Moulton Foundation	30,000	—
	693,644	802,692

2 Investment income

	Unrestricted	
	2024 £	2023 £
Income from listed investments	13,617	20,925
Interest receivable	90,538	34,847
Total	104,155	55,772

3 Total expenditure

	Cost of raising funds £	Research grants £	Research development £	Support costs £	Governance £	2024 Total £
Staff costs (note 5)	191,836	—	76,170	70,528	—	338,534
Other staff costs	5,735	—	2,277	2,108	—	10,120
Rent	25,076	—	9,957	9,219	—	44,252
Computer and other office	20,243	—	8,038	7,442	—	35,723
Consultancy	1,252	—	497	460	—	2,209
Legal fees	—	—	—	—	40	40
Audit and accountancy fees	—	—	—	—	19,140	15,260
Staff travel	1,962	—	779	721	—	3,462
Trustees' travel expenses	106	—	42	40	—	188
Depreciation	856	—	340	314	—	1,510
Recruitment	5,836	—	2,317	2,145	—	10,298
Appeal costs	31,690	—	—	—	—	31,690
Insurance	—	—	—	—	3,477	3,477
Project Silver/Research Symposium	4,747	—	1,885	1,745	—	8,377
Research programmes						
Bristol Programme	—	217,159	—	—	—	217,159
The Cleft Collective	—	47,535	—	—	—	47,535
Centre for Conflict Wound	—	(46,875)	—	—	—	(46,875)
Regenerative Research	—	293,317	—	—	—	293,317
BSSH	—	47,295	—	—	—	47,295
UK Burns Research Network	—	22,719	—	—	—	22,719
Support Projects	—	2,865	—	—	—	2,865
PPI	—	—	2,594	—	—	2,594
Research support costs	—	—	19,001	—	—	19,001
	<u>289,339</u>	<u>584,015</u>	<u>123,897</u>	<u>94,722</u>	<u>22,657</u>	<u>1,114,630</u>
Support costs	67,801	—	26,921	(94,722)	—	—
Governance costs	16,218	—	6,439	—	(22,657)	—
Total expenditure	<u>373,358</u>	<u>584,015</u>	<u>157,257</u>	<u>—</u>	<u>—</u>	<u>1,114,630</u>

Support costs have been allocated to each activity based on an individual assessment of staff time dedicated to fundraising, research management, and development.

3 Total expenditure (continued)

	Cost of raising funds £	Research grants £	Research development £	Support costs £	Governance £	2023 Total £
Staff costs (note 5)	109,662	—	106,529	97,129	—	313,320
Other staff costs	2,784	—	2,704	2,464	—	7,952
Rent	13,696	—	13,696	11,589	—	38,981
Computer and other office	15,813	—	15,813	13,380	—	45,006
Consultancy	9,772	—	9,772	8,269	—	27,813
Legal fees	—	—	—	—	—	—
Audit and accountancy fees	—	—	—	—	11,914	11,914
Staff travel	117	—	117	99	—	333
Trustees' travel expenses	55	—	55	46	—	156
Depreciation	368	—	368	312	—	1,048
Recruitment	—	—	—	—	—	—
Appeal costs	101,540	—	—	—	—	101,540
Insurance	—	—	—	—	2,318	2,318
<i>Research programmes</i>						
Bristol Programme	—	220,240	—	—	—	220,240
The Cleft Collective	—	147,052	—	—	—	147,052
Centre for Conflict Wound	—	211,287	—	—	—	211,287
Regenerative Research	—	342,395	—	—	—	342,395
BSSH	—	34,455	—	—	—	34,455
UK Burns Research Network	—	83,291	—	—	—	83,291
Support Projects	—	3,600	—	—	—	3,600
PPI	—	—	2,249	—	—	2,249
Research support costs	—	—	14,070	—	—	14,070
	253,808	1,042,321	165,373	133,288	14,232	1,609,023
Support costs	66,644	—	66,644	133,288	—	—
Governance costs	7,116	—	7,116	—	14,232	—
Total expenditure	327,568	1,042,321	239,133	—	—	1,609,023

4 Net expenditure for the year before (gains) losses on investments

This is stated after charging:

	2024 £	2023 £
Depreciation	1,510	1,048
Trustees' remuneration	—	—
Trustees' expenses	156	238
Auditors' remuneration	—	—
. Audit	9,500	9,500
Operating lease rentals	—	—
. Property	44,251	3,981

Trustees' expenses represent that 2 Trustees were reimbursed for travel costs (2023: 2).

5 Staff costs

Staff costs were as follows:

	2024 £	2023 £
Salaries and wages	285,595	254,286
National Insurance costs	28,830	27,170
Pension contributions	24,109	31,865
	338,534	313,321

The number of employees whose emoluments exceeded £60,000 are:

	2024 No.	2023 No.
£60,001 - £70,000	1	1
£70,001 - £80,000	2	1
£120,001 - £130,000	—	1

Employer's pension contributions of £12,439 (2023: £17,872) were made in respect of those included above.

The full-time equivalent of employees during the year was as follows:

	2024 No.	2023 No.
Fundraising and communications	2.6	1.3
Research management / development	1.1	1.3
Support and governance costs	1.1	1.1
	4.8	3.7

The average number of employees (headcount) during the year was 5 (2023: 4).

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the Trustees together with the Chief Executive, Head of Finance & Operations and Head of Research Funds. The total remuneration (including taxable benefits and employers pension contributions) of the key management personnel for the year was £244,470 (2023: £292,233).

6 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

7 Tangible fixed assets

	Computer equipment and furniture £	Total £
Cost		
At 1 April 2023	16,316	16,316
Additions	1,390	1,390
At 31 March 2024	<u>17,706</u>	<u>17,706</u>
Depreciation		
At 1 April 2023	15,150	15,150
Charge for the year	1,510	1,510
At 31 March 2024	<u>16,660</u>	<u>16,660</u>
Net book value		
At 31 March 2024	1,046	1,046
At 31 March 2023	<u>1,166</u>	<u>1,166</u>

8 Investments

	2024 £	2023 £
Market value at the start of the year	611,591	901,357
Transfers in	—	9,764
Additions at cost	—	9,994
Disposals (proceeds of £620,689 plus realised gain of £9,098)	(611,591)	(271,205)
Unrealised gains (losses)	—	(38,321)
Market value at the end of the year	<u>—</u>	<u>611,589</u>
Cost at the end of the year	<u>—</u>	<u>446,669</u>

9 Debtors

	2024 £	2023 £
Grants receivable	50,000	389,598
Prepayments	1,321	882
	<u>51,321</u>	<u>390,480</u>

10 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	3,458	27,140
Accruals	211,782	299,841
	<u>215,240</u>	<u>326,981</u>

11 Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	2024 Total funds £
Tangible fixed assets	—	—	1,046	1,046
Net current assets	1,988,279	—	971,309	2,959,588
Net assets at the end of the year	1,988,279	—	972,355	2,960,634

	Restricted funds £	Designated funds £	General funds £	2023 Total funds £
<i>Tangible fixed assets</i>	—	—	1,166	1,166
<i>Investments</i>	611,589	—	—	611,589
<i>Net current assets</i>	1,647,069	231,149	706,242	2,584,460
<i>Net assets at the end of the year</i>	2,258,658	231,149	707,408	3,197,215

The total unrealised gains at 31 March 2024 constitutes movements on revaluation and are as follows:

	2024 £	2023 £
Unrealised gains included above:		
On investments	—	164,920
Total unrealised gains at 31 March 2024	—	164,920
Reconciliation of movements in unrealised gains (losses)		
Unrealised gains at 1 April 2023	164,920	285,205
Gain: in respect to disposals in the year	(164,920)	(81,964)
	—	203,241
Add: net losses arising on revaluation arising in the year	—	(38,321)
Total unrealised gains at 31 March 2024	—	164,920

12 Movements in funds

	At 1 April 2023 £	Income £	Expenditure £	Gains on investments & transfers £	At 31 March 2024 £
Restricted funds					
Bristol Programme	919,734	305,192	(220,025)	(164,000)	840,901
Scar Free Projects	—	150,000	—	—	150,000
The Cleft Collective	73,187	—	(47,624)	—	25,563
Centre for Conflict Wound Research	385,442	41,750	46,965	(216,008)	258,149
BSSH Clinical Academic Post	61,651	—	(47,295)	—	14,356
UK Burns Research Network	125,014	—	(22,719)	—	102,295
Regenerative Research	689,267	196,702	(293,317)	—	592,652
Student Elective Awards	—	—	—	—	—
Management of Research Projects	4,363	—	—	—	4,363
Total restricted funds	2,258,658	693,644	(584,015)	(380,008)	1,988,279
Unrestricted funds					
Designated funds:					
Centre for Conflict Wound Research	80,000	—	—	(80,000)	—
Scar Free Projects	15,000	—	—	(15,000)	—
Bristol Centre	—	—	—	—	—
Regenerative Research	134,249	—	—	(134,249)	—
Student Electives and other	1,900	1,433	(2,866)	(467)	—
Total designated funds	231,149	1,433	(2,866)	(229,716)	—
General funds	707,408	173,874	(527,749)	618,822	972,355
Total unrestricted funds	938,557	175,307	(530,615)	389,106	972,355
Total funds	3,197,215	868,951	(1,114,630)	9,098	2,960,634

Research Projects – During the year, The Scar Free Foundation continued to pursue a number of key research themes. These have been funded as monies become available. The money may be restricted by the donor or where it is not, the Foundation will designate funds to particular projects.

Scar Free Projects – £150,000 was received in memory of Amber Young. This will be used to fund an annual fellowship.

The Cleft Collective – Funds held for this major research programme have been contributed by various donors.

The Scar Free Foundation Centre for Conflict Wound Research – The Chancellor using LIBOR funds awarded a grant of £2,995,300 to the Foundation to support The Scar Free Foundation

Centre for Conflict Wound Research. Additional funds have been received in since 2019 from The JP Moulton Foundation,

Headley Court Charitable Foundation, The Veterans Foundation, GJW Turner Trust, The Holbeck Charitable Trust and BEIS/DHSC for the early career researchers. This has allowed the transfer of funds due to matched funding

12 Movements in funds (continued)

The Bristol Programme – A total of £1,050,000 (of a £1,500,000 commitment) has been donated by the CHEAR Foundation towards research to be undertaken in pursuit of the Scar Free Strategy. Plus funds from the BEIS/DHSC for the early career researchers.

The UK Burns Research Network supported by the VTCT Foundation (formerly Scar Free Healing Research) - Some £500,000 (of a maximum £1,000,000 commitment) has been donated by the VTCT Foundation towards funding a Burns Research Network. Plus approximately £15,000 from BEIS/DHSC for the early career researchers.

In addition, Lady Jenny Rose has donated just over £30,000 towards burn injury research.

The Scar Free Foundation Programme of Regenerative Research – A total of £950,000 has been donated by Health & Care Research Wales (Welsh Government) In addition a total of £87,222 from the Clore Duffield Foundation has been received, £136,702 from the Medical Research Council and £202,947 provided by BEIS/DHSC for the early career researchers.

Designated Funds - Due to the uncertain fundraising landscape and the Scar Free Foundation potentially falling below the reserves policy in the financial year 2024/25, the Board of Trustees agreed that the only designations that will be allocated in 2024/25 will be for the Elective Students and poster award.

	At 1 April 2022 £	Income £	Expenditure £	Gains on investments & transfers £	At 31 March 2023 £
<i>Restricted funds</i>					
<i>Bristol Programme</i>	779,734	360,240	(220,240)	—	919,734
<i>Scar Free Projects</i>	1	—	—	(1)	—
<i>The Cleft Collective</i>	217,739	2,500	(147,052)	—	73,187
<i>Centre for Conflict Wound Research</i>	775,320	89,398	(211,287)	(267,989)	385,442
<i>BSSH Clinical Academic Post</i>	96,106	—	(34,455)	—	61,651
<i>UK Burns Research Network</i>	112,495	95,810	(83,291)	—	125,014
<i>Regenerative Research</i>	778,715	252,947	(342,395)	—	689,267
<i>Student Elective Awards</i>	—	1,800	(3,600)	(1,800)	—
<i>Management of Research Projects</i>	4,363	—	—	—	4,363
<i>Total restricted funds</i>	<u>2,764,473</u>	<u>802,695</u>	<u>(1,042,321)</u>	<u>(269,790)</u>	<u>2,258,657</u>
<i>Unrestricted funds</i>					
<i>Designated funds:</i>					
<i>Bristol Centre</i>	124,199	—	—	—	124,199
<i>Regenerative Research</i>	60,000	—	—	—	60,000
<i>Student Electives and other</i>	2,000	—	—	—	2,000
<i>Total designated funds</i>	<u>186,199</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>186,199</u>
<i>General funds</i>	<u>652,598</u>	<u>450,045</u>	<u>(566,701)</u>	<u>218,219</u>	<u>754,160</u>
<i>Total unrestricted funds</i>	<u>838,797</u>	<u>450,045</u>	<u>(566,701)</u>	<u>216,419</u>	<u>938,559</u>
<i>Total funds</i>	<u>3,603,270</u>	<u>1,252,740</u>	<u>(1,609,023)</u>	<u>(53,372)</u>	<u>3,197,216</u>

13 Operating lease commitments

The charity had future minimum commitments at 31 March 2024 under operating leases expiring as:

	2024 £	2023 £
Within one year	6,570	47,119
Within one to two years	—	45,968
Within two to five years	—	48,151
	6,570	141,248

14 Related party transactions

During the year the charity received donations from Trustees totalling £6,900 for the Big Give Campaign. (In 2023 a total of Nil was received from Trustees). In addition £150,000 was received from a Foundation of which a Trustee is also a Trustee – David Allen.

THE SCAR FREE FOUNDATION

England & Wales - Charity number 1078666

Accounts

THE FREE FOUNDATION

MAKING A WORLD WITHOUT SCARS A REALITY

THE ANNUAL REPORT & AUDITED ACCOUNTS

31 March 2023

Chairman of the Board of Trustees
Professor Sir Bruce Keogh

The Scar Free Foundation
The Royal College of Surgeons of England
38-43 Lincoln's Inn Fields
London WC2A 3PE

OUR VISION

A world without scarring

OUR MISSION

To achieve scar free healing within a generation and transform
the lives of those affected by scarring

REFERENCE AND ADMINISTRATIVE DETAILS

Status

The organisation is a charitable company limited by guarantee, incorporated on 25 August 1999 and registered as a charity on 17 December 1999.

Governing Documents

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

Summary of Investment Powers

To invest and deal with any money not immediately required for its objects in or upon any investments, securities, or property.

Company Number

03831398

Charity Number

1078666

Registered office and operational address

38-43 Lincoln's Inn Fields, London, WC2A 3PE

Honorary Officers

Professor Sir Bruce Keogh (Chairman)

Mr Richard Collier (Honorary Treasurer)

Professor Peter Weissberg (Research Council Chairman)

Principal Staff

Mr Richard Nugee (Chief Executive)

Ms Amanda McKechnie (Head of Finance & Operations)

Charlotte Coates (Head of Research Funds)

Founding Principal Member of The Scar Free Foundation

British Association of Plastic Reconstructive and Aesthetic Surgeons (BAPRAS)

Principal Members of The Scar Free Foundation

British Association of Aesthetic Plastic Surgeons (BAAPS)

British Burn Association (BBA)

British Psychological Society (BPS)

British Society for Surgery of the Hand (BSSH)

Craniofacial Society of Great Britain & Ireland (CFSGB&I)

Patron

HRH, The Duchess of Edinburgh

President

The Lord Rose of Monewden

Vice Presidents

Dr Geraldine Brough
Professor Sir Kenneth Calman
The Rt Hon the Lord Patten of Barnes
Professor Sir John Temple
Mr Hugh Twiss

Board of Trustees

Professor Sir Bruce Keogh (Chairman)
Mr Richard Collier (Honorary Treasurer)
Professor Peter Weissberg (Research Council Chairman)
Mr David Allen
Ms Alison Clarke
Dr Hemani Modasia-Shah
Mr Timothy Streatfeild
Mrs Alexandra Thrower

Bankers

CAF Bank Ltd, 25 King's Hill Avenue, West Malling, Kent, ME19 4JQ
Clydesdale Bank, 2nd Floor, 35 Regent Street, London, SW1Y 4ND (closed in March 2023)
Santander, 4th Floor, 100 Ludgate Hill, London, EC4M 7NS (closed in December 2022)
Shawbrook Bank Limited, Lutea House, The Drive Great Warley, Essex, CM13 3BE (closed in April 2023)

Cash Management Platform

Flagstone Group Ltd, 1st Floor, Clareville House, 26-27 Oxendon Street, London, SW1Y 4EL

Investment Managers

Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU

Solicitors

Paris Smith LLP, Number 1 London Road, Southampton, SO15 2AE
Squire Patton Boggs (UK) LLP, 7 Devonshire Square, London, EC2M 4YH

Auditors

Buzzacott LLP, 130 Wood Street, London, EC2V 6DL

TRUSTEE'S REPORT

The Trustees present their report and the audited financial statements for the year ended 31 March 2023.

Reference and administrative information set out on pages three and four form part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, the Charities Act 2011 and 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 United Kingdom and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

The organisation is a charitable company limited by guarantee, incorporated on 25 August 1999 and registered as a charity on 17 December 1999. The company was established under a Memorandum of Association which sets out the objects and powers of the charitable company and it is governed under its Articles of Association.

Trustee Recruitment, Appointment and Induction

There are a maximum of 15 places on the Board of Trustees of which eight are currently filled, as at 18 July 2023.

On appointment, all Trustees undergo an induction consultation, usually with the Chief Executive and Head of Finance & Operations, where their responsibilities and duties as a Trustee are formally outlined and an update on current business is provided. Charity Commission materials are provided offering further information as well as all copies of relevant documents such as the Memorandum & Articles of Association, the Management Plan, the Staff Handbook, the Financial Controls & Procedures Manual, the Manual for the Management of Research and other strategy and policy documents.

Further development opportunities are offered at quarterly Trustees' meetings and have previously included training in major donor fundraising, marketing and communications, governance and charity regulation, and regular presentations by the charity's grant-holders about work funded by the charity.

Organisational structure

The Patron of The Scar Free Foundation is HRH The Duchess of Edinburgh. Lord Rose of Monewden is the President of the Foundation. Trustees are deeply grateful for the continued interest and support of all our Vice Presidents, the commitment and counsel of our President and the active, supportive engagement of our Patron. Although the Patron, President and Vice Presidents serve no constitutional function, their role is much valued.

To ensure a successful and sustainable organisation with a high-performing Board with a diverse set of skills, experience and backgrounds, every three years the Foundation conducts a comprehensive Skills, Diversity, Inclusion and Experience Audit, the most recent of which took place in September 2021. The SDI&E Audit observed in detail the Charity Governance Code,

which sets out the seven principles of good governance practice for charity trustees, and paid particular attention to the introduction of the new principle on equality, diversity and inclusion (EDI). The Board will continue to build on the key EDI principle throughout the organisation where possible and would like to note here our commitment to supporting diversity and encourage an inclusive culture throughout the entire organisation. In addition, the Foundation strives to embed the lived experience voice throughout the organisation – whilst ensuring involvement is meaningful and representative. The Foundation is fortunate to have a dedicated and passionate team of voluntary Ambassadors who either live with or are affected by scarring. Our Ambassadors offer advice by being on the Board of Trustees, Research Council, Research Advisory Panels, lend their voice and their experience to our communications and social media and help us to understand the research and treatment priorities of people who live with such conditions.

The Foundation takes care to comply with changes in workplace legislations and / or Government guidance. Enhanced procedures to ensure the Foundation is forward-thinking in all areas of our governance and encouraging a diverse and inclusive work culture have been embedded into the running of the charity. An enhanced maternity, paternity, and parental arrangements pay has also been adopted plus the continuation of flexible / agile working where the team not only feels supported by their peers and Trustees, but also when the Foundation recruits, encourages a diverse work culture.

Each April the Board of Trustees approves the Management Plan which is made up of three year and more specific one-year Corporate Objectives. The Management Plan includes the annual budget and reserves cash – flow. Trustees regularly assess and monitor the overall financial position of the Foundation and are able to recognise at an early stage where there is the potential for the Foundation to face financial difficulties. In February 2023 a three-year projection of income vs expenditure, alongside a prospect forecast and 10-year historical breakdown of giving was prepared. The retrospective and forward-looking review highlighted significant restricted and unrestricted areas of funding that require focus.

Research strategy is driven by the Research Council which currently meets twice a year and whose Chairman is currently a Trustee. The Scar Free Foundation Chief Scientific Adviser, Professor Paul Stewart, provides strategic research advice to the charity and is involved in the assessment of all new research awards. The day-to-day management of research activity is managed by expert ‘Advisory Panels’ reporting directly to the Board of Trustees through the Research Council Chairman. Financial and general management matters are overseen by the Finance & Operations Committee, which meets quarterly and is chaired by the Honorary Treasurer (also a Trustee). All decisions are made by the Board of Trustees guided by the recommendations made by these standing committees.

A Nominations Committee also meets when required, chaired by the Chairman and whose membership consists of the nominated Honorary Officers plus, where suitable the Chief Executive.

No Trustee receives, or has received during the year being reported, payments other than incidental expenses incurred for attending meetings.

In April 2023 the Chief Executive Brendan Eley, handed in his resignation. At the April Board of Trustee Meeting, Trustees discussed options where they unanimously agreed that due to the urgency in losing the Chief Executive in an already small staff team, Trustee Lt Gen (rtd) Richard

Nugee would assume the position of Chief Executive, having first resigned as a Trustee. The Charity Commission was contacted immediately to gain permission and approval. Following this, terms and conditions were drawn up by the Nominations Committee and agreed.

Richard Nugee accepted the offer of Chief Executive on 25 April 2023.

We would like to take the opportunity to express our heartfelt gratitude to Brendan for his unwavering commitment to The Scar Free Foundation. Over the course of the past 22 years, Brendan has played a vital role in spearheading a ground-breaking £50-million program of life-changing medical research. Remarkable achievements have been attained under Brendan's stewardship at the Foundation and we look forward to helping our new Chief Executive, Richard Nugee in propelling us closer to our ambitious vision of achieving scar-free healing within a single generation.

Key management personnel

The Trustees consider that they, together with the Chief Executive, Head of Finance & Operations, and the Head of Research Funds comprise the key management in charge of running the charity on a day-to-day basis. Trustees delegate specific power to the Chief Executive, which is documented and supervised. Each year, following internal staff appraisals and objective setting, staff meet one-to-one with the Foundation's retained Human Resources (HR) Consultant to discuss, confidentially, their work and aspirations with the charity. The HR Consultant, with the Chief Executive, provides a report and recommendation on salary levels for consideration by the Finance & Operations Committee who then make a recommendation to the Board of Trustees at their April meeting. This includes a market benchmarking exercise (comparing the salaries available for similar jobs in similar organisations) and a 'cost of living' recommendation based on, but not tied to, the Consumer Price Index. A similar report and recommendation is made in respect of the Chief Executive by the HR Consultant and presented to the Board by the Honorary Treasurer. The HR Consultant also conducts a mid-term review in September and is available to be contacted at any time by all members of staff. In addition, the Foundation conducts annual objective setting sessions with all members of staff, fostering a structured process to align individual goals with organisational objectives. Additionally, a mid-year appraisal is carried out to evaluate progress and provide valuable feedback to support continuous improvement.

OBJECTS AND AIMS OF THE CHARITY

The objects of The Scar Free Foundation are the relief of sickness and the protection and preservation of public health by:

- Carrying out and funding research into the improvement of treatments for the benefit of people who suffer from physical, psychological, social, or emotional disadvantage as a result of physical disfigurement or functional impairment present at birth or acquired through accident, disease, or illness and into the prevention of accidents which may cause such conditions; and
- Disseminating the useful results of such research and to help train health workers in appropriate treatments throughout the world; and
- Informing people about the availability of such treatments.

Trustees are pleased to report that they have referred to the Charity Commission's guidance on public benefit in their annual review of aims and objectives and in all future planning of the charity's activities. We believe these benefits – to a broad 'public' of people and their families affected by scarring, hard to heal wounds and disfiguring conditions both now and in the future – are clearly represented in our determination to deliver better understanding and improved treatments, through research. These benefits will be greatly enhanced through work supported by the Foundation, for example, in burns, cleft, conflict wounds research and our scientific pursuit of scar free healing, where the findings of our work could result in fewer incidents of serious accident or birth abnormality, as well as scar free outcomes.

The vision of The Scar Free Foundation is **A WORLD WITHOUT SCARRING**. The charity's mission is **TO ACHIEVE SCAR FREE HEALING WITHIN A GENERATION AND TRANSFORM THE LIVES OF THOSE AFFECTED BY DISFIGURING CONDITIONS**. Our aim is to fundraise in the most targeted and cost-effective way possible; to fund and manage research of the very highest quality in the UK and Ireland for the benefit of people and their families living with scarring; and to manage the charity in a business-like and professional way.

OBJECTIVES FOR THE YEAR

During the financial year 2022/23, the Foundation continued to focus on, and develop the strategic development of the charity. The activities of the charity in 2023/24 will remain focused on the accomplishment of key objectives across research, fundraising and financial management. These are:

Research

In 2023/24, the research programmes we develop will be focused on three key objectives subject to the availability of funds. We will work to:

- **Identify** the biological pathways which lead to scarring.
- **Change** these pathways to prevent or improve scarring.
- **Support** people living with scars.

To ensure these programmes are both patient and scientifically relevant, they will be developed with the assistance of people with a lived experience of scarring, along with expert clinical and scientific sources of advice and guidance.

We will also manage existing work and undertake an update of our research governance practices making sure they best support our current and future research endeavours.

Fundraising and Communications

We will embed our refreshed Case for Support based on our ambitious and innovative Research Strategy with the ultimate aim to raise the budgeted appeal target for the year.

The overarching aim for all communications is to support The Scar Free Foundation's mission of achieving scar free healing within a generation and transforming the lives of those affected by scarring.

Financial management and corporate governance

To support and develop high quality governance and administration processes that underpin the work and growth of the charity.

STRATEGIES

The strategies to achieve these objectives can be summarised as follows:

Research

- Develop and deliver the Form, Function and Feeling Programme
- Advance research at The Scar Free Foundation Centre for Conflict Wound Research
- Establish 'The Scar Free Healing Research Network'
- Develop and implement the Scar Free Foundation Programme of Regenerative Research
- Collaborate with the lifeTIME Centre for Doctoral Research
- Explore opportunities to expand the Foundations presence and impact in international wound healing, in particular around Conflict Wound.

Fundraising and Communications

- Finalise and implement the Case for Support and Fundraising Strategy and supporting materials, in conjunction with the Research Strategy
- Recruit and build a Development Board to drive networked fundraising activity
- Increase media coverage and enhance donor engagement
- Consistently grow social media followers across all platforms
- Raise the budgeted appeal target for the year.

Financial management and corporate governance

- Maintain, develop and support The Scar Free Foundation's Honorary Management structure, Principal Member Organisations, and all volunteers, Ambassadors and stakeholders
- Amend the Charitable objective to reflect the important, and crucial research into conflict wound and trauma-related incidents, whilst maintaining our commitment to focus on the impact of scarring
- Maintain and review effective financial control processes, including The Scar Free Foundation's policies on investment and reserves
- Ensure a smooth transition for the new Chief Executive
- Support, develop and retain the right mix of people, processes and premises to ensure the right foundations are available to build on plans for the year and beyond.

ACHIEVEMENTS AND PERFORMANCE

This past year has been quite challenging for the Foundation, and unfortunately, our post-Covid recovery fell short of our initial expectations. The coronavirus pandemic continued to disrupt Scar Free activities in particular with delays to projects and programmes, and we remain enormously grateful to those funders who have appreciated that pre-coronavirus plans continue to change and have demonstrated much welcomed flexibility in the use and timetabling of their funding.

The Foundation's ability to meet our fundraising target was primarily due to the remarkable income generated from the MRC and BEIS who, due to the impact that the pandemic had on AMRC charities, provided an opportunity to secure additional funding to support our early-career researchers. However, when it comes to conventional charity fundraising endeavours and outcomes, it is evident that we are experiencing a deficit. In order to ensure our financial stability in the upcoming fiscal year, it is imperative that we redouble our efforts and work towards rebuilding our fundraising endeavours. Future plans and objectives reinforce our commitment to building on our Case for Support based on our ambitious research strategy. We end the financial year remaining hopeful our research projects can emerge positively and continue to make good progress.

Research

In November 2022, our formal governance of the Cleft Collective came to an end, when the team commenced the Written Agreement with their new main funder, the Underwood Trust. The Cleft Collective, which investigates the biological and environmental causes of cleft, the best treatments for cleft and the impact of cleft on those affected and their families, was established by the Foundation over ten years ago and became one of the Foundation's most successful research endeavours ever. In the past year, the team exceeded their target recruitment of 10,000 participants, a remarkable accomplishment that required considerable effort and dedication. This milestone would not have been possible without the strong working relationships the team fostered with the 16 NHS cleft teams across the UK. Their agility in responding to recruitment issues such as the COVID-19 pandemic and research nurse shortages has resulted in the development of the world's largest Cleft Gene Bank and Cohort Study, which includes genetic, clinical, and self-reported data. This data is available to researchers worldwide, making it a unique and valuable resource for those seeking to increase evidence-based knowledge about cleft lip and palate.

The team has undertaken several sub-studies including a speech and language study which aims to learn more about what helps children who were born with a cleft palate to develop speech which is easy to understand by collecting data on children's babbling patterns and interaction patterns using a specially designed recording device. A wide range of researchers have already utilized Cleft Collective data. This work includes a wealth of psychological research and a notable paper which debunked previously held theories about cleft and educational attainment. In 2018, the Foundation provided additional funding to the team to genotype the Cleft Collective to enable researchers to gain a better understanding of the genetic factors contributing to cleft. This work has now been completed and will further enhance the resources available.

We would like to extend our heartfelt thanks to the Cleft Collective team led by Professor Jonathan Sandy and Dr Yvonne Wren. Their hard work, dedication and enthusiasm has been fundamental to the success of the Cleft Collective. We would also like to thank the Cleft Collective Advisory Panel who were instrumental to the success of the study. We are indebted to them for the sound advice and guidance they have provided to both the Foundation and the research team. The Cleft Collective Advisory Panel was Chaired by Dr Tim Peakman OBE and comprised Dr Liz Albery, Professor Heather Cordell, Dr Louise Dalton, Mrs Ana Hobbs, Ms Sarah Kilcoyne and Ms Rona Slator.

We look forward to sharing the outputs of this study on receipt of the team's final report and wish them all the very best for the future.

In the reporting year, Mr Martin Mace, the Foundation's Electives Advisor, demitted from his role. Mr Mace, a former member of the Board of Trustees had acted as Electives Adviser since 2018. We are extremely grateful to Mr Mace for the advice and guidance he provided in respect of the Electives applications and final reports which was always practical, measured, thoughtful and extremely useful.

Some notable achievements in 2022/23 have included the publication of our updated research strategy and, in collaboration with our Principal Member Organisations, the BBA, BAPRAS, BSSH and CFSGB&I and our first call for student Elective applications since the pandemic.

In September 2022, one of the Foundation's most inspirational researchers, Professor Amber Young, sadly passed away. Amber had been associated with the Foundation for over 10 years, first as the clinical lead of The Scar Free Foundation Children's Burns Centre at the Universities of Bristol, Bath and Cardiff and later as the principal investigator of two of the burns projects in our UK Burns Research Network. We extend our heartfelt condolences to Amber's family and friends.

The Foundation staff and Board of Trustees are indebted to our researchers for their hard work and focus over the last 12-months. Although some work is delayed due to the COVID-19 pandemic our researchers' dedication and tenacity has meant that disruptions have been minimised as much as possible.

Fundraising

In-person fundraising proved challenging for the first half of 2022/23, due the delays and hesitancy with venues reopening following lockdown plus increased pressure on staff due to absences. The Foundation maintained relationships with donors, supporters and stakeholders through tailored communications and reports, our quarterly Newsletter and a noteworthy increase in our engagement across various social media platforms which include Twitter, Instagram, Facebook, TikTok and LinkedIn.

For the second half of 2022/23 the Foundation was delighted to run significant events for stakeholders and donors where we were able to demonstrate the compelling research that is taking place, the value of our mission and the urgency and need for additional funding. We were proud and honoured to run events at the Royal College of Surgeons and the Ministry of Defence with guests that included HRH, The Duchess of Edinburgh, researchers, clinicians, donors, stakeholders and Ambassadors.

Looking forward, in 2023/24 we are developing a calendar of promising meetings and events, as we work to re-engage wider networks through a qualified and passionate Development Board. We also maintained and developed our engagement with valued Trusts and Foundation supporters, and secured new sources of income.

Management and governance

Staff have continued to work effectively from both home and, since relocating to the redeveloped Royal College of Surgeons, the office. Since January 2022 staff have each worked at least one in-person day in the office per week, and we continue to have at least one remote team meeting per week. Trustee, Research Council and Finance & Operations Committee meetings are now conducted effectively through a hybrid format.

We know that there will be enormous challenges ahead for the charity but we are looking forward to the continuation of near-normal activities during the year. The Foundation finds its self in an acceptable financial position; we remain blessed with high quality volunteer support throughout our honorary management structures; our small but expert and experienced staff team remain focused and committed to tasks in hand; we have an exciting, broad and innovative programme of research underway with a refreshed research strategy, and importantly we have the support of our Ambassadors – those with a lived experience of scarring. Their compelling and inspirational stories underpin our scar free pursuit; the experiences of those living with scars lie at the very heart of all that we do. As we reported last year, our focus has never changed. There are more than 20 million people living with scarring in the UK today and the needs of people affected by scarring conditions – lost function, reduced mobility, psychological challenges – remain the same throughout and beyond the COVID-19 crisis. We are now rebuilding our activities, introducing a refreshed research strategy and case for support, in order to maintain and develop our single-minded focus on the pursuit of scar free healing within a generation.

RESEARCH PROJECTS

The year 2022/23 has seen progress across the Foundation's key areas of research.

THE SCAR FREE FOUNDATION PROGRAMME OF WOUND HEALING RESEARCH

The Scar Free Foundation Programme of Wound Healing Research at the University of Bristol combines Bristol's established expertise in wound healing biology and population-based cohort studies of human disease, in order to identify scar associated genes.

The programme is built upon the tenet that comparative biology/genetics approaches may provide new insights into how wound healing leads to scarring, and so provide targets for anti-scarring therapies. The projects use population health approaches to identify variation in genes associated with scarring from; cohorts of patients with a standardised pre-existing lesion e.g. BCG vaccination scar or caesarean scar; emerging findings from parallel cohort studies of patients with internal fibrosis/scarring, and genes known to be associated with cleft lip in patients because of parallels between embryonic morphogenetic mechanisms and the tissue repair process.

The five-year programme comprises the following projects:

Using Large Cohort Studies to Identify Genetic Variants For Mechanistic Testing In Mouse And Zebrafish Models of Wound Healing. Professor Paul Martin, Professor Nic Timpson.

Integrating Human and Animal Studies to Investigate Known Cleaving Genes Linked to Wound Healing. Dr Beck Richardson

Overview

Since work commenced on the programme in October 2020, the team has been making good progress. In the reporting year, recruitment of the three Post-Doctorial Researcher posts supported by the Foundation has been completed. Dr Oscar Pena Cabello, Dr Kevin Thiessen and Dr Samuel Nieves have established themselves well within the team and are moving their respective projects forward successfully. The team submitted their second annual report in October 2022. The report was reviewed by Professor Paul Stewart and recommended to the Board of Trustees. Professor Stewart also undertook a site visit to the programme in November 2022.

Research summary

In the past year, Dr Oscar Peña Cabello has used CRISPR technology to generate three groups of LGR4 mutant fish. Mutants of groups one and two are expected to encode truncated versions of LGR4 protein and exhibit loss of function. Mutations in group two should affect only one of the splice variants of LGR4 while mutations in group one is expected to affect both known splice variants. The team has germline heterozygous mutants for one and two. The third group of mutants is expected to encode the extracellular domains of protein, which is expected to exhibit dominant loss of function. From these groups of mutants, Dr Peña Cabello has identified one germline mutation predicted to encode a truncated version of LGR4 protein and is carrying out the first characterization of these LGR4 mutants. Preliminary experiments show that fish carrying this mutant allele have normal morphology and display normal numbers of myeloid cells.

Dr Samuel Nieves's work is focussed on three core activities; using more data to build on a previous study about the LGR4 gene, collecting new data from women who have caesarean section from a Brazilian cohort to help with genetic analysis and engaging with other researchers who have been studying lung fibrosis to share information about genes that may be involved in scarring. All of these projects aim to find out more about how genes contribute to scarring and could help develop new treatments in the future.

Dr Kevin Thiessen's activities are focussed on four genes that are related to cleft lip and how severe scarring can be. The four genes are IRF6, TGFB3, ARHGAP29, and GRHL3. They are important for the development of our faces, especially for people with cleft lip. Researchers think that these genes work together and affect how our body heals wounds and scars. Dr Thiessen is studying zebrafish to understand a genetic condition called Van der Woude syndrome, which affects humans. He is specifically looking at a mutated gene called IRF6, which is linked to the syndrome. Dr Thiessen has found that zebrafish with this mutation have thicker skin than normal zebrafish, similar to what is seen in humans with the syndrome. He is now working to understand how the IRF4 gene works in order to understand more about the genetic condition."

Tim Byatt, the PhD Fellow, is studying how wounds heal and how scars form in zebrafish. He is looking at proteins that are produced in the fish after a wound and comparing them to proteins produced in fish with skin cancer. He is also comparing the fish's wound-healing proteins to those in a plant called Arabidopsis to find ancient healing pathways. Tim has found that there are 841 proteins produced one hour after a wound and 1625 proteins produced 48 hours after a wound. 279 of these proteins are produced at both time points.

Governance

Professor Paul Stewart the Foundation's Chief Scientific Adviser oversees the work of the programme. This includes making site visits, assessing the team's annual report and making a recommendation to the Board of Trustees as to whether they should be accepted.

THE SCAR FREE FOUNDATION/HEALTH AND CARE RESEARCH WALES PROGRAMME OF REGENERATIVE MEDICINE

Overview

The Scar Free Foundation/Health and Care Research Wales Programme of Regenerative Medicine is a partnership between Reconstructive Surgery & Regenerative Medicine at Swansea University

Medical School and the Welsh Centre for Burns & Plastic Surgery. The primary focus of the programme is the development and translation of the team's novel techniques for 3D printing of soft tissue – initially cartilage – for use in facial reconstructive surgery. In addition, the team is developing existing collaborations and research in 'big data' and health informatics to gain a comprehensive understanding of the prevalence, aetiology, impact (both psychological and physical), and outcomes of facial scarring in Wales.

The team's second Annual Report was submitted in December 2022. The report was reviewed by the Foundation's Chief Scientific Adviser, Professor Paul Stewart, who recommended the report to the Board of Trustees. Due to delays caused by the pandemic and recruitment, the team have been given a no-cost extension, meaning that the bulk of work at the programme will now continue until November 2024.

This programme comprises the following projects:

3D BIOFACE - 3D Bioprinting Facial Cartilage Using Human Cartilage Specific Stem/Progenitor Cells and Nanocellulose Bioinks for Facial Reconstruction.

AFFECT - Assessing the Burden of Facial Scarring and Associated Mental Health Conditions to Identify Patients at Greatest Risk.

In addition, the Foundation manages the project; **RESECT: Recommendations for service redesign in skin cancer management**, on behalf of Health and Care Research Wales.

Research Summary

In the reporting year, the team have been progressing the various workstreams under the 3D Bioface project. These include isolating chondroprogenitor cells from nasoseptal cartilage using fibronectin adherence, testing the sterility of wood-pulp derived nanocellulose, in vitro immunogenicity and biodegradability testing of nanocellulose, characterising the three variants of tunicate-derived nanocellulose and assessing its strength, biocompatibility and printability. A PhD, *Development of a Novel Composite Bioink for Cartilage Tissue Engineering*, emanating from the programme was awarded to Tom Jovic in October 2022. The aim of this thesis was to develop a novel natural composite biomaterial formulated with wood pulp-derived nanocellulose crystal, fibril and blend variants to bioprint with cartilage-derived cells for use in facial reconstruction. The team made a number of publications on Bioface in the reporting year including *Preoperative Imaging of Costal Cartilage to Aid Reconstructive Head and Neck Surgery: A Systematic Review* in the *Annals of Plastic Surgery*. In addition, the team gave seven presentations at the EURAPS 2022 and BAPRAS Congress conferences.

A key component of the Resect project was the recruitment of two PhD candidates to work alongside the research team in Work Package 1: Big data relevant to skin cancer and Work Package 2: Patient Reported Outcome Measures (PROMs) and Patient Reported Experience Measures (PREMs). In December 2021, Huda Abd and Amy Richards were appointed to Work Packages 1 and 2 respectively. Ms Abd enrolled in January 2022 on a full-time basis, Ms Richards enrolled in April 2022 initially on a part-time basis for year one with the intention of converting to full time in year two. Matthew Jovic, who is the data analyst and research assistant for the RESECT and AFFECT projects, began a part time MSc by Research, *Assessing the clinical and economic impact of facial basal cell skin cancers*, in April 2022.

AFFECT will conclude in November 2023. The study looked at the association of anxiety disorders and depression with facial scarring and used data from the SAIL Databank on anonymised Welsh patient data.

The study, which is the world's largest of its type, found that:

- People who have facial scars suffer a heavy burden of anxiety and depression compared to the wider population.
- The incidence of anxiety and depression is highest in people whose facial scar came from self-harming.
- The higher their level of deprivation, the greater the risk.
- People with a previous diagnosis of anxiety or depression up to one year before the scar have an increased risk.
- Women are at greater risk than men.

Governance

The programme is overseen by the Professor Paul Stewart. This includes making site visits, assessing the team's annual report and making a recommendation to the Board of Trustees as to whether they should be accepted.

THE SCAR FREE FOUNDATION CENTRE FOR CONFLICT WOUND RESEARCH

The aim of the Centre is to reduce and eventually eradicate the impact of scarring and related loss of function amongst Armed Forces personnel, who sustain critical injuries during their deployment, as well as civilians injured in conflict or terrorism incidents. It is achieving this by supporting a programme of biological and clinical research. The main funder of the Centre for Conflict Wound Research is HM Government, with support from the LIBOR fines fund.

Since the Centre was formally opened by HRH The Duchess of Edinburgh in November 2018, work has been underway on the following projects:

DeSCAR: First in human clinical trial of a bioactive dressing designed to prevent scarring of skin burns, Professor Liam Grover, University Hospitals Birmingham NHS Foundation Trust/ University of Birmingham.

DeSCAR is a first-in-human clinical trial of a new battle-ready dressing that actively prevents scar formation. Containing the naturally occurring protein Decorin, the dressing is being developed for ease-of-use in austere conflict and humanitarian environments

SMOOTH: A prospective randomised controlled trial to examine the efficacy and mechanistic basis of fractional ablative carbon dioxide laser therapy in treating hypertrophic scarring, Professor Naiem Moiemem, Professor Janet Lord, University Hospitals Birmingham NHS Foundation Trust/University of Birmingham.

SMOOTH involves civilians and military veterans with scars that are over a year old recruited from Burns Centres in Birmingham and Swansea. The study is assessing the effectiveness of laser therapy to breakdown scar tissue from burn and blast injuries and restore lost function.

In 2020, additional funding was awarded to the Centre to support the pilot project; *Does major trauma accelerate the ageing process, and can it be alleviated by physical activity?* Professor Janet Lord, Scar Free Foundation Centre for Conflict Wound Research, Birmingham.

The Veteran Aging project is analysing biological age, via DNA methylation analysis, in 150 injured and uninjured veterans from the Afghanistan conflict who are participants in the ADVANCE (Armed SerVices TrAuma RehabilitatioN OutCome) cohort study. Survivors of a major injury, such as that experienced in conflict by the military or a road traffic accident in civilian life, have shortened lifespans. The amount of exercise a person does can influence how quickly they age. The injured group have been split into two, those who have a high fitness level as tested in their regular check-up, (which suggests that they are exercising regularly) and those with lower fitness. These drugs could improve outcomes for survivors of trauma.

Research Summary

To enable the commencement of clinical recruitment on the DeSCAR project, much of the team's focus in the past 12 months, has been on the compilation and submission of the Investigational Medicinal Product Dossier and regulatory package to the Medicines Healthcare Regulatory Authority (MHRA). The package was submitted on 9 January 2023. Once regulatory approval is given by the MHRA, it is hoped that recruitment to the study can begin in June 2023. The DeSCAR study is running with major delays currently. The research team has worked hard to overcome these delays and has sought expert external guidance to navigate the complexity of the regulatory requirements.

In the Birmingham arm of the study, a total of 29 (target n=60) participants have been recruited to the SMOOTH trial, with each at various stages of completion. 18 patients have completed the full trial. All participants have had their baseline assessments, and 25, 22 and 18 participants have had their first, second and third laser treatments respectively. The study is yet to open in Swansea. The team has been supporting researchers at the Swansea site and it is hoped that work will be able to get underway in the 2nd quarter of 2023-2024. In Birmingham the team is planning to recruit an additional 15 patients from the original Swansea allocation to mitigate against delays to the project.

During the reporting year, Dr Jack Sullivan, the Post Doctoral Researcher working on the Veteran Aging Project received the proteomics analysis of the ADVANCE study samples which allowed him to select the 150 veterans whose samples would be analysed. The samples were then sent for DNA methylation analysis. Preliminary analysis has been completed. The study completed in May 2023. The Foundation will liaise with the researchers regarding the dissemination of the results of the study on receipt of the team's final report.

Governance of The Scar Free Foundation Centre for Conflict Wound Research

In the reporting year, Lt General Richard Nugee acted as the Foundation's Conflict Wound Adviser. His role involved reviewing external expert peer review of the team's annual report and making a recommendation to the Board of Trustees as to whether the annual report should be accepted. In the upcoming year, a new Adviser will be sought as Lt General Nugee has demitted from this role following his appointment as Chief Executive.

THE UK BURNS RESEARCH NETWORK SUPPORTED BY THE VTCT FOUNDATION

The Foundation established the UK Burns Research Network in 2018. The 'Network' is a collaborative, coordinated programme of burns research aimed at delivering tangible care and treatment benefits to those encountering serious thermal injuries, and supporting longer term research aspirations as laid out in the Scar Free Research Strategy. It addresses a series of research priorities drawn from our research strategy and identified as short and medium-term funding imperatives by attendees at the Scar Free Symposium, *Scar Free Healing: Clinical Needs and Practice*, which was held in London in 2017.

Four projects were funded, three of which have successfully completed. The remaining project is entitled; ***BOSS: Development of a multicentre cohort of burn injury patients – a feasibility study and a prospective study to examine the validity of a panel of objective burn scar measurement tools.*** Professor Naiem Moiemem, University Hospitals Birmingham NHS Foundation Trust.

Following significant advances in medical science, patients with burns that involve as much as 95% of their total body surface area, can now survive. Unfortunately, research into scarring does not match the improvement in survival following burn injury, and the quality of studies that have been conducted were hindered by a lack of validated, objective tools used to grade scars. The subjective tools that were used are prone to individual clinician bias, hence findings are not consistent. The aim of this project is to assess a group of patients from the time of their injury to the time of wound healing and for two years afterwards. The team are measuring their scars with a range of objective scar measuring tools that have been shown to work in a previous smaller study alongside subjective questionnaires that look at how the patients view their own scars, and the effect these scars have on their quality of life.

Research Summary

The study opened to recruitment in March 2022 after a very long delay largely due to the pandemic and redeployment of the research team to frontline acute care of Covid patients at Queen Elizabeth Hospital. 19 patients have been recruited in Birmingham against a target of 60 across three sites: Birmingham, Swansea and Chelmsford. Recruitment in Chelmsford opened in May 2023, and it is hoped that recruitment will commence in Swansea shortly. To prevent further delays the team will over recruit in Birmingham which will shorten the remaining recruitment time and support the other two sites. The team is also working with the Research First Team (part of Birmingham Health Partners, University of Birmingham, to support the Swansea and Chelmsford sites to expedite study set up and clear the necessary logistical hurdles. The team will endeavour to push recruitment (once all sites are open) aiming to have recruited all 60 patients by November 2023.

The primary objective is to investigate the accuracy of the objective global scar scale in differentiating hypertrophic scars at different stages of scar remodelling until maturation. The secondary objectives are to assess the acceptability of the global scar score with clinicians and patients. In addition, the study aims to correlate objective scar assessment tools with subjective measures, and the long-term scar outcome with early biological markers from the same patients early after their injury. In order to adequately assess the validate the objective scar assessment tool, the study subjects are examined at 5 time points over 24 months. Due to the length of follow up, the revised end date of this project is December 2025.

Governance for The UK Burns Research Network Advisory Panel

The Foundation has established an Advisory Panel to advise on the prioritisation, funding and management of research projects in the Burns Network. The Chairman is Professor Folke Sjoberg, Professor of Burn Surgery and Critical Care at Linköping University, Sweden. We would like to extend our thanks to Professor Folke Sjoberg for his guidance of burns research projects. Membership is composed of UK and European clinicians and academics working in burn care and treatment, and 'lived experience' volunteers. In the reporting year the Panel worked virtually to review final reports and updates.

The Burns Research Network Advisory Panel comprises:

- Dr Sophie Dix, VP of Content, Koa Health, lived experience of burns.
- Professor Peter Dziewulski, Consultant Burns and Plastic Surgeon.
- Mr John Gibson, Plastic Surgery Trainee and Clinical Lecturer in Reconstructive Surgery and Regenerative Medicine, Swansea University and Morriston Hospital Swansea. Lived experience of burns.
- Professor Esther Middelkoop, Burns and Wound Healing Scientist, VUMC Medical Centre, Amsterdam, the Netherlands.
- Professor Mamta Shah, Consultant Burns and Plastic Surgeon, Royal Manchester Children's Hospital, Wythenshawe Hospital and the University of Manchester.
- Dr Lisa Williams, Consultant Clinical Psychologist, Chelsea and Westminster Hospital, London.

We are extremely grateful to the Advisory Panel for their advice and guidance during the reporting year.

THE BSSH CENTRE FOR EVIDENCE-BASED HAND SURGERY RESEARCH AT THE UNIVERSITY OF NOTTINGHAM

Work commenced in Nottingham in 2014. Miss Alexia Karantana is on a no-cost extension until 2024. The bulk of the work is now completed.

THE SCAR FREE FOUNDATION ELECTIVE AWARDS

The Foundation continues to support young surgeons through the Medical Elective Awards, which have been running for 19 years. This year's awards were reviewed by the Electives Adviser and members of the Research Council.

The following projects were funded:

Ahmed Turkman, a final year medical student from Imperial College London, was awarded a BAPRAS/Scar Free Foundation Elective to undertake the project, *Assessing the printability of nanocellulose composite bioinks for the 3D printing of facial cartilage*. Mr Turkman was supervised by Mr Tom Jovic at The Scar Free Foundation and Health and Care Research Wales Programme of Regenerative Medicine at Swansea University.

Anam Asad, a 5th year medical student from the University of Leicester, received a BBA/Scar Free Foundation Elective to undertake the project, *Investigating hypothermia as a prognostic factor in survivability of individuals suffering from large acute burns: a retrospective review*, at Wythenshawe Hospital, Manchester. Miss Asad was supervised by Mr Adam Reid.

Matthew Wilcox, a final year medical student from University College London received a BSSH/Scar Free Foundation Elective to undertake the project, *BANTER – Blood biomarker Assessment of Nerve Trauma and Early Reinnervation*, at the Royal National Orthopaedic Hospital, London. Mr Wilcox was supervised by Mr Tom Quick.

All the projects were successfully completed. We would like to thank our Principal Member Organisations the BBA, BAPRAS, and the BSSH for their co-funding of the Elective Awards.

DELIVERING THE SCAR FREE STRATEGY

In September 2022, The Foundation released its refreshed, web only, research strategy. The refreshed strategy was developed with the assistance of Scar Free Foundation Ambassadors, clinicians and scientists. The revised strategy articulates the Foundation's research aims as three strategic questions:

- **What is a scar?** This theme is centred on the development of our understanding of the 'science of scarring' i.e., the biological processes which underpin the healing process and lead to scarring.
- **How do you prevent scarring?** This theme is centred on research into the best treatments to ensure wounds heal with minimal or no scarring.
- **How do you live with scarring?** This theme is centred on research into long term patient care and increasing the understanding of how clinicians can best support patients affected by scarring.

The strategy website is available to view [here](#).

A research funding plan has been developed to enable the Foundation to address the strategic questions.

Subject to the availability of funds, there will be three key areas of focus:

- A Discovery Science Programme
- Two Clinical Research Programmes
- The Form, Function and Feeling Programme

THE MANAGEMENT OF RESEARCH

Research is the core business of The Scar Free Foundation. The Foundation has policies for the management of research, which comply with the guidelines set by the Association of Medical Research Charities (AMRC). They include:

- The structure to manage the process, which is provided by Advisory Panels, the Research Council, Chief Scientific Adviser and the Board of Trustees.
- The arrangements for the development, review and maintenance of our research strategy.
- The provision of open and fair arrangements for the application and selection process for funding research projects, including the essential requirement of independent peer review by appropriately qualified professionals.
- The Foundation's Written Agreement and Terms and Conditions for the award of grants.
- The arrangements to identify and manage potential conflicts of interests.

Research Council

The Research Council is established under the leadership of the Research Council Chairman, who is also a Trustee, to advise the Board of Trustees on the implementation and development of the Scar Free Strategy, which outlines the broad research objectives of the charity.

The objectives of the Research Council are:

- To advise the Board of Trustees on the pursuit of the broad strategic research goals of the charity as articulated in the Scar Free Strategy.
- To ensure that Scar Free Foundation research activity is undertaken in line with all legal and best practice guidance.

The main tasks of the Research Council are:

- To maintain a strategic oversight of the Scar Free Strategy and identify the gaps in the research strategy that should be addressed in the Foundation's research programme.
- To horizon scan the global scarring and wound healing research landscape and identify emerging research technologies and potential research leaders with whom the Foundation should interact in the UK and overseas.
- To maintain an awareness of the relevance of the Scar Free Strategy in a changing clinical and scientific landscape and ensure the involvement of patients and the public in the delivery of the strategy and the setting of priority areas.

Research Council members normally serve on Council for three-years, although the Board may extend the appointment for a second term. No member serves longer than six years on the Council.

As at 18 July 2023, membership of the Scar Free Foundation Research Council is as follows:

- Chair, Professor Peter Weissberg, Research Council Chairman and Trustee.
- Mr Manaf Khatib, Consultant Plastic Surgeon, East and North Hertfordshire, NHS Trust. Representative of the British Association of Aesthetic Surgeons.
- Professor Andrew Hart, Consultant Plastic and Hand Surgeon, Canniesburn Plastic Surgery Unit, Glasgow Royal Infirmary. Representative of the British Association of Plastic, Reconstructive and Aesthetic Surgeons.
- Professor Joseph Hardwicke, Consultant Plastic and Reconstructive Surgeon, University Hospitals of Coventry and Warwickshire.
- Mr Adam Reid, Academic Consultant Plastic Surgeon, University Hospital South Manchester. Representative of the British Association of Plastic, Reconstructive and Aesthetic Surgeons.
- Mr Simon Booth, Senior Burn Research Nurse, Queen Victoria Hospital, East Grinstead, Representative of the British Burn Association.
- Mr Bruce Richard, Consultant Plastic and Cleft Lip and Palate Surgeon, Birmingham Women's and Children's Hospital NHS Foundation Trust. Representative of the Craniofacial Society of Great Britain and Ireland.
- Miss Alexia Karantana, Consultant Orthopaedic Surgeon in Hand Surgery at Queens Medical Centre, Nottingham. Representative of the British Society for Surgery of the Hand.
- Mrs Rachel McDermott, Invited Member, Lived experience of scarring.
- Dr Yvonne Wren, Invited Member, Allied Health Professional, Director of Bristol Speech and Language Therapy Research Unit.
- Dr Jaco Nel, Invited Member, Lived experience of scarring.
- Professor David Abraham, Invited Member, Professor of Cell and Molecular Biology, University College London.

- Professor Jane Nixon, Invited Member, Deputy Director of the Clinical Trials Research Unit, University of Leeds.

Trustees would like to extend our sincere gratitude to Research Council members for their counsel and support over the past year.

Chief Scientific Adviser

The role of Chief Scientific Adviser was established in 2018 to assist in the assessment of new work and the broader pursuit of the Scar Free Strategy and is fulfilled by Professor Paul Stewart, Professor of Medicine & Health Policy Advisor to the Vice Chancellor at the University of Leeds. Over the past 12 months the thoughtful and pragmatic advice and guidance provided to the Foundation by Professor Stewart has been invaluable. We extend our thanks to him for all his assistance.

The primary objectives of the Chief Scientific Adviser are:

- To receive and review independent reviews (expert, patient and public) of Scar Free Foundation Centre Award submissions.
- To evaluate and summarise reviewers' comments and where necessary, recommend clarifications or amends, for return and response by the applicant University/host.
- To make a funding recommendation to the Research Council Chairman, for onward consideration by the Board of Trustees.
- During the lifetime of a grant, to receive and review reports from the relevant research programmes and recommend on progress to the Board of Trustees.

The Application and Selection Process

As a member of The Association of Medical Research Charities (AMRC), the Foundation is committed to an open, independent and professionally administered peer review and selection process. Research priorities, recommended by the Research Council, are approved by the Board. When funding becomes available for a project, the Foundation will aim to undertake an open research call. An 'application pack' is drawn up and approved by the Research Council Chairman with advice from the Chief Scientific Adviser. At the same time, an application and selection timetable is agreed and the project is advertised as widely as possible within the relevant research community. In preparation, a suitably qualified Assessment Panel is assembled, often of international standing, if the area of work so demands.

After the closing date for applications, submissions will be sent for external peer review. If the Foundation receives a large number of applications, the Chief Scientific Adviser, Research Chairman and/or Assessment Panel will triage applications to eliminate any proposals which fall outside the Foundation's charitable objects and/or endorsed areas of interest.

Following assessment by External Peer Reviewers, the subsequent "long list" of candidate applications is then considered by the Chief Scientific Adviser and Research Council Chairman who consider the scientific and strategic relevance of each application. Where appropriate, an interview panel and/or site visit is undertaken. Suitable safeguards have also been made to ensure impartiality, through the rotation of the Research Council Chairman, Chief Scientific Adviser and Peer Reviewers, and no member takes part in the review of projects where a potential conflict of interest exists.

For major awards, following discussion and consideration of the peer review assessments by the Chief Scientific Adviser, Research Council Chairman and/or Assessment Panel, a recommendation for funding is made to the Board of Trustees by the Research Council Chairman. The Board of Trustees then approve an award for research, subject to funding and the Foundation's established Rules and Conditions.

Ensuring Value in Research

In 2017, The Scar Free Foundation joined The Ensuring Value in Research (EViR) International Funders' Collaboration and Development Forum. A joint initiative by the health research organisations NIHR (UK), PCORI (USA) and ZonMW (Netherlands), the Forum is a group of international health related research funders and associated bodies, committed to advancing the practices of health-related research funding. As a member of the Forum, the Foundation has signed the following 'Consensus Statement';

"As organisations that fund health-related research, represent funders, or set funding policy, we believe that we have a responsibility not just to seek to advance knowledge, but also to advance the practices of health-related research and research funding. Therefore, we commit to working together and with our respective research communities to share current and develop new approaches to increase the value of health-related research. We commit to transparency in this process, including evaluating our progress and the impact of our efforts. This will contribute to improvement in the health and lives of all peoples, everywhere.

Along with other relevant activity in the wider research landscape (e.g., the REWARD statement), we understand that as funders we will maximise the value of research we fund when:

- We set justifiable research priorities;
- We require robust research design, conduct and analysis;
- We seek to ensure that research regulation and management are proportionate to risks;
- We seek to ensure that complete information on research methods and findings from studies is accessible and usable.

Increasing value will require collaborative efforts among funders, regulators, commercial organisations, publishers, editors, researchers, research organisations, research users and others.

The Foundation also subscribes to the pursuit of the '10 Guiding Principles' of the Funders' Forum which are now published on the Foundation's website. These principles, each geared to ensuring that the best possible value for money is achieved from all our research spend, are already guiding our strategic, grant selection and award process. This year the organisation adopted a subscription model membership for full members. The Foundation has become a full member of the Forum to enable us to gain access to the community of practice for queries or discussions and Forum materials and networking opportunities.

FUNDRAISING & COMMUNICATIONS

The pandemic and shortage of fundraising staff has inevitably delayed the process of rebuilding our Development Board and revitalising related fundraising activities with High Net Worth networks. We therefore worked to maintain our strong connection with existing supporters, new audiences, and in particular with Trusts and Foundations. Despite the challenges, income was secured as forecasted at £1,252,740 compared to £1,090,637 the previous year.

Major grants were secured from the Medical Research Council Early Career Researcher Support Fund and the CHEAR Foundation among others.

A huge thank you must also be extended to our Ambassadors; Karl Hinett, Kish Modasia, Jaco Nel, Irie Perera who have all fundraised for the Foundation throughout the year.

We were privileged to be able to hold multiple events throughout the year. This included;

A morning reception with HRH The Duchess of Edinburgh who visited the Royal College of Surgeons to celebrate International Women and Girls in Science Day. The event allowed The Duchess to meet with friends and family of the Foundation, including British science journalist and author, Vivienne Parry OBE and our Scar Free research leads, including Professor Janet Lord CBE. Confirmed guests include pioneering women scientists, female philanthropists who make our work possible and our lived experience voices - the women and girls affected by scarring - who help to inspire our mission.

An evening reception, sponsored and hosted by the Ministry of Defence was also held to highlight the incredible work that is taking place at our Centre of Conflict Wound Research. On the night speakers included Major General Timothy Hodgetts - Head Army Medical Services, Scar Free research leads including Professor Janet Lord CBE, and members of the CASEVAC Club who actively participate in studies conducted within the Centre. Chair of the Armed Forces Covenant Fund, Helen Helliwell, was compere for the evening plus special guests including the Minister of Veteran Affairs the Rt Hon Johnny Mercer MP and the Minister for Defence People, Veterans and Service Families the Rt Hon Dr Andrew Murrison MP.

In October, we also hosted, our Annual Ambassador and Update Event at The Royal College of Surgeons. The Ambassador Event provided an opportunity for those with a lived experience of scarring to convene and discuss the challenges they face. This year's event also involved the Foundation's scientists, clinicians and researchers, where round-table discussions provided Ambassadors with an overview of our research and helped develop a sense of shared endeavour around research priorities and the important work that is being carried out.

The Annual Update Event, hosted by Trustee and Ambassador Hemani Modasia-Shah, included presentations from Dr Richard Moakes who works on the DeSCAR project, Oscar Pena Cabello who is researching scarring genes under Professor Paul Martin, and an inspiring speech from Ambassadors Sophie Dix and Delilah Care. Also at the event we filmed short videos to post engaging content across our social platforms to enable us to reach out beyond our stakeholders and supporters to help people understand the problems with scarring and the importance of funding our research.

We knew this would be a challenging year from a fundraising perspective, and we increased our efforts in presenting a compelling case for our unique cause, through the redeveloped strategy. The year ahead is therefore critical to maintain the momentum built over the last 24 years, and to service the ambitious research strategy that leads to a world without scarring. We remain confident that we will catalyse opportunities to engage with donors and supporters over the coming year through our strengthened Research Strategy, our committed staff and our dedicated and supported volunteer fundraisers and Ambassadors.

In 2022/23 we grew our social media presence, thanks to the help of our Ambassadors, our Principal Member Organisations and the advice from Barley Communications – our Communications consultants. We have been able to highlight the problems people face when living with scarring and the research we are funding to aid our mission to a wider audience beyond our traditional supporters. Notably, in March 2023 one of our TikTok videos conveying an Ambassador’s story received engagement from over 10million people within a few weeks. We are confident that our important message of a world without scarring is reaching new and ever wider audiences.

We are very grateful to our Patron, HRH The Duchess of Edinburgh, for her constant support for our work. We were humbled to celebrate International Women and Girls in Science with HRH and grateful to the exposure her patronage provides us.

The Scar Free Foundation is registered with the Fundraising Regulator and subscribes to the Code of Fundraising Practice. During the year, no relationships were held with any commercial participators. Mr Kane Moore and Mrs Karla Conway, both former Foundation employees and now fundraising consultants, were engaged during the year to support our fundraising activity. Due diligence ensured that no conflict of interest existed that might impact this professional relationship and a written agreement was entered into between the Foundation and Mr Moore/Mrs Conway as prescribed by law. During the year, Mr Moore and Mrs Conway supported the fundraising function by providing advice but were not involved in soliciting or otherwise procuring any gifts directly from donors. In adopting best practice as laid out by the Fundraising Regulator, Trustees, staff, Mr Moore and Mrs Conway are sensitive to the issues of fundraising from people in vulnerable circumstances. Our core fundraising strategy, built on one-to-one, peer-driven personal approaches, lends itself to the identification and appropriate management of such issues.

Fundraising performance

Fundraised income for the year totalled £1,196,968 (£1,041,431 in 2022). Our Fundraising model continues to deliver to plan, with £327,611 (£351,688 in the previous year) expended on fundraising.

Principal Patrons

We would like to thank our Principal Patrons; surgeons and clinicians who so generously support our work through an ongoing annual gift. A Principal Patron’s commitment is so very important, underpinning the vital work that we do. During the year, we were fortunate to benefit from the support of the following:

- Ms Angelica Kavouni & Mr Lucian Ion
- Professor Vivien Lees
- Mr Nigel Mercer
- Professor Jonathan Sandy.

Volunteer help

The Scar Free Foundation relies on the help of volunteers in all aspects of its activities. This support is provided principally by members of the Board of Trustees, the Research Council and Research Advisory Panels who all give their time freely. We are also very grateful to our Scar Free Ambassadors, volunteers with lived experience of scarring, who help communicate the Scar Free ambition and ensure that a patient perspective is at the heart of our research; their stories convey more powerfully than anything else, the need for more research and activity in this area. We are grateful to all Ambassadors who give their time, honesty, understanding and support to attend events, workshops, meetings and promotion through our social media platforms. We would like to provide a special mention to our Young Ambassadors – Delilah Care for her incredibly inspiring speech at our Update Event and Elizabeth Soffe whose insistence for us all to be kind and her determination for her voice to be heard; makes us proud to call them both an Ambassador.

Finally, we are grateful to the CASEVAC Club of injured veterans from recent conflicts in Iraq and Afghanistan, and its co-founders David Wiseman and Dave Henson MBE for partnering with the Foundation on the Centre for Conflict Wound Research and our wider ambitions in this area. Ambassador Karl Hinett, also a CASVEAC Club Member has gone beyond the call of duty this year, allowing his story to be shared via Virtual Reality Video, on the BBC, has raised money by taking part in gruelling marathons and presented at events on behalf of the Centre of Conflict Wound Research.

PLANS FOR FUTURE PERIODS

The pursuit of scar free healing through the implementation of our refreshed Scar Free Strategy remains our central goal. We believe that we can relate the Scar Free narrative even more compellingly in order to engage a new cohort of donors, researchers and people living with scarring, to partner with us in this life changing mission.

Looking forward, in the financial year 2023/24, the research programmes we develop will be focused on three updated objectives; subject to the availability of funds, we will work to:

- Identify the biological pathways which lead to scarring.
- Change these pathways to prevent or improve scarring.
- Support people living with scars.

In collaboration with clinicians, scientists and people with a lived experience of scarring, we have developed a research funding plan with which we will deliver our ambitious Scar Free Research Strategy. The plan encompasses a bold programme of scientific, clinical and psychological research which addresses patient relevant research for people encountering or living with scarring today, along with scientific endeavour which will deliver scar free healing for future generations.

In the year ahead we will support existing work and, subject to the availability of funds, launch funding calls to address our new research endeavours.

Embed our refreshed Case for Support – informed by our re-presented Scar Free Research Strategy, we will also present a new fundraising Case for Support that will be the cornerstone in our building of new donor networks. We will work hard during the year to identify new and fully engaged volunteer leadership to drive our refreshed fundraising activities.

The lived experience voice lies at the heart of our work – the impact of our work is only measured by the benefits we can deliver, through new treatments and understandings, to people who encounter and live with scarring conditions. We will continue to invest more time and resource to ensure that the voices and experiences of those with scars are felt at every level and in every aspect of the charity’s work, across our social platforms, research projects and governance structures.

The Charity Governance Code has been adopted by the Foundation and the Code’s principles are regularly revisited by the Chief Executive and the Board.

FINANCIAL REVIEW

During the year, our spend on research decreased due to the completion of research projects from a spend of £1,513,541 in 2021/22 to £1,281,414 in 2022/23.

A review of the schedule comparing commitments against available restricted and designated funds is reviewed every year by our auditors Buzzacott. The latest review conducted in May 2023 confirmed the Foundation’s position that all commitments are adequately provided for.

We end the year carrying forward reserves that both match our stated policy to provide sufficient, but not excessive, core funding, and the reassurance that all research commitments can be fully funded through existing restricted and designated funds.

RESERVES POLICY

The Scar Free Foundation has restricted funds which have been, and will be, generated through fundraising. Depending on the specified restriction, these will be either used to generate further funding to establish and maintain our major research programmes or used directly on particular research projects.

We continue to retain sufficient unrestricted funds to meet on-going core costs. The aim is to maintain sufficient unrestricted reserves to cover core costs for a 12-month period and to meet redundancy costs should the Foundation ever have to be closed down.

Unrestricted reserves at the end of March 2023 were £938,557 (£838,797 2021/22) of which £707,408 was in the general funds and constitutes free reserves. The core-costs for 2023/24 are forecast to be approximately £580,000. The free reserves are therefore in line with the target set out above. The team are not complacent and are keen to push forward with a strong fundraising strategy.

INVESTMENT POLICY

Investments are managed by Sarasin Partners LLP, our investment manager and adviser, through their Alpha range of Common Investment Funds.

The Trustees have established an overall investment policy, which involves the Foundation’s available funds being categorised in one of two ways, for each of which there is an appropriate investment policy, namely:

Short term - in this category are funds which are budgeted for spending within a two-year period. These will be held in appropriate bank accounts, term deposits or liquidity funds, with the maturity of the deposits being managed to match both the liabilities and maximise the interest earned on them.

Medium and long term – Most of the funds in this category are not required within five years, but some of which will be spent between two and five years from 31 March 2023. They are invested in both longer term deposit accounts and in the Alpha Common Investment Fund for Endowments. This fund seeks long-term capital and income growth from a broadly diversified portfolio, of which 70% would normally be in shares with the balance in bonds, cash, property and alternative assets.

The use of Common Investment Funds enables the Foundation to access asset classes which might otherwise be closed to it and to achieve appropriate diversification and a broad spread of risk. These Common Investment Funds are charities in their own right, pooling the funds of other charities with these similar objectives.

The Alpha funds will make substantial asset allocation changes when necessary to protect capital, reduce volatility and enhance long-term returns. The selection of individual shareholdings is guided by a global, thematic research process which incorporates an ethical screening process. The Trustees regularly review with Sarasin & Partners the Foundation's Investment Policy and the performance of these funds and make any appropriate changes in light of the Foundation's development, changes in markets or any other relevant factors.

Our investments decreased in value by 32% over the financial year 2022/23. During the year we transferred funds from out of investments and consequently the total investments decreased. We remain vigilant to a potential volatile market that the war in Ukraine and fall out from the pandemic may create and mindful that the funds in Sarasin's are long term investments.

RISK ASSESSMENT

The Board maintains a risk assessment system which is based on a numerical assessment of risk, with an accompanying management commentary, and Trustees consider these reports each quarter. The aim is to highlight and measure potential risks to the success of an activity or process, assess the impact and put in place appropriate management action.

Accordingly, we can confirm that the major risks to which the Foundation is exposed have been reviewed and actions are in place to mitigate those risks.

Current risks of greatest concern (i.e. the risks with greatest combined 'impact' and 'likelihood' score in the Trustees' quarterly risk assessment exercise) include:

1. **Fundraising Issues: Delay in building a high-net-wealth networking infrastructure** - Efforts to expand income sources through the development of the Case for Support and in-person donor events are paramount.

2. **Financial Issues: Income/expenditure imbalance threatens ‘going concern’ status of charity** – We maintain a prudent level of reserves, reviewed quarterly. Control costs and maximise income.
3. **Management Issues: Unplanned loss of senior staff and delay in recruiting staff** – We will maintain active succession planning and recruitment oversight.

RESPONSIBILITIES OF THE TRUSTEES

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

Company Law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the income or expenditure of the charitable company for that period.

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

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102).
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards (United Kingdom Generally Accepted Accounting Practice) have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the “going concern” basis unless it is inappropriate to assume that the company will continue in operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company’s transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company’s website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Each of the Trustees confirms that to the best of his/her knowledge there is no information relevant to the audit of which the auditors are unaware. Each of the Trustees also confirms that he/she

has taken all necessary steps to ensure that he/she is aware of all relevant audit information and that this information has been communicated to the auditors.

The Trustees

Trustees, who are also Directors under company law, who served during the year and up to the date of this report were as follows:

Professor Sir Bruce Keogh (Chairman)
Mr David Allen (*retiring on 18 July 2023*)
Mr Simon Boadle (*retired 7 February 2023*)
Mr Richard Collier (Honorary Treasurer)
Ms Alison Clarke
Ms Hemani Modasia-Shah
Lt Gen Richard Nugee (*retired 15 April 2023*)
Mr Tim Streatfeild
Mrs Alexandra Thrower
Professor Peter Weissberg (Research Council Chairman)

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 March 2023 was £6 (2022 – £6). The Trustees have no beneficial interest in the charitable company.

Approved by the Trustees on 18 July 2023 and signed on their behalf by

A handwritten signature in black ink that reads "Bruce Keogh". The signature is written in a cursive style and is underlined with a single horizontal stroke.

Professor Sir Bruce Keogh
Chairman

Independent auditor's report to the members of The Scar Free Foundation

Opinion

We have audited the financial statements of The Scar Free Foundation (the 'charitable company') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 charitable company's affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for

the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but

were not limited to the Charities Act 2011, Companies Act 2006, and data protection legislation; and

- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, inspecting legal correspondence and reviewing trustee meeting minutes.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of trustee meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with HMRC and the Charity Commission.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures

required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Katharine Patel (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

[Date]

10 August 2023

The Scar Free Foundation

Statement of financial activities *(incorporating an income and expenditure account)*

For the year ended 31 March 2023

	Note	Restricted £	Unrestricted £	2023 Total £	Restricted £	Unrestricted £	2022 Total £
Income							
Donations and legacies	2	802,695	394,273	1,196,968	801,968	239,463	1,041,431
Investments	3	-	55,772	55,772	-	49,206	49,206
Total income		802,695	450,045	1,252,740	801,968	288,669	1,090,637
Expenditure							
Costs of raising funds	4	-	327,611	327,611	-	351,688	351,688
Expenditure on charitable activities							
Research programmes		1,042,321	-	1,042,321	1,262,167	-	1,262,167
Research development		-	240,778	240,778	-	251,374	251,374
Total expenditure		1,042,321	568,389	1,610,710	1,262,167	603,062	1,865,229
Net expenditure before (losses) / gain son investments	5	(239,626)	(118,344)	(357,970)	(460,199)	(314,393)	(774,592)
Net (losses) / gains on investments	9	-	(48,085)	(48,085)	-	23,844	23,844
Transfers	13	(266,189)	266,189	-	(124,199)	124,199	-
Net income (expenditure) and net movement in funds		(505,815)	99,760	(406,055)	(584,398)	(166,350)	(750,748)
Reconciliation of funds:							
Funds brought forward		<u>2,764,473</u>	<u>838,797</u>	<u>3,603,270</u>	<u>3,348,871</u>	<u>1,005,147</u>	<u>4,354,018</u>
Funds carried forward		<u>2,258,658</u>	<u>938,557</u>	<u>3,197,215</u>	<u>2,764,473</u>	<u>838,797</u>	<u>3,603,270</u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

The Scar Free Foundation

Balance Sheet

For the year ended 31 March 2023

	Note	2023 £	2023 £	2022 £
Fixed assets				
Tangible fixed assets	8		1,166	2,214
Investments	9		611,589	901,357
			<u>612,755</u>	<u>903,571</u>
Current assets				
Debtors	10	390,480		1,084
Short - Medium term deposits		2,275,210		2,751,406
Cash at bank and in hand		<u>245,751</u>		<u>412,665</u>
		2,911,441		3,165,155
Liabilities				
Creditors: amounts falling due within one year	11	<u>(326,981)</u>		<u>(465,456)</u>
Net current assets			<u>2,584,460</u>	<u>2,699,699</u>
Net assets	12		<u><u>3,197,215</u></u>	<u><u>3,603,270</u></u>
The funds of the charity:				
Restricted funds			2,258,658	2,764,473
Unrestricted funds				
Designated funds		231,149		186,199
General funds		<u>707,408</u>		<u>652,598</u>
			<u>938,557</u>	<u>838,797</u>
Total funds	13		<u><u>3,197,215</u></u>	<u><u>3,603,270</u></u>

Approved by the Trustees on 18 July 2023 and signed on their behalf by



Professor Sir Bruce Keogh

Company Registration Number 03831398 (England and Wales)

The Scar Free Foundation

Statement of Cash Flows

For the year ended 31 March 2023

	Note	2023 £	2022 £
Cash flow from operating activities:			
Net cash (used in) provided by operating activities	A	<u>(940,565)</u>	<u>(818,999)</u>
Cash inflow from investing activities:			
Dividends and interest from investments		55,772	49,206
Purchase of tangible fixed assets		-	(3,140)
Sale of investments		241,683	198,654
Net cash provided by investing activities		<u>297,455</u>	<u>244,720</u>
Change in cash and cash equivalents in the year		(643,110)	(574,279)
Cash and cash equivalents at 1 April 2022	B	3,164,071	3,738,350
Cash and cash equivalents at 31 March 2023	B	<u><u>2,520,961</u></u>	<u><u>3,164,071</u></u>

Notes to the statement of cash flows for the year to 31 March 2023

A Reconciliation of net movement in funds to net cash provided by operating activities

	2023 £	2022 £
Net movement in funds (as per the statement of financial activities)	(406,055)	(750,748)
Adjustments for:		
Depreciation charge	1,048	2,487
Losses (gains) on investments	48,085	(23,844)
Dividends and interest from investments	(55,772)	(49,206)
Increase in debtors	(389,396)	3,226
(Decrease) increase in creditors	(138,475)	(914)
Net cash (used in) provided by operating activities	<u><u>(940,565)</u></u>	<u><u>(818,999)</u></u>

B Analysis of cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	245,751	412,665
Notice deposits (3 - 12 months)	2,275,210	2,751,406
Total cash and cash equivalents	<u><u>2,520,961</u></u>	<u><u>3,164,071</u></u>

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2023

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

a) Basis of preparation

These accounts have been prepared for the year to 31 March 2023.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

The accounts are presented in sterling and are rounded to the nearest pound.

b) Critical accounting estimates and areas of judgement

Preparation of the accounts requires the Trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- .. the allocation of staff and support costs;
- .. estimating the useful economic life of tangible fixed assets.

c) Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

The Trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above.

With regard to the next accounting period, the year ending 31 March 2024, Trustees believe that the charity is a going concern on the basis detailed within the Trustees' report. The most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the Trustees' report for more information).

d) Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Voluntary income is received by the way of donations and gifts and is included in full in the Statement of Financial Activities when receivable. Intangible income and gifts in kind are not included unless they represent goods or services which would have otherwise been purchased, in which case they are valued and brought in as income and the appropriate expenditure.

Revenue grants are credited to the Statement of Financial Activities when received or receivable whichever is earlier, unless they relate to a specific period, in which case they are deferred.

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2023

1. Accounting policies (continued)

d) Income recognition (continued)

Where unconditional entitlement to grants receivable is dependent upon fulfilment of conditions within the Charity's control, the incoming resources are recognised when there is sufficient evidence that conditions will be met. Where there is uncertainty as to whether the Charity can meet such conditions the incoming resource is deferred.

Grants for the purchase of fixed assets are credited to restricted income when receivable. Depreciation of fixed assets purchased with such grants is charged against the restricted funds.

Interest on term deposits is recognised on an accruals basis, so that the appropriate proportion is included in each year's financial statements.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

e) Expenditure recognition

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

Expenditure is accounted for on an accruals basis. Expenditure includes attributable VAT that cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the costs of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, are apportioned between activities as described in note 4.

The costs of generating funds relate to the costs incurred by the charity in raising funds for the charitable work.

Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities.

Grants payable are charged to the Statement of Financial Activities in the year in which the offer is conveyed to the recipient, except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

Governance costs include the management of the charity's assets, organisational management and compliance with constitutional and statutory requirements.

f) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life. The depreciation rates in use are as follows:

Leasehold Improvements :	Over the life of the lease
Computer Equipment :	3 years
Office Furniture and Equipment :	3 years

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2023

1. Accounting policies (continued)

g) Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

h) Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

i) Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

j) Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the Statement of Financial Activities in the year in which they fall due.

k) Pension contributions

The charitable company makes contributions on behalf of its employees into their personal pension funds. The amounts charged in the Statement of Financial Activities represent the contributions payable to the funds in respect of the accounting period. Outstanding pension contributions at the year end are included in creditors.

l) Fixed asset investments

Listed 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 charity does not acquire put options, derivatives or other complex financial instruments.

Realised gains (or losses) on investment assets are calculated as the difference between disposal 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 at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

m) Fund structure

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure, which meets these criteria are charged to the fund together with a fair allocation of management and support costs.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Transfers are made from unrestricted funds to establish designated funds, which are in turn used to cover the cost of Research Projects. These designations are agreed annually by the Board of Trustees. Transfers are made from designated funds to restricted funds where restricted funding is not sufficient to cover a particular project, or if it is unclear as to how much will be required for a project. Transfers from restricted funds to unrestricted funds are made with the prior consent of the donor.

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2023

2a Donations and grants - unrestricted

	2023	2022
	£	£
Anonymous	375,000	125,000
The Dorus Trust	4,000	4,000
Karl Hinett	3,375	-
Angelica Kavoni & Lucian Ion	2,500	2,500
Nigel Mercer	1,200	1,200
Professor Jonathan Sandy	1,200	1,200
Professor Vivien Lees	1,000	1,000
The Stephen Forrest Charitable Trust	-	65,200
PF Charitable Trust	-	40,000
EACTS Charity - Fellowship	-	15,000
Lt Gen Richard Nugee	-	10,758
Charles and Rowena Wilson	-	10,000
Professor Naiem Moiemen	-	10,000
Irie Perera	-	1,214
The Worshipful Company of Tin Plate Workers alias Wire Workers	-	1,000
Returned VTCT Foundation Donation (from 2018)	-	(60,000)
Gift Aid Claims	2,380	6,543
Sundry Donations	3,618	4,848
Total	<u>394,273</u>	<u>239,463</u>

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2023

2b Donations and grants - restricted

	2023	2022
	£	£
The Medical Research Charity	504,401	292,063
CHEAR Foundation	150,000	150,000
VTCT Foundation	70,000	100,000
Health and Care Research Wales	50,000	50,000
The Hobson Charitable Trust	10,000	-
Lady Jenny Rose	9,994	10,910
The Holbeck Charitable Trust	4,000	2,500
Andrew Robson	2,500	2,500
BAPRAS	600	-
BBA	600	-
BSSH	600	-
Clore Duffield Foundation	-	43,611
The Armed Forces Covenant Fund Trust	-	35,000
Donations via The Big Give	-	30,021
The J P Moulton Foundation	-	30,000
Veterans Foundation	-	30,000
Headley Court Charity	-	20,000
The Worshipful Company of Tin Plate Workers alias Wire Workers	-	4,363
GJW Turner Trust	-	1,000
Total	<u>802,695</u>	<u>801,968</u>

3. Investment income

	2023			2022		
	Restricted £	Unrestricted £	Total £	Restricted £	Unrestricted £	Total £
Income from listed investments	-	20,925	20,925	-	25,665	25,665
Interest receivable	-	34,847	34,847	-	23,541	23,541
Total	<u>-</u>	<u>55,772</u>	<u>55,772</u>	<u>-</u>	<u>49,206</u>	<u>49,206</u>

4. Total expenditure

	Costs of raising funds Unrestricted	Research Grants Restricted	Research Development Unrestricted	Support Costs	Governance	2023 Total
	£	£	£	£	£	£
Staff Costs (Note 6)	109,662	-	106,529	97,129	-	313,320
Other Staff Costs	2,784	-	2,704	2,464	-	7,952
Rent	13,696	-	13,696	11,589	-	38,981
Computer and other office costs	15,814	-	15,813	13,380	-	45,007
Consultancy	9,773	-	11,457	8,269	-	29,499
Audit and Accountancy Fees	-	-	-	-	11,913	11,913
Staff Travel	117	-	117	99	-	333
Trustees' Travel Expenses	84	-	84	71	-	239
Depreciation	368	-	368	312	-	1,048
Appeal Costs	101,540	-	-	-	-	101,540
Insurance	-	-	-	-	2,318	2,318
Research Programmes						
- Bristol Programme	-	220,240	-	-	-	220,240
- The Cleft Colletive	-	147,052	-	-	-	147,052
- Centre for Conflict Wound	-	211,287	-	-	-	211,287
- Regenerative Research	-	342,396	-	-	-	342,396
- BSSH	-	34,455	-	-	-	34,455
- UK Burns Research Network	-	83,291	-	-	-	83,291
- Support Projects	-	3,600	-	-	-	3,600
- PPI	-	-	2,167	-	-	2,167
Research Support costs	-	-	14,071	-	-	14,071
Total expenditure	253,839	1,042,321	167,006	133,314	14,231	1,610,710
Support Costs	66,657	-	66,657	(133,314)	-	-
Governance costs	7,115	-	7,115	-	(14,231)	-
2023 total expenditure	327,611	1,042,321	240,778	-	-	1,610,710

Support costs and governance costs have been allocated to each activity on the basis of staff time being 50% to costs of raising funds and 50% to research management and development.

4. Total expenditure

	Costs of raising funds Unrestricted	Research Grants Restricted	Research Development Unrestricted	Support Costs	Governance	2022 Total
	£	£	£	£	£	£
Staff Costs (Note 6)	120,812	-	117,360	107,005	-	345,177
Other Staff Costs	3,302	-	3,207	2,923	-	9,432
Rent	18,837	-	11,551	9,774	-	40,162
Computer and other office costs	26,014	-	15,952	13,498	-	55,464
Consultancy	1,285	-	788	667	-	2,740
Legal Fees	-	-	-	4,913	-	4,913
Audit and Accountancy Fees	-	-	-	-	12,288	12,288
Staff Travel	415	-	255	216	-	886
Trustees' Travel Expenses	109	-	67	56	-	232
Depreciation	1,166	-	715	605	-	2,486
Recruitment	3,702	-	2,270	1,921	-	7,893
Appeal Costs	79,061	-	-	-	-	79,061
Insurance	-	-	-	-	2,590	2,590
Research Programmes						
- Bristol Programme	-	157,044	-	-	-	157,044
- The Cleft Colletive	-	182,758	-	-	-	182,758
- Centre for Conflict Wound	-	582,993	-	-	-	582,993
- Regenerative Research	-	158,527	-	-	-	158,527
- BSSH	-	45,642	-	-	-	45,642
- UK Burns Research Network	-	135,203	-	-	-	135,203
Research Support costs	-	-	39,738	-	-	39,738
Total expenditure	254,703	1,262,167	191,903	141,578	14,878	1,865,229
Support Costs	87,762	-	53,816	(141,578)	-	-
Governance costs	9,223	-	5,655	-	(14,878)	-
2022 total expenditure	351,688	1,262,167	251,374	-	-	1,865,229

Support costs and governance costs have been allocated to each activity on the basis of staff time being 62% to costs of raising funds and 38% to research development.

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2023

5. Net expenditure for the year before losses (gains) on investments

This is stated after charging:

	2023	2022
	£	£
Depreciation	1,048	2,487
Trustees' remuneration	Nil	Nil
Trustees' expenses	238	232
Auditors' remuneration:		
Audit	9,500	9,500
Operating lease rentals:		
Property	38,981	40,162
	<u>38,981</u>	<u>40,162</u>

Trustees' expenses represent that 2 Trustees were reimbursed for travel costs (2022 : 2).

6. Staff costs and numbers

Staff costs were as follows:

	2023	2022
	£	£
Salaries and wages	254,286	284,527
National Insurance costs	27,170	25,442
Pension contributions	31,865	35,207
	<u>313,321</u>	<u>345,176</u>

The number of employees whose emoluments exceed £60,000 are:

	2023	2022
£60,000 - £70,000	1	1
£70,000 - £80,000	1	
£120,000 - £130,000	1	1
	<u>1</u>	<u>1</u>

Employer's pension contributions of £17,872 (2021 : £17,575 to one employee) were made in respect of the highest paid employee.

The full-time equivalent of employees during the year was as follows:

	2023	2022
	No.	No.
Fundraising and Communications	1.3	2.1
Research Management / Development	1.3	1.3
Support & Governance Costs	1.1	1.1
	<u>3.7</u>	<u>4.5</u>

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2023

6. Staff costs and numbers (continued)

The average number of employees (headcount) during the year was 4 (2022 - 5).

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis has increased to now comprise of the Trustees together with the Chief Executive, Head of Finance & Operations and (as of 2022/23) Head of Research Funds. The total remuneration (including taxable benefits and employers pension contributions) of the key management personnel for the year was £292,233 (2022 : £210,583).

7. Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

8. Tangible fixed assets

	Computer equipment and furniture £
Cost	
At the start of the year	20,965
Additions in year	-
Disposals in year	(4,649)
At the end of the year	<u>16,316</u>
Depreciation	
At the start of the year	18,751
Charge for the year	1,048
Disposals in year	(4,649)
At the end of the year	<u>15,150</u>
Net book value	
At the end of the year	<u><u>1,166</u></u>
At the start of the year	<u><u>2,214</u></u>

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2023

9. Investments

	2023 £	2022 £
Market value at the start of the year	901,357	1,076,167
Transfers in	9,764	10,910
Additions at cost	9,994	10,423
Disposals (Proceeds: £261,440 + Realised Loss: £9,764)	(271,205)	(214,775)
Unrealised (losses) / gains	(38,321)	18,632
	<u>(309,526)</u>	<u>(196,143)</u>
Market value at the end of the year	<u>611,589</u>	<u>901,357</u>
Cost at the year end	<u>446,669</u>	<u>616,152</u>
Investments comprise: Sarasin Alpha CIF for Endowments	611,589	901,357

10. Debtors

	2023 £	2022 £
Grant Recievables	389,598	-
Prepayments	882	1,084
	<u>390,480</u>	<u>1,084</u>

11. Creditors: amounts due within 1 year

	2023 £	2022 £
Trade Creditors	27,140	-
Accruals	299,841	465,456
	<u>326,981</u>	<u>465,456</u>

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2023

12. Analysis of net assets between funds 2023

	Restricted funds £	Designated funds £	General funds £	2023 Total funds £
Tangible fixed assets	-	-	1,166	1,166
Investments	611,589	-	-	611,589
Net current assets	1,647,069	231,149	706,242	2,584,460
Net assets at the end of the year	2,258,658	231,149	707,408	3,197,215

Analysis of net assets between funds 2022

	Restricted funds £	Designated funds £	General funds £	2022 Total funds £
Tangible fixed assets	-	-	2,214	2,214
Investments	901,357	-	-	901,357
Net current assets	1,863,116	186,199	650,384	2,699,699
Net assets at the end of the year	2,764,473	186,199	652,598	3,603,270

The total unrealised gains at 31 March 2023 constitutes movements on revaluation and are as follows:

	2023 £	2022 £
Unrealised gains included above:		
On investments	164,920	285,205
Total unrealised gains at 31 March 2023	164,920	285,205
Reconciliation of movements in unrealised gains (losses)		
Unrealised gains at 1 April 2022	285,205	328,825
Gain: in respect to disposals in the year	(81,964)	(62,252)
	203,241	266,573
Add: net (losses) gains arising on revaluation arising in the year	(38,321)	18,632
Total unrealised gains at 31 March 2023	164,920	285,205

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2023

13. Movements in funds to 31 March 2023

	At the start of the year	Income	Expenditure	Gains on investments & Transfers	2023 At the end of the year
	£	£	£	£	£
Restricted funds:					
Bristol Programme	779,734	360,240	(220,240)	-	919,734
Scar Free Projects	1	-	-	(1)	-
The Cleft Collective	217,739	2,500	(147,052)	-	73,187
Centre for Conflict Wound Research	775,320	89,398	(211,287)	(267,988)	385,443
BSSH Clinical Academic Post	96,106	-	(34,455)	-	61,651
UK Burns Research Network	112,495	95,810	(83,291)	-	125,014
Regenerative Research	778,715	252,947	(342,396)	-	689,266
Student Elective Awards	-	1,800.0	(3,600)	1,800	-
Management of Research Projects	4,363	-	-	-	4,363
Total restricted funds	2,764,473	802,695	(1,042,321)	(266,189)	2,258,658
Unrestricted funds:					
<i>Designated funds:</i>					
Centre for Conflict Wound Research	-	-	-	80,000	80,000
Scar Free Projects	-	-	-	15,000	15,000
Bristol Centre	124,199	-	-	(124,199)	-
Regenerative Research	60,000	-	-	74,249	134,249
Student Electives & Other	2,000	-	-	(100)	1,900
<i>Total designated funds</i>	186,199	-	-	44,950	231,149
General funds	652,598	450,045	(568,389)	173,154	707,407
Total unrestricted funds	838,797	450,045	(568,389)	218,104	938,557
Total funds	3,603,270	1,252,740	(1,610,710)	(48,085)	3,197,215

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2023

13. Movements in funds 2022

	At the start of the year £	Income £	Expenditure £	Gains on investments & Transfers £	2022 At the end of the year £
Restricted funds:					
Bristol Programme	786,778	274,199	(157,044)	(124,199)	779,734
Scar Free Projects	1	-	-	-	1
The Cleft Collective	397,997	2,500	(182,757.6)	-	217,739
Centre for Conflict Wound Research	1,071,950	286,363	(582,993)	-	775,320
BSSH Clinical Academic Post	141,748	-	(45,642)	-	96,106
UK Burns Research Network	136,786	115,275	(135,203)	(4,363)	112,495
Regenerative Research	813,611	123,631	(158,527)	-	778,715
Management of Research Projects	-	-	-	4,363	4,363
Total restricted funds	3,348,871	801,968	(1,262,167)	(124,199)	2,764,473
Unrestricted funds:					
Designated funds:					
<i>Centre for Conflict Wound Res</i>	70,000	-	-	(70,000)	-
Scar Free Projects	114,849	-	-	(114,849)	-
Bristol Centre	54,198	-	-	70,001	124,199
Regenerative Research	-	-	-	60,000	60,000
Student Electives & Other	-	-	-	2,000	2,000
Total designated funds	239,047	-	-	(52,848)	186,199
General funds	766,100	288,669	(603,062)	200,891	652,598
Total unrestricted funds	1,005,147	288,669	(603,062)	148,043	838,797
	-	-	-	-	-
Total funds	4,354,018	1,090,637	(1,865,229)	23,844	3,603,270

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2023

13. Movements in funds 2023

Research Projects

During the year, The Scar Free Foundation continued to pursue a number of key research themes. These have been funded as monies become available. The money may be restricted by the donor or where it is not, the Foundation will designate funds to particular projects.

Scar Free Projects

No transactions or movements to note.

The Cleft Collective

Funds held for this major research programme have been contributed by various donors.

The Scar Free Foundation Centre for Conflict Wound Research

The Chancellor using LIBOR funds awarded a grant of £2,995,300 to the Foundation to support The Scar Free Foundation Centre for Conflict Wound Research. Additional funds have been received in since 2019 from The JP Mpulton Foundation, Headley Court Charitable Foundation, The Veterans Foundation, GJW Turner Trust, The Holbeck Charitable Trust and BEIS/DHSC for the early career researchers. This has allowed the transfer of funds due to matched funding.

The Bristol Programme

A total of £1,050,000 (of a £1,500,000 commitment) has been donated by the CHEAR Foundation towards research to be undertaken in pursuit of the Scar Free Strategy. Plus funds from the BEIS/DHSC for the early career researchers.

The BSSH Clinical Academic Post in Hand Surgery Research managed by The Scar Free Foundation

The British Society for Surgery of the Hand contributed a total of £500,000 towards the costs of a major programme of hand surgery research at the University of Nottingham.

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2023

13. Movements in funds 2023 (continued)

The UK Burns Research Network supported by the VTCT Foundation (formerly Scar Free Healing Research)

Some £500,000 (of a maximum £1,000,000 commitment) has been donated by the VTCT Foundation towards funding a Burns Research Network. Plus approx £15,000 from BEIS/DHSC for the early career researchers.

In addition, Lady Jenny Rose has donated just over £30,000 towards burn injury research.

The Scar Free Foundation Programme of Regenerative Research

A total of £900,000 (of a potential £950,000 commitment) has been donated by Health & Care Research Wales (Welsh Government), their funding is currently for a three year commitment, with the potential to be extended for a further year if funds allow. The Foundation will use its best endeavours to raise money for this important research, however if we don't have sufficient funds to further the development of the project then we will withdraw from the project and our commitments and obligations to run the project cease.

In addition a total of £87,222 from the Clore Duffield Foundation has been received, and £202,947 provided by BEIS/DHSC for the early career researchers.

14. Operating lease commitments

The charity had future minimum commitments at 31 March 2023 under operating leases expiring as follows:

	2023	2022
	£	£
Payments which fall:		
Within one year	47,119	36,590
Within one to two years	45,968	36,590
Within two to five years	48,161	64,032
	<u>141,248</u>	<u>137,212</u>

15. Related party transactions

During the year the charity did not receive any funds from Trustees. (In 2022 a total of £18,458 was received from Trustees). In addition £150,000 (2022 - £150,000) was received from a Foundation of which a Trustee is also a Trustee.

THE SCAR FREE FOUNDATION

England & Wales - Charity number 1078666

Accounts

THE FREE FOUNDATION

MAKING A WORLD WITHOUT SCARS A REALITY

THE ANNUAL REPORT & AUDITED ACCOUNTS

31 March 2022

Chairman of the Board of Trustees
Professor Sir Bruce Keogh

The Scar Free Foundation
The Royal College of Surgeons of England
38-43 Lincoln's Inn Fields
London WC2A 3PE

OUR VISION

A world without scarring

OUR MISSION

To achieve scar free healing within a generation and transform the lives of those affected by disfiguring conditions

REFERENCE AND ADMINISTRATIVE DETAILS

Status

The organisation is a charitable company limited by guarantee, incorporated on 25 August 1999 and registered as a charity on 17 December 1999.

Governing Documents

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

Summary of Investment Powers

To invest and deal with any money not immediately required for its objects in or upon any investments, securities, or property.

Company Number

03831398

Charity Number

1078666

Registered office and operational address

38-43 Lincoln's Inn Fields, London, WC2A 3PE

Honorary Officers

Professor Sir Bruce Keogh (Chairman)

Mr Richard Collier (Honorary Treasurer)

Professor Peter Weissberg (Research Council Chairman)

Principal Staff

Mr Brendan Eley (Chief Executive)

Ms Amanda McKechnie (Head of Finance & Operations)

Founding Principal Member of The Scar Free Foundation

British Association of Plastic Reconstructive and Aesthetic Surgeons (BAPRAS)

Principal Members of The Scar Free Foundation

British Association of Aesthetic Plastic Surgeons (BAAPS)

British Burn Association (BBA)

British Psychological Society (BPS)

British Society for Surgery of the Hand (BSSH)

Craniofacial Society of Great Britain & Ireland (CFSGB&I)

Patron

HRH, The Countess of Wessex

President

The Lord Rose of Monewden

Vice Presidents

Dr Geraldine Brough
Professor Sir Kenneth Calman
The Rt Hon the Lord Patten of Barnes
Professor Sir John Temple
Mr Hugh Twiss

Board of Trustees

Professor Sir Bruce Keogh (Chairman)
Mr Richard Collier (Honorary Treasurer)
Professor Peter Weissberg (Research Council Chairman)
Mr David Allen
Mr Simon Boadle
Ms Alison Clarke
Dr Hemani Modasia-Shah
Lt Gen Richard Nugee
Mr Tim Streatfeild
Mrs Alexandra Thrower

Bankers

CAF Bank Ltd, 25 King's Hill Avenue, West Malling, Kent, ME19 4JQ
Clydesdale Bank, 2nd Floor, 35 Regent Street, London, SW1Y 4ND
Santander, 4th Floor, 100 Ludgate Hill, London, EC4M 7NS
Shawbrook Bank Limited, Lutea House, The Drive Great Warley, Essex, CM13 3BE

Cash Management Platform

Flagstone Investment Management Ltd, 1st Floor, Clareville House, 26-27 Oxendon Street, London, SW1Y 4EL

Investment Managers

Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU

Solicitors

Paris Smith LLP, Number 1 London Road, Southampton, SO15 2AE
Bates Wells & Braithwaite LLP, Cheapside House, 138 Cheapside, London, EC2E 6BB
Squire Patton Boggs (UK) LLP, 7 Devonshire Square, London, EC2M 4YH

Auditors

Buzzacott LLP, 130 Wood Street, London, EC2V 6DL

TRUSTEES REPORT

The Trustees present their report and the audited financial statements for the year ended 31 March 2022.

Reference and administrative information set out on pages three and four forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, the Charities Act 2011 and 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 United Kingdom and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

The organisation is a charitable company limited by guarantee, incorporated on 25 August 1999 and registered as a charity on 17 December 1999. The company was established under a Memorandum of Association which sets out the objects and powers of the charitable company and it is governed under its Articles of Association.

Trustee Recruitment, Appointment and Induction

There are a maximum of 15 places on the Board of Trustees of which 10 are currently filled, as at 25 July 2022.

On appointment, all Trustees undergo an induction consultation, usually with the Chief Executive and Head of Finance & Operations, where their responsibilities and duties as a Trustee are formally outlined and an update on current business is provided. Charity Commission materials are provided offering further information as well as all copies of relevant documents such as the Memorandum & Articles of Association, the Management Plan, the Staff Handbook, the Financial Controls & Procedures Manual, the Manual for the Management of Research and other strategy and policy documents.

Further development opportunities are offered at quarterly Trustees' meetings and have previously included training in major donor fundraising, marketing and communications, governance and charity regulation, and regular presentations by the charity's grant-holders about work funded by the charity.

Organisational structure

The Patron of The Scar Free Foundation is HRH The Countess of Wessex. Lord Rose of Monewden is the President of the Foundation. Trustees are deeply grateful for the continued interest and support of all our Vice Presidents, the commitment and counsel of our President and the active, supportive engagement of our Patron. Although the Patron, President and Vice Presidents serve no constitutional function, their role is much valued.

To ensure a successful and sustainable organisation with a high-performing Board with a diverse set of skills, experience and backgrounds, every three years the Foundation conducts a comprehensive Governance and Skills Audit, the most recent of which took place in September 2021. The Foundation's Skills, Diversity, Inclusion and Experience Audit observed in detail the Charity Governance Code, which sets out the seven principles of good governance practice for charity trustees, and paid particular attention to the introduction of the new principle on

equality, diversity and inclusion (EDI). The Board will continue to build on the key EDI principle throughout the organisation where possible, and would like to note here our commitment to supporting diversity and encourage an inclusive culture throughout the entire organisation.

The Board responded to the Audit, which found disproportional representation within age, ethnicity, gender and the under representation of the lived experience voice. Following approval from the Nominations Committee, the Foundation invited Ambassador, Dr Hemani Modasia-Shah, to serve on the Board. Hemani survived severe burn injuries when her dress caught fire when she was 18 months old, she has been an Ambassador for the Foundation for many years and also has medical knowledge as is a GP.

In addition to the Governance and Skills Audit, the Foundation established a comprehensive Policy Review to ensure the Foundation complies with recent changes in legislation and / or Government guidance. In addition, enhanced procedures to ensure the Foundation is forward-thinking in all areas of our governance and encouraging a diverse and inclusive work culture were adopted both within current and new policies. Key policies to note include the Environmental and Sustainability Policy, which encourages and develops a change in behaviour to focus on sustainability throughout all our operations. Four main principles encapsulate the areas of focus, all with key objectives and targets to ensure the successful implementation of the policy. In addition, an enhanced maternity, paternity, and parental arrangements pay has also been adopted. Modification of the policy ensures the Foundation further ensures not only a supported team but also encourages a diverse work culture.

Each April the Board of Trustees approves the Management Plan which is made up of three year and more specific one-year Corporate Objectives. The Management Plan includes the annual budget.

Research strategy is driven by the Research Council which currently meets twice a year and whose Chairman is currently a Trustee. The Scar Free Foundation Chief Scientific Adviser, Professor Paul Stewart, provides strategic research advice to the charity and is involved in the assessment of all new research awards. The day-to-day management of research activity is managed by expert 'Advisory Panels' reporting directly to the Board of Trustees through the Research Council Chairman. Financial and general management matters are overseen by the Finance & Operations Committee, which meets quarterly and is chaired by the Honorary Treasurer (also a Trustee). All decisions are made by the Board of Trustees guided by the recommendations made by these standing committees.

A Nominations Committee also meets when required, chaired by the Chairman and whose membership consists of the nominated Honorary Officers plus the Chief Executive. This Committee meets on an ad hoc basis, to support various areas which include the recruitment of senior volunteers to serve on the Board of Trustees, Finance & Operations Committee and Research Council.

No Trustee receives, or has received during the year being reported, payments other than incidental expenses incurred for attending meetings.

Key management personnel

The Trustees consider that they, together with the Chief Executive, and the Head of Finance & Operations, comprise the key management in charge of running the charity on a day-to-day basis. Trustees delegate specific power to the Chief Executive, which is documented and

supervised. Each year, following internal staff appraisals and objective setting, staff meet one-to-one with the Foundation's retained Human Resources (HR) Consultant to discuss, confidentially, their work and aspirations with the charity. The HR Consultant, with the Chief Executive, provides a report and recommendation on salary levels for consideration by the Finance & Operations Committee who then make a recommendation to the Board of Trustees at their April meeting. This includes a market benchmarking exercise (comparing the salaries available for similar jobs in similar organisations) and a 'cost of living' recommendation based on, but not tied to, the Consumer Price Index. A similar report and recommendation is made in respect of the Chief Executive by the HR Consultant and presented to the Board by the Honorary Treasurer. The HR Consultant also conducts a mid-term review in September and is available to be contacted at any time by all members of staff.

OBJECTS AND AIMS OF THE CHARITY

The objects of The Scar Free Foundation are the relief of sickness and the protection and preservation of public health by:

- Carrying out and funding research into the improvement of treatments for the benefit of people who suffer from physical, psychological, social, or emotional disadvantage as a result of physical disfigurement or functional impairment present at birth or acquired through accident, disease, or illness and into the prevention of accidents which may cause such conditions; and
- Disseminating the useful results of such research and to help train health workers in appropriate treatments throughout the world; and
- Informing people about the availability of such treatments.

Trustees are pleased to report that they have referred to the Charity Commission's guidance on public benefit in their annual review of aims and objectives and in all future planning of the charity's activities. We believe these benefits – to a broad 'public' of people and their families affected by scarring, hard to heal wounds and disfiguring conditions both now and in the future – are clearly represented in our determination to deliver better understanding and improved treatments, through research. These benefits will be greatly enhanced through work supported by the Foundation, for example, in burns, cleft, conflict wound research and our scientific pursuit of scar free healing, where the findings of our work could result in fewer incidents of serious accident or birth abnormality, as well as scar free outcomes.

The vision of The Scar Free Foundation is **A WORLD WITHOUT SCARRING**. The charity's mission is **TO ACHIEVE SCAR FREE HEALING WITHIN A GENERATION AND TRANSFORM THE LIVES OF THOSE AFFECTED BY DISFIGURING CONDITIONS**. Our aim is to fundraise in the most targeted and cost-effective way possible; to fund and manage research of the very highest quality in the UK and Ireland for the benefit of people and their families living with scarring; and to manage the charity in a business-like and professional way.

OBJECTIVES FOR THE YEAR

During the financial year 2021/22, the Foundation continued to focus on, and develop the strategic development of the charity. The activities of the charity in 2022/23 will remain focused

on the accomplishment of key objectives across research, fundraising and financial management. These are:

Research

To implement the Scar Free Strategy.

Fundraising

Through the Scar Free Appeal, to raise the budgeted appeal target for the year.

Financial management and corporate governance

To support and develop high quality governance and administration processes that underpin the work and growth of the charity.

STRATEGIES

The strategies to achieve these objectives can be summarised as follows:

Research

1. To manage new and forthcoming research projects and programmes in line with the Foundation's due processes, outlined in the Manual for the Management of Research, namely;
 - a. The Scar Free Foundation Programme of Wound Healing Research, University of Bristol
 - b. The Scar Free Foundation/Health and Care Research Wales Programme of Regenerative Medicine, Swansea University
 - c. The Scar Free Foundation Centre for Conflict Wound Research, Birmingham and Bristol
 - d. The Scar Free Foundation UK Burns Research Network supported by the VTCT Foundation
 - e. The Scar Free Foundation Cleft Gene Bank and Cohort Study, University of Bristol (also known as The Cleft Collective)
 - f. The BSSH Centre for Evidence-Based Hand Surgery Research at the University of Nottingham
 - g. Other Scar Free Foundation Centres of Research as funds allow.
2. In support of this activity, the Foundation will ensure appropriate Research Management and Strategic processes are devised and maintained.

Fundraising

1. To finalise the Case for Support and supporting materials, in conjunction with the Research Strategy
2. To agree and implement an updated Fundraising Strategy
3. To recruit a suitably qualified business leader to the Development Board, who is capable of making a lead gift and driving networked fundraising activity among high net wealth audiences, and recruit at least three suitably qualified Development Board members.
4. To implement the agreed three-year Communications Strategy
5. To raise the budgeted appeal target for the year.

Financial management and corporate governance

1. To maintain and support The Scar Free Foundation's Honorary Management structure and associated activities

2. To maintain and review effective financial control processes, including The Scar Free Foundation's policies on investment and reserves
3. To retain, manage and lead the executive team
4. To ensure the Foundation continues to support, develop and retain the right mix of people, processes and premises to support its plans for the year.

ACHIEVEMENTS AND PERFORMANCE

THE COVID-19 PANDEMIC

The Coronavirus pandemic and associated lockdowns in the UK continued to significantly disrupt Scar Free activities throughout the year under report. Our research teams adapted to new working conditions in new offices and laboratories converted to COVID-19 secure protocols. Despite this, many of our projects and programmes encountered ongoing challenges as seen in the previous year, that have inevitably resulted in the further delay to a small number of our projects. We have provided as much support to our grant-holders as possible and we are enormously grateful to those funders who have appreciated that pre-Coronavirus plans have had to change and have demonstrated much welcomed flexibility in the use and timetabling of their funding. Funds were returned, in the year, to the VTCT Foundation after savings were identified in our burns research programme, as a result of the COVID-19 impact. We are also grateful to the MRC and BEIS who, due to the impact the pandemic had on AMRC charities, provided an opportunity to secure funding to support our early-career researchers.

Research

During the reporting year, a number of research projects have concluded. The Scar Free Foundation Centre for Conflict Wound Research project, 'UNITS', *Understanding and Addressing the Support Needs of Military Personnel Affected by Visible Difference/ Disfigurement from Conflict Wounds*, ended in December 2021. In addition, the conflict wound pilot projects, *Novel Haemostatic Medical Devices for Acute Conflict Wound Treatment* (Dr Choon Hwai Yap, Department of Bioengineering, Imperial College London) and *Revenite: An app to connect and support the rehabilitation needs of veteran amputees* (Professor Alison McGregor, Imperial College London) also concluded. Two projects from The Scar Free Foundation UK Burns Research Network supported by the VTCT Foundation also finished during the reporting year.

COHORT, Development of a multicentre cohort of burn injury patients – a feasibility study and *COSB, Core Outcomes for Burn Care Research* (Dr Amber Young, the University of Bristol) both achieved their stated project aims and addressed our burns research priorities.

Last year saw the launch of the Veteran Ageing Project which aims to address the question, does major trauma accelerate the ageing process, and can it be alleviated by physical activity? This important project, part of The Scar Free Foundation Centre for Conflict Wound Research, will establish the 'biological age' of veterans of the conflict in Afghanistan and is an exciting first step in understanding the connections between accelerated ageing and physical trauma. The project is led by Professor Janet Lord at the University of Birmingham.

The Foundation staff and Board of Trustees are indebted to our researchers for their hard work and focus over the last 12 months. Although some work is delayed due to the lockdowns and social distancing practices, our researchers' dedication and tenacity has meant that disruptions have been minimised as much as possible and the majority of our research is now back on a 'business as usual' footing.

Fundraising

In-person fundraising methods remained challenging in 2021/22, as we maintained relationships with donors and supporters through tailored communications and reports, our quarterly newsletter and social media. In conjunction with the development of the Research Strategy, we have re-considered our Case for Support, with its urgent and compelling demonstration of the need for, and the value of scar free healing, which we will now implement and promote. 2022-23 will also see the development of a calendar of promising events, as we work to re-engage wider networks through a qualified and passionate Development Board. We also maintained and developed our engagement with valued Trusts and Foundation supporters, and secured new sources of income.

Our Annual Update Event in October was a successful 'hybrid' afternoon where our Ambassador Liam Soffe provided a unique insight into the challenge of living with scarring, and Professors Jonathan Sandy and Janet Lord gave an insight into the pioneering research in cleft and wound healing that we are supporting. More than 260 supporters, researchers, Ambassadors, donors and those affected by scarring joined us remotely through our live broadcast; and in-person at our new home, in the Royal College of Surgeons. We were also able to showcase our Virtual Reality film which brings both our research and the experiences of veteran Ambassadors to life.

Management and governance

Staff have continued to work effectively from both home and, since relocating to the rebuilt Royal College of Surgeons, the office. Since January 2022 the team ensure there is at least one in-person day in the office per week, and we continue to have at least one remote team meeting per week. Trustee, Research Council and Finance & Operations Committee meetings are now conducted effectively through a hybrid format.

We know that there will be enormous challenges ahead for the charity but we are looking forward to the continuation of near-normal activities during the year. The Foundation remains in a sound financial position; we remain blessed with high quality volunteer support throughout our honorary management structures; our small but expert and experienced staff team remain focused and committed to tasks in hand; we have an exciting, broad and innovative programme of research underway with a refreshed research strategy, and most importantly we have the support of our Ambassadors – those with a lived experience of scarring. Their compelling and inspirational stories underpin our scar free pursuit; the experiences of those living with scars lie at the very heart of all that we do. As we reported last year, our focus has never changed. There are more than 20 million people living with scarring in the UK today and the needs of people affected by scarring conditions – lost function, reduced mobility, psychological challenges – remain the same throughout and beyond the COVID-19 crisis. We are now rebuilding our activities, introducing a refreshed research strategy and case for support, in order to maintain and develop our single-minded focus on the pursuit of scar free healing within a generation.

RESEARCH PROJECTS

The year 2021/22 has seen progress across the Foundation's key areas of research.

THE SCAR FREE FOUNDATION PROGRAMME OF WOUND HEALING RESEARCH

The Scar Free Foundation Programme of Wound Healing Research at the University of Bristol combines Bristol's established expertise in wound healing biology and population-based cohort studies of human disease, in order to identify scar associated genes. Since work commenced on the programme in October 2020, the team has been making steady progress, despite slight delays to recruitment caused by the COVID-19 pandemic. The team submitted their first Annual Report

in December 2021. The report was reviewed by the Foundation's Chief Scientific Adviser, Professor Paul Stewart, who complemented the team's progress and recommended the report to the Board of Trustees.

The five-year programme comprises the following projects:

Using Large Cohort Studies to Identify Genetic Variants For Mechanistic Testing In Mouse And Zebrafish Models of Wound Healing. Professor Paul Martin, Professor Nic Timpson, The University of Bristol

Integrating Human and Animal Studies to Investigate Known Clefing Genes Linked to Wound Healing. Dr Beck Richardson, The University of Bristol

Project Outputs

Recruitment to the posts funded by The Scar Free Foundation is complete. Currently, the PhD student for the Timpson Lab is yet to be recruited. Oscar Pena Cabello, the Post-Doctoral Researcher in the Martin Lab is making good progress. His 'knock out' fish are working their way through the generation pipeline as hoped. Tim Byatt's PhD project has progressed to the stage where he has good candidate genes from his comparative study. He is now validating these through in situ hybridisation. In the Martin lab, Post-Doctoral Researcher Kevin Thiessen's project is proceeding on track. He is working towards determining the expression pattern of genes of interest following wounding. The team has also collected their first data on the wound healing response in *irf6* mutant fish and are currently analysing it. In the Timpson Lab, the team is running human genetics studies of the original (and an expanded) data set in the Avon Longitudinal Cohort Study of Parents and Children (ALSPAC). They have also begun data sharing with Professor Louise Wain of Leicester University regarding other human genetic studies of fibrosis including Idiopathic Pulmonary Fibrosis, which will also be of special interest in our growing understanding of the long-term effects of COVID-19. The team has begun discussions with Fernando Hartwig, of the Pelotas Caesarean Cohort in Brazil, regarding the possible capture of BCG or caesarean section scars in the Pelotas cohort. Samuel Neaves has joined the Timpson Lab as a Post-Doctoral Researcher in January 2022.

THE SCAR FREE FOUNDATIO/HEALTH AND CARE RESEARCH WALES PROGRAMME OF REGENERATIVE MEDICINE

The Scar Free Foundation/Health and Care Research Wales Programme of Regenerative Medicine is a partnership between Reconstructive Surgery & Regenerative Medicine at Swansea University Medical School and the Welsh Centre for Burns & Plastic Surgery. The primary focus of the programme is the development and translation of the team's novel techniques for 3D printing of soft tissue – initially cartilage – for use in facial reconstructive surgery. In addition, the team is developing existing collaborations and research in the area of 'big data' and health informatics to gain a comprehensive understanding of the prevalence, aetiology, impact (both psychological and physical), and outcomes of facial scarring in Wales. The team's first Annual Report was submitted in February 2022. The report was reviewed by the Foundation's Chief Scientific Adviser, Professor Paul Stewart, who congratulated the team on their progress and recommended the report to the Board of Trustees.

This programme comprises the following projects:

3D BIOFACE - 3D Bioprinting Facial Cartilage Using Human Cartilage Specific Stem/Progenitor Cells and Nanocellulose Biinks for Facial Reconstruction.

AFFECT - Assessing the Burden of Facial Scarring and Associated Mental Health Conditions to Identify Patients at Greatest Risk.

In addition, the Foundation manages the project; **RESECT: Recommendations for service redesign in skin cancer management**, on behalf of Health and Care Research Wales. The team has now completed recruitment to the roles supported by the Foundation though this activity was significantly delayed due to the COVID-19 pandemic. A no-cost extension has been agreed and work will now continue until November 2024 for the BIOFACE project and March 2026 to enable the completion of work on the RESECT project. In March 2022, the programme was officially opened by the Foundation's Royal Patron, HRH The Countess of Wessex.

Project Outputs

The team has been making good progress.

- **BIOFACE**

Excell Workstream, cell expansion and formation of cartilage: work is ongoing to investigate the impact of media composition on the ability of nasoseptal cells to form cartilage by manipulating sugars, growth factors and amino acids.

Bio-Precise Workstream, optimising bioinks for 3D printing: the team has compared the printability of nanocellulose-hyaluronic acid blends with nanocellulose-alginate blends and with alginate alone (at different concentrations). Ring and line assays were performed at different printing pressures, and these showed that nanocellulose-hyaluronic blend has the greatest shape fidelity, confirming the team's earlier findings. Research is ongoing with different bioink formulations to determine the effects of printing pressures and nozzle diameters on cell viability and gene expression and on lineage differentiation.

Innovate Workstream, immunogenicity and biocompatibility of 3D printed cartilage: The team has developed the experimental outline for the advanced in vitro toxicological testing model. Using this model, the team will test different formulations of bioink with skin and cartilage cells for Immune Response, Cytotoxicity Genotoxicity and Oxidative Stress.

- **AFFECT**

Following the completion of the world's largest study examining the association of anxiety disorders and depression with facial scarring, the team has carried out work to develop a Risk Stratification Tool to aid with the early identification of patients with a facial scar at risk of developing an affective disorder. Initial results indicate that it is a simple, clinically applicable Risk Stratification Tool that can identify those most at risk of developing anxiety and depression.

Further external validity and testing of the Risk Stratification Tool will be undertaken to determine if early identification and intervention can improve long-term outcomes.

THE CLEFT COLLECTIVE

The Scar Free Foundation Cleft Gene Bank and Cohort Study at the University of Bristol continues to make excellent progress. The major long-term goals of the Cleft Collective are to prevent clefts and cleft-related physical, functional and emotional scarring. To this end, the study aims to address three key questions:

- a. what causes a cleft lip and/or palate?
- b. what are the best treatments for those born with a cleft?

- c. what are the long-term impacts for those born with cleft?

The study has a bank of biological samples (blood, cleft tissue or saliva) and on 15 June 2022, achieved the study recruitment target of 10,000 participants.

Project Outputs

Despite the significant impact of the COVID-19 pandemic, the team has delivered several significant outputs in the reporting year. These include:

Restarting Recruitment

A major milestone for this year has been restarting participant recruitment across the UK cleft centres. Rates for recruitment are not yet at pre-pandemic levels but the number of people joining the study is increasing month on month. All 16 cleft teams are currently involved in data collection and recruitment.

Key Finding: Causality

A systematic review and meta-analysis of the role of smoking in orofacial clefts by Dr Matt Fell during his year working with the Cleft Collective found that there was strong evidence for an association between parental smoking and cleft. However, studies in the current literature were generally poor, highlighting the need for high quality data and novel research strategies. Follow up work used population level data to consider the impact of the change in legislation regarding smoking in public places and the decline in prevalence of smoking among adults in the UK. The results provide preliminary data to suggest that the smoking ban reduced orofacial cleft incidence in England, Wales and Northern Ireland but not Scotland. The final piece of work in this investigation will use Cleft Collective data in a Mendelian randomisation analysis to determine whether there is evidence that smoking has a causal effect on cleft.

Key Finding: Early outcomes

Early communication behaviours in infants with non-syndromic isolated cleft palate (iCP) and Robin Sequence (RS) were investigated in a group comparison using parent reported questionnaire data. Two groups were selected from the Cleft Collective sample with a total of 106 participants: 78 in the iCP group and 28 in the RS group. Lower scores were reported for total number of communication behaviours in the RS group. This pattern was seen across all subdomains. There was no strong evidence for group differences. Scores for 25% of the RS group fell below one standard deviation from the mean, compared to 18% of the iCP group. Post hoc analysis revealed evidence for a correlation between severity of the cleft in the whole sample and expressive and social communication behaviours, but not receptive language. Infants with a severe cleft of the palate were more likely to be in the RS group (OR 7.042; $p=.012$). This work has provided new knowledge about the early communication behaviours for both groups, which showed that these were behind those of non-affected peers. Children with RS show greater impact with fewer later communication behaviours. Finally, the analysis showed a relationship between the severity of the cleft and communication behaviours and expressive language. This highlights the importance of involving parents in promoting early communication skills and development in their children from infancy.

Recruitment

As at 25 July 2022 total recruitment to the study was 10,063 individuals from 3,603 families.

Data Linkage

Systems and approvals are in place for linkage with Education data. It is anticipated that this will be a key component for some proposals to the Cleft Collective resource as low attainment in education is an area of significant research interest. Annual updates for the Data Security Protection Toolkit have been submitted. Linkage with the Cleft Registry and Audit Network (CRANE) has been facilitated through the data validation activity which has sought to determine the level of agreement regarding cleft type and laterality across four data sources (three in the Cleft Collective and one in CRANE). This work was presented at the Craniofacial Society of Great Britain and Ireland conference in September 2021 and is currently in the early stages of being written up as a paper. CRANE acknowledged this work in their annual report and have also indicated interest in further joint activities to address specific research questions which are important to patients and clinicians alike. One such study is a planned doctoral fellowship application which has been submitted by Alex Gormley, a clinical academic paediatric dentist at Bristol Dental School. Requests to use the data are also increasing with a total of 44 received to date.

Patient and Public Involvement

In 2020 the team won the Royal College of Paediatric and Child Health/NIHR Paediatric Involvement and Engagement in Research (PIER) prize for their work with their Patient Consultation Group. This award-winning work has led to an invitation to co-author a chapter with them for an edited book, *Seldom Heard Voices*. This publication will provide guidance on how to involve individuals with communication impairment in research activity. The book is currently in proof stage and will be published in 2022.

Future Funding of the Cleft Collective

The Foundation's funding of the Cleft Collective will conclude in the first quarter of 2023/24, following 12 years of support. The Bristol team has been successful in achieving follow on funding to enable the continuation of data collection, data management and data access activities. The Foundation will work with the team on dissemination and end of grant activities in the second half of 2022.

Advisory Panel

The Cleft Collective Advisory Panel, Chaired by Dr Tim Peakman, Chief Operating Officer, Protas, met twice via videoconference during the reporting year.

The Panel comprises the following membership:

- Dr Liz Albery, retired Speech and Language Therapist
- Professor Heather Cordell, Professor of Statistical Genetics, Newcastle University
- Dr Louise Dalton, Consultant Clinical Psychologist, University of Oxford
- Mrs Ana Hobbs lived experience of Cleft Lip and Palate
- Ms Sarah Kilcoyne, Principal Specialist Speech and Language Therapist, Oxford Craniofacial Unit and Spires Cleft Centre
- Ms Rona Slator, Retired Consultant Cleft Lip and Palate Surgeon

The Board of Trustees is extremely grateful to Dr Peakman and all members of the Advisory Panel for their advice and guidance in respect of the Cleft Collective over the years. In November 2022, the management of the Advisory Panel will be assumed by the Bristol team and the Foundation's governance oversight of the study will conclude.

THE SCAR FREE FOUNDATION CENTRE FOR CONFLICT WOUND RESEARCH

The aim of the Centre is to reduce and eventually eradicate the impact of scarring and related loss of function amongst Armed Forces personnel, who sustain critical injuries during their deployment, as well as civilians injured in conflict or terrorism incidents. It is achieving this by supporting a nationally relevant programme of biological and clinical research. The Scar Free Foundation Centre for Conflict Wound Research is supported by the Chancellor using LIBOR funds.

Since the Centre was formally opened by HRH The Countess of Wessex in November 2018, work has been underway on the following projects:

DeSCAR: *First in human clinical trial of a bioactive dressing designed to prevent scarring of skin burns*, Professor Liam Grover, University Hospitals Birmingham NHS Foundation Trust/ University of Birmingham.

SMOOTH: *A prospective randomised controlled trial to examine the efficacy and mechanistic basis of fractional ablative carbon dioxide laser therapy in treating hypertrophic scarring*, Professor Naïem Moïemen, Professor Janet Lord, University Hospitals Birmingham NHS Foundation Trust/ University of Birmingham.

The following project concluded in December 2021.

UNITS: *Understanding and Addressing the Support Needs of Military Personnel Affected by Visible Difference/ Disfigurement from Conflict Wounds*, Professor Di Harcourt, Dr Mary Keeling, Centre for Appearance Research, University of the West of England.

Impact of COVID-19

Researchers working on the UNITS projects were able to continue to work on the project from home and incurred minor delays. Work underway at the University of Birmingham and the University Hospitals Birmingham NHS Foundation Trust was significantly impacted by COVID-19. Having been suspended between March 2020 and November 2020, the SMOOTH project was again suspended between January 2021 and June 2021. Work at the second recruitment site in Swansea has been significantly delayed and it is hoped will commence in summer 2022. The DeSCAR study was not directly impacted by the second wave of the pandemic but incurred delays in 2020 which have meant that the study is significantly behind schedule. Both SMOOTH and DeSCAR have been awarded no-cost extensions.

Project Outputs

UNITS

UNITS was a three-year project aimed at understanding the psychosocial experiences and support needs of military personnel, veterans, and their families, affected by conflict-related appearance altering injuries (e.g. scars from burn injuries, blast injuries or gunshot wounds). The study achieved all of its stated aims. A summary of the researcher's main achievements follows:

- Completed a comprehensive programme of research, as proposed in the grant application, within budget and despite the challenges presented by the COVID-19 pandemic.
- Identified a gap in the existing research literature and service provision for military personnel and veterans with Appearance Altering Injuries (AAI).
- Recruited a total of 370 participants into a programme of studies (144 serving and ex-serving personnel with AAI 17 family members/partners of military personnel

with AAI; 197 members of the general population with AAI and 12 health professionals working with serving and ex-service personnel with AAI).

- Identified that psychosocial support is required to meet the specific needs of military personnel and veterans with AAI, and that Acceptance and Commitment Therapy (ACT) would be an appropriate therapeutic approach to meet their needs.
- Adapted existing resources and created prototypes of new materials that could meet the specific support needs and preferences of serving personnel and veterans with AAI.
- Created resources to raise awareness amongst relevant professionals and organisations of the experiences and support needs of people affected by AAI as a consequence of military conflict.
- Gathered evidence of the acceptability of these resources from stakeholders (including veterans with lived experience of AAI, clinical advisers from DMRC Stanford Hall, Blesma, Help for Heroes, OP Courage, Combat Stress, and the NHS Salisbury War Injury Clinic) and PI veteran advisers with lived experience of AAI.
- Engaged, throughout the programme of work, with advisers with personal experience of the impact of AAI due to conflict-related injuries (military veterans and family members), a wide range of support organisations, NHS providers, government departments (Ministry of Defence (MoD), Office of Veterans Affairs (OVA) and military academic researchers.
- Carried out a comprehensive programme of dissemination including an online webinar, conference presentations, invited talks, a podcast episode and peer-reviewed publications.

DeSCAR

Data collected to date has been compiled into the Investigational Medicinal Product Dossier (a document which includes summaries of information related to the quality, manufacture and control of any study drugs (including trial medication and placebo) and data from non-clinical and clinical studies). As at 25 July 2022, the team is about to submit the dossier to the Medicines and Healthcare Regulatory Authority (MHRA). Once permission is given from the MHRA, it is hoped that clinical recruitment to the study can begin in autumn 2022.

SMOOTH

Since reopening the trial the team has made steady progress. Trial activities have gradually gained momentum and overall, 3 patients have successfully completed the study. 6 patients completed their final laser treatment and are awaiting final scar assessment and review. To date, a total of 19 participants out of 30 (the University Hospital Birmingham target) have been recruited and 15 have completed their first treatment. Laser list schedules have been organised to ensure that patients receive the treatment in accordance with the protocol.

Conflict Wound Pilot/Feasibility Projects

Does major trauma accelerate the ageing process, and can it be alleviated by physical activity? Professor Janet Lord, Scar Free Foundation Centre for Conflict Wound Research, Birmingham.

This project got underway in December 2021 and is 15 months in duration.

Project Overview

Until recently there has been no way of measuring how fast someone is aging but now a test is available that uses blood cells to determine how biologically old a person is. Survivors of a major injury, such as that experienced in conflict by the military or a road traffic accident in civilian life, have shortened lifespans. They also develop age-related diseases such as heart disease, diabetes and dementia earlier than non-injured adults. This suggests that because of their injuries they may be ageing faster. The aim of the study is to measure biological age in a large group (150) of military veterans from the Afghanistan conflict, assessing 100 who were injured and 50 who were not. The amount of exercise a person does can influence how quickly they age. The injured group will be split into two, those who have a high fitness level as tested in their regular check-up, (which suggests that they are exercising regularly) and those with the lower fitness. This study matters because if the researchers find that aging is accelerated there are now drugs being tested to reverse biological ageing. These drugs could improve outcomes for survivors of trauma.

Novel Haemostatic Medical Devices for Acute Conflict Wound Treatment. Dr Choon Hwai Yap, Department of Bioengineering, Imperial College London.

This project ran for one year and concluded in March. The Final Report for the project is currently under preparation.

Project Overview

Successful immediate treatment of conflict wounds is important and determines survival chances. In conflict wounds, haemorrhage is the leading cause of death, while infection is the next leading cause. Currently, bandages used to stop conflict wounds rely on soaking up blood to cause clotting, inevitably leading to substantial loss of blood and high risk of death. Dr Yap and colleagues recently discovered a new nanofibrous material design that has excellent wound bandage properties. The material can withstand high blood pressure without wetting, enabling it to avoid high blood loss when pressed on the wound, and yet it causes blood to clot quickly upon contact to stop bleeding. After clotting, since the material does not get wet with blood, it detaches easily and painlessly from the clot without re-tearing the wound. The material also naturally resists bacteria attachment, allowing it to better maintain sterility. The aim of the project was to research ways to optimise the material design to improve functionality, and to design and prototype conflict wound medical devices for eventual commercialisation, including bandages for severe skin wounds, and filler sponges for deep gunshot wounds.

Revenite: An app to connect and support the rehabilitation needs of veteran amputees. Professor Alison McGregor, Imperial College London.

The project ran for eight months and concluded in March 2022. The Final Report for the project is currently under preparation.

Project Overview

Recent military conflicts have resulted in a large amputee veteran population. This community are known to have achieved remarkable functional levels resulting from their military rehabilitation at Headley Court. These veterans are now discharged into the community and a large number report a desire for more rehabilitation and exercise support to help them maintain their functional ability. They also report a loss of community and miss the camaraderie they experienced during their military rehabilitation. Facilitating networks of veterans is hard given their dispersal across the UK once discharged. The researchers worked with amputees representing the veteran community to develop initially a tool to track functionality and exercise patterns in amputees, but also to motivate

amputees to consider all the rehabilitation aspects of exercise such as flexibility and “core” strength. This tool is a smart phone application called Revenite. The team established the foundations of the app through a collaboration with ANDigital who have provided access to expert consultant analysts and developers in app development. They tested how useable this system and approach is and how acceptable it is to veterans. From this pilot study, the team hope to develop future iterations of Revenite for wider translation to the veteran community.

Governance of The Scar Free Foundation Centre for Conflict Wound Research

Lt General Richard Nugee acts as the Foundation’s Conflict Wound Chairman. General Nugee receives expert peer reviews of the projects of the Centre for Conflict Wound Research and makes recommendations to the Board of Trustees with regards to the progress of the projects.

THE UK BURNS RESEARCH NETWORK SUPPORTED BY THE VTCT FOUNDATION

The Foundation established the UK Burns Research Network in 2018. The ‘Network’ is a collaborative, coordinated programme of burns research aimed at delivering tangible care and treatment benefits to those encountering serious thermal injuries, and supporting longer term research aspirations as laid out in the Scar Free Strategy. It addresses a series of research priorities drawn from the Scar Free Strategy and identified as short and medium-term funding imperatives by attendees at the Scar Free Symposium, *Scar Free Healing: Clinical Needs and Practice*, which was held in London in 2017.

COHORT: *Development of a multicentre cohort of burn injury patients – a feasibility study.*

Dr Amber Young, University of Bristol

Scalds are the most common type of thermal injury in children. These injuries are painful, and carry a risk of lifelong scarring, with associated physical and psychological consequences and long-term healthcare requirements. Risk factors for scarring are poorly understood and there is variability in scarring in children with small area scalds. Scar formation is likely to have genetic determinants. A better understanding of the role of genetic factors would enable personalised patient management in burns care. There is currently little information on how scarring affects psychosocial outcomes in children and their carers over time. A greater level of knowledge would mean that appropriate support could be offered to those who are most likely to be affected.

The project aimed:

- To determine the feasibility of undertaking a longitudinal burn cohort study to assess the impact of genetic make-up on long-term scarring in children of less than or equal to five years of age with small area scalds (Body Surface Area (BSA) < 10%) in England and Wales. To increase understanding of how to predict risk factors for poor psychosocial adjustment amongst young children and parents after small area burn injuries.

Principles for the full study were developed based on the work carried out and agreed with the steering group and input from the parent involvement group. It has been determined that:

- The study design should be a prospective longitudinal cohort study with a length of follow up of a minimum of two years.
- The study should focus on children under six years of age, who experienced a scald of <10% Burn Surface Area (BSA) including a range of different ethnicities and skin types.
- Scar quality should be assessed by the POSAS 2.0 and burn specific health-related quality of life should be assessed by the CARE Burn Scales.

- Age at time of burn, sex, %BSA, ethnicity, burn location on body, number of surgical procedures, wound infections, use of scar management treatment information should also be collected.

A wealth of information which can be used to develop a full cohort study has been generated. Dr Young and colleagues are now planning to submit a grant application to the National Institute of Health Research funding stream Research for Patient Benefit to undertake a full study.

COSB, *Core Outcomes for Burn Care Research*

Dr Amber Young, University of Bristol

Clinical decision-making in burn care is challenging. Decisions require evidence synthesised from trials. Evidence can only be collated and compared if outcome reporting is consistent. In burns, this is limited by the use of multiple different outcomes, that may be ill-defined and assessed in different ways and at different times. A Core Outcome Set (COS) is a minimum set of outcomes, agreed by patients and professionals to ensure relevance, that are measured and reported in a standardised way across trials. A COS will improve trial design, evidence synthesis, technology assessment and effective use of research funding.

The COSB (International Core Outcome Set in burn care) funded by a 4-year NIHR grant, achieved a burn COS (April 2020). The Core Outcome Set contains both short-term and longer-term outcomes. These are: death (to include death from any cause and death from the burn), serious complications (to include wound infection, sepsis, venous thrombosis), ability to do daily tasks (to include walking), time to heal (to include wound healing, grafted wound healing and donor site wounds), neuropathic pain and itch, patient psychology (to include anxiety and anxiety about the future) and time to return to work or school or previous occupation). The agreement involved 126 UK patients and 775 multidisciplinary health care professionals from 75 countries from all continents and across all income statuses. The aim is that researchers include these agreed seven outcomes in all trials of burn care interventions so that studies are comparable and stronger synthesised evidence can be produced to support clinical decision-making.

The aim of the Scar Free Foundation-funded partner-project was to gain a greater understanding of how important the timing of burn recovery outcomes are to patients and professionals from the UK and globally.

Three projects:

- *An International Core Outcome Set for burn care research (COSB-i) using shared decision-making in outcome choice to improve evidence synthesis.* Status: submitted and responding to comments from BMJ Medicine.
- *An exploration of the views of health care professionals from Low-, Middle- and High-Income Countries on the prioritisation of outcomes for a burn care Core Outcome Set demonstrates the need for standards for involvement.* Status: Published: Lee A, Davies A, Young AE. Systematic review of international Delphi surveys for core outcome set development: representation of international patients. *BMJ open.* 2020 Nov 1;10(11): e040223.
- *Exploring what is important during burn recovery: A qualitative study investigating priorities of 53 patients and healthcare professionals on when outcomes should be measured.*

Participants were recruited from four NHS burn services across England and Wales. Status: submitted and responding to comments from BMJ Open April 2022.

- *Clinical trials in burn care focus on short-term outcomes rather than outcomes of importance to patients: a systematic review. Status: planned submission to Burns (journal) Summer 2022.*

BOSS: *Development of a multicentre cohort of burn injury patients – a feasibility study and a prospective study to examine the validity of a panel of objective burn scar measurement tools.*
Professor Naiem Moiemem, University Hospitals Birmingham NHS Foundation Trust.

Following significant advances in medical science, patients with burns that involve as much as 95% of their total body surface area, can now survive. Unfortunately, research into scarring does not match the improvement in survival following burn injury, and the quality of studies that have been conducted were hindered by a lack of validated, objective tools used to grade scars. The subjective tools that were used are prone to individual clinician bias, hence findings are not consistent. The aim of this project is to assess a group of patients from the time of their injury to the time of wound healing and for two years afterwards. The team will measure their scars with a range of objective scar measuring tools that have been shown to work in a previous smaller study alongside subjective questionnaires that look at how the patients view their own scars, and the effect these scars have on their quality of life.

BOSS has been significantly impacted by the COVID-19 pandemic. The study was suspended in January 2021 and did not get back underway until September 2021. The project obtained University Hospital Birmingham Research & Development authorisation on 21 February 2022. A Site Initiation Visit at the Queen Elizabeth Hospital Birmingham (QEHB) site was held on 23 February 2022 and on the same day the study was given the ‘green light’ to start recruiting patients. To date the team has screened seven patients for the study and two patients have been recruited.

The UK Burns Research Network Advisory Panel

The Foundation has established an Advisory Panel to advise on the prioritisation, funding and management of research projects in the Burns Network. In the reporting year, Dr David Mackie stepped down as Chairman of the Advisory Panel and was replaced by Professor Folke Sjöberg, Professor of Burn Surgery and Critical Care at Linköping University, Sweden. We would like to extend our thanks to Dr Mackie for his assistance in the establishment of the Advisory Panel and the review of the burns research projects. Membership is composed of UK and European clinicians and academics working in burn care and treatment, and ‘lived experience’ volunteers. In the reporting year the Panel met twice by videoconference.

Other members of the Burns Research Network Advisory Panel include:

- Dr Sophie Dix, VP of Content, Koa Health, lived experience of burns.
- Professor Peter Dziejewski, Consultant Burns and Plastic Surgeon.
- Mr John Gibson, Plastic Surgery Trainee and Clinical Lecturer in Reconstructive Surgery and Regenerative Medicine, Swansea University and Morriston Hospital Swansea. Lived experience of burns.
- Professor Esther Middelkoop, Burns and Wound Healing Scientist, VUMC Medical Centre, Amsterdam, the Netherlands.
- Professor Mamta Shah, Consultant Burns and Plastic Surgeon, Royal Manchester Children’s Hospital, Wythenshawe Hospital and the University of Manchester.

- Dr Lisa Williams, Consultant Clinical Psychologist, Chelsea and Westminster Hospital, London.

We are extremely grateful to the Advisory Panel for their advice and guidance during the reporting year.

THE BSSH CENTRE FOR EVIDENCE-BASED HAND SURGERY RESEARCH AT THE UNIVERSITY OF NOTTINGHAM

Miss Karantana and colleagues are making good progress despite the significant impact of COVID-19 on clinical trials over the last two years. Work is currently underway to gain extensions for the projects impacted by the pandemic. The team are hoping to gain a funded extension for the POINT trial until 2025 and an extension for the Hand-2 trial. The CEBHS Hand Surgery Evidence Updates Service continues and now has 900 member subscribers from the UK and overseas. The Hands Rev database has been archived in line with the Information Specialist post coming to an end. It is no longer updated but still available online (1000 hand surgery systematic reviews mapped to topic).

THE SCAR FREE FOUNDATION ELECTIVE AWARDS

Earlier this year, following an enforced break caused by the COVID-19 pandemic, we ran a call for The Scar Free Foundation Electives. Nine applications were received. The applications were reviewed by Mr Martin Mace the Electives Adviser. Mr Mace recommended three projects, one of which received a secondary review from Professor Dominic Furniss of the British Society for Surgery of the Hand.

Successful candidates:

Ahmed Turkman, a final-year medical student from Imperial College London, will undertake the project, *Assessing the printability of nanocellulose composite bioinks for the 3D printing facial cartilage*. Mr Turkman will be supervised by Mr Tom Jovic at The Scar Free Foundation and Health and Care Research Wales Programme of Regenerative Medicine at Swansea University. The project is attached to the BIOFACE project.

Anam Asad, a fifth-year medical student from the University of Leicester, will undertake the project, *Investigating hypothermia as a prognostic factor in survivability of individuals suffering from large acute burns: a retrospective review*, at Wythenshawe Hospital, Manchester. Miss Asad will be supervised by Mr Adam Reid.

Matthew Wilcox, a final-year medical student from University College London will undertake the project *BANTER – Blood biomarker Assessment of Nerve Trauma and Early Reinnervation*, at Royal National Orthopaedic Hospital, London. Mr Wilcox will be supervised by Mr Tom Quick.

We would like to thank our Principal Member Organisations the BBA, BAPRAS and the BSSH for their co-funding of the Elective Awards.

Electives Adviser

The role of Electives Adviser was created in 2018, to oversee the assessment of Electives applications and Final Reports. The Electives Adviser also reports directly to the Research Council Chairman and Board of Trustees and has the following objectives:

- The triage of applications for review.
- With relevant review support, to recommend 'fundable' projects to the Board of Trustees.

- With relevant review support, to assess and recommend on the acceptance of Final Reports to the Board of Trustees.

Since 2018, Mr Martin Mace, a retired Maxillofacial Surgeon and former Trustee of The Scar Free Foundation, has acted as the Foundation's Electives Adviser. During this time, he has been an excellent source of advice and guidance in respect of the Electives applications and final reports. Having assessed this year's Elective applications, Mr Mace has now stepped down from his position.

We would like to thank him for his hard work and valued counsel over the years and wish him all the best with his future endeavours.

DELIVERING THE SCAR FREE STRATEGY

An interactive, online presentation of the strategy has been created and is available to view here <https://scarfree.org.uk/research/strategy>. The strategy website provides an overview of the three overarching questions which encapsulate the Foundation's research endeavours:

- What is a scar?
- How do we prevent scarring?
- How do we live with scarring?

Between July and September 2021, 11 interviews were held with researchers working across scientific and clinical scar free research to gain their input into the creation of research exemplars for the Foundation's fundraising Case for Support.

Over the course of autumn/winter 2021, the exemplars were developed and fed into the Case for Support. The Foundation is now working on the finalisation of the Case for Support and exemplars following Trustee feedback.

THE MANAGEMENT OF RESEARCH

Research is the core business of The Scar Free Foundation. The Foundation has policies for the management of research, which comply with the guidelines set by the Association of Medical Research Charities (AMRC). They include:

- The structure to manage the process, which is provided by Advisory Panels, the Research Council, Chief Scientific Adviser and the Board of Trustees.
- The arrangements for the development, review and maintenance of our research strategy.
- The provision of open and fair arrangements for the application and selection process for funding research projects, including the essential requirement of independent peer review by appropriately qualified professionals.
- The Foundation's Written Agreement and Terms and Conditions for the award of grants.
- The arrangements to identify and manage potential conflicts of interests.

Research Council

The Research Council is established under the leadership of the Research Council Chairman, who is also a Trustee, to advise the Board of Trustees on the implementation and development of the Scar Free Strategy, which outlines the broad research objectives of the charity.

The objectives of the Research Council are:

- To advise the Board of Trustees on the pursuit of the broad strategic research goals of the charity as articulated in the Scar Free Strategy.

- To ensure that Scar Free Foundation research activity is undertaken in line with all legal and best practice guidance.

The main tasks of the Research Council are:

- To maintain a strategic oversight of the Scar Free Strategy and identify the gaps in the research strategy that should be addressed in the Foundation's research programme.
- To horizon scan the global scarring and wound healing research landscape and identify emerging research technologies and potential research leaders with whom the Foundation should interact in the UK and overseas.
- To maintain an awareness of the relevance of the Scar Free Strategy in a changing clinical and scientific landscape and ensure the involvement of patients and the public in the delivery of the strategy and the setting of priority areas.

Research Council members normally serve on Council for three-years, although the Board may extend the appointment for a second term. No member serves longer than six-years on the Council.

As at 25 July 2022, membership of the Scar Free Foundation Research Council is as follows:

- Chair, Professor Peter Weissberg, Research Council Chairman and Trustee.
- Mr Simon Withey, Consultant Plastic Surgeon, Royal Free Hospital London, Representative of the British Association of Aesthetic Plastic Surgeons.
- Professor Andrew Hart, Consultant Plastic and Hand Surgeon, Canniesburn Plastic Surgery Unit, Glasgow Royal Infirmary. Representative of the British Association of Plastic, Reconstructive and Aesthetic Surgeons.
- Professor Joseph Hardwicke, Consultant Plastic and Reconstructive Surgeon, University Hospitals of Coventry and Warwickshire.
- Mr Adam Reid, Academic Consultant Plastic Surgeon, University Hospital South Manchester. Representative of the British Association of Plastic, Reconstructive and Aesthetic Surgeons.
- Mr Simon Booth, Senior Burn Research Nurse, Queen Victoria Hospital, East Grinstead, Representative of the British Burn Association.
- Mr Bruce Richard, Consultant Plastic and Cleft Lip and Palate Surgeon, Birmingham Women's and Children's Hospital NHS Foundation Trust. Representative of the Craniofacial Society of Great Britain and Ireland.
- Professor Dominic Furness, Associate Professor, Nuffield Department of Orthopaedics, Rheumatology and Musculoskeletal Sciences. Representative of the British Society for Surgery of the Hand.
- Mrs Rachel McDermott, Invited Member, Lived experience of scarring.
- Dr Yvonne Wren, Invited Member, Allied Health Professional, Director of Bristol Speech and Language Therapy Research Unit.
- Dr Jaco Nel, Invited Member, Lived experience of scarring.
- Dr Amber Young, Invited Member, Children's Burns Medicine and Care, Consultant Paediatric Anaesthetist, Royal Bristol Hospital for Children.
- Professor David Abraham, Invited Member, Professor of Cell and Molecular Biology, University College London.
- Professor Jane Nixon, Invited Member, Deputy Director of the Clinical Trials Research Unit, University of Leeds.

Trustees would like to extend our sincere gratitude to Research Council members for their counsel and support over the past year.

Chief Scientific Adviser

The role of Chief Scientific Adviser was established in 2018 to assist in the assessment of new work and the broader pursuit of the Scar Free Strategy and is fulfilled by Professor Paul Stewart, Executive Dean of Health and Medicine at the University of Leeds. Over the past 12 months the thoughtful and pragmatic advice and guidance provided to the Foundation by Professor Stewart has been invaluable. We extend our thanks to him for all his assistance.

The primary objectives of the Chief Scientific Adviser are:

- To receive and review independent reviews (expert, patient and public) of Scar Free Foundation Centre Award submissions.
- To evaluate and summarise reviewers' comments and where necessary, recommend clarifications or amends, for return and response by the applicant University/host.
- To make a funding recommendation to the Research Council Chairman, for onward consideration by the Board of Trustees.
- During the lifetime of a grant, to receive and review reports from the relevant research programmes and recommend on progress to the Board of Trustees.

The Application and Selection Process

As a member of The Association of Medical Research Charities (AMRC), the Foundation is committed to an open, independent and professionally administered peer review and selection process. Research priorities, recommended by the Research Council, are approved by the Board. When funding becomes available for a project, the Foundation will aim to undertake an open research call. An 'application pack' is drawn up and approved by the Research Council Chairman with advice from the Chief Scientific Adviser. At the same time, an application and selection timetable is agreed and the project is advertised as widely as possible within the relevant research community. In preparation, a suitably qualified Assessment Panel is assembled, often of international standing, if the area of work so demands.

After the closing date for applications, submissions will be sent for external peer review. If the Foundation receives a large number of applications, the Chief Scientific Adviser, Research Chairman and/or Assessment Panel will triage applications to eliminate any proposals which fall outside the Foundation's charitable objects and/or endorsed areas of interest.

Following assessment by External Peer Reviewers, the subsequent "long list" of candidate applications is then considered by the Chief Scientific Adviser and Research Council Chairman who consider the scientific and strategic relevance of each application. Where appropriate, an interview panel and/or site visit is undertaken. Suitable safeguards have also been made to ensure impartiality, through the rotation of the Research Council Chairman, Chief Scientific Adviser and Peer Reviewers, and no member takes part in the review of projects where a potential conflict of interest exists.

For major awards, following discussion and consideration of the peer review assessments by the Chief Scientific Adviser, Research Council Chairman and/or Assessment Panel, a recommendation for funding is made to the Board of Trustees by the Research Council Chairman. The Board of Trustees then approve an award for research, subject to funding and the Foundation's established Rules and Conditions.

Ensuring Value in Research

In 2017, The Scar Free Foundation joined The Ensuring Value in Research (EViR) International Funders' Collaboration and Development Forum. A joint initiative by the health research organisations NIHR (UK), PCORI (USA) and ZonMW (Netherlands), the Forum is a group of

international health related research funders and associated bodies, committed to advancing the practices of health-related research funding. As a member of the Forum, the Foundation has signed the following 'Consensus Statement';

“As organisations that fund health-related research, represent funders, or set funding policy, we believe that we have a responsibility not just to seek to advance knowledge, but also to advance the practices of health-related research and research funding. Therefore, we commit to working together and with our respective research communities to share current and develop new approaches to increase the value of health-related research. We commit to transparency in this process, including evaluating our progress and the impact of our efforts. This will contribute to improvement in the health and lives of all peoples, everywhere.

Along with other relevant activity in the wider research landscape (e.g., the REWARD statement), we understand that as funders we will maximise the value of research we fund when:

- We set justifiable research priorities;
- We require robust research design, conduct and analysis;
- We seek to ensure that research regulation and management are proportionate to risks;
- We seek to ensure that complete information on research methods and findings from studies is accessible and usable.

Increasing value will require collaborative efforts among funders, regulators, commercial organisations, publishers, editors, researchers, research organisations, research users and others”.

The Foundation also subscribes to the pursuit of the '10 Guiding Principles' of the Funders' Forum which are now published on the Foundation's website. These principles, each geared to ensuring that the best possible value for money is achieved from all our research spend, are already guiding our strategic, grant selection and award process. This year the organisation adopted a subscription model membership for full members. The Foundation has become a full member of the Forum to enable us to gain access to the community of practice for queries or discussions and Forum materials and networking opportunities.

FUNDRAISING & COMMUNICATIONS

The COVID-19 pandemic has inevitably delayed the process of rebuilding our Development Board and revitalising related fundraising activities with High Net Worth networks. We therefore worked to maintain our strong connection with existing supporters, new audiences, and in particular with Trusts and Foundations. Despite the challenges, we were reassured that income was secured as forecast at £1,090,637 compared to £1,985,844 the previous year.

Major grants were secured from the Medical Research Council Early Career Researcher Support Fund and the VTCT Foundation, among others.

In addition, we tested new fundraising streams, notably the Big Give Christmas Challenge where, through new and existing supporters and matched funding opportunities, we raised over £30,000 in one week. A huge thank you must also be extended to our Trustee, Lt Gen Richard Nugee who,

to mark his retirement from the Armed Forces, cycled from Land's End to John O'Groats. This 14-day, 992-mile epic cycle raising just over £10,000 for the Foundation.

We knew this would be a challenging year from a fundraising perspective, and we increased our efforts in rebuilding our high net wealth networks, and presenting a compelling case for our unique cause, through the redeveloped strategy. The year ahead is therefore critical to maintain the momentum built over the last twenty years, and to service the ambitious research strategy that leads to a world without scarring. We remain confident that we will catalyse opportunities to engage with donors and supporters over the coming year through our strengthened Case for Support, our committed staff and our dedicated and supported volunteer fundraisers and Ambassadors.

In 2021/22 we continued to grow our social media presence, to highlight the problems with scarring and the research we are funding to aid our mission to a wider audience beyond our traditional supporters. We are very grateful to our Patron HRH The Countess of Wessex, for formally opening The Scar Free Foundation/Health and Care Research Wales Programme of Regenerative Medicine, at Swansea University in February 2021, where we were able to engage donors and supporters as well as broaden the Foundation's public profile, particularly in Wales. The Countess also hosted an Afternoon Tea with our Young Ambassadors, at St James' Palace in October 2021. Both occasions received positive media support introducing many more supporters to our scar free world.

The Scar Free Foundation is registered with the Fundraising Regulator, the Fundraising Preference Service and subscribes to the Code of Fundraising Practice. During the year – and lifetime of the Foundation – no complaints have been received and no relationships were held with any professional fundraisers or commercial participators.

Fundraising performance

Fundraised income for the year totalled £1,041,431 (£1,918,075 in 2020/21). Our Fundraising model continues to deliver to plan, with £351,688 (£293,403 in the previous year) expended on fundraising.

Principal Patrons

We would like to thank our Principal Patrons; surgeons and clinicians who so generously support our work through an ongoing annual gift. A Principal Patron's commitment is so very important, underpinning the vital work that we do. During the year, we were fortunate to benefit from the support of the following:

- Ms Angelica Kavouni & Mr Lucian Ion
- Professor Vivien Lees
- Mr Nigel Mercer
- Professor Jonathan Sandy.

Volunteer help

The Scar Free Foundation relies on the help of volunteers in all aspects of its activities. This support is provided principally by members of the Board of Trustees, the Research Council and Research Advisory Panels who all give their time freely. We are also very grateful to our Scar Free Ambassadors, volunteers with lived experience of scarring, who help communicate the Scar Free ambition and ensure that a patient perspective is at the heart of our research; their stories convey more powerfully than anything else, the need for more research and activity in this area. We are grateful to all Ambassadors who gave up their time to attend a workshop for an open discussion

on the problems they face living with scarring, in particular Ambassadors Rachel McDermott, Kish Modasia and Lottie Pollak kindly facilitated the discussions encouraging a safe environment to allow honest conversations to develop. We would also like to say thank you to the Ambassadors that have attended the various zoom calls over the past year, which included an audience with various researchers and clinicians, and a special thanks to our Young Ambassadors who met HRH The Countess of Wessex at Buckingham Palace to discuss with her the challenges they face.

We also extend our gratitude to Tanya Theobald who continues to provide ad hoc, pro-bono legal support on contractual matters for the Foundation.

Finally, we are grateful to the CASEVAC Club of injured veterans from recent conflicts in Iraq and Afghanistan, and its co-founders David Wiseman and Dave Henson MBE for partnering with the Foundation on the Centre for Conflict Wound Research and our wider ambitions in this area.

PLANS FOR FUTURE PERIODS

The pursuit of scar free healing through the implementation of our refreshed Scar Free Strategy remains our central goal. We believe that we can relate the Scar Free narrative even more compellingly in order to engage a new cohort of donors, researchers and people living with scarring, to partner with us in this life changing mission.

Highlights of our Management Plan for the year ahead include;

To deliver the Scar Free Strategy – Following extensive work with clinicians, scientists and people with a lived experience of scarring, we have developed research centre, programme and project exemplars which will deliver our research priorities. In the coming year we will:

- Promote the new research strategy website to the scar free research community.
- Working with our Research Council, to further develop the detail and funding prioritisation of the Foundation's funding initiatives.
- Undertake further research and stakeholder engagement relating to the Experimental Medicines Programme and develop and deliver a call for expressions of interest.
- As funds allow, develop and deliver a funding call centred on one of the next programmes/projects.

All Scar Free supported research must address one of our key strategic questions and clearly demonstrate how new evidence leads us closer to a scar free future.

Finalise and embed our refreshed Case for Support – informed by our re-presented Scar Free Research Strategy, we will also present a new fundraising Case for Support that will be the cornerstone in our building of new donor networks. We will work hard during the year to identify new and fully engaged volunteer leadership to drive our refreshed fundraising activities.

The lived experience voice lies at the heart of our work – the impact of our work is only measured by the benefits we can deliver, through new treatments and understandings, to people who encounter and live with scarring conditions. In the year ahead, we will invest more time and resource to ensure that the voices and experiences of those with scars are felt at every level and in every aspect of the charity's work. Continuing to embed the lived experience voice within our governance structures, our communications activities, our

fundraising and of course through our research, we will ensure that Scar Free continues to be relevant to and driven by the lived experience.

The Charity Governance Code has been adopted by the Foundation and the Code's principles are regularly revisited by the Chief Executive and the Board.

FINANCIAL REVIEW

During the year, our spend on research increased slightly to reflect the progression following the pause seen in the previous year in some elements of our scar free research programme, from £1,491,563 (2020/21) to £1,513,541 in 2021/22.

A review of the schedule comparing commitments against available restricted and designated funds is reviewed every year by our auditors Buzzacott. The latest review conducted in May 2022 confirmed the Foundation's position that all commitments are adequately provided for.

We end the year carrying forward reserves that both match our stated policy to provide sufficient, but not excessive, core funding, and the reassurance that all research commitments can be fully funded through existing restricted and designated funds.

RESERVES POLICY

The Scar Free Foundation has restricted funds which have been, and will be, generated through fundraising. Depending on the specified restriction, these will be either used to generate further funding to establish and maintain our major research programmes or used directly on particular research projects.

We continue to retain sufficient unrestricted funds to meet on-going core costs. The aim is to maintain sufficient unrestricted reserves to cover core costs for a 12-month period and to meet redundancy costs should the Foundation ever have to be closed down.

Unrestricted reserves at the end of March 2022 were £838,797 (£1,005,147 in 2020/21) of which £652,598 was in the general funds and constitutes free reserves. The core-costs for 2022/23 are forecast to be approximately £630,000. The free reserves are therefore in line with the target set out above.

INVESTMENT POLICY

Investments are managed by Sarasin Partners LLP, our investment manager and adviser, through their Alpha range of Common Investment Funds.

The Trustees have established an overall investment policy, which involves the Foundation's available funds being categorised in one of two ways, for each of which there is an appropriate investment policy, namely:

Short term - in this category are funds which are budgeted for spending within a two-year period. These will be held in appropriate bank accounts, term deposits or liquidity funds, with the maturity of the deposits being managed to match both the liabilities and maximise the interest earned on them.

Medium and long term – Most of the funds in this category are not required within five years, but some of which will be spent between two and five years from 31 March 22 They are invested in the Alpha Common Investment Fund for Endowments. This fund seeks long-term capital and income growth from a broadly diversified portfolio, of which 70% would normally be in shares with the balance in bonds, cash, property and alternative assets.

The use of Common Investment Funds enables the Foundation to access asset classes which might otherwise be closed to it and to achieve appropriate diversification and a broad spread of risk. These Common Investment Funds are charities in their own right, pooling the funds of other charities with these similar objectives.

The Alpha funds will make substantial asset allocation changes when necessary to protect capital, reduce volatility and enhance long-term returns. The selection of individual shareholdings is guided by a global, thematic research process which incorporates an ethical screening process. The Trustees regularly review with Sarasin & Partners the Foundation's Investment Policy and the performance of these funds and make any appropriate changes in light of the Foundation's development, changes in markets or any other relevant factors.

Our investments decreased in value by 16% over the financial year 2021/22. During the year we transferred funds from out of investments and consequently the total investments decreased. We remain vigilant to a potential volatile market that the war in Ukraine and fall out from the pandemic may create and mindful that the funds in Sarasin's are long term investments.

RISK ASSESSMENT

The Board maintains a risk assessment system which is based on a numerical assessment of risk, with an accompanying management commentary, and Trustees consider these reports each quarter. The aim is to highlight and measure potential risks to the success of an activity or process, assess the impact and put in place appropriate management action.

Accordingly, we can confirm that the major risks to which the Foundation is exposed have been reviewed and actions are in place to mitigate those risks.

Current risks of greatest concern (i.e. the risks with greatest combined 'impact' and 'likelihood' score in the Trustees' quarterly risk assessment exercise) include:

1. **Fundraising: Post-COVID-19 in-person face-to-face donor events slow or fail to return (or are subject to cancellations)** – the long-term economic impact of the COVID-19 crisis will colour all aspects of our operations, especially fundraising. Our partnerships with key, high net wealth and grant making trust donors will continue and we will continue to use our unique skillset and tradition to grow and strengthen these relationships still further.
2. **Financial Issues: Income/expenditure imbalance threatens 'going concern' status of charity** – we remain cognisant of the difficulty of fundraising particularly for unrestricted monies, which has been exacerbated by the restrictions in force as a result of COVID-19. Nevertheless, we are confident that we can continue to abide by our reserves policy, maintaining sufficient free reserves for core costs for the year ahead.
3. **Unplanned loss of CEO/key senior staff** – We will maintain active succession planning and recruitment oversight.

RESPONSIBILITIES OF THE TRUSTEES

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

Company Law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the income or expenditure of the charitable company for that period.

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

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102).
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards (United Kingdom Generally Accepted Accounting Practice) have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the “going concern” basis unless it is inappropriate to assume that the company will continue in operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company’s transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company’s website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Each of the Trustees confirms that to the best of his/her knowledge there is no information relevant to the audit of which the auditors are unaware. Each of the Trustees also confirms that he/she has taken all necessary steps to ensure that he/she is aware of all relevant audit information and that this information has been communicated to the auditors.

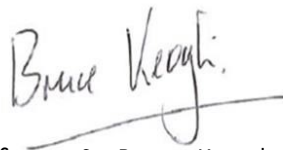
The Trustees

Trustees, who are also Directors under company law, who served during the year and up to the date of this report were as follows:

Professor Sir Bruce Keogh (Chairman)
Mr David Allen
Mr Simon Boadle
Mr Richard Collier (Honorary Treasurer)
Ms Alison Clarke
Ms Hemani Modasia-Shah (*joined 20 January 22*)
Lt Gen Richard Nugee
Mr Tim Streatfeild
Mrs Alexandra Thrower
Professor Peter Weissberg (Research Council Chairman)

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 March 2022 was £6 (2021 - £6). The Trustees have no beneficial interest in the charitable company.

Approved by the Trustees on 25 July 2022 and signed on their behalf by

A handwritten signature in black ink that reads "Bruce Keogh". The signature is written in a cursive style and is positioned above a horizontal line.

Professor Sir Bruce Keogh
Chairman

Independent auditor's report to the members of The Scar Free Foundation

Opinion

We have audited the financial statements of The Scar Free Foundation (the 'charitable company') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 charitable company's affairs as at 31 March 2022 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit

or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011, Companies Act 2006, and data protection legislation; and
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, inspecting legal correspondence and reviewing trustee meeting minutes.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of trustee meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with HMRC and the Charity Commission.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads "Buzzacott LLP". The signature is written in a cursive, slightly stylized font.

Katharine Patel (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

4 August 2022

The Scar Free Foundation

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2022

	Note	Restricted £	Unrestricted £	2022 Total £	Restricted £	Unrestricted £	2021 Total £
Income							
Donations and legacies	2	801,968	239,463	1,041,431	1,544,370	373,705	1,918,075
Grants	2	-	-	-	-	14,510	14,510
Investments	3	-	49,206	49,206	-	53,259	53,259
Total income		801,968	288,669	1,090,637	1,544,370	441,474	1,985,844
Expenditure							
Costs of raising funds	4	-	351,688	351,688	-	293,403	293,403
<i>Expenditure on charitable activities</i>							
Research programmes		1,262,167	-	1,262,167	1,265,332	-	1,265,332
Research development		-	251,374	251,374	-	226,231	226,231
Total expenditure		1,262,167	603,062	1,865,229	1,265,332	519,634	1,784,966
Net (expenditure) income before gains / (losses) on investments	5	(460,199)	(314,393)	(774,592)	279,038	(78,160)	200,878
Net gains / (losses) on investments	9	-	23,844	23,844	-	187,819	187,819
Transfers	13	(124,199)	124,199	-	-	-	-
Net income (expenditure) and net movement in funds		(584,398)	(166,350)	(750,748)	279,038	109,659	388,697
Reconciliation of funds:							
Funds brought forward		3,348,871	1,005,147	4,354,018	3,069,833	895,488	3,965,321
Funds carried forward		2,764,473	838,797	3,603,270	3,348,871	1,005,147	4,354,018

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

The Scar Free Foundation

Balance Sheet

For the year ended 31 March 2022

	Note	£	2022 £	2021 £
Fixed assets				
Tangible fixed assets	8		2,214	1,561
Investments	9		901,357	1,076,167
			<u>903,571</u>	<u>1,077,728</u>
Current assets				
Debtors	10	1,084		4,310
Short term deposits		2,751,406		3,567,447
Cash at bank and in hand		412,665		170,903
		<u>3,165,155</u>		<u>3,742,660</u>
Liabilities				
Creditors: amounts falling due within one year	11	(465,456)		(466,370)
Net current assets			<u>2,699,699</u>	<u>3,276,290</u>
Net assets	12		<u>3,603,270</u>	<u>4,354,018</u>
The funds of the charity:				
Restricted funds			2,764,473	3,348,871
Unrestricted funds				
Designated funds		186,199		239,047
General funds		652,598		766,100
			<u>838,797</u>	<u>1,005,147</u>
Total funds	13		<u>3,603,270</u>	<u>4,354,018</u>

Approved by the Trustees on 25 July 2022 and signed on their behalf by



Professor Sir Bruce Keogh

Company Registration Number O3831398 (England and Wales)

The Scar Free Foundation

Statement of Cash Flows

For the year ended 31 March 2022

	Note	2022 £	2021 £
Cash flow from operating activities:			
Net cash (used in) provided by operating activities	A	<u>(818,999)</u>	<u>549,632</u>
Cash inflow from investing activities:			
Dividends and interest from investments		49,206	53,259
Purchase of tangible fixed assets		(3,140)	-
Sale / (purchase) of investments		198,654	-
Net cash provided by (used in) investing activities		<u>244,720</u>	<u>53,259</u>
Change in cash and cash equivalents in the year		(574,279)	602,891
Cash and cash equivalents at 1 April 2021	B	3,738,350	3,135,459
Cash and cash equivalents at 31 March 2022	B	<u><u>3,164,071</u></u>	<u><u>3,738,350</u></u>

Notes to the statement of cash flows for the year to 31 March 2022

A Reconciliation of net movement in funds to net cash provided by operating activities

	2022 £	2021 £
Net movement in funds (as per the statement of financial activities)	(750,748)	388,697
Adjustments for:		
Depreciation charge	2,487	4,964
(Gains) losses on investments	(23,844)	(187,819)
Dividends and interest from investments	(49,206)	(53,259)
Decrease in debtors	3,226	2,816
(Decrease) increase in creditors	(914)	394,233
Net cash (used in) provided by operating activities	<u><u>(818,999)</u></u>	<u><u>549,632</u></u>

B Analysis of cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	412,665	170,903
Notice deposits (3 - 12 months)	2,751,406	3,567,447
Total cash and cash equivalents	<u><u>3,164,071</u></u>	<u><u>3,738,350</u></u>

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2022

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

a) Basis of preparation

These accounts have been prepared for the year to 31 March 2022.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

The accounts are presented in sterling and are rounded to the nearest pound.

b) Critical accounting estimates and areas of judgement

Preparation of the accounts requires the Trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- “ the allocation of staff and support costs;
- “ estimating the useful economic life of tangible fixed assets.

c) Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

The Trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above.

With regard to the next accounting period, the year ending 31 March 2023, the Trustees have taken into consideration the impact of the COVID-19 pandemic on the charity and have concluded that although there may be some negative consequences and greater risk in relation to the fundraising for the charity's activities, the Trustees believe that the charity is a going concern on the basis detailed within the Trustees' report. The most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the Trustees' report for more information).

d) Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Voluntary income is received by the way of donations and gifts and is included in full in the Statement of Financial Activities when receivable. Intangible income and gifts in kind are not included unless they represent goods or services which would have otherwise been purchased, in which case they are valued and brought in as income and the appropriate expenditure.

Revenue grants are credited to the Statement of Financial Activities when received or receivable whichever is earlier, unless they relate to a specific period, in which case they are deferred.

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2022

1. Accounting policies (continued)

d) Income recognition (continued)

Where unconditional entitlement to grants receivable is dependent upon fulfilment of conditions within the Charity's control, the incoming resources are recognised when there is sufficient evidence that conditions will be met. Where there is uncertainty as to whether the Charity can meet such conditions the incoming resource is deferred.

Grants for the purchase of fixed assets are credited to restricted income when receivable. Depreciation of fixed assets purchased with such grants is charged against the restricted funds.

Interest on term deposits is recognised on an accruals basis, so that the appropriate proportion is included in each year's financial statements.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

e) Expenditure recognition

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

All expenditure is accounted for on an accruals basis. Expenditure includes attributable VAT that cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the costs of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, are apportioned between activities as described in note 4.

The costs of generating funds relate to the costs incurred by the charity in raising funds for the charitable work.

Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities.

Grants payable are charged to the Statement of Financial Activities in the year in which the offer is conveyed to the recipient, except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

Governance costs include the management of the charity's assets, organisational management and compliance with constitutional and statutory requirements.

f) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life. The depreciation rates in use are as follows:

Leasehold Improvements :	Over the life of the lease
Computer Equipment :	3 years
Office Furniture and Equipment :	3 years

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2022

1. Accounting policies (continued)

g) Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

h) Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

i) Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

j) Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the Statement of Financial Activities in the year in which they fall due.

k) Pension contributions

The charitable company makes contributions on behalf of its employees into their personal pension funds. The amounts charged in the Statement of Financial Activities represent the contributions payable to the funds in respect of the accounting period. Outstanding pension contributions at the year end are included in creditors.

l) Fixed asset investments

Listed 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 charity does not acquire put options, derivatives or other complex financial instruments.

Realised gains (or losses) on investment assets are calculated as the difference between disposal 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 at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

m) Fund structure

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure, which meets these criteria are charged to the fund together with a fair allocation of management and support costs.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Transfers are made from unrestricted funds to establish designated funds, which are in turn used to cover the cost of Research Projects. These designations are agreed annually by the Board of Trustees. Transfers are made from designated funds to restricted funds where restricted funding is not sufficient to cover a particular project, or if it is unclear as to how much will be required for a project. Transfers from restricted funds to unrestricted funds are made with the prior consent of the donor.

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2022

2a Donations and grants - unrestricted

	2022 £	2021 £
Anonymous	125,000	-
The Stephen Forrest Charitable Trust	65,200	-
PF Charitable Trust	40,000	40,000
EACTS Charity - Fellowship	15,000	15,000
Lt Gen Richard Nugee	10,758	-
Charles and Rowena Wilson	10,000	10,000
Professor Naiem Moiemem	10,000	-
The Dorus Trust	4,000	4,000
Angelica Kavoni & Lucian Ion	2,500	2,500
Irie Perara	1,214	-
Nigel Mercer	1,200	1,200
Professor Jonathan Sandy	1,200	1,200
Professor Vivien Lees	1,000	1,000
The Worshipful Company of Tin Plate Workers alias Wire Workers	1,000	1,000
Returned VTCT Foundation Donation (from 2018)	(60,000)	-
The Chancellor using LIBOR Funds	-	205,907
Kavli Trust (UK)	-	20,000
Childwick Trust	-	20,000
Harry Hampson	-	10,000
Sandhu Charitable Foundation	-	10,000
Richard and Anne Collier	-	5,000
The Atkin Charitable Foundation	-	5,000
The Lord Hemphill	-	5,000
The Thousandth Man Chairty - Richard Burns Charitable Trust	-	1,000
Gift Aid Claims	6,543	7,993
Sundry Donations	4,848	7,905
Total	<u>239,463</u>	<u>373,705</u>

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2022

2b Donations and grants - restricted

	2022	2021
	£	£
The Medical Research Charity	292,063	-
CHEAR Foundation	150,000	300,000
VTCT Foundation	100,000	-
Health and Care Research Wales	50,000	50,000
Clore Duffield Foundation	43,611	43,611
The Armed Forces Covenant Fund Trust	35,000	33,250
Donations via The Big Give	30,021	-
The J P Moulton Foundation	30,000	-
Veterans Foundation	30,000	-
Headley Court Charity	20,000	-
Lady Jenny Rose	10,910	5,600
The Worshipful Company of Tin Plate Workers alias Wire Workers	4,363	37,000
Holbeck Charitable Trust	2,500	2,500
Andrew Robson	2,500	-
GJW Turner Trust	1,000	1,000
The Chancellor using LIBOR Funds	-	850,344
The Garfield Weston Foundation	-	206,065
Edward Cadbury Charitable Trust	-	15,000
Total	<u>801,968</u>	<u>1,544,370</u>

3. Investment income

	2022			2021		
	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
	£	£	£	£	£	£
Income from listed investments	-	25,665	25,665	-	21,175	21,175
Interest receivable	-	23,541	23,541	-	32,084	32,084
Total	<u>-</u>	<u>49,206</u>	<u>49,206</u>	<u>-</u>	<u>53,259</u>	<u>53,259</u>

4. Total expenditure

	Costs of raising funds Unrestricted	Research Grants Restricted	Research Development Unrestricted	Support Costs	Governance	2022 Total
	£	£	£	£	£	£
Staff Costs (Note 6)	120,812	-	117,360	107,005	-	345,177
Other Staff Costs	3,302	-	3,207	2,923	-	9,432
Rent	18,837	-	11,551	9,774	-	40,162
Computer and other office costs	26,014	-	15,952	13,498	-	55,464
Consultancy	1,285	-	788	667	-	2,740
Legal Fees	-	-	-	4,913	-	4,913
Audit and Accountancy Fees	-	-	-	-	12,288	12,288
Staff Travel	415	-	255	216	-	886
Trustees' Travel Expenses	109	-	67	56	-	232
Depreciation	1,166	-	715	605	-	2,486
Recruitment	3,702	-	2,270	1,921	-	7,893
Appeal Costs	79,061	-	-	-	-	79,061
Insurance	-	-	-	-	2,590	2,590
Research Programmes						
- Bristol Programme	-	157,044	-	-	-	157,044
- The Cleft Colletive	-	182,758	-	-	-	182,758
- Centre for Conflict Wound	-	582,993	-	-	-	582,993
- Regenerative Research	-	158,527	-	-	-	158,527
- BSSH	-	45,642	-	-	-	45,642
- UK Burns Research Network	-	135,203	-	-	-	135,203
Research Support costs	-	-	39,738	-	-	39,738
Total expenditure	254,703	1,262,167	191,903	141,578	14,878	1,865,229
Support Costs	87,762	-	53,816	(141,578)	-	-
Governance costs	9,223	-	5,655	-	(14,878)	-
2022 total expenditure	351,688	1,262,167	251,374	-	-	1,865,229

Support costs and governance costs have been allocated to each activity on the basis of staff time being 62% to costs of raising funds and 38% to research development.

4. Total expenditure 2021

	Costs of raising funds Unrestricted	Research Grants Restricted	Research Development Unrestricted	Support Costs	Governance	2021 Total
	£	£	£	£	£	£
Staff Costs (Note 6)	129,679	-	125,974	114,859	-	370,512
Other Staff Costs	2,800	-	2,720	2,479	-	7,999
Rent	10,105	-	7,686	5,462	-	23,253
Computer and other office costs	19,511	-	14,840	10,546	-	44,897
Consultancy	2,837	-	2,158	1,533	-	6,528
Legal Fees	-	-	-	1,680	-	1,680
Audit and Accountancy Fees	-	-	-	-	15,821	15,821
Staff Travel	30	-	23	16	-	69
Trustees' Travel Expenses	-	-	-	-	-	-
Depreciation	2,158	-	1,641	1,166	-	4,965
Recruitment	382	-	291	207	-	880
Appeal Costs	37,154	-	-	-	-	37,154
Insurance	-	-	-	-	2,480	2,480
Research Programmes						
- Bristol Programme	-	67,515	-	-	-	67,515
- The Cleft Colletive	-	362,349	-	-	-	362,349
- Centre for Conflict Wound	-	460,127	-	-	-	460,127
- Regenerative Research	-	30,000	-	-	-	30,000
- BSSH	-	92,929	-	-	-	92,929
- UK Burns Research Network	-	252,412	-	-	-	252,412
Research Support costs	-	-	3,396	-	-	3,396
Total expenditure	204,656	1,265,332	158,729	137,948	18,301	1,784,966
Support Costs	78,352	-	59,596	(137,948)	-	-
Governance costs	10,395	-	7,906	-	(18,301)	-
2021 total expenditure	293,403	1,265,332	226,231	-	-	1,784,966

Support costs and governance costs have been allocated to each activity on the basis of staff time being 57% to costs of raising funds and 43% to research development.

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2022

5. Net expenditure for the year before losses (gains) on investments

This is stated after charging:

	2022	2021
	£	£
Depreciation	2,487	4,964
Trustees' remuneration	Nil	Nil
Trustees' expenses	232	-
Auditors' remuneration:		
Audit	9,500	9,500
Operating lease rentals:		
Property	40,162	23,253

Trustees' expenses represent that 2 Trustees were reimbursed for travel costs (2021 : 0).

6. Staff costs and numbers

Staff costs were as follows:

	2022	2021
	£	£
Salaries and wages	284,527	299,238
National Insurance costs	25,442	33,690
Pension contributions	35,207	37,584
	<u>345,176</u>	<u>370,512</u>

The number of employees whose emoluments exceed £60,000 are:

	2022	2021
£60,000 - £70,000	1	-
£100,001 - £110,000	-	1
£120,000 - £130,000	1	-

Employer's pension contributions of £17,575 (2021 : £17,575 to one employee) were made in respect of the highest paid employee.

The full-time equivalent of employees during the year was as follows:

	2022	2021
	No.	No.
Fundraising and Publicity	2.1	2.6
Research Development	1.3	2.0
Support & Governance Costs	1.1	1.4
	<u>4.5</u>	<u>6.0</u>

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2022

6. Staff costs and numbers (continued)

The average number of employees (headcount) during the year was 4.5 (2021 - 6).

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the Trustees together with the Chief Executive, Company Secretary & Finance Manager. The total remuneration (including taxable benefits and employers pension contributions) of the key management personnel for the year was £210,583 (2021 : £196,134).

7. Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

8. Tangible fixed assets

	Computer equipment and furniture £	Total £
Cost		
At the start of the year	20,588	20,588
Additions in year	3,140	3,140
Disposals in year	(2,763)	(2,763)
At the end of the year	<u>20,965</u>	<u>20,965</u>
Depreciation		
At the start of the year	19,027	19,027
Charge for the year	2,487	2,487
Disposals in year	(2,763)	(2,763)
At the end of the year	<u>18,751</u>	<u>18,751</u>
Net book value		
At the end of the year	<u>2,214</u>	<u>2,214</u>
At the start of the year	<u>1,561</u>	<u>1,561</u>

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2022

9. Investments

	2022 £	2021 £
Market value at the start of the year	1,076,167	882,748
Transfers in	10,910	5,600
Additions at cost	10,423	5,626
Disposals (proceeds £219,987 realised gain £5,212)	(214,775)	(5,613)
Unrealised gains / (losses)	18,632	187,806
	<u>(196,143)</u>	<u>182,193</u>
Add		
Market value at the end of the year	<u>901,357</u>	<u>1,076,167</u>
Cost at the year end	<u>616,152</u>	<u>747,342</u>
Investments comprise: Sarasin Alpha CIF for Endowments	901,357	1,076,167

10. Debtors

	2022 £	2021 £
Other debtors	-	2,000
Prepayments	1,084	2,310
	<u>1,084</u>	<u>4,310</u>

11. Creditors: amounts due within 1 year

	2022 £	2021 £
Accruals	465,456	451,370
Deferred Income	-	15,000
	<u>465,456</u>	<u>466,370</u>

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2022

12. Analysis of net assets between funds 2022

	Restricted funds £	Designated funds £	General funds £	2022 Total funds £
Tangible fixed assets	-	-	2,214	2,214
Investments	901,357	-	-	901,357
Net current assets	1,863,116	186,199	650,384	2,699,699
Net assets at the end of the year	2,764,473	186,199	652,598	3,603,270

Analysis of net assets between funds 2021

	Restricted funds £	Designated funds £	General funds £	2021 Total funds £
Tangible fixed assets	-	-	1,561	1,561
Investments	1,076,167	-	-	1,076,167
Net current assets	2,272,704	239,047	764,539	3,276,290
Net assets at the end of the year	3,348,871	239,047	766,100	4,354,018

The total unrealised gains at 31 March 2022 constitutes movements on revaluation and are as follows:

	2022 £	2021 £
Unrealised gains included above:		
On investments	285,205	328,825
Total unrealised gains at 31 March 2022	285,205	328,825
Reconciliation of movements in unrealised gains (losses)		
Unrealised gains at 1 April 2021	328,825	140,997
Gain: in respect to disposals in the year	(62,252)	22
	266,573	141,019
Add: net gains (losses) arising on revaluation arising in the year	18,632	187,806
Total unrealised gains at 31 March 2022	285,205	328,825

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2022

13. Movements in funds 2022

	At the start of the year £	Income £	Expenditure £	Gains on investments & Transfers £	2022 At the end of the year £
Restricted funds:					
Bristol Programme	786,778	274,199	(157,044)	(124,199)	779,734
Scar Free Projects	1	-	-	-	1
The Cleft Collective	397,997	2,500	(182,758)	-	217,739
Centre for Conflict Wound Research	1,071,950	286,363	(582,993)	-	775,320
BSSH Clinical Academic Post	141,748	-	(45,642)	-	96,106
UK Burns Research Network	136,786	115,275	(135,203)	(4,363)	112,495
Regenerative Research	813,611	123,631	(158,527)	-	778,715
Management of Research Projects	-	-	-	4,363	4,363
Total restricted funds	3,348,871	801,968	(1,262,167)	(124,199)	2,764,473
Unrestricted funds:					
<i>Designated funds:</i>					
Centre for Conflict Wound Research	70,000	-	-	(70,000)	-
Scar Free Projects	114,849	-	-	(114,849)	-
Bristol Centre	54,198	-	-	70,001	124,199
Regenerative Research	-	-	-	60,000	60,000
Student Electives & Other	-	-	-	2,000	2,000
<i>Total designated funds</i>	<i>239,047</i>	<i>-</i>	<i>-</i>	<i>(52,848)</i>	<i>186,199</i>
General funds	766,100	288,669	(603,062)	200,891	652,598
Total unrestricted funds	1,005,147	288,669	(603,062)	148,043	838,797
Total funds	4,354,018	1,090,637	(1,865,229)	23,844	3,603,270

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2022

13. Movements in funds 2021

	At the start of the year £	Income £	Expenditure £	Gains on investments & Transfers £	2021 At the end of the year £
Restricted funds:					
Bristol Programme	554,293	300,000	(67,515)		786,778
Scar Free Projects	750,000	50,000	-	(799,999)	1
The Cleft Collective	760,346	-	(362,349)	-	397,997
Centre for Conflict Wound Research	423,918	1,108,159	(460,127)		1,071,950
BSSH Clinical Academic Post	234,677	-	(92,929)	-	141,748
UK Burns Research Network	346,598	42,600	(252,412)	-	136,786
Regenerative Research	-	43,610.5	(30,000)	800,000	813,613
Student Elective Awards	1	-	-	(1)	
Total restricted funds	3,069,833	1,544,370	(1,265,332)	-	3,348,871
<i>Unrestricted funds:</i>					
<i>Designated funds:</i>					
Centre for Conflict Wound Research	-	-	-	70,000	70,000
Scar Free Projects	114,849	-	-	-	114,849
Bristol Centre	54,198	-	-	-	54,198
<i>Total designated funds</i>	<i>169,047</i>	<i>-</i>	<i>-</i>	<i>70,000</i>	<i>239,047</i>
General funds	726,441	441,474	(519,634)	117,819	766,100
Total unrestricted funds	895,488	441,474	(519,634)	187,819	1,005,147
Total funds	3,965,321	1,985,844	(1,784,966)	187,819	4,354,018

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2022

13. Movements in funds 2022

Research Projects

During the year, The Scar Free Foundation continued to pursue a number of key research themes. These have been funded as monies become available. The money may be restricted by the donor or where it is not, the Foundation will designate funds to particular projects.

Scar Free Projects

No transactions or movements to note.

The Cleft Collective

Funds previously held for this major research programme have been contributed by various donors.

The Scar Free Foundation Centre for Conflict Wound Research

The Chancellor using LIBOR funds awarded a grant of £2,995,300 to the Foundation to support The Scar Free Foundation Centre for Conflict Wound Research. Additional funds have been received in 2021/22 from The JP Mpulton Foundation, Headley Court Charitable Foundation, The Veterans Foundation, GJW Turner Trust and The Holbeck Charitable Trust.

The Bristol Programme

A total of £1,050,000 (of a £1,500,000 commitment) has been donated by the CHEAR Foundation towards research to be undertaken in pursuit of the Scar Free Strategy.

Designation of Funds: The team at the Bristol Centre were impacted due to the coronavirus pandemic, including research staff and clinicians being sent to the front line, and social distancing measures slowing down development. The delayed progression of the project was observed by the MRC who donated £124,199. The donor of the Centre has allowed for these funds to be unrestricted, however the Foundation have designated the full amount to the project as a contingency fund to ensure the project is able to complete.

The BSSH Clinical Academic Post in Hand Surgery Research managed by The Scar Free Foundation

The British Society for Surgery of the Hand contributed a total of £500,000 towards the costs of a major programme of hand surgery research at the University of Nottingham.

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2022

13. Movements in funds 2022 (continued)

The UK Burns Research Network supported by the VTCT Foundation (formerly Scar Free Healing Research)

Some £500,000 (of a maximum £1,000,000 commitment) has been donated by the VTCT Foundation towards funding a Burns Research Network.

In addition, Lady Jenny Rose has donated just over £10,000 towards burn injury research.

The Scar Free Foundation Programme of Regenerative Research

A total of £850,000 (of a potential £950,000 commitment) has been donated by Health & Care Research Wales (Welsh Government), their funding is currently for a three year commitment, with the potential to be extended for a further year if funds allow. The Foundation will use its best endeavours to raise money for this important research, however if we don't have sufficient funds to further the development of the project then we will withdraw from the project and our commitments and obligations to run the project cease.

In addition a total of £87,222 from the Clore Duffield Foundation has been received.

Designation of Funds: The Foundation have designated £60,000 to the project as a contingency fund to help ensure the project is able to continue for a further year.

14. Operating lease commitments

The charity had future minimum commitments at 25 July 22 under operating leases expiring as follows:

	2022 £	2021 £
Payments which fall:		
Within one year	36,590	37,968
Within one to two years	36,590	36,590
Within two to five years	64,032	112,818
	<u>137,212</u>	<u>187,376</u>

15. Related party transactions

During the year the charity received donations from Trustees totalling £7,700 for the Big Give Campaign, and a further £10,758 was received in relation to a fundraising event a trustee held to raise funds for the Foundation (In 2021 a total of £5,000 was received from Trustees). In addition £150,000 (2021 - £300,000) was received from a Foundation of which a Trustee is also a Trustee.

THE SCAR FREE FOUNDATION

England & Wales - Charity number 1078666

Accounts

THE FREE FOUNDATION

MAKING A WORLD WITHOUT SCARS A REALITY

THE ANNUAL REPORT & AUDITED ACCOUNTS

31 March 2021

Chairman of the Board of Trustees
Professor Sir Bruce Keogh

The Scar Free Foundation
The Royal College of Surgeons of England
35-43 Lincoln's Inn Fields
London WC2A 3PE

OUR VISION

A world without scarring

OUR MISSION

To achieve scar free healing within a generation and transform the lives of those affected by disfiguring conditions

REFERENCE AND ADMINISTRATIVE DETAILS

Status

The organisation is a charitable company limited by guarantee, incorporated on 25 August 1999 and registered as a charity on 17 December 1999.

Governing Documents

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

Summary of Investment Powers

To invest and deal with any money not immediately required for its objects in or upon any investments, securities, or property.

Company Number

03831398

Charity Number

1078666

Registered office and operational address

38-43 Lincoln's Inn Fields, London, WC2A 3PE

Honorary Officers

Professor Sir Bruce Keogh (Chairman)

Mr Richard Collier (Honorary Treasurer)

Professor Peter Weissberg (Research Council Chairman)

Principal Staff

Mr Brendan Eley (Chief Executive)

Ms Amanda McKechnie (Company Secretary & Finance Manager)

Founding Principal Member of The Scar Free Foundation

British Association of Plastic Reconstructive and Aesthetic Surgeons (BAPRAS)

Principal Members of The Scar Free Foundation

British Association of Aesthetic Plastic Surgeons (BAAPS)

British Burn Association (BBA)

British Psychological Society (BPS)

British Society for Surgery of the Hand (BSSH)

Craniofacial Society of Great Britain & Ireland (CFSGB&I)

Patron

HRH, The Countess of Wessex

President

The Lord Rose of Monewden

Vice Presidents

Dr Geraldine Brough
Professor Sir Kenneth Calman
General Sir Nicholas Carter
The Rt Hon the Lord Patten of Barnes
Professor Sir John Temple
Mr Hugh Twiss

Board of Trustees

Professor Sir Bruce Keogh (Chairman)
Mr Richard Collier (Honorary Treasurer)
Professor Peter Weissberg (Research Council Chairman)
Mr David Allen
Mr Simon Boadle
Ms Alison Clarke
Lt Gen Richard Nugee
Mr Tim Streatfeild
Mrs Alexandra Thrower

Bankers

CAF Bank Ltd, 25 King's Hill Avenue, West Malling, Kent, ME19 4JQ
Clydesdale Bank, 2nd Floor, 35 Regent Street, London, SW1Y 4ND
Santander, 4th Floor, 100 Ludgate Hill, London, EC4M 7NS
Shawbrook Bank Limited, Lutea House, The Drive Great Warley, Essex, CM13 3BE

Cash Management Platform

Flagstone Investment Management Ltd, 1st Floor, Clareville House, 26-27 Oxendon Street, London, SW1Y 4EL

Investment Managers

Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU

Solicitors

Paris Smith LLP, Number 1 London Road, Southampton, SO15 2AE
Bates Wells & Braithwaite LLP, Cheapside House, 138 Cheapside, London, EC2E 6BB
Squire Patton Boggs (UK) LLP, 7 Devonshire Square, London, EC2M 4YH

Auditors

Buzzacott LLP, 130 Wood Street, London, EC2V 6DL

TRUSTEES REPORT

The Trustees present their report and the audited financial statements for the year ended 31 March 2021.

Reference and administrative information set out on pages 3 and 4 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, the Charities Act 2011 and 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 United Kingdom and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

The organisation is a charitable company limited by guarantee, incorporated on 25 August 1999 and registered as a charity on 17 December 1999. The company was established under a Memorandum of Association which sets out the objects and powers of the charitable company and it is governed under its Articles of Association.

Trustee Recruitment, Appointment and Induction

There are a maximum of fifteen places on the Board of Trustees of which nine are currently filled, as at 7 July 2021.

On appointment, all Trustees undergo an induction consultation, usually with the Chief Executive and Honorary Treasurer, where their responsibilities and duties as a Trustee are formally outlined and an update on current business is provided. Charity Commission materials are provided offering further information as well as all copies of relevant documents such as the Memorandum & Articles of Association, the Management Plan, the Staff Handbook, the Financial Controls & Procedures Manual, the Manual for the Management of Research and other strategy and policy documents.

Further development opportunities are offered at quarterly Trustees' meetings and have previously included training in major donor fundraising, marketing and communications, governance and charity regulation, and regular presentations by the charity's grant-holders about work funded by the charity.

Organisational structure

The Patron of The Scar Free Foundation is HRH The Countess of Wessex. Lord Rose of Monewden is the President of the Foundation. Trustees are deeply grateful for the continued interest and support of all our Vice Presidents, the commitment and counsel of our President and the active, supportive engagement of our Patron. Although the Patron, President and Vice Presidents serve no constitutional function, their role is much valued.

During the year there were no appointments or resignations on the Board of Trustees.

The Board conducts a Governance & Skills Audit every three years, the most recent being completed in 2018. This includes a review of the experiences and skills of the Board. The Foundation is committed to supporting diversity, inclusion and ensuring the lived-experience voice are all represented within the organisation.

Each April the Board of Trustees normally approves the Management Plan which is made up of three-year and more specific one-year Corporate Objectives. The Management Plan includes the annual budget. Due to the uncertainty that the pandemic presented, Trustees approved an 'emergency' six-month Management Plan in April 2020, and a further six-month plan in October 2020.

Research strategy is driven by the Research Council which currently meets twice a year and whose Chairman is currently a Trustee. The Scar Free Foundation Chief Scientific Adviser, Professor Paul Stewart, provides strategic research advice to the charity and is involved in the assessment of all new research awards. The day-to-day management of research activity is managed by expert 'Advisory Panels' reporting directly to the Board of Trustees through the Research Council Chairman. Financial and general management matters are overseen by the Finance & Operations Committee, which meets quarterly and is chaired by the Honorary Treasurer (also a Trustee). All decisions are made by the Board of Trustees guided by the recommendations made by these standing committees.

A Nominations Committee also meets when required, chaired by the Chairman and whose membership consists of the nominated Honorary Officers plus the Chief Executive. This Committee meets on an ad hoc basis, to support various areas which include the recruitment of senior volunteers to serve on the Board of Trustees, Finance & Operations Committee and Research Council.

No Trustee receives, or has received during the year being reported, payments other than incidental expenses incurred for attending meetings.

Key management personnel

The Trustees consider that they, together with the Chief Executive, and the Company Secretary & Finance Manager, comprise the key management in charge of running the charity on a day-to-day basis. Trustees delegate specific power to the key management personnel, which is documented and supervised. Each year, following internal staff appraisals and objective setting, staff meet one-to-one with the Foundation's retained Human Resources (HR) Consultant to discuss, confidentially, their work and aspirations with the charity. The HR Consultant, with the Chief Executive, provides a report and recommendation on salary levels for consideration by the Finance & Operations Committee who then make a recommendation to the Board of Trustees at their April meeting. This includes a market benchmarking exercise (comparing the salaries available for similar jobs in similar organisations) and a 'cost of living' recommendation based on, but not tied to, the Consumer Price Index. A similar report and recommendation are made in respect of the Chief Executive by the HR Consultant and presented to the Board by the Honorary Treasurer. The HR Consultant also conducts a mid-term review in September and is available to be contacted at any time by all members of staff.

OBJECTS AND AIMS OF THE CHARITY

The objects of The Scar Free Foundation are the relief of sickness and the protection and preservation of public health by:

- Carrying out and funding research into the improvement of treatments for the benefit of people who suffer from physical, psychological, social, or emotional disadvantage as a result of physical disfigurement or functional impairment present at birth or acquired

through accident, disease, or illness and into the prevention of accidents which may cause such conditions; and

- Disseminating the useful results of such research and to help train health workers in appropriate treatments throughout the world; and
- Informing people about the availability of such treatments.

Trustees are pleased to report that they have referred to the Charity Commission's guidance on public benefit in their annual review of aims and objectives and in all future planning of the charity's activities. We believe these benefits – to a broad 'public' of people and their families affected by scarring, hard to heal wounds and disfigurement both now and in the future – are clearly represented in our determination to deliver better understanding and improved treatments, through research. These benefits will be greatly enhanced through work supported by the Foundation, for example, in burns, cleft, conflict wound research and our scientific pursuit of scar free healing, where the findings of our work could result in fewer incidents of serious accident or birth abnormality, as well as scar free outcomes.

The vision of The Scar Free Foundation is **A WORLD WITHOUT SCARRING**. The charity's mission is **TO ACHIEVE SCAR FREE HEALING WITHIN A GENERATION AND TRANSFORM THE LIVES OF THOSE AFFECTED BY DISFIGURING CONDITIONS**. Our aim is to fundraise in the most targeted and cost-effective way possible; to fund and manage research of the very highest quality in the UK and Ireland for the benefit of people and their families living with scarring; and to manage the charity in a business-like and professional way.

OBJECTIVES FOR THE YEAR

During the financial year 2020/21, the Foundation continued to focus on the strategic development of the charity. The activities of the charity in 2021/22 will be impacted by the ongoing COVID-19 crisis but remain focused on the accomplishment of key objectives across research, fundraising and financial management. These are:

Research

To implement the Scar Free Strategy.

Fundraising

Through the Scar Free Appeal, to raise the budgeted appeal target for the year.

Financial management and corporate governance

To support and develop high quality governance and administration processes that underpin the work and growth of the charity.

STRATEGIES

The strategies to achieve these objectives can be summarised as follows:

Research

1. To manage new and forthcoming research projects and programmes in line with the Foundation's due processes, outlined in the Manual for the Management of Research, namely;
 - a. The Scar Free Foundation Programme of Wound Healing Research, University of Bristol

- b. The Scar Free Foundation/Health and Care Research Wales Programme of Regenerative Medicine, Swansea University
 - c. The Scar Free Foundation Centre for Conflict Wound Research, Birmingham and Bristol
 - d. The Scar Free Foundation UK Burns Research Network supported by the VTCT Foundation
 - e. The Scar Free Foundation Cleft Gene Bank and Cohort Study, University of Bristol (also known as The Cleft Collective)
 - f. The BSSH Centre for Evidence-Based Hand Surgery Research at the University of Nottingham
 - g. Other Scar Free Foundation Centres of Research as funds allow.
2. In support of this activity, the Foundation will ensure appropriate Research Management and Strategic processes are devised and maintained.

Fundraising

- 1. To recruit a suitably qualified business leader to the Development Board, who is capable of making a gift and driving networked fundraising activity among high net wealth audiences.
- 2. To revisit and update the Case for Support and Campaign Strategy previously adopted by the Board of Trustees.
- 3. To recruit suitably qualified members to the Development Board.
- 4. To implement the agreed three-year Communications Strategy.
- 5. To raise the budgeted appeal target for the year.

Financial management and corporate governance

- 1. To maintain and support The Scar Free Foundation's Honorary Management structure and associated activities.
- 2. To maintain and review effective financial control processes, including The Scar Free Foundation's policies on investment and reserves.
- 3. To retain, manage and lead the executive team.
- 4. To ensure the Foundation continues to support, develop and retain the right mix of people, processes and premises to support its plans for the year.

ACHIEVEMENTS AND PERFORMANCE

THE COVID-19 PANDEMIC

The Coronavirus pandemic and associated lockdowns in the UK significantly disrupted Scar Free activities throughout the year under report. Our research teams adapted to new working conditions as offices and laboratories converted to new COVID-19 secure protocols. Despite this, many of our projects and programmes encountered new challenges that have inevitably resulted in delays to our work. We have provided as much support to our grant-holders as possible and we are enormously grateful to those funders who have appreciated that pre-Coronavirus plans have had to change and have demonstrated much welcomed flexibility in the use and timetabling of their funding.

Research

Early in the year, many of our clinically qualified research staff returned to front-line NHS services and much of our research programme was understandably paused. Meaningful research was able to continue in some areas and by the second half of the year a clearer picture of 'business as usual' began to emerge. Trustees would like to pay special tribute to our research leaders and their teams for their fortitude and commitment to the cause during such difficult times.

We were especially pleased to commence two new major programmes of research during the year. At the University of Bristol, under the leadership of Professors Paul Martin and Beck Richardson, we have launched a five-year programme of basic science research exploring the genetic factors implicated in both good and errant scarring. Using data from cohort studies including The Scar Free Foundation's own Cleft Collective, the team will be working to identify genetic variants implicated in scarring outcomes which will be further explored through mouse and zebrafish models. At Swansea University, in partnership with our long-term research partner Health & Care Research Wales (the Welsh Government), Professor Iain Whittaker is leading a three-year programme of research that includes a pioneering trial into the use of 3D printed biomaterials for use in facial reconstruction following disease and trauma.

Alongside our established range of work across cleft lip and palate, conflict wounds and burn injuries, we end the year with the busiest and most innovative programme of scar free research in our history.

Fundraising

With face-to-face fundraising methods paused during much of 2020/21, our tried and tested methods of engaging with supporters were severely challenged. Nonetheless, we made every effort to keep in touch with our donors with our quarterly newsletter, regular direct communications and our popular, on-line, Annual Update Event in October. This year, more than 100 people were able to join (more than we would normally accommodate in-person) to view presentations prepared by the research teams from Swansea and Birmingham, hear the moving story of Scar Free Ambassador Justyn Hollett, and ask questions of the leadership team. We also tilted our focus to grant making trusts and foundations, appealing to both existing and new supporters with encouraging results. As we emerge from the Coronavirus restrictions, we are busy preparing a diary of future events and initiatives with a focus on rebuilding our high net wealth networks through a qualified and networked Development Board structure.

Management and governance

Through a combination of staff furloughs (using the Government's Job Retention Scheme), minimised activities and other savings, we were able to reduce our running costs for the year considerably. Staff have worked effectively from home and Trustee, Research Council and Finance & Operations Committee meetings have all moved, very effectively, to remote digital platforms, with great success. As we begin the new year, we anticipate staff and volunteers will be able to return to work and meet in the new Scar Free offices located within the rebuilt Royal College of Surgeons in London.

We know that there will be enormous challenges ahead for the charity but we are looking forward to a resumption of near-normal activities during the year. The Foundation remains in a sound financial position; we remain blessed with high quality volunteer support throughout our honorary management structures; our small but expert and experienced staff team remain focused and committed to tasks in hand; we have an exciting, broad and innovative programme of research underway, and we have the support of our Ambassadors, with such compelling and inspirational

stories that underpin our scar free pursuit. As we reported last year, our focus has never changed. There are more than 20 million people living with scarring in the UK today and the needs of people affected by scarring conditions – lost function, reduced mobility, psychological challenges – remain the same throughout and beyond the COVID-19 crisis. We are now busy rebuilding our activities in order to maintain our single-minded focus on the pursuit of scar free healing within a generation.

RESEARCH PROJECTS

The year 2020/21 has seen progress across the Foundation's key areas of research.

THE SCAR FREE FOUNDATION PROGRAMME OF WOUND HEALING RESEARCH

The Scar Free Foundation Programme of Wound Healing Research at the University of Bristol, combines Bristol's established expertise in wound healing biology and population-based cohort studies of human disease, in order to identify scar associated genes. Funding for the programme was initially awarded in January 2020, but due to the COVID-19 pandemic contracting of the programme was halted until the autumn. Work commenced on the programme in October 2020.

The five-year programme comprises the following projects:

Using Large Cohort Studies to Identify Genetic Variants For Mechanistic Testing In Mouse And Zebrafish Models of Wound Healing.

This project seeks to identify the genetic differences which cause better and worse scarring outcomes. The team has been using the ALSPAC data collection that involves families from Bristol and the former county of Avon, in a ground-breaking cohort study offering new population study insights. Using BCG vaccination scars among mothers in the study to measure individual propensity to scarring, the team hope to target the genetic variation implicated in good and errant scarring for further exploration in mice and zebrafish models.

Integrating Human And Animal Studies to Investigate Known Clefing Genes Linked to Wound Healing.

The team has identified a network of genes that are associated with both cleft lip and wound healing, for further investigation to determine their roles in scarring. The project uses the Cleft Collective cohort to investigate cleft lip repair scar severity in patients with variants in chosen genes, compared to non-syndromic patients with different variants.

Project Outputs

Recruitment to the posts funded by the Foundation has been completed. Oscar Pena, an experienced Zebrafish Post-Doc, who will work in the 'Martin Lab' with an agreed start date of 1 July 2021. Kevin Thiessen, who is also an experienced Zebrafish Post-Doc, will start in the 'Richardson Lab' on 5 July 2021. The team was able to start their first PhD student, Tim Byatt, on 1 October 2020, the official commencement date of the programme. Following media coverage associated with the official launch of the grant, the team received several emails from patients, three of whom have agreed to be scar patient advocates. The team has established a patient advocate database and will continue to develop work in this area.

THE SCAR FREE FOUNDATION PROGRAMME OF REGENERATIVE RESEARCH

The Scar Free Foundation Programme of Regenerative Research at the RECONREGEN Centre supported by Health & Care Research Wales is a partnership between Reconstructive Surgery & Regenerative Medicine at Swansea University Medical School and the Welsh Centre for Burns & Plastic Surgery. The primary focus of the new programme is the development and translation of

the team's novel techniques for 3D printing of soft tissue – initially cartilage – for use in facial reconstructive surgery. In addition, the team is developing existing collaborations and research in the area of 'big data' and health informatics to gain a comprehensive understanding of the prevalence, aetiology, impact (both psychological and physical), and outcomes of facial scarring in Wales. Work commenced on the programme on 1 December 2020.

This programme comprises the following projects:

3D BIOFACE - 3D Bioprinting Facial Cartilage Using Human Cartilage Specific Stem/Progenitor Cells and Nanocellulose Bioinks for Facial Reconstruction.

Reconstruction of facial cartilage defects from trauma, burns, skin cancer and congenital conditions, currently relies on using the patient's own cartilage, usually from the ribs. Harvest is associated with donor-site scarring and other complications including chest-contour deformity, pain and lung damage. This project aims to determine the ideal combination of cells to grow new cartilage, optimise nanocellulose bioinks for 3D bioprinting patient-specific cartilage constructs and show that they are safe, non-toxic and well-tolerated by the immune system. This will enable the team to create durable cartilage constructs, which can be safely and effectively implemented in human clinical trials. If successful, the outcomes could revolutionise our ability to reconstruct form and function in patients affected by facial deformities and eliminate donor site scarring and other complications.

AFFECT - Assessing the Burden of Facial Scarring and Associated Mental Health Conditions to Identify Patients at Greatest Risk.

In a society which is pre-occupied with appearance and the pursuit of a "perfect" body image, the consequences of facial scarring can be extensive and may include the onset of psychosocial disorders. The study helps to understand the associated mental health conditions of facial scarring, so that effective healthcare strategies can be developed and appropriately targeted. The team is analysing data that is recorded routinely on all patients when they attend hospital or their general practitioner. The data is held securely in a specialised database, and fully anonymised so that it can be used safely for research. Analysing this data will help them define exactly how many people sustain facial scarring in Wales and determine how many go on to develop anxiety or depression.

Project Outputs

The team is making progress on the various project workstreams, and two papers will shortly be published in the journal *Nanomaterials*. As at 30 June 2021, recruitment is currently ongoing.

THE CLEFT COLLECTIVE

The Scar Free Foundation Cleft Gene Bank and Cohort Study at the University of Bristol continues to make excellent progress. The major long-term goals of the Cleft Collective are to prevent clefts and cleft-related physical, functional and emotional scarring. To this end, the study aims to address three key questions:

- a. what causes a cleft lip and/or palate?
- b. what are the best treatments for those born with a cleft?
- c. what are the long-term impacts for those born with cleft?

The study has a bank of biological samples (blood, cleft tissue or saliva) collected from around 80% of participants.

Project Output

Despite the significant impact of the COVID-19 pandemic, the team managed to deliver several significant outputs in the reporting year. These include:

Impact of the COVID-19 pandemic on children born with cleft: The team developed a questionnaire, (1,527 responses from 1,200 families) to establish the impact on these children and their families. Preliminary analysis has shown that surgery was delayed for 76% of children who were due to have surgery after the first lockdown was introduced. Many parents expressed concern of the delay to their child's surgery but also explained they understood why the delays were occurring. Exploring free text data from the COVID-19 questionnaire, most concern appeared to be from parents whose child was due to experience an upcoming transition, such as moving from pre-school to reception. Many parents also raised concern over delayed Speech and Language Therapy (SLT). SLT treatment was delayed for 51% of children who were due to continue or start SLT treatment after the first lockdown.

Using Mendelian randomisation and polygenic risk scores to understand the causes and consequences of cleft

Under the supervision of Dr Gemma Sharp, Medical Research Council Integrative Epidemiology Unit, PhD student, Christina Dardani, published a paper in the International Journal of Epidemiology in 2020 showing children born with cleft are unlikely to be genetically predisposed to do less well at school than their peers. The publication was accompanied by a press release that was picked up by several news outlets and generated discussion on social media. In addition, Dr Laurence Howe, previously a PhD student with the team and now post-doc, studied the genetic overlap between cleft and head and neck cancer. He found some evidence of an overlap between the two, which suggested that those born with a cleft might have a small increased risk of developing this cancer in the future. This work was published in Genetic Epidemiology in 2020. An academic clinical fellow from Bristol Dental School, Dr Tom Gill, has been working with Dr Gemma Sharp on a project that uses Mendelian randomisation and LD score regression to assess evidence for the hypothesis that a high genetic predisposition to cleft is associated with better reproductive success (more children and earlier age at first birth) as this might explain why cleft (which would have been associated with infant death in ancestral times) has not been selected out through evolutionary processes. Dr Gill has completed a first draft of a paper on this work, which we aim to submit for publication later this year.

Recruitment

As at 30 June 2021 the total number of participants recruited to the study was 9,392 individuals from 3,355 families. Due to the COVID-19 crisis, data collection to the study was suspended on 19 March 2020, until 7 July 2020. Data collection has now resumed at all 16 participating sites.

Data Collection

All 16 cleft teams were involved in data collection and recruitment. The team continues to see a return rate of 50% for their baseline questionnaires and a 38% return rate for their follow up questionnaires; this is consistent with other years since incentivising with a £10 voucher. Follow up questionnaires are now available online for participants to complete. Early indicators show that these have been well received with no teething problems. Surgical form return rate for first surgery is 92% and forms are also being returned for subsequent operations. As at 30 June 2021, the team currently has 100+ maternity units approved across the UK and have now received 161 samples of cord blood. This provides the opportunity to measure the exposures of the mother and infant with cleft, during pregnancy. The Cleft Collective has now established a large dataset of biological,

psychological, surgical and other clinical data, which contribute uniquely to the Scar Free Foundations' ambitions.

Data Linkage

In the past year the team successfully linked their data to the Cleft Registry and Audit Network (CRANE) database enabling both parties to work on a "one off" collaborative project to validate phenotype data held within the Cleft Collective and CRANE. CRANE acknowledged this work in their annual report, also stating that they hope to be able to work more closely with the Cleft Collective using the strengths of both the Cleft Collective and CRANE to answer questions important to patients and clinicians alike.

Patient and Public Involvement

During the reporting year, the team has worked with the Cleft Lip and Palate Association (CLAPA) to develop a patient and public involvement group, made up of people from our research community. The CLAPA Cleft Collective Patient Consultation Group gives people affected by cleft a chance to feed their own ideas and experiences directly into the project (e.g. in relation to the development of questionnaires, the content of the website, and through conferences). Two virtual meetings were held during the reporting year. The group has provided invaluable assistance on various aspects of the study, including testing online questionnaires.

Genotyping

The team has almost finished generating genotype data. This will be an immensely important resource for future work exploring the genetic and non-genetic causes of cleft and cleft-related outcomes. With a separate Medical Research Council project grant, they have employed a researcher (Dr Garan Jones) to analyse the data.

Advisory Panel

The Cleft Collective Advisory Panel, Chaired by Dr Tim Peakman, Chief Operating Officer of the University of Leeds, met four times via videoconference during the reporting year.

The Panel comprises the following membership:

- Ms Rona Slator, Consultant Cleft Lip and Palate Surgeon, Birmingham Women's and Children's Hospital NHS Foundation Trust.
- Mrs Ana Hobbs, lived experience of Cleft Lip and Palate.
- Dr Liz Albery, retired Speech and Language Therapist.
- Ms Sarah Kilcoyne, Principal Specialist Speech and Language Therapist, Oxford Craniofacial Unit and Spires Cleft Centre
- Professor Heather Cordell, Professor of Statistical Genetics, Newcastle University

We are extremely grateful to Dr Peakman and all members of the Advisory Panel for their advice and guidance over the past 12 months.

THE SCAR FREE FOUNDATION CENTRE FOR CONFLICT WOUND RESEARCH

The aim of the Centre is to reduce and eventually eradicate the impact of scarring and related loss of function amongst Armed Forces personnel, who sustain critical injuries during their deployment, as well as civilians injured in conflict or terrorism incidents. It will achieve this by supporting a nationally relevant programme of biological and clinical research. The Scar Free Foundation Centre for Conflict Wound Research is supported by the Chancellor using LIBOR funds.

Since the Centre was formally opened by HRH The Countess of Wessex in November 2018, work has been underway on the following projects;

UNITS: Understanding and Addressing the Support Needs of Military Personnel Affected by Visible Difference/ Disfigurement from Conflict Wounds, Professor Di Harcourt, Dr Mary Keeling, Centre for Appearance Research, University of the West of England.

DeSCAR: First in human clinical trial of a bioactive dressing designed to prevent scarring of skin burns, Professor Liam Grover, Dr Richard Williams University Hospitals Birmingham NHS Foundation Trust/ University of Birmingham.

SMOOTH: A prospective randomised controlled trial to examine the efficacy and mechanistic basis of fractional ablative carbon dioxide laser therapy in treating hypertrophic scarring, Professor Naiem Moiemem, Professor Janet Lord, University Hospitals Birmingham NHS Foundation Trust/ University of Birmingham.

Impact of COVID-19

Both the SMOOTH and DeSCAR projects have been significantly impacted by the pandemic. Clinician-researchers working on the two projects were re-deployed to front-line NHS clinical care. Lab access was restricted and some Scar Free Foundation-funded staff working on the SMOOTH project, who were unable to undertake other roles were furloughed. During the first wave of the pandemic, scientific staff continued to work on areas which they could progress from home, such as the preparation of the MHRA regulatory package. As at 30 June 2021, work has resumed in the labs in Birmingham and all staff are again working. The Birmingham team has been given a no-cost extension until August 2023.

The team working on the UNITS project at the University of the West of England were largely unaffected by the pandemic and continued to progress the project from home. Work will conclude on the UNITS project in October 2021.

Project Outputs

UNITS

UNITS is a three-year project aimed at understanding the psychosocial experiences and support needs of military personnel, veterans, and their families, affected by conflict-related appearance altering injuries (e.g. scars from burn injuries, blast injuries or gunshot wounds).

During the reporting year, the team's Literature Review/Gap Analysis paper, *Body image concerns and psychological wellbeing among injured combat veterans with scars and limb loss: A review of the literature* was published in the journal, Military Behavioural Health. Recruitment into the qualitative study was completed and a total of 40 interviews were conducted, transcribed and analysed.

The analysis of these interviews found that veterans, serving personnel and their families reported significant challenges related to the injured personnel/veteran's changed appearance. The issue that was most consistently experienced was unwanted public attention such as staring and unsolicited questions and comments. In addition, the veterans and service personnel reported challenges with confidence, self-esteem, and their appearance acting as a reminder of the traumatic experience of the injury, difficulties with romantic relationships and intimacy, and the impact of their visible difference on their children. Serving personnel, veterans, partners and mothers also described mechanisms

that enabled coping and continuation with life post-injury. Some of the coping mechanisms appeared to be specific to the military, such as the expectation that serious injury might happen due to the nature of their work and being deployed to combat areas, initial recovery taking place among others who had experienced similar injuries, and the veteran-specific informal social support and continued camaraderie. Interviewees also reported an unmet need for appearance-specific support, especially regarding how to manage public attention and how to talk to children about their visible difference.

DeSCAR

This is a phase-one clinical trial to demonstrate the safety and efficacy of a new bioactive dressing, loaded with the protein Decorin, designed to prevent scarring of skin burns.

During the reporting year, the team has gathered additional and very supportive evidence for the safety of Decorin. This finding was a by-product of an additional experiment which demonstrated that Decorin injected into the bloodstream, at doses far higher than would be possible in the human trial (keeping in mind the trial using topical routes administration), does not cause genotoxic effects.

Manufacturing has been moved to the University of Birmingham to help consolidate the supply chain in the current climate and gain greater control over risks to timelines and costs. The team raised £17,000 to pay for the modification to an existing laboratory within their facility and therefore comes at no extra cost to the project. The team has set up a scalable drying process allowing 250 dressings to be manufactured per run and the process is currently being validated. Overall, while a significant change to the approach, the team believes that consolidating activity and level of control, helps remove some uncertainty and will help drive the project forward.

All documents for regulatory submission are in late development and it is hoped the clinical arm of this project can commence in early summer 2021.

SMOOTH

This study examines the efficacy and mechanistic basis of fractional ablative carbon dioxide laser therapy in treating hypertrophic scarring.

The study has two sites, Birmingham and Swansea. Recruitment to the project was ceased in March 2020, resumed briefly in November 2020 and was again suspended in January 2021. The team has received permission to resume the clinical recruitment from 1 July 2021.

Conflict Wound Pilot/Feasibility Projects

During the reporting year funding was committed to three new projects which aim to address the Foundation's Conflict Wound Research Priorities, developed at the Scar Free Foundation Conflict Wound Research Symposium, held in Birmingham in 2019. The Funding was offered through open competition. A total of 14 applications were received and reviewed by external peer reviewers. Mr Simon Weston, the Foundation's Lead Ambassador, acted as a 'lived experience' reviewer of the applications. Lt General Richard Nugee, the Chairman of the Conflict Wound Research Strategy Group, chaired the review and selection process.

The successful projects are as follows:

- *Does major trauma accelerate the ageing process, and can it be alleviated by physical activity?* Professor Janet Lord, Scar Free Foundation Centre for Conflict Wound Research, Birmingham.
- *Novel Haemostatic Medical Devices for Acute Conflict Wound Treatment.* Dr Choon Hwai Yap, Department of Bioengineering, Imperial College London.
- *Revenite: An app to connect and support the rehabilitation needs of veteran amputees.* Professor Alison McGregor, Imperial College London.

Conflict Wound Research Strategy Group

The Foundation also continues to work to promote collaboration in the conflict wound research sphere by convening the Conflict Wound Research Strategy Group. The aim of the Group is to facilitate supportive working and the sharing of ideas and resources in medical and psychological research relevant to the acute care, wound biology and life-time rehabilitation of severely injured Armed Forces personnel and 'civilian conflict' survivors. Members are drawn from universities, hospitals, charities, Government, patient/survivor groups, either funding, undertaking, participating in or likely to benefit from research in the conflict wound sphere. We are grateful to Lt General Richard Nugee for agreeing to continue in his role as Chairman of this group, despite him retiring from the Armed Forces in early 2021.

THE UK BURNS RESEARCH NETWORK SUPPORTED BY THE VTCT FOUNDATION

The Foundation established the UK Burns Research Network in 2018. The 'Network' is a collaborative, coordinated programme of burns research aimed at delivering tangible care and treatment benefits to those encountering serious thermal injuries, and supporting longer term research aspirations as laid out in the Scar Free Strategy. It addresses a series of research priorities drawn from the Scar Free Strategy and identified as short and medium-term funding imperatives by attendees at the Scar Free Symposium, *Scar Free Healing: Clinical Needs and Practice*, which was held in London in 2017.

Project outputs

COSB: Core Outcomes for Burns Research - Short Term Outcomes and Outcome Measures for Use in Burn Efficacy Trials.

Some 130,000 patients with burns require treatment in Emergency Departments each year. Researchers currently use different outcomes to assess care quality and new treatments. This makes it difficult for researchers and clinicians to work out which treatments are best. A Core Outcome Set (COS) is a minimum set of outcomes agreed, defined, measured and reported in a standard way included in all studies of a specific clinical area. The project commenced in January 2019 and aims to develop and understand short-term outcomes for patients recovering from burns. Key outputs in the reporting year include the publication of *Systematic review of international Delphi surveys for core outcome set development: representation of international patients* in BMJ Open.

COHORT: Development of a multicentre cohort of burn injury patients – a feasibility study.

This fourteen-month project commenced in November 2020. Very little is known about the best way to treat burns that will result in the least scarring for patients. We know that if patients have large burns, if the wounds take a long time to heal, or if many operations are needed, scarring will be worse. However, it is also known that patients with similar types of small area scalds still scar differently. It is likely that the patients' genetic make-up (genes) will affect their scarring. If we knew that a patient had genes that would result

in a poor scar, then we could target treatment differently for these patients. Separately, some patients and families struggle to adjust emotionally to scars. If we could understand what predicts this adjustment, we could similarly tailor the support needed.

The team is currently carrying out a smaller study, known as feasibility work, to check that what they do in the large study would be acceptable to patients (i.e. children and parents/carers) and staff, that it is practically achievable and that they have support and involvement from burn care teams across the country. This will include agreeing with patients and staff, when and how to recruit participants, how to keep them engaged with a full study over time, and what is the best way to assess scarring and emotional outcomes. This work will enable us to know if a full study is feasible and practical.

BOSS: Development of a multicentre cohort of burn injury patients – a feasibility study and a prospective study to examine the validity of a panel of objective burn scar measurement tools. Professor Naiem Moiemem, University Hospitals Birmingham NHS Foundation Trust.

This three-year project commenced in September 2020. Following significant advances in medical science, patients with burns that involve as much as 95% of their total body surface area, can now survive. Unfortunately, research into scarring does not match the tremendous improvement in survival following burn injury, and the quality of studies that have been conducted were hindered by a lack of validated, objective tools used to grade scars. The subjective tools that were used are prone to individual clinician bias, hence findings are not consistent.

The aim of this project is to assess a group of patients from the time of their injury to the time of wound healing and for two years afterwards. The team will measure their scars with a range of objective scar measuring tools that have been shown to work in a previous smaller study alongside subjective questionnaires that look at how the patients view their own scars, and the effect these scars have on their quality of life. The team has recently achieved ethical approval for the study and have been developing patient recruitment literature and the purchase of equipment for the project.

The UK Burns Research Network Advisory Panel

The Foundation has established an Advisory Panel to advise on the prioritisation, funding and management of research projects in the Burns Network. The Panel is chaired by Dr David Mackie, former Secretary of the International Society of Burn Injury and a retired Burns Anaesthesiologist. Membership is composed of UK and European clinicians and academics working in burn care and treatment, and 'lived experience' volunteers. In the reporting year the Panel met twice by videoconference.

Other members of the Burns Research Network Advisory Panel include:

- Professor Mamta Shah, Consultant Burns and Plastic Surgeon, Royal Manchester Children's Hospital, Wythenshawe Hospital and the University of Manchester.
- Professor Peter Dziewulski, Consultant Burns and Plastic Surgeon.
- Mr John Gibson, Plastic Surgery Trainee and Clinical Lecturer in Reconstructive Surgery and Regenerative Medicine, Swansea University and Morriston Hospital Swansea. Lived experience of burns.
- Dr Sophie Dix, lived experience of burns.
- Professor Esther Middelkoop, Burns and Wound Healing Scientist, VUMC Medical Centre, Amsterdam, the Netherlands.

- Professor Nichola Rumsey, Trustee, The VTCT Foundation.
- Professor Folke Sjöberg, Professor of Burn Surgery and Critical Care at Linköping University, Sweden.
- Dr Lisa Williams, Consultant Clinical Psychologist, Chelsea and Westminster Hospital, London.

We are extremely grateful to the Advisory Panel for their advice and guidance during the reporting year.

THE BSSH CENTRE FOR EVIDENCE-BASED HAND SURGERY RESEARCH AT THE UNIVERSITY OF NOTTINGHAM

Miss Karantana and colleagues are making good progress. In the reporting year, Miss Karantana was given tenure at the University and now has long-term stability in her role. The various trials underway at the Centre has been impacted by the pandemic and the slowness in the resumption of elective hand surgery but have been granted no-cost extensions. A number of high-quality publications has emanated from the Centre in the last twelve months including, *Common hand and wrist conditions: creation of UK research priorities defined by a James Lind Alliance Priority Setting Partnership*, in BMJ Open.

DELIVERING THE SCAR FREE STRATEGY

Work has been underway to 'refresh' the Scar Free Strategy with the aim of creating an interactive, online presentation of the strategy based on the three overarching questions:

- What is a scar?
- How do we prevent scarring?
- How do we live with scarring?

The Foundation has been working with venturethree, the branding agency responsible for the Foundation's rebrand in 2016, on the development of an interactive, online version of the strategy based on the three overarching questions. Work will be completed on the 'refreshed' strategy in early summer 2021.

THE MANAGEMENT OF RESEARCH

Research is the core business of The Scar Free Foundation. The Foundation has policies for the management of research, which comply with the guidelines set by the Association of Medical Research Charities (AMRC). They include:

- The structure to manage the process, which is provided by Advisory Panels, the Research Council, Chief Scientific Adviser and the Board of Trustees.
- The arrangements for the development, review and maintenance of our research strategy.
- The provision of open and fair arrangements for the application and selection process for funding research projects, including the essential requirement of independent peer review by appropriately qualified professionals.
- The Foundation's Written Agreement and Terms and Conditions for the award of grants.
- The arrangements to identify and manage potential conflicts of interests.

Research Council

The Research Council is established under the leadership of the Research Council Chairman, who is also a Trustee, to advise the Board of Trustees on the implementation and development of the Scar Free Strategy, which outlines the broad research objectives of the charity.

The objectives of the Research Council are:

- To advise the Board of Trustees on the pursuit of the broad strategic research goals of the charity as articulated in the Scar Free Strategy.
- To ensure that Scar Free Foundation research activity is undertaken in line with all legal and best practice guidance.

The main tasks of the Research Council are:

- To maintain a strategic oversight of the Scar Free Strategy and identify the gaps in the research strategy that should be addressed in the Foundation's research programme.
- To horizon scan the global scarring and wound healing research landscape and identify emerging research technologies and potential research leaders with whom the Foundation should interact in the UK and overseas.
- To maintain an awareness of the relevance of the Scar Free Strategy in a changing clinical and scientific landscape and ensure the involvement of patients and the public in the delivery of the strategy and the setting of priority areas.

Research Council members normally serve on Council for three-years, although the Board may extend the appointment for a second term. No member serves longer than six-years on the Council.

As at 30 June 2021, membership of the Scar Free Foundation Research Council is as follows:

- Chair, Professor Peter Weissberg, Research Council Chairman and Trustee.
- Mr Simon Withey, Consultant Plastic Surgeon, Royal Free Hospital London, Representative of the British Association of Aesthetic Plastic Surgeons.
- Mr Baljit Dheansa, Consultant Burns and Plastic Surgeon, Queen Victoria Hospital, East Grinstead. Representative of the British Association of Plastic, Reconstructive and Aesthetic Surgeons.
- Mr Henk Giele, Consultant Plastic, Reconstructive and Hand Surgeon, Oxford University Hospitals NHS Trust. Representative of the British Association of Plastic, Reconstructive and Aesthetic Surgeons.
- Mr Adam Reid, Academic Consultant Plastic Surgeon, University Hospital South Manchester. Representative of the British Association of Plastic, Reconstructive and Aesthetic Surgeons.
- Mrs Yvonne Wilson, Consultant Burns and Plastic Surgeon, Birmingham Women's and Children's Hospital. Representative of the British Burn Association.
- Mr Bruce Richard, Consultant Plastic and Cleft Lip and Palate Surgeon, Birmingham Women's and Children's Hospital NHS Foundation Trust. Representative of the Craniofacial Society of Great Britain and Ireland.
- Professor Dominic Furness, Associate Professor, Nuffield Department of Orthopaedics, Rheumatology and Musculoskeletal Sciences. Representative of the British Society for Surgery of the Hand.
- Mrs Rachel McDermott, Invited Member, Lived experience of Cleft Lip and Palate.
- Dr Yvonne Wren, Invited Member, Allied Health Professional, Director of Bristol Speech and Language Therapy Research Unit.
- Dr Amber Young, Invited Member, Children's Burns Medicine and Care, Consultant Paediatric Anaesthetist, Royal Bristol Hospital for Children.
- Professor David Abraham, Invited Member, Professor of Cell and Molecular Biology, University College London.
- Professor Jane Nixon, Invited Member, Deputy Director of the Clinical Trials Research Unit, University of Leeds.

Trustees would like to extend our sincere gratitude to Research Council members for their counsel and support over the past year.

Chief Scientific Adviser

The role of Chief Scientific Adviser was established in 2018 to assist in the assessment of new work and the broader pursuit of the Scar Free Strategy and is fulfilled by Professor Paul Stewart, Executive Dean of Health and Medicine at the University of Leeds. Over the past 12 months the thoughtful and pragmatic advice and guidance provided to the Foundation by Professor Stewart has been invaluable. We extend our thanks to him for all his assistance.

The primary objectives of the Chief Scientific Adviser are:

- To receive and review independent reviews (expert, patient and public) of Scar Free Foundation Centre Award submissions.
- To evaluate and summarise reviewers' comments and where necessary, recommend clarifications or amends, for return and response by the applicant University/host.
- To make a funding recommendation to the Research Council Chairman, for onward consideration by the Board of Trustees.

Electives Adviser

The role of Electives Adviser was created in 2018, to oversee the assessment of Electives applications and Final Reports. The Electives Adviser also reports directly to the Research Council Chairman and Board of Trustees and has the following objectives:

- The triage of applications for review.
- With relevant review support, to recommend 'fundable' projects to the Board of Trustees.
- With relevant review support, to assess and recommend on the acceptance of Final Reports to the Board of Trustees.

Although the Electives were not run in the reporting year due to the COVID-19 pandemic, we remain extremely grateful to Mr Martin Mace, a retired Maxillofacial Surgeon and former Trustee of The Scar Free Foundation, for his hard work and valued counsel in the review of Electives application and Final Report assessments.

The Application and Selection Process

As a member of The Association of Medical Research Charities (AMRC), the Foundation is committed to an open, independent and professionally administered peer review and selection process. Research priorities, recommended by the Research Council, are approved by the Board. When funding becomes available for a project, the Foundation will aim to undertake an open research call. An 'application pack' is drawn up and approved by the Research Council Chairman with advice from the Chief Scientific Adviser. At the same time, an application and selection timetable is agreed and the project is advertised as widely as possible within the relevant research community. In preparation, a suitably qualified Assessment Panel is assembled, often of international standing, if the area of work so demands.

After the closing date for applications, submissions will be sent for external peer review. If the Foundation receives a large number of applications, the Chief Scientific Adviser, Research Chairman and/or Assessment Panel will triage applications to eliminate any proposals which fall outside the Foundation's charitable objects and/or endorsed areas of interest.

Following assessment by External Peer Reviewers, the subsequent "long list" of candidate applications is then considered by the Chief Scientific Adviser and Research Council Chairman who consider the scientific and strategic relevance of each application. Where appropriate, an

interview panel and/or site visit is undertaken. Suitable safeguards have also been made to ensure impartiality, through the rotation of the Research Council Chairman, Chief Scientific Adviser and Peer Reviewers, and no member takes part in the review of projects where a potential conflict of interest exists.

For major awards, following discussion and consideration of the peer review assessments by the Chief Scientific Adviser, Research Council Chairman and/or Assessment Panel, a recommendation for funding is made to the Board of Trustees by the Research Council Chairman. The Board of Trustees then approve an award for research, subject to funding and the Foundation's established Rules and Conditions.

Ensuring Value in Research

In 2017, The Scar Free Foundation joined The Ensuring Value in Research (EViR) International Funders' Collaboration and Development Forum. A joint initiative by the health research organisations NIHR (UK), PCORI (USA) and ZonMW (Netherlands), the Forum is a group of international health related research funders and associated bodies, committed to advancing the practices of health-related research funding. As a member of the Forum, the Foundation has signed the following 'Consensus Statement';

"As organisations that fund health-related research, represent funders, or set funding policy, we believe that we have a responsibility not just to seek to advance knowledge, but also to advance the practices of health-related research and research funding. Therefore, we commit to working together and with our respective research communities to share current and develop new approaches to increase the value of health-related research. We commit to transparency in this process, including evaluating our progress and the impact of our efforts. This will contribute to improvement in the health and lives of all peoples, everywhere.

Along with other relevant activity in the wider research landscape (e.g., the REWARD statement), we understand that as funders we will maximise the value of research we fund when:

- we set justifiable research priorities;
- we require robust research design, conduct and analysis;
- we seek to ensure that research regulation and management are proportionate to risks;
- we seek to ensure that complete information on research methods and findings from studies is accessible and usable.

Increasing value will require collaborative efforts among funders, regulators, commercial organisations, publishers, editors, researchers, research organisations, research users and others".

The Foundation also subscribes to the pursuit of the '10 Guiding Principles' of the Funders' Forum which are now published on the Foundation's website. These principles, each geared to ensuring that the best possible value for money is achieved from all our research spend, are already guiding our strategic, grant selection and award process. We look forward to continuing to play an active part in the work of the EViR Forum.

FUNDRAISING & COMMUNICATIONS

Shortly before the COVID-19 pandemic hit, we were beginning the process of rebuilding our Development Board activities. The 2020 and 2021 lockdowns significantly restricted our abilities to communicate our work through high net wealth networks and this aspect of our fundraising development inevitably paused. Our focus turned instead to maintaining our connection with existing supporters and increasingly engaging with grant making trusts and foundations. Despite the challenges, we were pleased that total income in the year held up at £1,985,844 compared to £1,517,950 in the previous year.

We appreciate that the year ahead is going to be very challenging from a fundraising perspective. Much work we had undertaken in late 2019 and early 2020 towards rebuilding our high net wealth networks did not come to fruition because of the lockdowns. We know that rebuilding the Foundation's presence and support now requires focus, expertise and a very compelling presentation of our cause. We remain cautious but hopeful that as opportunities to engage with donors increase over the coming year, the underlying strength of our case, the conviction of our staff and volunteer fundraisers and the shared objective of a world without scars, will serve us well.

The national news agenda was dominated by COVID-19 throughout the period under report. Consequently, we tilted our communications activity in the year, concentrating more on social media and supporter focused activities including our first, on-line only Update event in October 2020. More than 100 people attended the 90-minute session which included video presentations by research teams from Swansea University and The Scar Free Foundation Centre for Conflict Wound Research. Later in 2020, we were delighted to gain significant national and local media coverage of the launch of our basic science research programme at the University of Bristol, including another detailed segment on BBC Breakfast and across other print and broadcast outlets.

The Scar Free Foundation is registered with the Fundraising Regulator and subscribes to the Code of Fundraising Practice. During the year – and lifetime of the Foundation – no complaints have been received and no relationships were held with any professional fundraisers or commercial participators.

Fundraising performance

Fundraised income for the year totalled £1,918,075 (£1,464,236 in the previous year). Our major gift model remains cost effective with only £293,403 (£378,057 in in 2019/20) expended on fundraising.

Principal Patrons

We would like to thank our Principal Patrons; surgeons and clinicians who so generously support our work through an ongoing annual gift. A Principal Patron's commitment is so very important, underpinning the vital work that we do. During the year, we were fortunate to benefit from the support of the following:

- Ms Angelica Kavouni & Mr Lucian Ion
- Professor Vivien Lees
- Mr Nigel Mercer
- Professor Jonathan Sandy

Volunteer help

The Scar Free Foundation relies on the help of volunteers in all aspects of its activities. This support is provided principally by members of the Board of Trustees, the Research Council and Research Advisory Panels who all give their time freely. We are also very grateful to our Scar Free Ambassadors, volunteers with lived experience of scarring, who help communicate the Scar Free ambition and ensure that a patient perspective is at the heart of our research; their stories convey more powerfully than anything else, the need for more research and activity in this area. We are grateful to all Ambassadors who gave up their time to attend our various zoom calls over the past year, that have included an audience with HRH The Countess of Wessex, Professor Janet Lord and workshops to help with the development of the Ambassador website.

We also extend our gratitude to Tanya Theobald who, despite taking a sabbatical from her busy practice with Squire Patton & Boggs LLP, continues to provide ad hoc, pro bono legal support on contractual matters for the Foundation.

Finally, we are grateful to the CASEVAC Club of injured veterans from recent conflicts in Iraq and Afghanistan, and its co-founders David Wiseman and Dave Henson MBE for partnering with the Foundation on the Centre for Conflict Wound Research and our wider ambitions in this area.

PLANS FOR FUTURE PERIODS

During the year, the Foundation took the opportunity presented by the lockdowns and natural restrictions in normal activity, to bring staff, Trustees and other stakeholders together to consider the medium-term strategy of the charity.

The pursuit of scar free healing through the implementation of our Scar Free Strategy remains our central goal. However, we believe that we can relate the Scar Free narrative in even more compellingly in order to engage a new cohort of donors, researchers and people living with scarring, to partner with us in this life changing mission.

Highlights of our Management Plan for the year ahead include;

The presentation of our research strategy – our Scar Free Strategy lays out our research ‘road map’ to scar free healing in a generation. This year, we will publish a ‘digital only’ iteration of that strategy that makes the route to scar free healing even more easy to understand. We believe scar free healing is possible by addressing three simple questions;

- what is a scar?
- how do we stop scars forming? and,
- how can we reduce the negative impact of existing scars?

All Scar Free supported research must address one of these questions and clearly demonstrate how new evidence leads us closer to a scar free future.

The development of our high net wealth networks – informed by our re-presented Scar Free Research Strategy, we will also present a new fundraising Case for Support that will be the cornerstone in our building of new donor networks. We will work hard during the year to identify new and fully engaged volunteer leadership to drive our refreshed fundraising activities.

The lived experience voice lies at the heart of our work – the impact of our work is only measured by the benefits we can deliver, through new treatments and understandings, to people who encounter and live with scarring conditions. In the year ahead, we will invest more time and resource than ever to ensure that the voices and experiences of those with scars, are felt at every level and in every aspect of the charity’s work. From governance structures, our communications activities, our fundraising and of course through our research, we will ensure that Scar Free continues to be relevant to and driven by the lived experience.

The Charity Governance Code has been adopted by the Foundation and the Code’s principles are regularly revisited by the Chief Executive and the Board.

FINANCIAL REVIEW

During the year, our spend on research decreased slightly to reflect the pause in some elements of our scar free research programme, from to £1,531,760 2019/20 to £1,491,563 in 2020/21.

A review of the commitment schedule for project expenditure is reviewed during the year, comparing original commitments against available restricted and designated funds, by our auditors Buzzacott. The latest review conducted in May 2021 confirmed the Foundation’s position that all commitments are adequately provided for.

We end the year carrying forward reserves that both match our stated policy to provide sufficient, but not excessive, core funding, and the reassurance that all research commitments can be fully funded through existing restricted and designated funds.

The COVID-19 crisis has brought home to us, more than ever, the importance of a prudent reserves policy. With reduced fundraising in 2020/21, our free reserves have been impacted. Looking ahead over the next 12-months, we are confident that we can maintain this reserves policy and anticipate closing the 2021/22 year satisfying this stated policy.

We do not feel that the pandemic should cause us to review our policy, but we will maintain a close watching brief on this during the year as lock down is lifted and income-spend plans become clearer.

RESERVES POLICY

The Scar Free Foundation has restricted funds which have been, and will be, generated through fundraising. Depending on the specified restriction, these will be either used to generate further funding to establish and maintain our major research programmes or used directly on particular research projects.

We continue to retain sufficient unrestricted funds to meet on-going core costs. The aim is to maintain sufficient unrestricted reserves to cover core costs for a 12-month period and to meet redundancy costs should the Foundation ever have to be closed down.

Unrestricted reserves at the end of March 2021 were £1,005,148 of which £764,540 was in the general funds and constitutes free reserves. The core-costs for 2021/22 are forecast to be approximately £720,000. The free reserves are therefore in line with the target set out above.

INVESTMENT POLICY

Investments are managed by Sarasin Partners LLP, our investment manager and adviser, through their Alpha range of Common Investment Funds.

The Trustees have established an overall investment policy, which involves the Foundation's available funds being categorised in one of two ways, for each of which there is an appropriate investment policy, namely:

Short term - in this category are funds which are budgeted for spending within a two-year period. These will be held in appropriate bank accounts, term deposits or liquidity funds, with the maturity of the deposits being managed to match both the liabilities and maximise the interest earned on them.

Medium and long term - Most of the funds in this category are not required within five years, but some of which will be spent between two and five years from now. They are invested in the Alpha Common Investment Fund for Endowments. This fund seeks long-term capital and income growth from a broadly diversified portfolio, of which 70% would normally be in shares with the balance in bonds, cash, property and alternative assets.

The use of Common Investment Funds enables the Foundation to access asset classes which might otherwise be closed to it and to achieve appropriate diversification and a broad spread of risk. These Common Investment Funds are charities in their own right, pooling the funds of other charities with these similar objectives.

The Alpha funds will make substantial asset allocation changes when necessary to protect capital, reduce volatility and enhance long-term returns. The selection of individual shareholdings is guided by a global, thematic research process which incorporates an ethical screening process. The Trustees regularly review with Sarasin & Partners the Foundation's Investment Policy and the performance of these funds and make any appropriate changes in light of the Foundation's development, changes in markets or any other relevant factors.

Our investments increased in value by 22% over the financial year 2020/21. This is due to the positive performance in global stock markets. We remain vigilant to a potential volatile market that the pandemic may create and mindful that the funds in Sarasin's are long term investments. As of 30 June 2021, the investments have decreased in value by 14% since 31 March 2021. This is due to crystallising the gain received in the previous year.

RISK ASSESSMENT

The Board maintains a risk assessment system which is based on a numerical assessment of risk, with an accompanying management commentary, and Trustees consider these reports each quarter. The aim is to highlight and measure potential risks to the success of an activity or process, assess the impact and put in place appropriate management action.

Accordingly, we can confirm that the major risks to which the Foundation is exposed have been reviewed and actions are in place to mitigate those risks.

Current risks of greatest concern (i.e. the risks with greatest combined 'impact' and 'likelihood' score in the Trustees' quarterly risk assessment exercise) include:

1. **Fundraising: shortfall in budgeted income** – we remain cognisant of the difficulty of fundraising particularly for unrestricted monies, which has been exacerbated by the restrictions in force as a result of COVID-19. Nevertheless, we are confident that we can continue to abide by our reserves policy, maintaining sufficient free reserves for core costs for the year ahead.
2. **COVID-19: Pandemic causes major disruption to the running of the Foundation** – as this report demonstrates, the immediate impact of the COVID-19 crisis has been significant and the long-term fall out can still only be estimated. We are confident however that the plans, briefly detailed herein, are sufficient to ameliorate the unavoidable disruption to ensure the Foundation can emerge from the crisis in as strong a position as possible.
3. **Financial Issues: External economic situation impacts on Fundraising** – the long-term economic impact of the COVID-19 crisis will colour all aspects of our operations, especially fundraising and research. Our fundraising has been hit but perhaps not as significantly as some charities reliant on retail or volume driven income sources. Our partnerships with key, high net wealth and grant making trust donors will continue and we will continue to use our unique skillset and tradition to grow and strengthen these relationships still further. The Universities research sector has too been impacted, but we will continue to work with research partners to ensure we maintain the highest standards of quality research.

RESPONSIBILITIES OF THE TRUSTEES

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

Company Law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the income or expenditure of the charitable company for that period.

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

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102).
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards (United Kingdom Generally Accepted Accounting Practice) have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the “going concern” basis unless it is inappropriate to assume that the company will continue in operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company’s transactions and disclose with reasonable accuracy at any time

the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Each of the Trustees confirms that to the best of his/her knowledge there is no information relevant to the audit of which the auditors are unaware. Each of the Trustees also confirms that he/she has taken all necessary steps to ensure that he/she is aware of all relevant audit information and that this information has been communicated to the auditors.

The Trustees

Trustees, who are also Directors under company law, who served during the year and up to the date of this report were as follows:

Professor Sir Bruce Keogh (Chairman)
Mr David Allen
Mr Simon Boadle
Mr Richard Collier (Honorary Treasurer)
Ms Alison Clarke
Lt Gen Richard Nugee
Mr Tim Streatfeild
Mrs Alexandra Thrower
Professor Peter Weissberg (Research Council Chairman)

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 March 2021 was £6 (2020 - £6). The Trustees have no beneficial interest in the charitable company.

Approved by the Trustees on 7 July 2021 and signed on their behalf by

A handwritten signature in black ink that reads "Bruce Keogh". The signature is written in a cursive style with a long horizontal line extending from the end of the name.

Professor Sir Bruce Keogh
Chairman

Independent auditor's report to the members of The Scar Free Foundation

Opinion

We have audited the financial statements of The Scar Free Foundation (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 charitable company's affairs as at 31 March 2021 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit

or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011, Companies Act 2006, and data protection legislation; and
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, inspecting legal correspondence and reviewing trustee meeting minutes.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of trustee meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with HMRC and the Charity Commission.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Buzacott LLP

Katharine Patel (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

7 July 2021

The Scar Free Foundation

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2021

	Note	Restricted £	Unrestricted £	2021 Total £	Restricted £	Unrestricted £	2020 Total £
Income							
Donations and legacies	2	1,544,370	373,705	1,918,075	1,054,767	409,469	1,464,236
Grants	2	-	14,510	14,510	-	-	-
Investments	3	-	53,259	53,259	-	53,714	53,714
Total income		1,544,370	441,474	1,985,844	1,054,767	463,183	1,517,950
Expenditure							
Costs of raising funds	4	-	293,403	293,403	-	378,057	378,057
<i>Expenditure on charitable activities</i>							
Research programmes		1,265,332	-	1,265,332	1,267,880	-	1,267,880
Research development		-	226,231	226,231	-	263,880	263,880
Total expenditure		1,265,332	519,634	1,784,966	1,267,880	641,937	1,909,817
Net income (expenditure) before gains / (losses) on investments	5	279,038	(78,160)	200,878	(213,113)	(178,754)	(391,867)
Net gains / (losses) on investments	9	-	187,819	187,819	(45,707)	-	(45,707)
Transfers		-	-	-	3,554	(3,554)	-
Net income (expenditure) and net movement in funds		279,038	109,659	388,697	(255,266)	(182,308)	(437,574)
Reconciliation of funds:							
Funds brought forward		3,069,833	895,488	3,965,321	3,325,099	1,077,796	4,402,895
Funds carried forward		3,348,871	1,005,147	4,354,018	3,069,833	895,488	3,965,321

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

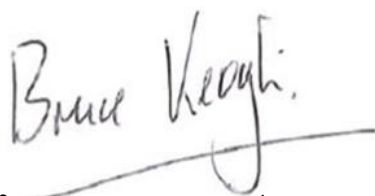
The Scar Free Foundation

Balance Sheet

For the year ended 31 March 2021

	Note	£	2021 £	2020 £
Fixed assets				
Tangible fixed assets	8		1,561	6,525
Investments	9		1,076,167	882,748
			<u>1,077,728</u>	<u>889,273</u>
Current assets				
Debtors	10	4,310		7,126
Short term deposits		3,567,447		2,940,698
Cash at bank and in hand		170,903		194,761
		<u>3,742,660</u>		<u>3,142,585</u>
Liabilities				
Creditors: amounts falling due within one year	11	466,370		66,537
			<u>3,276,290</u>	<u>3,076,048</u>
Net current assets				
			<u>4,354,018</u>	<u>3,965,321</u>
Net assets				
The funds of the charity:				
Restricted funds			3,348,871	3,069,833
Unrestricted funds				
Designated funds		239,047		169,047
General funds		766,100		726,441
			<u>1,005,147</u>	<u>895,488</u>
Total funds	13		<u>4,354,018</u>	<u>3,965,321</u>

Approved by the Trustees on 7 July 2021 and signed on their behalf by



Professor Sir Bruce Keogh

Company Registration Number 03831398 (England and Wales)

The Scar Free Foundation

Statement of Cash Flows

For the year ended 31 March 2021

	Note	2021 £	2020 £
Cash flow from operating activities:			
Net cash provided by operating activities	A	<u>555,232</u>	<u>116,842</u>
Cash inflow from investing activities:			
Dividends and interest from investments		53,259	53,714
Purchase of tangible fixed assets		-	(4,829)
Sale / (purchase) of investments		-	10,290
Net cash provided by (used in) investing activities		<u>53,259</u>	<u>59,175</u>
Change in cash and cash equivalents in the year		608,491	176,017
Cash and cash equivalents at 1 April 2020	B	3,135,459	2,959,442
Cash and cash equivalents at 31 March 2021	B	<u><u>3,743,950</u></u>	<u><u>3,135,459</u></u>

Notes to the statement of cash flows for the year to 31 March 2021

A Reconciliation of net movement in funds to net cash provided by operating activities

	2021 £	2020 £
Net movement in funds (as per the statement of financial activities)	388,697	(437,574)
Adjustments for:		
Depreciation charge	4,964	6,838
(Gains) losses on investments	(187,819)	45,707
Dividends and interest from investments	(53,259)	(53,714)
Decrease (increase) in debtors	2,816	718,246
Increase (decrease) in creditors	399,833	(162,661)
Net cash provided by operating activities	<u><u>555,232</u></u>	<u><u>116,842</u></u>

B Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	170,903	194,761
Notice deposits (3 - 12 months)	3,567,447	2,940,698
Total cash and cash equivalents	<u><u>3,738,350</u></u>	<u><u>3,135,459</u></u>

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2021

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

a) Basis of preparation

These accounts have been prepared for the year to 31 March 2021.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

The accounts are presented in sterling and are rounded to the nearest pound.

b) Critical accounting estimates and areas of judgement

Preparation of the accounts requires the Trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- the allocation of staff and support costs;
- estimating the useful economic life of tangible fixed assets.

c) Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

The Trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above.

With regard to the next accounting period, the year ending 31 March 2022, the Trustees have taken into consideration the impact of the COVID-19 pandemic on the charity and have concluded that although there may be some negative consequences and greater risk in relation to the fundraising for the charity's activities, the Trustees believe that the charity is a going concern on the basis detailed within the Trustees' report. The most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the Trustees' report for more information).

d) Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Voluntary income is received by the way of donations and gifts and is included in full in the Statement of Financial Activities when receivable. Intangible income and gifts in kind are not included unless they represent goods or services which would have otherwise been purchased, in which case they are valued and brought in as income and the appropriate expenditure.

Revenue grants are credited to the Statement of Financial Activities when received or receivable whichever is earlier, unless they relate to a specific period, in which case they are deferred.

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2021

1. Accounting policies (continued)

d) Income recognition (continued)

Where unconditional entitlement to grants receivable is dependent upon fulfilment of conditions within the Charity's control, the incoming resources are recognised when there is sufficient evidence that conditions will be met. Where there is uncertainty as to whether the Charity can meet such conditions the incoming resource is deferred.

Grants for the purchase of fixed assets are credited to restricted income when receivable. Depreciation of fixed assets purchased with such grants is charged against the restricted funds.

Interest on term deposits is recognised on an accruals basis, so that the appropriate proportion is included in each year's financial statements.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

e) Expenditure recognition

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

All expenditure is accounted for on an accruals basis. Expenditure includes attributable VAT that cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the costs of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, are apportioned between activities as described in note 4.

The costs of generating funds relate to the costs incurred by the charity in raising funds for the charitable work.

Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities.

Grants payable are charged to the Statement of Financial Activities in the year in which the offer is conveyed to the recipient, except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

Governance costs include the management of the charity's assets, organisational management and compliance with constitutional and statutory requirements.

f) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life. The depreciation rates in use are as follows:

Leaseold Improvements :	Over the life of the lease
Computer Equipment :	Three years
Office Furniture and Equipment :	Three years

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2021

1. Accounting policies (continued)

g) Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

h) Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

i) Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

j) Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the Statement of Financial Activities in the year in which they fall due.

k) Pension contributions

The charitable company makes contributions on behalf of its employees into their personal pension funds. The amounts charged in the Statement of Financial Activities represent the contributions payable to the funds in respect of the accounting period. Outstanding pension contributions at the year end are included in creditors.

l) Fixed asset investments

Listed 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 charity does not acquire put options, derivatives or other complex financial instruments.

Realised gains (or losses) on investment assets are calculated as the difference between disposal 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 at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

m) Fund structure

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure, which meets these criteria are charged to the fund together with a fair allocation of management and support costs.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Transfers are made from unrestricted funds to establish designated funds, which are in turn used to cover the cost of Research Projects. These designations are agreed annually by the Board of Trustees. Transfers are made from designated funds to restricted funds where restricted funding is not sufficient to cover a particular project, or if it is unclear as to how much will be required for a project. Transfers from restricted funds to unrestricted funds are made with the prior consent of the donor.

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2021

2a Donations and grants - unrestricted

	2021	2020
	£	£
The Chancellor using LIBOR Funds	205,907	189,950
PF Charitable Trust	40,000	50,000
Kavli Trust (UK)	20,000	20,000
Childwick Trust	20,000	-
EACTS Fellowship	15,000	30,000
Harry Hampson	10,000	10,000
Sandhu Charitable Foundation	10,000	-
Charles and Rowena Wilson	10,000	4,000
Richard and Anne Collier	5,000	5,000
The Atkin Charitable Foundation	5,000	5,000
The Lord Hemphill	5,000	-
The Dorus Trust	4,000	4,000
Angelica Kavoni & Lucan Ion	2,500	2,500
Nigel Mercer	1,200	1,300
Professor Jonathan Sandy	1,200	1,200
Professor Vivien Lees	1,000	1,000
The Thousandth Man Charity - Richard Burns Charitable Trust	1,000	500
The Worshipful Company of Tin Plate Workers alias Wire Workers	1,000	1,000
Nancy Moxon (Legacy)	-	42,919
Arbuthnot Banking Group PLC (Sir Henry Angest)	-	10,000
Hintze Family Charitable Foundation	-	5,000
Wyfold Charitable Trust	-	5,000
Dorothy Eades (Legacy)	-	4,268
Marco Compagnoni & Bruce Sansom	-	3,000
Karim Tabet and Alexia Ackermann	-	2,000
Professor Peter Dziewulski	-	200
Gift Aid Claims	7,993	3,268
Sundry Donations	7,905	8,364
Total	<u>373,705</u>	<u>409,469</u>

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2021

2b Donations and grants - restricted

	2021	2020
	£	£
The Chancellor using LIBOR Funds	850,344	668,355
CHEAR Foundation	300,000	300,000
The Garfield Weston Foundation	206,065	-
Health and Care Research Wales	50,000	50,000
Clare Duffield Foundation	43,611	-
The Worshipful Company of Tin Plate Workers alias Wire Workers	37,000	-
The Armed Forces Covenant Fund Trust	33,250	-
Edward Cadbury Charitable Trust	15,000	-
Lady Jenny Rose	5,600	-
Holbeck Charitable Trust	2,500	-
GJW Turner Trust	1,000	-
Eveson Charitable Trust		22,858
The Hobson Charity Ltd		8,000
Andrew Roberts		2,000
BBA		1,800
CFSGBI		1,200
BAPRAS		554
Total	<u>1,544,370</u>	<u>1,054,767</u>

3. Investment income

	Restricted	Unrestricted	2021	Restricted	Unrestricted	2020
	£	£	Total	£	£	Total
			£			£
Income from listed investments	-	21,175	21,175	-	21,768	21,768
Interest receivable	-	32,084	32,084	-	31,946	31,946
Total	<u>-</u>	<u>53,259</u>	<u>53,259</u>	<u>-</u>	<u>53,714</u>	<u>53,714</u>

4. Total expenditure 2021

	Costs of raising funds Unrestricted £	Research Grants Restricted £	Research Development Unrestricted £	Support Costs £	Governance £	2021 Total £
Staff Costs (Note 6)	129,679	-	125,974	114,859	-	370,512
Other Staff Costs	2,800	-	2,720	2,479	-	7,999
Rent	10,105	-	7,686	5,462	-	23,253
Computer and other office costs	19,511	-	14,840	10,546	-	44,897
Consultancy	2,837	-	2,158	1,533	-	6,528
Legal Fees	-	-	-	1,680	-	1,680
Audit and Accountancy Fees	-	-	-	-	15,821	15,821
Staff Travel	30	-	23	16	-	69
Trustees' Travel Expenses	-	-	-	-	-	-
Depreciation	2,158	-	1,641	1,166	-	4,965
Recruitment	382	-	291	207	-	880
Appeal Costs	37,154	-	-	-	-	37,154
Insurance	-	-	-	-	2,480	2,480
Research Programmes						
- Bristol Programme	-	67,515	-	-	-	67,515
- The Cleft Colletive	-	362,349	-	-	-	362,349
- Centre for Conflict Wound	-	460,127	-	-	-	460,127
- Regenerative Research	-	30,000	-	-	-	30,000
- BSSH	-	92,929	-	-	-	92,929
- UK Burns Research Network	-	252,412	-	-	-	252,412
Research Support costs	-	-	3,396	-	-	3,396
Total expenditure	204,656	1,265,332	158,729	137,948	18,301	1,784,966
Support Costs	78,352	-	59,596	(137,948)	-	-
Governance costs	10,395	-	7,906	-	(18,301)	-
2021 total expenditure	293,403	1,265,332	226,231	-	-	1,784,966

Support costs and governance costs have been allocated to each activity on the basis of staff time being 57% to costs of raising funds and 43% to research development.

4. Total expenditure 2020

	Costs of raising funds Unrestricted £	Research Grants Restricted £	Research Development Unrestricted £	Support Costs £	Governance £	2020 Total £
Staff Costs (Note 6)	128,617	-	124,942	113,918	-	367,477
Other Staff Costs	2,753	-	2,675	2,438	-	7,866
Rent	9,901	-	9,901	6,761	-	26,563
Computer and other office costs	20,811	-	20,811	14,212	-	55,834
Consultancy	4,342	-	4,342	2,965	-	11,649
Audit and Accountancy Fees	-	-	-	-	13,236	13,236
Staff Travel	937	-	937	640	-	2,514
Trustees' Travel Expenses	77	-	77	53	-	207
Depreciation	2,549	-	2,549	1,741	-	6,839
Recruitment	2,445	-	2,445	1,670	-	6,560
Appeal Costs	125,636	-	-	-	-	125,636
Insurance	-	-	-	-	2,344	2,344
Research Programmes						
- The Cleft Collective	-	339,573	-	-	-	339,573
- Centre for Conflict Wound	-	745,757	-	-	-	745,757
- BSSH	-	90,797	-	-	-	90,797
- UK Burns Research Network	-	84,646	-	-	-	84,646
- Support Projects	-	7,107	-	-	-	7,107
Research Support costs	-	-	15,212	-	-	15,212
Total expenditure	298,068	1,267,880	183,891	144,398	15,580	1,909,817
Support Costs	72,199	-	72,199	(144,398)	-	-
Governance costs	7,790	-	7,790	-	(15,580)	-
2020 total expenditure	378,057	1,267,880	263,880	-	-	1,909,817

Support costs and governance costs have been allocated to each activity on the basis of staff time being 50% to costs of raising funds and 50% to research development.

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2021

5. Net expenditure for the year before losses (gains) on investments

This is stated after charging:

	2021	2020
	£	£
Depreciation	4,964	6,839
Trustees' remuneration	Nil	Nil
Trustees' expenses	-	207
Auditors' remuneration:		
Audit	9,500	9,500
Operating lease rentals:		
Property	23,253	26,563

Trustees' expenses represent that no Trustees were reimbursed for travel costs (2020 : 2).

6. Staff costs and numbers

Staff costs were as follows:

	2021	2020
	£	£
Salaries and wages	299,238	297,552
Social security costs	33,690	31,260
Pension contributions	37,584	38,665

The number of employees whose emoluments exceed £60,000 are:

	2021	2020
£100,001 - £110,000	1	-
£110,001 - £120,000	-	1

Employer's pension contributions of £17,575 (2020:£17,512 to one employee) were made in respect of the highest paid employee.

The full-time equivalent of employees during the year was as follows:

	2021	2020
	No.	No.
Fundraising and Publicity	2.6	2.1
Research Development	2.0	2.1
Support & Governance Costs	1.4	1.4

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2021

6. Staff costs and numbers (continued)

The average number of employees (headcount) during the year was 6.0 (2020 - 5.6).

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the Trustees together with the Chief Executive, Company Secretary & Finance Manager. The total remuneration (including taxable benefits and employers pension contributions) of the key management personnel for the year was £196,134 (2020 - £264,682).

7. Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

8. Tangible fixed assets

	Computer equipment and furniture £	Total £
Cost		
At the start of the year	21,311	21,311
Additions in year	-	-
Disposals in year	(723)	(723)
At the end of the year	20,588	20,588
Depreciation		
At the start of the year	14,786	14,786
Charge for the year	4,964	4,964
Disposals in year	(723)	(723)
At the end of the year	19,027	19,027
Net book value		
At the end of the year	1,561	1,561
At the start of the year	6,525	6,525

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2021

9. Investments

	2021 £	2020 £
Market value at the start of the year	882,748	938,745
Transfers in	5,600	-
Additions at cost	5,626	-
Disposals (proceeds £5,626 : Realised Gain £13)	(5,613)	(10,290)
Unrealised gains / (losses)	187,806	(45,707)
	<u>182,193</u>	<u>(55,997)</u>
Add		
Market value at the end of the year	<u>1,076,167</u>	<u>882,748</u>
Cost at the year end	<u>747,342</u>	<u>741,751</u>
Investments comprise: Sarasin Alpha CIF for Endowments	1,076,167	882,748

10. Debtors

	2021 £	2020 £
Other debtors	2,000	2,000
Accrued income	-	-
Prepayments	2,310	5,126
	<u>4,310</u>	<u>7,126</u>

11. Creditors: amounts due within 1 year

	2021 £	2020 £
Accruals	451,370	66,537
Deferred Income	15,000	-
	<u>466,370</u>	<u>66,537</u>

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2021

12. Analysis of net assets between funds 2021

	Restricted funds £	Designated funds £	General funds £	2021 Total funds £
Tangible fixed assets	-	-	1,561	1,561
Investments	1,076,167	-	-	1,076,167
Net current assets	2,272,704	239,047	764,539	3,276,290
Net assets at the end of the year	3,348,871	239,047	766,100	4,354,018

Analysis of net assets between funds 2020

	Restricted funds £	Designated funds £	General funds £	2020 Total funds £
Tangible fixed assets	-	-	6,525	6,525
Investments	882,748	-	-	882,748
Net current assets	2,187,085	169,047	719,916	3,076,048
Net assets at the end of the year	3,069,833	169,047	726,441	3,965,321

The total unrealised gains at 31 March 2021 constitutes movements on revaluation and are as follows:

	2021 £	2020 £
Unrealised gains included above:		
On investments	328,825	140,997
Total unrealised gains at 31 March 2021	328,825	140,997

12. Reconciliation of movements in unrealised gains (losses)

Unrealised gains at 1 April 2020	140,997	186,704
Gain: in respect to disposals in the year	22	-
	141,019	186,704
Add: net gains (losses) arising on revaluation arising in the year	187,806	(45,707)
Total unrealised gains at 31 March 2021	328,825	140,997

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2021

13. Movements in funds 2021

	At the start of the year £	Income £	Expenditure £	Gains on investments & Transfers £	2021 At the end of the year £
Restricted funds:					
Bristol Programme	554,293	300,000	(67,515)		786,778
Scar Free Projects	750,000	50,000	-	(799,999)	1
The Cleft Collective	760,346	-	(362,349)	-	397,997
Centre for Conflict Wound Research	423,918	1,108,159	(460,127)		1,071,950
BSSH Clinical Academic Post	234,677	-	(92,929)	-	141,748
UK Burns Research Network	346,598	42,600	(252,412)	-	136,786
Regenerative Research	-	43,610.5	(30,000)	800,000	813,611
Student Elective Awards	1	-	-	(1)	-
Total restricted funds	3,069,833	1,544,370	(1,265,332)	-	3,348,871
Unrestricted funds:					
<i>Designated funds:</i>					
Centre for Conflict Wound Research	-	-	-	70,000	70,000
Scar Free Projects	114,849	-	-	-	114,849
Bristol Centre	54,198	-	-	-	54,198
<i>Total designated funds</i>	<i>169,047</i>	<i>-</i>	<i>-</i>	<i>70,000</i>	<i>239,047</i>
General funds	726,441	441,474	(519,634)	117,819	766,100
Total unrestricted funds	895,488	441,474	(519,634)	187,819	1,005,147
Total funds	3,965,321	1,985,844	(1,784,966)	187,819	4,354,018

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2021

13. Movements in funds 2020

	At the start of the year £	Income £	Expenditure £	Gains on investments & Transfers £	2020 At the end of the year £
Restricted funds:					
Scar Free Projects	700,000.00	50,000	-	-	750,000
The Cleft Collective	1,097,919.00	2,000	(339,573)	-	760,346
Centre for Conflict Wound	470,462.00	699,213	(745,757)	-	423,918
The Scar Free Centre	300,000.00	300,000	-	(45,707)	554,293
BSSH Clinical Academic Post	325,474.00	-	(90,797)	-	234,677
UK Burns Research Network	431,244.00	-	(84,646)	-	346,598
Student Elective Awards	-	3,554	(7,107)	3,554	1
Total restricted funds	3,325,099	1,054,767	(1,267,880)	(42,153)	3,069,833
<i>Unrestricted funds:</i>					
<i>Designated funds:</i>					
Medical Elective Awards	4,400	-	-	(4,400)	-
Scar Free Projects	317,311	-	-	(202,462)	114,849
Conflict Wound Centre	-	-	-	54,198	54,198
<i>Total designated funds</i>	<i>321,711</i>	<i>-</i>	<i>-</i>	<i>152,664</i>	<i>169,047</i>
General funds	756,085	463,183	(641,937)	149,110	726,441
Total unrestricted funds	1,077,796	463,183	(641,937)	(3,554)	895,488
Total funds	4,402,895	1,517,950	(1,909,817)	(45,707)	3,965,321

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2021

13. Movements in funds 2021

Research Projects

During the year, The Scar Free Foundation continued to pursue a number of key research themes. These have been funded as monies become available. The money may be restricted by the donor or where it is not, the Foundation will designate funds to particular projects.

Scar Free Projects

Transfer to Swansea University:

A total of £750,000 (of a £900,000 commitment) has been contributed by Health and Care Research Wales (Welsh Government) towards research to be undertaken in pursuit of the Scar Free Strategy at Swansea University. As the Project has now started, these funds have been transferred to show the introduction of the start of the new project.

Designation of Funds: The Foundation has a number of potential research projects towards the pursuit of scar free healing. Prior to funding projects under go rigorous evaluation from peer reviewers. Funding of up to £114,849 had been designated in 2020/21, however due to the Coronavirus pandemic funding of additional research was paused. It is hoped that funding new projects can resume in 2021/22 to continue to pursue the key research themes.

The Cleft Collective

Funds previously held for this major research programme have been contributed by various donors.

The Scar Free Foundation Centre for Conflict Wound Research

The Chancellor using LIBOR funds, has awarded a grant of £2,995,300 to the Foundation to support The Scar Free Foundation Centre for Conflict Wound Research. The grant will be paid in three annual instalments. The third and final instalment of £1,056,251 (£208,407 of which was unrestricted) was paid in June 2020. Additional funds have been received in 2020/21 from The Garfield Weston Foundation, The Armed Forces Covenant Fund, Edward Cadbury Trust and The Holbeck Charitable Trust.

Designation of Funds: All projects at The Scar free Foundation Centre for Conflict Wound Research at Birmingham University were impacted due to the coronavirus pandemic, including research staff and clinicians being sent to the front line, and social distancing measures slowing down development. The delayed progression of the project requires a £70,000 contingency fund to ensure the project is able to complete.

The Bristol Programme (formerly The Scar Free Centre)

A total of £900,000 (of a £1,500,000 commitment) has been donated by the CHEAR Foundation towards research to be undertaken in pursuit of the Scar Free Strategy.

Designation of funds: £54,198 is required to cover the cost of the full project.

The BSSH Clinical Academic Post in Hand Surgery Research managed by The Scar Free Foundation

The British Society for Surgery of the Hand contributed a total of £500,000 towards the costs of a major programme of hand surgery research at the University of Nottingham.

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2021

13. Movements in funds 2021 (continued)

The UK Burns Research Network supported by the VTCT Foundation (formerly Scar Free Healing Research)

Some £400,000 (of a £1,000,000 commitment) has been donated by the VTCT Foundation towards funding a Burns Research Network.

In addition, Health & Care Research Wales have contributed £20,000 for use towards The Safe-Tea, burn scald prevention Project. The Worshipful Company of Tin Plate Workers alias Wire Workers have donated £37,000 to the Safe-Tea project also.

The Scar Free Foundation Programme of Regenerative Research

A total of £800,000 (of a potential £950,000 commitment) has been donated by Health & Care Research Wales (Welsh Government). The funding is currently for a two year commitment, with the potential to be extended for a further year if funds allow. The Foundation will use its best endeavours to raise money for this important research, however if we don't have sufficient funds to further the development of the project then we will withdraw from the project and our commitments and obligations to run the project cease.

Unrealised Gains

Unrealised gains received from the Sarasin's Investment account in 2020/21 total £187,806. As of 7 July 2021 the full amount has been transferred to unrestricted, due to the uncertainty in both the worlds stock markets and of raising unrestricted funds in 2021/22.

14. Operating lease commitments

The charity had future minimum commitments at 7 July 2021 under operating leases expiring as follows:

	2021 £	2020 £
Payments which fall:		
Within one year	37,968	17,414
Within one to two years	36,590	-
Within two to five years	112,818	-
	<u>187,376</u>	<u>17,414</u>

15. Related party transactions

During the year the charity received donations from Trustees totalling £5,000 (2020 - £5,000). In addition £300,000 (2020 - £300,000) was received from a Foundation of which a Trustee is also a Trustee.