

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 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. 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 Naïem Moïemen, 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 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

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.

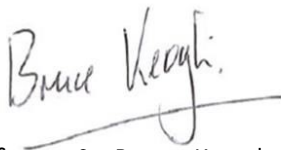
The Trustees

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 dark ink, appearing to read 'Bruce Keogh', with a long horizontal stroke extending from the end of the signature.

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, appearing to read 'Katharine Patel'.

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	4						
Costs of raising funds		-	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		<u>412,665</u>		<u>170,903</u>
		3,165,155		3,742,660
Liabilities				
Creditors: amounts falling due within one year	11	<u>(465,456)</u>		<u>(466,370)</u>
Net current assets			<u>2,699,699</u>	<u>3,276,290</u>
Net assets	12		<u><u>3,603,270</u></u>	<u><u>4,354,018</u></u>
The funds of the charity:				
Restricted funds			2,764,473	3,348,871
Unrestricted funds				
Designated funds		186,199		239,047
General funds		<u>652,598</u>		<u>766,100</u>
			<u>838,797</u>	<u>1,005,147</u>
Total funds	13		<u><u>3,603,270</u></u>	<u><u>4,354,018</u></u>

Approved by the Trustees on 25 July 2022 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 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>3,164,071</u>	<u>3,738,350</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>(818,999)</u>	<u>549,632</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>3,164,071</u>	<u>3,738,350</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 Moiemen	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

	Restricted £	Unrestricted £	2022 Total £	Restricted £	Unrestricted £	2021 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 Collective	-	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
	345,176	370,512

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 No.	2021 No.
Fundraising and Publicity	2.1	2.6
Research Development	1.3	2.0
Support & Governance Costs	1.1	1.4
	4.5	6.0

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	20,965	20,965
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	18,751	18,751
Net book value		
At the end of the year	2,214	2,214
At the start of the year	1,561	1,561

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
	(196,143)	182,193
Add		
Market value at the end of the year	901,357	1,076,167
Cost at the year end	616,152	747,342
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
	1,084	4,310

11. Creditors: amounts due within 1 year

	2022 £	2021 £
Accruals	465,456	451,370
Deferred Income	-	15,000
	465,456	466,370

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	<u>2,764,473</u>	<u>186,199</u>	<u>652,598</u>	<u>3,603,270</u>

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	<u>3,348,871</u>	<u>239,047</u>	<u>766,100</u>	<u>4,354,018</u>

The total unrealised gains at 31 March 2022 constitutes movements on revaluation and are as follows:

	2022 £	2021 £
Unrealised gains included above:		
On investments	<u>285,205</u>	<u>328,825</u>
Total unrealised gains at 31 March 2022	<u>285,205</u>	<u>328,825</u>

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	<u>(62,252)</u>	<u>22</u>
	266,573	141,019
Add: net gains (losses) arising on revaluation arising in the year	<u>18,632</u>	<u>187,806</u>
Total unrealised gains at 31 March 2022	<u>285,205</u>	<u>328,825</u>

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.