

THE VTCT FOUNDATION

England & Wales · Charity number 1155360

Details

Other names	VTCT FOUNDATION
Status	Registered
Legal form	Charitable company
Company number	08720416
Registered	2014-01-16
Register	View on the Charity Commission register

Contact

Address	55 Canberra Road London SE7 8PF
Phone	07974837074
Email	companysecretary@vtctfoundation.org.uk
Website	www.vtctfoundation.org.uk

Activities

Objects: THE CHARITY'S OBJECTS ('OBJECTS') ARE SPECIFICALLY RESTRICTED TO THE FOLLOWING:THE COMPANY'S OBJECTS ARE FOR THE PUBLIC BENEFIT (1) THE ADVANCEMENT OF EDUCATION, RESEARCH AND THE PUBLIC DISSEMINATION OF KNOWLEDGE IN:A) THE ART AND TECHNOLOGY OF HEALTH AND BEAUTY THERAPY;B) THE SKILLS AND KNOWLEDGE REQUIRED FOR OTHER VOCATIONAL EMPLOYMENTS INCLUDING THOSE IN THE WELL-BEING, PUBLIC AND SERVICE INDUSTRIES;C) THE IMPACT AND TREATMENT OF PHYSICAL DISFIGUREMENT AND ALL KINDRED ARTS AND SCIENCES,(2) THE RELIEF OF SICKNESS OR POOR HEALTH CAUSED BY PHYSICAL DISFIGUREMENT AND THE ASSISTANCE OF THOSE WITH PHYSICAL DISFIGUREMENTS, AND THEIR FAMILIES AND CARERS, TO OVERCOME ANY SOCIAL, PHYSICAL, PSYCHOLOGICAL, EMOTIONAL OR OTHER DISADVANTAGE.

Activities: Grant making in fields of vocational education, especially Hair and Beauty sectors, and research into and relief of disfigurement.

Classification

- **How:** Makes Grants To Organisations
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Disability
- **Who:** Children/young People, People With Disabilities, Other Charities Or Voluntary Bodies

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£110,698	£698,123	-	-
2024-07-31	£115,088	£1,018,410	-	-
2023-07-31	£348,058	£366,397	-	-
2022-07-31	£52,905	£1,378,206	-	-
2021-07-31	£90,213	£796,448	-	-

Trustees

Name	Role	Appointed
Angela Maria CROSS-DURRANT		2022-06-30
Anthony Lau Walker CBE		2016-01-25
Associate Professor Stephen Robert Felix Twigg		2023-12-19
Jonathan Michael Pleat		2023-12-19
Prof Nichola Jane Rumsey OBE		2018-04-19
ROSANNA PRESTON		2013-11-20

THE VTCT FOUNDATION

England & Wales - Charity number 1155360

Accounts

Company number: 8720416
Charity Number: 1155360

The VTCT Foundation

Report and financial statements
For the year ended 31 July 2025



The VTCT Foundation

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Reference and administrative information

For the year ended 31 July 2025

Company number 8720416
Country of incorporation United Kingdom

Charity number 1155360
Country of registration England & Wales

**Registered office
and operational
address** Aspire House
Annealing Close
Eastleigh
SO50 9PX

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:

Rosanna Preston
Tony Lau Walker Chair
Prof Nichola Rumsey
Angela Cross-Durrant
Jonathon Pleat
Prof Stephen Twigg

Bankers CAF Bank Ltd
25 Kings Hill Avenue
West Malling
Kent
ME19 4JQ

**Investment managers
and custodians** LGT Wealth Management UK LLP (for CAF)
Fourteen Cornhill
LONDON
EC3V 3NR

**Independent
Examiner** Jonathan Coyle FCA DChA
Sayer Vincent LLP
Chartered Accountants
110 Golden Lane
LONDON
EC1Y 0TG

The trustees present their report and the financial statements for the year ended 31 July 2025. Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102. This trustees' annual report includes a directors' report as required by company law.

Objectives and activities

Purposes and aims

The activities of the charity are grant making in the fields of vocational education, especially hair and beauty sectors, and research into the relief of disfigurement.

The charity's vision is: Supporting a better future for people with disfigurement.

The purposes of the charity are:

- 1) The advancement of education, research and public dissemination of knowledge in:
 - a. the art and technology of Health and Beauty Therapy
 - b. the skills and knowledge required for other vocational employments including those in the well-being, public and service industries
 - c. the impact and treatment of physical disfigurement and all kindred arts and sciences
- 2) the relief of sickness or poor health caused by physical disfigurement and the assistance of those with physical disfigurements, their families and carers to overcome any social, physical, psychological, emotional or other disadvantage.

The strategies employed to achieve the charity's aims and objectives are to:

- 1) partner with well managed charities and research institutions
- 2) support projects where match funding is available through grant making and consultancy
- 3) Award a mix of small and large grants to support both major long-term projects and smaller pilot projects
- 4) keep the charity's running costs to a minimum
- 5) disburse the funds over a fixed time period and not to fundraise for further funds
- 6) only fund projects carried out by UK based charities working in the UK.

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remain focused on its stated purposes.

The VTCT Foundation

Trustees' annual report

For the year ended 31 July 2025

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

Achievements and performance

The charity's main activities and beneficiaries are described below. All its charitable activities focus on grant making and are undertaken to further The VTCT Foundation's charitable purposes for the public benefit.

The charity has identified that it is important that it is familiar with the needs and activities of organisations working in the field of visible difference. Therefore, the charity is funding the Appearance Collective. The Appearance Collective – an informal network – brings together researchers, clinicians and representatives of charities working with visible difference to attend conferences and workshops on topics such as fundraising, research and interventions. The aim of the Collective's strategy is to reduce duplication, encourage collaboration, and to enable all those working in the visible difference arena to stay up to date with research and projects. A secondary objective is to help charities, many of which are small, to achieve long-term sustainability and to encourage a unified voice on issues connected with visible difference.

The trustees raise awareness of the charity and its work through the charity's website www.vtctfoundation.org.uk, membership of the Appearance Collective, and attendance and organisation of workshops and conferences.

Grant Making Portfolio

The trustees have agreed a portfolio of grants covering a spectrum from patient support to medical and psychological research. Applications are received via the Foundation website or through direct contact with patient organisations, clinicians, and researchers. Each application is assessed against the Foundation's grant making criteria and applicants are supported to make the best possible application by a part-time Grant Applications Manager.

EDI Funding

In July 2023 the VTCT Foundation launched its new Equality, Diversity and Inclusion (EDI) funding stream. Recognising how EDI is fundamental to the work of visible difference organisations, the scheme aimed to help them create practices that help embed EDI into their overall strategy and reach.

EDI grants made are included within the grants discussed below.

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Trustees' annual report

For the year ended 31 July 2025

The VTCT Foundation Career Development Program

One award was made during this accounting period to **Bieke Kreps** who will work with the Centre for Appearance Research at the University of the West of England.

Main Grant Programme

This is for grants over £25,000. Research and charitable organisations are encouraged to submit an expression of interest, which is reviewed by the grant manager and if suitable referred to the trustees for discussion. Where appropriate this is may then be developed into a full application. During the year to 31 July 2025 new grants awarded included the following organisations:

- Changing Faces £94,439 Changing Faces Campaign Plan Year 2
- CAR (Kerry Montgomery) £100,880 Developing Resources for professionals/families on reproductive decision-making (2 years)
- Vitiligo Society £93,198 'Supporting the Vitiligo Journey' –2 year project
- REACH £78,381 Reach 18–25 Project – Retreat and Mentorship programme – 3 year project
- University of Wales Trinity St David/Ceri Phelps £72,889 Walking in Our Shoes
- Blesma £30,000 Storytelling and Wellbeing Workshops

In total six larger grants totalling £469,787 were awarded during the year to 31 July 2025

Small Grants Programme

The Small Grants Programme launched in 2018 to give easier access to small charities to grants of up to £25,000. The funds are to support charities working in the visible difference field, to enable them to achieve a step change and build their capacity and impact.

During the year to 31 July 2025, seven grants totalling £102,842 were made to seven organisations (2024: £112,535 for five grants/five organisations) under the small grant programme. In addition, two small awards were made to enable individuals to publish or carry out career development research and training.

The full list of grants awarded under all programmes is given in note 4 to the financial statements.

Maximising Impact, Lasting Legacy

As the Foundation enters its final planned years of operation, the Trustees have invested time and a small amount of funding to develop a Legacy Programme to maximise the impact and reach of our remaining funding for the visible difference sector. In order to develop this programme based on real need, two trustees, together with the Grants Manager, carried out a series of interviews with members of the Appearance Collective charities and identified common priority areas where support would be of greatest value. These priorities have been discussed with the Appearance Collective members in order to co-produce a legacy programme.

The objectives of our Legacy Programme are:

1. To strengthen the effectiveness, reach and sustainability of organisations working in the visible difference sector, and
2. To pave the way for the Appearance Collective to become self-sustaining and have a stronger collective voice.

The following elements are proposed:

1. Online 'hub'

Supporting Appearance Collective charities to provide more joined-up online information that avoids duplication and hosts good quality evidence-based information.

2. EDI

Set up a working group to explore, develop and roll out evidence-based approaches to help increase the reach of Appearance Collective charities in underserved and under-represented communities.

3. An event

Working with Appearance Collective charities to put on an event open to all charities/children/young people with visible differences and their families.

4. Capacity building for members of the Appearance Collective

Providing a programme of support (workshops and consultancy), coordinated centrally by the VTCT Foundation Coordinator to promote effectiveness and sustainability for Appearance Collective charities.

5. Supporting the next generation of researchers in visible difference

Promoting a final round of Career Development Awards, to fund individuals to further their careers in research relating to visible difference, through carrying out a PhD or Post-doc fellowship.

Financial review

The only income received by the charity is bank interest and investment income. The charity does not actively raise funds from other sources.

Total expenditure during the year was £698,123 (2024: £1.018m). This is after accounting for the return of £4,156 (2024: £22,032) relating to unused grant funding paid out in previous years. Expenditure, before accounting for the write-back, was £702k of which £665k (95%) related to grant-making (2024: Total £1.04m of which £1.013m (97%) related to grant-making). The Trustees agreed £9,144 expenditure on the legacy project to ensure the remaining funds of the charity are spent appropriately.

The decrease in grant expenditure in 2025 when compared with 2024 is a partly due to two Career Development Programme awards due to be made in 2023 not being finalised until the start of 2024. Additionally, the level of grant making is dependent on the suitability of applications received and several significant grants, some covering more than one year have been made this year.

Where grants cross a number of years, they have been discounted within the financial statements in accordance with FRS 102.

Reserves policy and going concern

The charity was formed through a grant from the Vocational Training Charitable Trust of £8.58 million in 2015. At the outset the trustees envisaged utilising these funds over approximately 10 years to pursue the charity's objects and as such, expected that the reserves available would reduce as the charity continues grant making. Although the charity has now existed for 10 years due to investment gains and levels of grant making to date at 31 July 2025 the charity still had unrestricted reserves of just over £2.9 million (2024 £3.4m). Of this £131,846 is held in the designated fund the trustees have earmarked for the Career Development Programme.

The charity has minimal fixed operating costs and the trustees believe there are sufficient reserves available for the charity's foreseeable future operational activity. Due to the level of reserves held and on-going commitments to multi-year grants the trustees expect the charity to exist for at least another three years but have started to plan for the later stages of the charity's lifespan and potential legacy. These plans take account of the financial projections for at least the next three years and are kept under review at each Board meeting. The trustees are also looking at the risk profile of the investments as the needs of the charity change with a view to moving from medium risk equities to lower risk cash based investments.

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 7 October 2013, and registered as a charity on 16 January 2014.

The company was established under a memorandum of association and is governed under its articles of association which state the objects and powers of the charitable company. All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 5 to the accounts.

Appointment of trustees

Trustees are appointed by application and interview. The charity has identified the skills mix needed for the Board and invited a range of applicants with relevant skills to apply. Applicants are interviewed by current board members and given an induction on the work of the charity and the role of a trustee.

Related parties and relationships with other organisations

The charity has no subsidiary entities.

As previously stated, the Centre for Appearance Research works closely with the Appearance Collective as part of the project funded by the VTCT Foundation. Prior to joining the Board of the Foundation Prof. Nichola Rumsey retired as Professor at the Centre for Appearance Research ('CAR') at the University of the West of England. She remains Professor Emerita.

Statement of responsibilities of the trustees

The trustees (who are also directors of The VTCT Foundation for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and 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 the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements

The VTCT Foundation

Trustees' annual report

For the year ended 31 July 2025

- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that 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 financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 July 2025 was 6 (2024:8). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on 9 December 2025 and signed on their behalf by

Tony Lau Walker
Chair of trustees

Independent examiner's report

To the trustees of

The VTCT Foundation

I report to the charity trustees on my examination of the accounts of the VTCT Foundation for the year ended 31 July 2025.

This report is made solely to the trustees as a body, in accordance with the Charities Act 2011. My examination has been undertaken so that I might state to the trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the trustees as a body, for my examination, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the trustees of the charity (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act'). Having satisfied myself that the accounts of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the accounts. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently, I express no opinion as to whether the accounts present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 Accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
- 2 The accounts do not accord with those records; or
- 3 The accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- 4 The accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities.

Independent examiner's report

To the trustees of

The VTCT Foundation

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Jonathan Coyle FCA DChA
Sayer Vincent LLP, 110 Golden Lane, London, EC1Y 0TG
Date: 11 December 2025

The VTCT Foundation

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 July 2025

	Note	2025 £	2024 £
Income from:			
Investments	2	110,698	115,088
Total income		110,698	115,088
Expenditure on:			
Charitable activities			
Grant Making	3	698,123	1,018,410
Total expenditure		698,123	1,018,410
Net (expenditure) before net gains on investments		(587,425)	(903,322)
Net gains on investments	8	102,231	317,279
Net expenditure for the year and net movement in funds	5	(485,194)	(586,043)
Reconciliation of funds:			
Total funds brought forward		3,404,936	3,990,979
Total funds carried forward		2,919,742	3,404,936

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

The VTCT Foundation

Balance sheet

Company no. 8720416

As at 31 July 2025

	Note	£	2025 £	£	2024 £
Fixed assets:					
Investments	8		<u>3,710,870</u>		<u>4,354,785</u>
			3,710,870		4,354,785
Current assets:					
Cash at bank and in hand		<u>165,361</u>		<u>342,999</u>	
		165,361		342,999	
Liabilities:					
Creditors: amounts falling due within one year	9	<u>(883,640)</u>		<u>(816,531)</u>	
Net current (liabilities)			(718,279)		(473,532)
Total assets less current liabilities			2,992,591		3,881,253
Creditors: amounts falling due after one year	10		<u>(72,849)</u>		<u>(476,317)</u>
Total net assets			2,919,742		3,404,936
The funds of the charity:	14a				
Unrestricted income funds:					
Fair value reserve		215,987		139,184	
Designated funds		222,992		256,368	
General funds		<u>2,480,763</u>		<u>3,009,384</u>	
Total unrestricted funds			2,919,742		3,404,936
Total charity funds			2,919,742		3,404,936

The opinion of the trustees is that for the year ended 31 July 2025 the company was entitled to the exemptions conferred by Section 477 of the Companies Act 2006 relating to small companies.

The trustees acknowledge the following responsibilities:

- (i) The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476
- (ii) The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 9 December 2025 and signed on their behalf by

Tony Lau Walker
Chair of Trustees

The VTCT Foundation

Statement of cash flows

For the year ended 31 July 2025

	Note	2025 £	£	2024 £	£
Cash flows from operating activities					
Net cash (used in) operating activities			(1,034,482)		(674,969)
Cash flows from investing activities:					
Interest and dividends from investments		110,698		115,088	
Purchase of investments		(106,246)		(308,669)	
Proceeds from sale of investments		852,392		810,900	
Net cash provided by investing activities			856,844		617,319
Change in cash and cash equivalents in the year			(177,638)		(57,650)
Cash and cash equivalents at the beginning of the year			342,999		400,649
Cash and cash equivalents at the end of the year			165,361		342,999

Reconciliation of net (expenditure) to net cash flow from operating activities

	2025 £	2024 £
Net (expenditure) for the reporting period (as per the statement of financial activities)	(485,194)	(586,043)
(Gains) on investments	(102,231)	(317,279)
Dividends and interest from investments	(110,698)	(115,088)
(Decrease)/increase in creditors	(336,359)	343,441
Net cash (used in) operating activities	(1,034,482)	(674,969)

1 Accounting policies

a) Statutory information

The VTCT Foundation is a charitable company limited by guarantee and is incorporated in England. The registered office address is Aspire House, Annealing Close, Eastleigh, SO50 9PX.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Although the balance sheet shows net current liabilities, investments are drawn down when they are needed to pay grant and other commitments as they fall due. Total assets available to be used by the Foundation are more than four times the total liabilities.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

f) Investment income

Investment income is included in the statement of financial activities when receivable.

g) Fund accounting

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.

1 Accounting policies (continued)

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure on charitable activities includes the costs of grant making undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Grants payable and refunded

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Where grant commitments are made for periods due in more than one year, these are discounted to their present value, based on a rate in line with the expected rate of return on investments.

Grants repaid by recipients who have been unable to use the funds as given are accounted for on the earlier of receipt of the repayment or when the charity has confirmed that repayment will be made. The repayment is shown as a reduction in the overall expenditure on grants in the year it is accounted for in note 4. Any repayments due but not received by the year end are also shown as debtors.

j) Allocation of support and costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

As the sole activity of the charity is grant making, support and governance costs are both allocated in full to the grant making activity.

k) Listed investments

Investments 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. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

l) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1 Accounting policies (continued)

m) Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

n) Financial instruments

The charity has both basic and non-basic financial assets and financial liabilities. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value using the effective interest method. Non-basic financial instruments are measured at fair value with any gain or loss going to the statement of financial activities. Full details are given in the financial instruments note.

The VTCT Foundation

Notes to the financial statements

For the year ended 31 July 2025

2 Income from investments

	2025 Total £	2024 Total £
Bank deposits	4,358	3,415
Investment income	106,340	111,673
	<u>110,698</u>	<u>115,088</u>

All income from investments is unrestricted

3 Analysis of expenditure

a. Current year	Grant making £	Governance costs £	Support costs £	2025 £	2024 £
Grants payable (note 4)	610,636	-	-	610,636	955,859
Grants repaid/Write back unused grants*	(4,156)	-	-	(4,156)	(22,032)
Discounts unwound	26,139	-	-	26,139	24,672
Legacy project fees and expenses	-	9,144	-	9,144	-
Workshops and showcase	6,960	-	-	6,960	11,531
Insurance	-	-	1,335	1,335	1,269
Independent examination fees	-	3,500	-	3,500	3,000
Other professional fees	21,000	1,750	17,437	40,187	39,041
Board meeting costs	-	120	-	120	376
Trustee expenses	-	1,541	-	1,541	1,255
Other costs	-	34	2,683	2,717	3,439
	<u>660,579</u>	<u>16,089</u>	<u>21,455</u>	<u>698,123</u>	<u>1,018,410</u>
Support costs	21,455	-	(21,455)	-	-
Governance costs	16,089	(16,089)	-	-	-
Total expenditure	<u>698,123</u>	<u>-</u>	<u>-</u>	<u>698,123</u>	<u>1,018,410</u>

* Grant write-backs represent grant underspends, released or repaid by recipient. In 2025 £2,963 was repaid and £1,193 released in relation to an underspend on a UWE/CAR grant. (2024: repayments were made by Headlines for £7,735 and £14,297 by the Cleft Collective)

b. prior year	Grant making	Governance costs	Support costs	2024
Grants payable (note 4)	955,859	-	-	955,859
Write back unused grants*	(22,032)	-	-	(22,032)
Discounts unwound	24,672	-	-	24,672
Workshops and showcase	11,531	-	-	11,531
Insurance	-	-	1,269	1,269
Independent examination fees	-	3,000	-	3,000
Other professional fees	19,374	1,750	17,917	39,041
Board meeting costs	-	376	-	376
Trustee expenses	-	1,255	-	1,255
Other costs	1,696	-	1,743	3,439
	<u>991,100</u>	<u>6,381</u>	<u>20,929</u>	<u>1,018,410</u>
Support costs	20,929	-	(20,929)	-
Governance costs	6,381	(6,381)	-	-
Total expenditure	<u>1,018,410</u>	<u>-</u>	<u>-</u>	<u>1,018,410</u>

The VTCT Foundation

Notes to the financial statements

For the year ended 31 July 2025

4 Grants payable

	Main grant £	Small grants £	Total commitment £	Effect of discounting £	2025 £	2024 £
Career Development Programme						
UWE/Centre for Appearance Research	33,376	-	33,376	-	33,376	96,876
Staffordshire University	-	-	-	-	-	68,429
Other grants						
UWE/Centre for Appearance Research (2025: 1, 2024: 2 grants)	100,880	-	100,880	(2,402)	98,478	195,371
Changing Faces	94,439	-	94,439	-	94,439	99,712
Vitiligo Society	93,198	-	93,198	-	93,198	-
Reach	78,381	-	78,381	(1,241)	77,140	-
University of Wales	72,889	-	72,889	-	72,889	-
BLESMA	30,000	-	30,000	-	30,000	-
GOPI3KS	-	24,870	24,870	-	24,870	-
Tuberous Sclerosis Association	-	24,200	24,200	-	24,200	-
Caring Matters Now	-	15,399	15,399	-	15,399	-
Alopecia UK	-	13,000	13,000	-	13,000	-
Ectodermal Dysplasia Society	-	10,000	10,000	-	10,000	-
Eczema Outreach Support	-	9,073	9,073	-	9,073	-
Facial Palsy UK	-	6,300	6,300	-	6,300	-
Cheryl Somani	-	5,544	5,544	-	5,544	-
University of Bristol	-	1,750	1,750	-	1,750	-
Action Medical Research for Children	-	-	-	-	-	124,512
Debra	-	-	-	-	-	108,000
Lipoedema UK (2024: 2 grants)	-	-	-	-	-	104,910
CLAPA	-	-	-	-	-	39,800
FACE Equality International	-	-	-	-	-	32,000
* Headlines (2024:2 grants)	-	-	-	-	-	26,171
* MACS	-	-	-	-	-	25,000
* Child Accident Prevention Trust	-	-	-	-	-	24,990
Travel bursaries and (2024) Appearance	-	-	-	-	-	-
* Matters 10 sponsorship	-	730	730	-	730	8,963
Donation to RAF Benevolent fund	-	250	250	-	250	-
* The Appearance Collective	-	-	-	-	-	1,125
Write back unused grants (see note 3 *)	(4,156)	-	(4,156)	-	(4,156)	(22,032)
	<u>499,007</u>	<u>111,116</u>	<u>610,123</u>	<u>(3,643)</u>	<u>606,480</u>	<u>933,827</u>
2024 Total	<u>817,501</u>	<u>122,623</u>	<u>940,124</u>	<u>(6,297)</u>	<u>933,827</u>	<u>933,827</u>

Where grants payments are due in more than one year, these are discounted back to present value in line with the charity's accounting policies.

In 2024 all grants under £30,000 (marked *) were from the small grants programme, plus £15,000 to Lipoedema UK and £21,374 to UWE/CAR included within their grant totals. Discounting in 2024 related to the two CDP awards and the other large grant to UWE.

5 Net (expenditure) for the year

This is stated after charging:

	2025 £	2024 £
Independent examiner's fees (excluding VAT)	3,000	2,500

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

No staff were employed by the charity in either accounting period. The trustees are the key management personnel of the charity. The charity trustees were not paid or received any other benefits from employment with the charity in the year (2024: £none). Two charity trustees received payment for professional or other services supplied to the charity (2024: £none) as described in note 6.

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £1,541 (2024: £1,255) incurred by three trustees (2024:3) relating to attendance at meetings of the trustees and other meetings related to the work of the Foundation. In addition two trustees claimed a total of £394 travel expenses related to their work on the legacy project. These costs are included within the total costs of the legacy project work in note 3.

7 Related party transactions

Prior to joining the Board of the Foundation Prof. Nichola Rumsey retired as Professor at the Centre for Appearance Research ('CAR') at the University of the West of England. She remains Professor Emerita.

Following a rigorous application process and unanimous agreement by all trustees (excluding Professor Rumsey) a new £1m grant for 4 years funding was awarded in June 2022. Annual tranches of £250,000 were paid in 22/23, 23/24 and 24/25. The last tranche will be paid in 25/26.

One new career development grant and two main grants based at CAR were awarded in 24/25 by unanimous trustee approval (23/24: one main grant, one CDP award). Payments to CAR whether in respect of new grants or existing multi-year grants require approval by all the other trustees rather than a simple majority.

In 2025 Rosanna Preston and Prof. Nichola Rumsey were commissioned by the Board to provide consultancy work on the legacy project undertaken during the year. This and the overall project was agreed in advance by all other trustees to be in the best interests of the charity on the basis that the individuals had the unique skills and knowledge of the VTCT Foundation, the Appearance Collective charities and the Visible Difference sector to be able to complete the work. Payment was made at the same daily rate as the grant manager, and invoices were reviewed by the grant manager and Chair prior to payment. In total £6,650 plus £394 expenses was paid to the two trustees. (2024: £None)

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

8 Taxation

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

9 Investments

	2025 £	2024 £
Fair value at the start of the year	4,354,785	4,539,737
Additions at cost	106,246	308,669
Disposal proceeds	(852,392)	(810,900)
Net gain on change in fair value	102,231	317,279
Fair value at the end of the year	<u>3,710,870</u>	<u>4,354,785</u>
Investments comprise:		
	2025 £	2024 £
UK Common investment funds	3,710,599	4,153,922
Cash held as part of portfolio	271	200,863
	<u>3,710,870</u>	<u>4,354,785</u>

The VTCT Foundation

Notes to the financial statements

For the year ended 31 July 2025

10 Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	13,010	2,774
Grants payable	866,234	810,623
Accruals	4,396	3,134
	883,640	816,531

11 Creditors: amounts falling due after one year

	2025 £	2024 £
Grants payable	72,849	476,317

12 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.

13a Analysis of net assets between funds (current year)

	General £	Designated £	Fair value £	Total funds £
Investments	3,271,891	222,992	215,987	3,710,870
Net current liabilities	(718,279)	-	-	(718,279)
Long term liabilities	(72,849)	-	-	(72,849)
Net assets at the end of the year	2,480,763	222,992	215,987	2,919,742

13b Analysis of net assets between funds (prior year)

	General £	Designated £	Fair value £	Total funds £
Investments	3,959,233	256,368	139,184	4,354,785
Net current liabilities	(473,532)	-	-	(473,532)
Long term liabilities	(476,317)	-	-	(476,317)
Net assets at the end of the year	3,009,384	256,368	139,184	3,404,936

The VTCT Foundation

Notes to the financial statements

For the year ended 31 July 2025

14a Movements in funds (current year)

	At 1 August 2024 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 July 2025 £
Fair value reserve	139,184	102,231	-	(25,428)	215,987
Designated fund – Career Development Programme	256,368	-	(33,376)	-	222,992
General funds	3,009,384	110,698	(664,747)	25,428	2,480,763
Total unrestricted funds	3,404,936	212,929	(698,123)	-	2,919,742

Fair value reserve

The fair value reserve represents the difference between the current fair value of the investments and their historic (book) cost. The trustees choose to show this separately from the general funds to reduce the impact of investment volatility on funds available for grant making.

Purpose of designated fund

The trustees established a Fellowship programme in 2021 to support suitable Fellowships and PhD scholars. An initial £1m was set aside to support this to be reviewed on an annual basis subject to levels of interest and suitability of applicants. The fund was renamed in 2022 when the 'Career Development Programme' launched. Details of the awards made in this and the previous year are in note 4.

The amount charged to the fund as expenditure represents the total grant commitment made in the financial year the award is made before discounting, so that the remaining fund balance represents funds available for future awards. Any discount is unwound in future accounting periods against general funds.

14b Movements in funds (prior year)

	At 1 August 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 July 2024 £
Fair value reserve	488,665	-	317,279	(666,760)	139,184
Designated fund – Career Development Programme	423,540	-	(167,172)	-	256,368
General funds	3,078,774	115,088	(851,238)	666,760	3,009,384
Total unrestricted funds	3,990,979	115,088	(701,131)	-	3,404,936

THE VTCT FOUNDATION

England & Wales - Charity number 1155360

Accounts

Company number: 8720416

Charity Number: 1155360

The VTCT Foundation

Report and financial statements
For the year ended 31 July 2024



The VTCT Foundation

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The VTCT Foundation

Reference and administrative information

For the year ended 31 July 2024

Company number 8720416
Country of incorporation United Kingdom

Charity number 1155360
Country of registration England & Wales

Registered office and operational address
Aspire House
Annealing Close
Eastleigh
SO50 9PX

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:

Rosanna Preston	
Tony Lau Walker	Chair
Prof Nichola Rumsey	
Prof Naiem Moiemem	(resigned 22 September 2023)
Dr Wendy Edwards	(resigned 22 September 2023)
Angela Cross-Durrant	
Mr Jon Pleat	(appointed 19 December 2023)
Prof Stephen Twigg	(appointed 19 December 2023)

Bankers
CAF Bank Ltd
25 Kings Hill Avenue
West Malling
Kent
ME19 4JQ

Investment managers and custodians
LGT Wealth Management UK LLP (for CAF)
Fourteen Cornhill
LONDON
EC3V 3NR

Independent Examiner
Fleur Holden FCA
Sayer Vincent LLP
Chartered Accountants
110 Golden Lane
LONDON
EC1Y 0TG

The trustees present their report and the financial statements for the year ended 31 July 2024. Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102. This trustees' annual report includes a directors' report as required by company law.

Objectives and activities

Purposes and aims

The activities of the charity are grant making in the fields of vocational education, especially hair and beauty sectors, and research into the relief of disfigurement.

The charity's vision is: Supporting a better future for people with disfigurement.

The purposes of the charity are:

- 1) The advancement of education, research and public dissemination of knowledge in:
 - a. the art and technology of Health and Beauty Therapy
 - b. the skills and knowledge required for other vocational employments including those in the well-being, public and service industries
 - c. the impact and treatment of physical disfigurement and all kindred arts and sciences
- 2) the relief of sickness or poor health caused by physical disfigurement and the assistance of those with physical disfigurements, their families and carers to overcome any social, physical, psychological, emotional or other disadvantage.

The strategies employed to achieve the charity's aims and objectives are to:

- 1) partner with well managed charities and research institutions
- 2) support projects where match funding is available through grant making and consultancy
- 3) Award a mix of small and large grants to support both major long-term projects and smaller pilot projects
- 4) keep the charity's running costs to a minimum
- 5) disburse the funds over a fixed time period and not to fundraise for further funds
- 6) only fund projects carried out by UK based charities working in the UK.

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remain focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

Achievements and performance

The charity's main activities and beneficiaries are described below. All its charitable activities focus on grant making and are undertaken to further The VTCT Foundation's charitable purposes for the public benefit.

The charity has identified that it is important that it is familiar with the needs and activities of organisations working in the field of visible difference. Therefore, the charity is funding the Appearance Collective. The Appearance Collective – an informal network – brings together researchers, clinicians and representatives of charities working with visible difference to attend conferences and workshops on topics such as fundraising, research and interventions. The aim of the Collective's strategy is to reduce duplication, encourage collaboration, and to enable all those working in the visible difference arena to stay up to date with research and projects. A secondary objective is to help charities, many of which are small, to achieve long-term sustainability and to encourage a unified voice on issues connected with visible difference.

The trustees raise awareness of the charity and its work through the charity's website www.vtctfoundation.org.uk, membership of the Appearance Collective, and attendance and organisation of workshops and conferences.

Grant Making Portfolio

The trustees have agreed a portfolio of grants covering a spectrum from patient support to medical and psychological research. Applications are received via the Foundation website or through direct contact with patient organisations, clinicians, and researchers. Each application is assessed against the Foundation's grant making criteria and applicants are supported to make the best possible application by a part-time Grants Manager.

EDI Funding

In July 2023 the VTCT Foundation launched a new Equality, Diversity and Inclusion (EDI) funding stream. Recognising how EDI is fundamental to the work of visible difference organisations, the funding aims to support charities to extend their reach to under-served communities and to embed EDI into their overall strategy and practice. EDI grants made are included within the grants discussed below.

Applications for EDI funding can be made through the existing programmes. More information and guidelines for EDI applications is available here:

<https://vtctfoundation.org.uk/new-fund-launches-to-support-equality-diversity-and-inclusion-edi/>.

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Trustees' annual report

For the year ended 31 July 2024

The VTCT Foundation Career Development Programme

To deliver on our aims to support high quality, impactful research and invest in attracting and developing talent in the visible difference arena, the VTCTF runs a Career Development Programme which provides funding for postgraduate researchers.

Two Career Development awards were finalised at the beginning of this accounting period to:

- **Kerry Montgomery:** who joined the Centre for Appearance Research at the University of the West of England to undertake a Research Fellowship into family planning and decision-making for people with inherited visible difference.
- **Julie Davies** who has joined Staffordshire University Department of Psychology to undertake a PhD on *'Proving the self-image of young people with cleft: A PhotoVoice participatory research project'*.

The Board have decided to keep this funding programme open all year round to accommodate applications on a rolling basis.

Main Grant Programme

This is for grants over £25,000. Research and charitable organisations are encouraged to submit an expression of interest, which is reviewed by the grant manager and if suitable referred to the trustees for discussion. Where appropriate this may then be developed into a full application.

During the year to 31 July 2024 seven larger grants totalling £672,361 were awarded to the following organisations:

• Action Medical Research	£124,512	Research project 'Overcoming facial abnormalities: Establishing a digital mass customisation design-through-manufacture pipeline for facemasks for children using non-invasive ventilation'
• Changing Faces	£99,712	Changing Faces Campaign Plan
• Debra	£108,000	PASTE-mediated superexon replacement of COL7A1 as a treatment for dystrophic epidermolysis bullosa (DEB)
• Face Equality International	£32,000	Development of resources and training on visible difference and EDI for employers
• Lipoedema UK	£89,910	Appointment of a Communications Director at Lipoedema UK for a two-year period
• UWE/CAR	£178,427	Exploring the intersectional experiences and support needs of LGBTQIA+ adults with visible difference
• Cleft Lip and Palate Association (CLAPA)	£39,800	Development of a new website

The VTCT Foundation

Trustees' annual report

For the year ended 31 July 2024

Small Grants Programme

The Small Grants Programme launched in 2018 to give easier access to small charities to grants of up to £25,000. The funds are to support charities working in the visible difference field, to enable them to achieve a step change and build their capacity and impact. The first grants were awarded in September 2018.

During the year to 31 July 2024, six grants totalling £112,535 were made to five organisations (2023: £35,202 to two organisations) under the small grant programme.

The full list of grants awarded under all programmes is given in note 4 to the financial statements.

Details of all funding available and how to apply can be found on the Foundation's website <https://vtctfoundation.org.uk/what-we-fund/grants-available/>.

Appearance Collective

In addition to its core grant-making activity, the charity has continued to support a network of charities, research teams and individuals working in the visible difference sector, called the Appearance Collective. It has provided an annual 'Showcase' event in July, plus two events for Chairs and Chief Executives of charity members. The charity also provided bursaries to enable AC members to attend the Appearance Matters conference hosted by the Centre for Appearance Research in Bristol.

Maximising Impact, Lasting Legacy

The charity reviewed its strategic aims and objectives and developed a new strategy for the coming 3-year period. The overarching aim is to maximise the impact and reach of the Foundation's grant-giving and develop a lasting legacy for organisations and researchers working in the visible difference sector, which will ultimately have long-lasting benefits for those living with visible differences.

To achieve this aim, over the coming three years the Foundation will focus on four strategic objectives:

- 1) Service Delivery
- 2) Career Development
- 3) Early Discovery Research Projects
- 4) VTCT Foundation Legacy Project

1. Service delivery

The Foundation will focus its grant-giving on innovative projects led by small or large organisations providing services to those affected by visible difference. In particular the Foundation will welcome applications which demonstrate at least one of the following:

- New and innovative ways of working
- Reaching underserved communities
- Piloting new treatments or services.

Our grant-giving for service delivery projects will be guided by the following principles:

- An evaluation methodology which will enable the project to effectively measure outcomes
- SMART objectives which will be able to measure and demonstrate the difference that the project will make to the physical or psychological wellbeing of those living with a visible difference as well as any impact relating to wider societal acceptance of visible difference
- Equality, Diversity and Inclusion being a central tenet of the project
- Strong engagement with service users from conception of a project, through to delivery and evaluation
- Clear evidence that wherever possible the project is evidence-based and builds on any related projects, with an emphasis on collaborative approaches wherever possible.
- A sustainability plan
- A clear dissemination plan for sharing resources and learning from the project.

2. Career Development

Funding in the form of bursaries or Fellowships to build and retain capacity in research in the field of visible difference. Awards will be considered to support:

- Early career clinical fellowships – to support clinicians in developing their research focus and expertise in this field
- Postdoctoral research – to support career progression and to facilitate the trajectory towards independent research in the field
- Doctoral Bursaries – to support the completion of relevant PhDs or Professional Doctorates.

The planned research should be designed (either in the short or longer term) to underpin improvements in outcomes for those affected by visible difference.

3. Research

The Foundation will continue to make funding available for a range of research projects that will ultimately improve the lives of people with visible differences. Our research funding will be prioritised in the following two areas:

- a) **Early discovery research projects** with the potential to improve outcomes for people affected by visible difference, including:
 - Innovative high-risk/high-reward proposals

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Trustees' annual report

For the year ended 31 July 2024

- Pump-priming, proof of principle or feasibility studies
- Basic research with the potential to lead to further translational studies

Priority will be given to projects likely to stimulate large grant applications to established grant makers, if successful.

b) Innovative, high quality, translational research projects on visible difference, with an emphasis on studies designed to:

- *Improve the lives of people with visible differences*
- *Offer the potential for clinical translation.*

In addition, research will be encouraged that demonstrates

- clear evidence of PPI in all stages of the research process.
- the involvement of charities in the visible difference sector in the research
- the potential for matched funding.

Expressions of Interest will be encouraged for all research applications.

4. VTCT Foundation Legacy Project

As the VTCTF moves into its final legacy phase, we will explore with members of the Appearance Collective (AC) and beyond their ideas for the future of the Appearance Collective and their feedback on the impact of VTCTF funding.

The aims of this project will be:

- 1) To explore with current and potential future members of the Appearance Collective the extent of their appetite to continue the AC.
- 2) To develop recommendations designed to maximise the impact and sustainability of the outputs and learnings derived from projects funded by the Foundation.
- 3) To gather information on the impact of VTCTF funding on service users, organisations and research in the field of visible difference.
- 4) To co-produce 1-2 projects identified through our exploration, that will enable longevity and impact of the AC and of outputs and learnings from VTCT-funded projects.

Financial review

The only income received by the charity is bank interest and investment income. The charity does not actively raise funds from other sources.

Total expenditure during the year was £1.018 m. This is after accounting for the return of £22,032 relating to unused grant funding paid out in previous years. Expenditure before the write-back is £1.04m of which £1.013m (97%) related to grants (2023: Total £366,367 of which £351,068 (95.8%) related to grant-making).

Where grants cross a number of years, they have been discounted within the financial statements in accordance with FRS 102.

The increase in grant expenditure in 2024 when compared with 2023 is a partly due to the two Career Development Programme awards due to be made in 2023 not being finalised until the start of this financial year. Additionally, the level of grant making is dependent on the suitability of applications received and several significant grants, some covering more than one year have been made this year. In comparison grant making in 2023 was a little down on previous years.

Reserves policy and going concern

The charity was formed through a grant from the Vocational Training Charitable Trust of £8.58 million in 2015. The trustees envisage utilising these funds over 10 years to pursue the charity's objects and as such, expect the reserves available to reduce as the charity continues grant making. At 31 July 2024 the charity had unrestricted reserves of just over £3.4 million (2023 £3.99m). Of this £256,368 is held in the designated fund the trustees have earmarked for the Career Development Programme.

The charity has minimal fixed operating costs and the trustees believe there are sufficient reserves available for the charity's foreseeable future operational activity. The later stages of the charity's lifespan and potential legacy which take account of the financial projects for at least the next three years are kept under review at each Board meeting.

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 7 October 2013, and registered as a charity on 16 January 2014.

The company was established under a memorandum of association and is governed under its articles of association which state the objects and powers of the charitable company. All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 5 to the accounts.

Appointment of trustees

Trustees are appointed by application and interview. The charity has identified the skills mix needed for the Board and invited a range of applicants with relevant skills to apply. Applicants are interviewed by current board members and given an induction on the work of the charity and the role of a trustee.

Related parties and relationships with other organisations

The charity has no subsidiary entities.

As previously stated, the Centre for Appearance Research works closely with the Appearance Collective as part of the project funded by the VTCT Foundation. Prior to joining the Board of the Foundation Prof. Nichola Rumsey retired as Professor at the Centre for Appearance Research ('CAR') at the University of the West of England. She remains Professor Emerita.

Statement of responsibilities of the trustees

The trustees (who are also directors of The VTCT Foundation for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and 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 the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended 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 presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that 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

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Trustees' annual report

For the year ended 31 July 2024

governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 July 2024 was 8 (2023: 6). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on 9 December 2024 and signed on their behalf by

Tony Lau Walker
Chair of trustees

Independent examiner's report

To the trustees of

The VTCT Foundation

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 July 2024.

This report is made solely to the trustees as a body, in accordance with the Charities Act 2011. My examination has been undertaken so that I might state to the trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the trustees as a body, for my examination, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the trustees of the charity (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- 1 Accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 The accounts do not accord with those records; or
- 3 The accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- 4 The accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Fleur Holden FCA
Sayer Vincent LLP, 110 Golden Lane, London, EC1Y 0TG
12 December 2024

The VTCT Foundation

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 July 2024

	Note	2024 £	2023 £
Income from:			
Investments	2	115,088	62,785
Total income		<u>115,088</u>	<u>62,785</u>
Expenditure on:			
Charitable activities			
Grant Making	3	1,018,410	81,124
Total expenditure		<u>1,018,410</u>	<u>81,124</u>
Net (expenditure) before net gains/(losses) on investments		(903,322)	(18,339)
Net gains/(losses) on investments	8	317,279	(118,144)
Net expenditure for the year and net movement in funds	5	(586,043)	(136,483)
Reconciliation of funds:			
Total funds brought forward		3,990,979	4,127,462
Total funds carried forward		<u><u>3,404,936</u></u>	<u><u>3,990,979</u></u>

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

The VTCT Foundation

Balance sheet

Company no. 8720416

As at 31 July 2024

	Note	£	2024 £	£	2023 £
Fixed assets:					
Investments	8		4,354,785		4,539,737
			4,354,785		4,539,737
Current assets:					
Cash at bank and in hand		342,999		400,649	
		342,999		400,649	
Liabilities:					
Creditors: amounts falling due within one year	9	(816,531)		(343,869)	
Net current (liabilities)/assets			(473,532)		56,780
Total assets less current liabilities			3,881,253		4,596,517
Creditors: amounts falling due after one year	10		(476,317)		(605,538)
Total net assets			3,404,936		3,990,979
The funds of the charity:	13a				
Unrestricted income funds:					
Fair value reserve		139,184		488,665	
Designated funds		256,368		423,540	
General funds		3,009,384		3,078,774	
Total unrestricted funds			3,404,936		3,990,979
Total charity funds			3,404,936		3,990,979

The opinion of the trustees is that for the year ended 31 July 2024 the company was entitled to the exemptions conferred by Section 477 of the Companies Act 2006 relating to small companies.

The trustees acknowledge the following responsibilities:

- (i) The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476
- (ii) The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 9 December 2024 and signed on their behalf by

Tony Lau Walker
Chair of Trustees

The VTCT Foundation

Statement of cash flows

For the year ended 31 July 2024

	Note	2024 £	£	2023 £	£
Cash flows from operating activities					
Net cash (used in) operating activities	a)		(674,969)		(878,769)
Cash flows from investing activities:					
Interest and dividends from investments		115,088		62,785	
Purchase of investments		(308,669)		(5,085,602)	
Proceeds from sale of investments		810,900		5,928,477	
Net cash provided by investing activities			617,319		905,660
Change in cash and cash equivalents in the year			(57,650)		26,891
Cash and cash equivalents at the beginning of the year			400,649		373,758
Cash and cash equivalents at the end of the year			342,999		400,649

Reconciliation of net (expenditure) to net cash flow from operating activities

	2024 £	2023 £
Net (expenditure) for the reporting period (as per the statement of financial activities)	(586,043)	(136,483)
(Gains)/Losses on investments	(317,279)	118,144
Dividends and interest from investments	(115,088)	(62,785)
Increase/(decrease) in creditors	343,441	(797,645)
Net cash (used in) operating activities	(674,969)	(878,769)

1 Accounting policies

a) Statutory information

The VTCT Foundation is a charitable company limited by guarantee and is incorporated in England.

The registered office address is Aspire House, Annealing Close, Eastleigh, SO50 9PX.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Investments are drawn down when they are needed to pay grant and other commitments as they fall due.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

f) Investment income

Investment income is included in the statement of financial activities when receivable.

g) Fund accounting

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

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure on charitable activities includes the costs of grant making undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1 Accounting policies (continued)

i) Grants payable and refunded

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Where grant commitments are made for periods due in more than one year, these are discounted to their present value, based on a rate in line with the expected rate of return on investments.

Grants repaid by recipients who have been unable to use the funds as given are accounted for on the earlier of receipt of the repayment or when the charity has confirmed that repayment will be made. The repayment is shown as a reduction in the overall expenditure on grants in the year in note 4. Any repayments due but not received by the year end are also shown as debtors.

j) Allocation of support and costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

As the sole activity of the charity is grant making, support and governance costs are both allocated in full to the grant making activity.

k) Listed investments

Investments 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. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

l) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

m) Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

n) Financial instruments

The charity has both basic and non-basic financial assets and financial liabilities. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value using the effective interest method. Non-basic financial instruments are measured at fair value with any gain or loss going to the statement of financial activities. Full details are given in the financial instruments note.

2 Income from investments

	2024 Total £	2023 Total £
Bank deposits	3,415	1,879
Investment income	111,673	60,906
	115,088	62,785

All income from investments is unrestricted

3 Analysis of expenditure

a. Current year

	Grant making £	Governance costs £	Support costs £	2024 £	2023 £
Grants payable (note 4)	955,859	-	-	955,859	279,463
Grants repaid/Write back unused grants*	(22,032)	-	-	(22,032)	(285,273)
Discounts unwound	24,672	-	-	24,672	47,571
Workshops and showcase	11,531	-	-	11,531	9,934
Insurance	-	-	1,269	1,269	1,185
Independent examination fees	-	3,000	-	3,000	2,880
Other professional fees	19,374	1,750	17,917	39,041	23,483
Board meeting costs	-	376	-	376	-
Trustee expenses	-	1,255	-	1,255	718
Other costs	1,696	-	1,743	3,439	1,163
	991,100	6,381	20,929	1,018,410	81,124
Support costs	20,929	-	(20,929)	-	-
Governance costs	6,381	(6,381)	-	-	-
Total expenditure	1,018,410	-	-	1,018,410	81,124

* Grant write-backs represent grant underspends, released or repaid by recipient. In 2024 repayments were made by Headlines for £7,735 and £14,297 by the Cleft Collective (2023:£284,948 Scar Free Foundation, £325 University of Oxford)

b. prior year	Grant making	Governance costs	Support costs	2023
Grants payable (note 4)	279,463	-	-	279,463
Write back unused grants*	(285,273)	-	-	(285,273)
Discounts unwound	47,571	-	-	47,571
Workshops and showcase	9,934	-	-	9,934
Insurance	-	-	1,185	1,185
Independent examination fees	-	2,880	-	2,880
Other professional fees	14,100	1,750	7,633	23,483
Board meeting costs	-	-	-	-
Trustee expenses	-	718	-	718
Other costs	-	-	1,163	1,163
	65,795	5,348	9,981	81,124
Support costs	9,981	-	(9,981)	-
Governance costs	5,348	(5,348)	-	-
Total expenditure	81,124	-	-	81,124

4 Grants payable

	Main grant £	Small grants £	Total commitment £	Effect of discounting £	2024 £	2023 £
Career Development Programme						
UWE/Centre for Appearance Research	97,456	-	97,456	(580)	96,876	-
Staffordshire University	69,716	-	69,716	(1,287)	68,429	-
Other grants						
UWE/Centre for Appearance Research (2 grants)	178,427	21,374	199,801	(4,430)	195,371	-
Action Medical Research for Children	124,512	-	124,512	-	124,512	-
Debra	108,000	-	108,000	-	108,000	50,545
Changing Faces	99,712	-	99,712	-	99,712	60,000
Lipoedema UK (2 grants)	89,910	15,000	104,910	-	104,910	-
CLAPA	39,800	-	39,800	-	39,800	44,486
FACE Equality International	32,000	-	32,000	-	32,000	-
Headlines (2 grants)	-	26,171	26,171	-	26,171	-
MACS	-	25,000	25,000	-	25,000	-
Child Accident Prevention Trust	-	24,990	24,990	-	24,990	-
Katie Piper	-	-	-	-	-	49,333
Eczema Outreach Support	-	-	-	-	-	35,000
Children's Burns Trust	-	-	-	-	-	25,202
Ectodermal Dysplasia Society	-	-	-	-	-	10,000
Travel bursaries and (2024) Appearance Matters 10 sponsorship	-	8,963	8,963	-	8,963	147
The Appearance Collective	-	1,125	1,125	-	1,125	4,750
Write back unused grants (see note 3 *)	(22,032)	-	(22,032)	-	(22,032)	(285,273)
	817,501	122,623	940,124	(6,297)	933,827	(5,810)

Where grants payments are due in more than one year, these are discounted back to present value in line with the charity's accounting policies.

In 2023 all grants were from the main grant programme except those made to the Children's Burns Trust and Ectodermal Dysplasia Society. No grants were discounted.

5 Net (expenditure) for the year

This is stated after charging:

	2024 £	2023 £
Independent examiner's fees (excluding VAT)	2,500	2,400

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2023: £nil). No charity trustee received payment for professional or other services supplied to the charity (2023: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £1,255 (2023: £718) incurred by three trustees (2023:3) relating to attendance at meetings of the trustees and other meetings related to the work of the Foundation.

6 Related party transactions

Prior to joining the Board of the Foundation Prof. Nichola Rumsey retired as Professor at the Centre for Appearance Research ('CAR') at the University of the West of England. She remains Professor Emerita.

Following a rigorous application process and unanimous agreement by all trustees (excluding Professor Rumsey) a new £1m grant for 4 years funding was awarded in June 2022, with the first £250,000 tranche paid in August 2022, and a further £250,000 payment made in October 2023.

Two new grants under the main programme and one career development grant were awarded to CAR in 23/24 by unanimous trustee approval (22/23: None). Payments to CAR whether in respect of new grants or existing multi-year grants require approval by all the other trustees rather than a simple majority.

Dr Wendy Edwards was a trustee of the Foundation until September 2023. She is the chair of the Headlines Craniofacial Support ('Headlines') Research Committee, and her husband is a trustee of Headlines. The two awards made to Headlines during 2023/24 were made after she resigned as a trustee of the Foundation.

There are no other related party transactions to disclose for 2024 (2023: none).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

The VTCT Foundation

Notes to the financial statements

For the year ended 31 July 2024

7 Taxation

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

8 Investments

	2024 £	2023 £
Fair value at the start of the year	4,539,737	5,500,756
Additions at cost	308,669	5,085,602
Disposal proceeds	(810,900)	(5,928,477)
Net gain/(loss) on change in fair value	317,279	(118,144)
	<u>4,354,785</u>	<u>4,539,737</u>

Investments comprise:

	2024 £	2023 £
UK Common investment funds	4,153,922	4,536,257
Cash held as part of portfolio	200,863	3,480
	<u>4,354,785</u>	<u>4,539,737</u>

9 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	2,774	10,865
Grants payable	810,623	329,720
Accruals	3,134	3,284
	<u>816,531</u>	<u>343,869</u>

10 Creditors: amounts falling due after one year

	2024 £	2023 £
Grants payable	476,317	605,538
	<u>476,317</u>	<u>605,538</u>

11 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.

12a Analysis of net assets between funds (current year)

	General £	Designated £	Fair value £	Total funds £
Investments	3,959,233	256,368	139,184	4,354,785
Net current assets	(473,532)	-	-	(473,532)
Long term liabilities	(476,317)	-	-	(476,317)
Net assets at the end of the year	<u>3,009,384</u>	<u>256,368</u>	<u>139,184</u>	<u>3,404,936</u>

12b Analysis of net assets between funds (prior year)

	General £	Designated £	Fair value £	Total funds £
Investments	3,627,532	423,540	488,665	4,539,737
Net current assets	56,780	-	-	56,780
Long term liabilities	(605,538)	-	-	(605,538)
Net assets at the end of the year	<u>3,078,774</u>	<u>423,540</u>	<u>488,665</u>	<u>3,990,979</u>

13a Movements in funds (current year)

	At 1 August 2023 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 July 2024 £
Fair value reserve	488,665	-	317,279	(666,760)	139,184
Designated fund – Career Development Programme	423,540	-	(167,172)	-	256,368
General funds	3,078,774	115,088	(851,238)	666,760	3,009,384
Total unrestricted funds	3,990,979	115,088	(701,131)	-	3,404,936

Fair value reserve

The fair value reserve represents the difference between the current fair value of the investments and their historic (book) cost. The trustees choose to show this separately from the general funds to reduce the impact of investment volatility on funds available for grant making.

Purpose of designated fund

The trustees established a Fellowship programme in 2021 to support suitable Fellowships and PhD scholars. An initial £1m was set aside to support this to be reviewed on an annual basis subject to levels of interest and suitability of applicants. Following a review of the programme the Foundation launched its 'Career Development Programme' in 2022 and the fund was been renamed to match this.

The first round of awards started with three awards in 2021, and a further two awards in 2022. A further round of funding started in 2023 but the awards were not finalised until after the year end. The expenditure above comprises the two awards totalling £167,172. Details of the awards are in note 4.

The amount charged to the fund as expenditure represents the total grant commitment made in the financial year the award is made before discounting, so that the remaining fund balance represents funds available for future awards. The discount will be unwound in future accounting periods against general funds.

13b Movements in funds (prior year)

	At 1 August 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 1 August 2023 £
Fair value reserve	606,809	-	(118,144)	-	488,665
Designated fund – Career Development Programme	423,540	-	-	-	423,540
General funds	3,097,113	62,785	(81,124)	-	3,078,774
Total unrestricted funds	4,127,462	62,785	(199,268)	-	3,990,979

THE VTCT FOUNDATION

England & Wales - Charity number 1155360

Accounts

Company number: 8720416
Charity Number: 1155360

The VTCT Foundation

Report and financial statements
For the year ended 31 July 2023



The VTCT Foundation

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The VTCT Foundation

Reference and administrative information

For the year ended 31 July 2023

Company number 8720416
Country of incorporation United Kingdom

Charity number 1155360
Country of registration England & Wales

Registered office and operational address
Aspire House
Annealing Close
Eastleigh
SO50 9PX

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:

Rosanna Preston	
Tony Lau Walker	Chair
Prof Nichola Rumsey	
Prof Naiem Moiemem	(resigned 22 September 2023)
Dr Wendy Edwards	(resigned 22 September 2023)
Angela Cross-Durrant	
Jon Pleat	(appointed 19 December 2023)
Dr Stephen Twigg	(appointed 19 December 2023)

Bankers
CAF Bank Ltd
25 Kings Hill Avenue
West Malling
Kent
ME19 4JQ

Investment managers and custodians
LGT Wealth Management UK LLP (for CAF)
Fourteen Cornhill
LONDON
EC3V 3NR

Independent Examiner
Fleur Holden FCA
Sayer Vincent LLP
Chartered Accountants
Invicta House
108-114 Golden Lane
LONDON
EC1Y 0TL

The trustees present their report and the financial statements for the year ended 31 July 2023. Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102. This trustees' annual report includes a directors' report as required by company law.

Objectives and activities

Purposes and aims

The activities of the charity are grant making in the fields of vocational education, especially hair and beauty sectors, and research into the relief of disfigurement.

The charity's vision is: Supporting a better future for people with disfigurement.

The purposes of the charity are:

- 1) The advancement of education, research and public dissemination of knowledge in:
 - a. the art and technology of Health and Beauty Therapy
 - b. the skills and knowledge required for other vocational employments including those in the well-being, public and service industries
 - c. the impact and treatment of physical disfigurement and all kindred arts and sciences
- 2) the relief of sickness or poor health caused by physical disfigurement and the assistance of those with physical disfigurements, their families and carers to overcome any social, physical, psychological, emotional or other disadvantage.

The strategies employed to achieve the charity's aims and objectives are to:

- 1) partner with well managed charities and research institutions
- 2) support projects where match funding is available through grant making and consultancy
- 3) Award a mix of small and large grants to support both major long-term projects and smaller pilot projects
- 4) keep the charity's running costs to a minimum
- 5) disburse the funds over a fixed time period and not to fundraise for further funds
- 6) only fund projects carried out by UK based charities working in the UK.

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remain focused on its stated purposes.

The VTCT Foundation

Trustees' annual report

For the year ended 31 July 2023

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

Achievements and performance

The charity's main activities and beneficiaries are described below. All its charitable activities focus on grant making and are undertaken to further The VTCT Foundation's charitable purposes for the public benefit.

The charity has identified that it is important that it is familiar with the needs and activities of organisations working in the field of visible difference. Therefore, the charity is funding the Appearance Collective. The Appearance Collective – an informal network – brings together researchers, clinicians and representatives of charities working with visible difference to attend conferences and workshops on topics such as fundraising, research and interventions. The aim of the Collective's strategy is to reduce duplication, encourage collaboration, and to enable all those working in the visible difference arena to stay up to date with research and projects. A secondary objective is to help charities, many of which are small, to achieve long-term sustainability and to encourage a unified voice on issues connected with visible difference.

The trustees raise awareness of the charity and its work through the charity's website www.vtctfoundation.org.uk, membership of the Appearance Collective, and attendance and organisation of workshops and conferences.

Grant Making Portfolio

The trustees have agreed a portfolio of grants covering a spectrum from patient support to medical and psychological research. Applications are received via the Foundation website or through direct contact with patient organisations, clinicians, and researchers. Each application is assessed against the Foundation's grant making criteria and applicants are supported to make the best possible application by a part-time Grant Applications Manager.

The VTCT Foundation Career Development Programme

Following the first round of Career Development funding in 2022, a second grant call for two PhD awards launched in autumn 2022 with a view to making awards later in 2023 after a rigorous review process. This process concluded and two awards were finalised just after the end of this accounting period to:

- Kerry Montgomery: who joined the Centre for Appearance Research at the University of the West of England
- Julie Davies who has joined Staffordshire University Department of Psychology.

The expenditure related to these awards will be recognised in the 2023/24 accounts. A new round of funding is planned for 2024.

The VTCT Foundation

Trustees' annual report

For the year ended 31 July 2023

Main Grant Programme

This is for grants over £25,000. Research and charitable organisations are encouraged to submit an expression of interest, which is reviewed by the grant manager and if suitable referred to the trustees for discussion. Where appropriate this is may then be developed into a full application. During the year to 31 July 2023 new grants awarded included the following organisations:

- Changing Faces – £60,000 To support the development of a business plan for campaigning work
- Debra – £50,455 Liquid eye gel trial to support people living with Epidermolysis Bullosa – towards salary costs for researcher
- Katie Piper – £49,333 Service design project

Small Grants Programme

In 2018 the trustees launched a Small Grants Programme to give easier access to small charities to grants of up to £25,000. The funds are to support charities working in the visible difference field, to enable them to achieve a step change and build their capacity and impact. The first grants were awarded in September 2018, and in total just over £310,000 was awarded to 13 organisations. The trustees decided to continue with this funding stream which remains open to applications.

The New Ways of Working fund established in response to the Covid pandemic is no longer operating as a separate funding stream.

During the year to 31 July 2023, grants totalling £35,202 to two organisations (2022: £56,855 to 3 organisations) under the small grant and New Ways of Working programmes.

The full list of grants awarded under all programmes is given in note 4 to the financial statements.

EDI Funding

In July 2023 the VTCT Foundation launched its new Equality, Diversity and Inclusion (EDI) funding stream. Recognising how EDI is fundamental to the work of visible difference organisations, the new scheme aims to help them create practices that help embed EDI into their overall strategy and reach.

Applications for EDI funding can be made through the existing programmes. More information and guidelines for EDI applications is available here:

<https://vtctfoundation.org.uk/new-fund-launches-to-support-equality-diversity-and-inclusion-edi/>

Details of all funding available and how to apply can be found on the Foundation's website

<https://vtctfoundation.org.uk/what-we-fund/grants-available/>

Maximising Impact, Lasting Legacy

As the Foundation enters its final planned years of operation the trustees have ramped up their commitment to two funding priorities with a view to significantly enhancing the Foundation's impact in the sector in the next five years and transforming its legacy in the future. The areas of investment beyond the grant programmes above are:

1. **Continuing to invest in the informal network of charities, clinicians and researchers called the Appearance Collective.** This has taken the form of:

- Launching a forum for chairs and chief executives of ten of the larger charities in order to better identify and support their development priorities, drive sustainability and encourage better working together. This initiative will be taken further over the next two years.
- Reinstating the annual Showcase event as an in-person event with the objective of better dissemination of research and project findings and to build and strengthen the network.
- Co-ordinating wider learning and collaboration events across the Collective.
- Making the above four-year grant commitment to CAR who in turn work with Appearance Collective charities and whose focus will be initially focused on evidence-based interventions that can help charities broaden their reach and impact with service users.

2. **Investing in the Foundation's own capabilities and its offer to the sector.**

This has taken the form of:

- Refreshing and refocusing its strategy and efforts and reprioritising investments.
- Accordingly, reviewing the governance requirements needed to deliver on that strategy and beginning to recruit additional skills and experience. There remain opportunities to apply to join the board as part of this governance strengthening exercise.
- Redeveloping its web presence with a new site that performs better and contains content to a wider audience and offering.
- Employing additional training and communications resource to bring external expertise into the sector and to improve dissemination and promotion of the Foundation's work and that of its grant holders.

Financial review

The only income received by the charity is bank interest and investment income. The charity does not actively raise funds from other sources.

Total expenditure during the year was £77,569. This is after accounting for the write-back of £285,273 relating to grants that had previously been committed that are no longer payable. Before the write-back expenditure is £362,842 of which £279,463 (77%) related to grants (2022: Total £1,378,206 of which grants were £1,340,489 (97.3%)).

The VTCT Foundation

Trustees' annual report

For the year ended 31 July 2023

Where grants cross a number of years, they have been discounted within the financial statements in accordance with FRS 102.

The decrease in grant expenditure in 2023 when compared with 2022 is mainly due to a £1m award made to CAR in 2022 to cover 4 years. In addition, the two Career Development Programme awards due to be made in the year were not finalised until just after the end of the accounting period and will be accounted for next year.

Reserves policy and going concern

The charity was formed through a grant from the Vocational Training Charitable Trust of £8.58 million in 2015. The trustees envisage utilising these funds over 10 years to pursue the charity's objects and as such, expect the reserves available to reduce as the charity continues grant making. At 31 July 2023 the charity had unrestricted reserves of £3.99 million (2022 £4.13m). Of this £423,540 is held in the designated fund the trustees have earmarked for the Career Development Programme, of which £167,000 will be accounted for by the awards made in August 2023.

The charity has minimal fixed operating costs and the trustees believe there are sufficient reserves available for the charity's foreseeable future operational activity. The later stages of the charity's lifespan and potential legacy which take account of the financial projects for at least the next four years are kept under review at each Board meeting.

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 7 October 2013, and registered as a charity on 16 January 2014.

The company was established under a memorandum of association and is governed under its articles of association which state the objects and powers of the charitable company. All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 5 to the accounts.

Appointment of trustees

Trustees are appointed by application and interview. The charity has identified the skills mix needed for the Board and invited a range of applicants with relevant skills to apply. Applicants are interviewed by current board members and given an induction on the work of the charity and the role of a trustee.

Related parties and relationships with other organisations

The charity has no subsidiary entities.

The VTCT Foundation

Trustees' annual report

For the year ended 31 July 2023

As previously stated, the Centre for Appearance Research works closely with the Appearance Collective as part of the project funded by the VTCT Foundation. Prior to joining the Board of the Foundation Prof. Nichola Rumsey retired as Professor at the Centre for Appearance Research ('CAR') at the University of the West of England. She remains Professor Emerita.

Following a rigorous application review process a new grant of £1 million payable over 4 years was awarded to CAR in 2022. Professor Rumsey did not take part in the decision to fund CAR and the award was unanimously agreed by the other trustees.

Additionally in 2021 a Fellowship of £90,000 to cover three years from 1 October 2020 was awarded to fund a PhD at UWE, hosted by CAR, and payments were made for this during the years ended 31 July 2023 and 2022.

Dr Wendy Edwards is the chair of the Headlines Craniofacial Support ('Headlines') Research Committee. She was a trustee and chair of Headlines until June 2021, and her husband remains a trustee of Headlines. An award of £88,445 was made to Headlines in 2021 to cover a 21-month project starting in August 2021 to create and evaluate bespoke adult online resources. This award was made after thorough discussion by the trustees, and by unanimous agreement by all the trustees excluding Dr Edwards. This work was carried out in collaboration with CAR.

Dr Edwards resigned as a trustee of the Foundation in September 2023.

Statement of responsibilities of the trustees

The trustees (who are also directors of The VTCT Foundation for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and 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 the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended 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 presume that the charity will continue in operation

The VTCT Foundation

Trustees' annual report

For the year ended 31 July 2023

The trustees are responsible for keeping adequate accounting records that 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 financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 July 2022 was 6 (2022:8). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on 19 December 2023 and signed on their behalf by

Tony Lau Walker
Chair of trustees

Independent examiner's report

To the trustees of

The VTCT Foundation

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 July 2023.

This report is made solely to the trustees as a body, in accordance with the Charities Act 2011. My examination has been undertaken so that I might state to the trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the trustees as a body, for my examination, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the trustees of the charity (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- 1 Accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 The accounts do not accord with those records; or
- 3 The accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- 4 The accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Fleur Holden FCA

Sayer Vincent LLP, Invicta House, 108-114 Golden Lane, London, EC1Y 0TL

DATE 12 January 2024

The VTCT Foundation

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 July 2023

	Note	2023 £	2022 £
Income from:			
Investments	2	62,785	52,905
Total income		62,785	52,905
Expenditure on:			
Charitable activities			
Grant Making	3	81,124	1,378,206
Total expenditure		81,124	1,378,206
Net (expenditure) before net (losses) on investments		(18,339)	(1,325,301)
Net (losses) on investments	8	(118,144)	(125,642)
Net expenditure for the year and net movement in funds	5	(136,483)	(1,450,943)
Reconciliation of funds:			
Total funds brought forward		4,127,462	5,578,405
Total funds carried forward		3,990,979	4,127,462

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

The VTCT Foundation

Balance sheet

Company no. 8720416

As at 31 July 2023

	Note	£	2023 £	£	2022 £
Fixed assets:					
Investments	8		4,539,737		5,500,756
			4,539,737		5,500,756
Current assets:					
Cash at bank and in hand		400,649		373,758	
		400,649		373,758	
Liabilities:					
Creditors: amounts falling due within one year	9	(343,869)		(731,137)	
Net current assets/(liabilities)			56,780		(357,379)
Total assets less current liabilities			4,596,517		5,143,377
Creditors: amounts falling due after one year	10		(605,538)		(1,015,915)
Total net assets			3,990,979		4,127,462
The funds of the charity:	13a				
Unrestricted income funds:					
Fair value reserve		488,665		606,809	
Designated funds		423,540		423,540	
General funds		3,078,774		3,097,113	
Total unrestricted funds			3,990,979		4,127,462
Total charity funds			3,990,979		4,127,462

The opinion of the trustees is that for the year ended 31 July 2023 the company was entitled to the exemptions conferred by Section 477 of the Companies Act 2006 relating to small companies.

The trustees acknowledge the following responsibilities:

- (i) The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476
- (ii) The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 19 December 2023 and signed on their behalf by

Tony Lau Walker
Chair of Trustees

The VTCT Foundation

Statement of cash flows

For the year ended 31 July 2023

	Note	2023 £	£	2022 £	£
Cash flows from operating activities					
Net cash (used in) operating activities	a)		(878,769)		(880,039)
Cash flows from investing activities:					
Interest and dividends from investments		62,785		52,905	
Purchase of investments		(5,085,602)		(821,825)	
Proceeds from sale of investments		5,928,477		1,571,078	
			905,660		802,158
Change in cash and cash equivalents in the year			26,891		(77,881)
Cash and cash equivalents at the beginning of the year			373,758		451,639
Cash and cash equivalents at the end of the year			400,649		373,758

Reconciliation of net (expenditure) to net cash flow from operating activities

	2023 £	2022 £
Net (expenditure) for the reporting period (as per the statement of financial activities)	(136,483)	(1,450,943)
Losses on investments	118,144	125,642
Dividends and interest from investments	(62,785)	(52,905)
Decrease in debtors	-	60,000
(Decrease)/increase in creditors	(797,645)	438,167
Net cash (used in) operating activities	(878,769)	(880,039)

1 Accounting policies

a) Statutory information

The VTCT Foundation is a charitable company limited by guarantee and is incorporated in England.

The registered office address is Aspire House, Annealing Close, Eastleigh, SO50 9PX.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Investments are drawn down when they are needed to pay grant and other commitments as they fall due.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

f) Investment income

Investment income is included in the statement of financial activities when receivable.

g) Fund accounting

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

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure on charitable activities includes the costs of grant making undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1 Accounting policies (continued)

i) Grants payable and refunded

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Where grant commitments are made for periods due in more than one year, these are discounted to their present value, based on a rate in line with the expected rate of return on investments.

Grants repaid by recipients who have been unable to use the funds as given are accounted for on the earlier of receipt of the repayment or when the charity has confirmed that repayment will be made. The repayment is shown as a reduction in the overall expenditure on grants in the year in note 4. Any repayments due but not received by the year end are also shown as debtors.

j) Allocation of support and costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

As the sole activity of the charity is grant making, support and governance costs are both allocated in full to the grant making activity.

k) Listed investments

Investments 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. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

l) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

m) Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

n) Financial instruments

The charity has both basic and non-basic financial assets and financial liabilities. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value using the effective interest method. Non-basic financial instruments are measured at fair value with any gain or loss going to the statement of financial activities. Full details are given in the financial instruments note.

2 Income from investments

	2023	2022
	Total	Total
	£	£
Bank deposits	1,879	1,752
Investment income	60,906	51,153
	62,785	52,905

All income from investments is unrestricted

3 Analysis of expenditure

a. Current year	Grant making	Governance	Support	2023	2022
	£	costs	costs	£	£
		£	£		
Grants payable (note 4)	279,463	-	-	279,463	1,329,763
Write back unused grants*	(285,273)			(285,273)	-
Discounts unwound	47,571	-	-	47,571	10,726
Workshops and showcase	9,934	-	-	9,934	10,634
Insurance	-	-	1,185	1,185	778
Independent examination fees	-	2,880	-	2,880	2,760
Other professional fees	14,100	1,750	7,633	23,483	20,828
Board meeting costs	-	-	-	-	662
Trustee expenses	-	718	-	718	632
Other costs	-	-	1,163	1,163	1,423
	65,795	5,348	9,981	81,124	1,378,206
Support costs	9,981	-	(9,981)	-	-
Governance costs	5,348	(5,348)	-	-	-
Total expenditure	81,124	-	-	81,124	1,378,206

* Grant write-backs represent grant underspends (£284,948 Scar Free Foundation, £325 University of Oxford), released or repaid by recipient.

b. prior year	Grant making	Governance	Support costs	2022
		costs		
Grants payable (note 4)	1,329,763	-	-	1,329,763
Discounts unwound	10,726	-	-	10,726
Workshops and showcase	10,634	-	-	10,634
Insurance	-	-	778	778
Independent examination fees	-	2,760	-	2,760
Other professional fees	15,203	1,750	3,875	20,828
Board meeting costs	-	662	-	662
Trustee expenses	-	632	-	632
Other costs	-	-	1,423	1,423
	1,366,326	5,804	6,076	1,378,206
Support costs	6,076	-	(6,076)	-
Governance costs	5,804	(5,804)	-	-
Total expenditure	1,378,206	-	-	1,378,206

4 Grants payable

	Main grant £	Small grants £	Total commitment £	Effect of discounting £	2023 £	2022 £
Career Development Programme						
Action Medical Research for Children	-	-	-	-	-	94,592
University of Oxford	-	-	-	-	-	81,923
Other grants						
UWE/Centre for Appearance Research	-	-	-	-	-	930,812
Changing Faces	60,000	-	60,000	-	60,000	123,081
Debra	50,545	-	50,545	-	50,545	-
Katie Piper	49,333	-	49,333	-	49,333	33,750
CLAPA	44,486	-	44,486	-	44,486	-
Eczema Outreach Support	35,000	-	35,000	-	35,000	-
Children's Burns Trust	-	25,202	25,202	-	25,202	19,355
Ectodermal Dysplasia Society	-	10,000	10,000	-	10,000	-
Nf2 Biosolutions	-	-	-	-	-	25,000
Facial Palsy UK	-	-	-	-	-	12,500
Travel bursaries and (2022) Appearance Matters 9 sponsorship	147	-	147	-	147	5,750
The Appearance Collective	4,750	-	4,750	-	4,750	3,000
Write back unused grants (see note 3 *)	(285,273)	-	(285,273)	-	(285,273)	-
	<u>(41,012)</u>	<u>35,202</u>	<u>(5,810)</u>	<u>-</u>	<u>(5,810)</u>	<u>1,329,763</u>

Where grants payments are due in more than one year, these are discounted back to present value in line with the charity's accounting policies.

5 Net (expenditure) for the year

This is stated after charging:

	2023 £	2022 £
Independent examiner's fees (excluding VAT)	<u>2,400</u>	<u>2,300</u>

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £718 (2022: £632) incurred by three trustees (2022: 3) relating to attendance at meetings of the trustees and other meetings related to the work of the Foundation.

6 Related party transactions

Prior to joining the Board of the Foundation Prof. Nichola Rumsey retired as Professor at the Centre for Appearance Research ('CAR') at the University of the West of England. She remains Professor Emerita. A £1m grant was awarded to UWE/CAR in 2018 and the first two annual £200,000 tranches paid under the grant agreement before Professor Rumsey became a trustee of VTCT Foundation. Later tranches have only been paid by agreement of the trustees following satisfactory annual reports. The last tranche of this grant was paid during 2021/22.

Following a rigorous application process and unanimous agreement by all trustees (excluding Professor Rumsey) a new £1m grant for 4 years funding was awarded in June 2022, and the first £250,000 tranche paid in August 2022.

No new grants were awarded to CAR in 22/23. Payments to CAR whether in respect of new grants or existing multi-year grants require approval by all the other trustees rather than a simple majority.

Additionally in 2021 a Fellowship of £90,000 to cover three years from 1 October 2020 was awarded to fund a PhD at UWE, hosted by CAR, and payments were made for this during the years ended 31 July 2023 and 2022.

Dr Wendy Edwards is the chair of the Headlines Craniofacial Support ('Headlines') Research Committee. She was a trustee and chair of Headlines until June 2021, and her husband remains a trustee of Headlines. An award of £88,445 was made to Headlines in 2021 to cover a 21-month project starting in August 2021 to create and evaluate bespoke adult online resources. This award was made after thorough discussion by the trustees, and by unanimous agreement by all the trustees excluding Dr Edwards. This work was carried out in collaboration with CAR. Dr Edwards resigned as a trustee of the Foundation in September 2023.

There are no other related party transactions to disclose for 2023 (2022: none).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

The VTCT Foundation

Notes to the financial statements

For the year ended 31 July 2023

7 Taxation

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

8 Investments

	2023 £	2022 £
Fair value at the start of the year	5,500,756	6,375,651
Additions at cost	5,085,602	821,825
Disposal proceeds	(5,928,477)	(1,571,078)
Net (loss) on change in fair value	(118,144)	(125,642)
	<u>4,539,737</u>	<u>5,500,756</u>

Investments comprise:

	2023 £	2022 £
UK Common investment funds	4,536,257	5,471,621
Cash held as part of portfolio	3,480	29,135
	<u>4,539,737</u>	<u>5,500,756</u>

9 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	10,865	11,971
Grants payable	329,720	715,393
Accruals	3,284	3,773
	<u>343,869</u>	<u>731,137</u>

10 Creditors: amounts falling due after one year

	2023 £	2022 £
Grants payable	<u>605,538</u>	<u>1,015,915</u>

11 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.

12a Analysis of net assets between funds (current year)

	General £	Designated £	Fair value £	Total funds £
Investments	3,627,532	423,540	488,665	4,539,737
Net current assets	56,780	-	-	56,780
Long term liabilities	(605,538)	-	-	(605,538)
Net assets at the end of the year	<u>3,078,774</u>	<u>423,540</u>	<u>488,665</u>	<u>3,990,979</u>

12b Analysis of net assets between funds (prior year)

	General £	Designated £	Fair value £	Total funds £
Investments	4,470,407	423,540	606,809	5,500,756
Net current assets	(357,379)	-	-	(357,379)
Long term liabilities	(1,015,915)	-	-	(1,015,915)
Net assets at the end of the year	<u>3,097,113</u>	<u>423,540</u>	<u>606,809</u>	<u>4,127,462</u>

13a Movements in funds (current year)

	At 1 August 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 July 2023 £
Fair value reserve	606,809	-	(118,144)	-	488,665
Designated fund – Career Development Programme	423,540	-	-	-	423,540
General funds	3,097,113	62,785	(81,124)	-	3,078,774
Total unrestricted funds	4,127,462	62,785	(199,268)	-	3,990,979

Fair value reserve

The fair value reserve represents the difference between the current fair value of the investments and their historic cost. The trustees choose to show this separately from the general funds to reduce the impact of investment volatility on funds available for grant making.

Purpose of designated fund

The trustees established a Fellowship programme in 2021 to support suitable Fellowships and PhD scholars. Following a review of the programme the Foundation launched its 'Career Development Programme' in 2022 and the fund was been renamed to match this.

An initial £1m was set aside to support this to be reviewed on an annual basis subject to levels of interest and suitability of applicants. The first round of awards started in 2021, with a total commitment available up to £200,000. Three awards were made in 2021, and a further two awards in 2022. A further round of funding started in 2023 but the awards were not finalised until after the year end. Two awards were made with a total commitment of £167,000.

The amount charged to the fund as expenditure represents the total grant commitment made in the financial year the award is made before discounting, so that the remaining fund balance represents funds available for future awards. The discount will be unwound in future accounting periods against general funds.

13b Movements in funds (prior year)

	At 1 August 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 July 2022 £
Fair value reserve	862,297	-	(255,488)	-	606,809
Designated fund – Career Development Programme	604,132	-	(180,592)	-	423,540
General funds	4,111,976	(72,737)	(942,126)	-	3,097,113
Total unrestricted funds	5,578,405	(72,737)	(1,378,206)	-	4,127,462

THE VTCT FOUNDATION

England & Wales - Charity number 1155360

Accounts

Company number: 8720416

Charity Number: 1155360

The VTCT Foundation

Report and financial statements

For the year ended 31 July 2022

The VTCT Foundation

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For the year ended 31 July 2022

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The VTCT Foundation

Reference and administrative information

For the year ended 31 July 2022

Company number 8720416
Country of incorporation United Kingdom

Charity number 1155360
Country of registration England & Wales

**Registered office
and operational
address** Aspire House
Annealing Close
Eastleigh
SO50 9PX

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:

Rosanna Preston
Tony Lau Walker
Prof Nichola Rumsey
Prof Naiem Moiemem
Dr Wendy Edwards
Angela Cross-Durrant (appointed 30 June 2022)

Bankers CAF Bank Ltd
25 Kings Hill Avenue
West Malling
Kent
ME19 4JQ

**Investment managers
and custodians** abrdn (for CAF)
Bow Bells House
1 Bread Street
LONDON
EC4M 9HH

**Independent
Examiner** Fleur Holden FCA
Sayer Vincent LLP
Chartered Accountants
Invicta House
108-114 Golden Lane
LONDON
EC1Y 0TL

The trustees present their report and the financial statements for the year ended 31 July 2022. Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102. This trustees' annual report includes a directors' report as required by company law.

Objectives and activities

Purposes and aims

The activities of the charity are grant making in the fields of vocational education, especially hair and beauty sectors, and research into the relief of disfigurement.

The charity's vision is: Supporting a better future for people with disfigurement.

The purposes of the charity are:

- 1) The advancement of education, research and public dissemination of knowledge in:
 - a. the art and technology of Health and Beauty Therapy
 - b. the skills and knowledge required for other vocational employments including those in the well-being, public and service industries
 - c. the impact and treatment of physical disfigurement and all kindred arts and sciences
- 2) the relief of sickness or poor health caused by physical disfigurement and the assistance of those with physical disfigurements, their families and carers to overcome any social, physical, psychological, emotional or other disadvantage.

The strategies employed to achieve the charity's aims and objectives are to:

- 1) partner with well managed charities and research institutions
- 2) support projects where match funding is available through grant making and consultancy
- 3) Award a mix of small and large grants to support both major long-term projects and smaller pilot projects
- 4) keep the charity's running costs to a minimum
- 5) disburse the funds over a fixed time period and not to fundraise for further funds
- 6) only fund projects carried out by UK based charities working in the UK.

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remain focused on its stated purposes.

The VTCT Foundation

Trustees' annual report

For the year ended 31 July 2022

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

Achievements and performance

The charity's main activities and beneficiaries are described below. All its charitable activities focus on grant making and are undertaken to further The VTCT Foundation's charitable purposes for the public benefit.

The charity has identified that it is important that it is familiar with the needs and activities of organisations working in the field of visible difference. Therefore, the charity is funding the Appearance Collective. The Appearance Collective – an informal network – brings together researchers, clinicians and representatives of charities working with visible difference to attend conferences and workshops on topics such as fundraising, research and interventions. The aim of the Collective's strategy is to reduce duplication, encourage collaboration, and to enable all those working in the visible difference arena to stay up to date with research and projects. A secondary objective is to help charities, many of which are small, to achieve long-term sustainability and to encourage a unified voice on issues connected with visible difference.

The trustees raise awareness of the charity and its work through the charity's website www.vtctfoundation.org.uk, membership of the Appearance Collective, and attendance and organisation of workshops and conferences.

Grant Making Portfolio

The trustees have agreed a portfolio of grants covering a spectrum from medical and psychological research to patient support. Applications were received via the Foundation website or through direct contact with patient organisations, clinicians, and researchers. Each application is assessed against the Foundation's grant making criteria and applicants are supported to make the best possible application by a part-time Grant Applications Manager. During the year main new grants included the following organisations:

- UWE/Centre for Appearance Research – £1m over 4 years
- Changing Faces – £123,081
- Katie Piper – £33,750

Plans were put in place during the year to deliver on one of the Foundation's new strategic objectives including to invest in attracting and developing talent in the visible difference field. This was achieved through the launch of VTCTF's own Career Development Programme which launched in early 2022. The awards below were made in early July. Plans are now in place to run a further grant call for two PhD awards in autumn 2022 with a view to making awards following a rigorous process by the end of May 2023. Consideration is being given to running a further call to fund one VTCT Foundation clinical fellowship later next year.

The VTCT Foundation

Trustees' annual report

For the year ended 31 July 2022

Two awards were made under the Career Development Programme funding stream during 2021/22:

- Action Medical Research for Children
- University of Oxford

Small Grants Programme

In 2018 the trustees launched a Small Grants Programme to give easier access to small charities to grants of up to £25,000. The funds are to support charities working in the visible difference field, to enable them to achieve a step change and build their capacity and impact. The first grants were awarded in September 2018, and in total just over £310,000 was awarded to 13 organisations.

The trustees decided to continue with this funding stream which continues to be open to applications.

New Ways of Working

Finally in response to the challenges experienced by charities as a result of the Covid pandemic the trustees decided to supplement the small grants with an additional funding stream 'New Ways of Working'. This launched on 1 June 2020, intending to run until 31 December 2020. As the pandemic and aftermath continued into 2021, this funding stream was extended.

Grants were awarded as either:

- Small grants to help organisations reinvent service delivery by developing digital capability and virtual capacity; or
- Larger grants to enable remodelling and redesigning how the charity operates for maximum impact and effectiveness in a post coronavirus world.

During the year to 31 July 2022, grants totalling £56,855 were made to 3 organisations (2021: £368,578 to 10 organisations) under the small grant and New Ways of Working programmes.

Maximising Impact, Lasting Legacy

As the Foundation enters its final planned five years of operation the trustees have ramped up their commitment to two funding priorities with a view to significantly enhancing the Foundation's impact in the sector in the next five years and transforming its legacy in the future. The areas of investment beyond the grant programmes above are:

1. **Continuing to invest in the informal network of charities, clinicians and researchers called the Appearance Collective.** This has taken the form of:
 - Launching a forum for chairs and chief executives of ten of the larger charities in order to better identify and support their development priorities, drive sustainability and encourage better working together. This initiative will be taken further over the next two years.

- Reinstating the annual Showcase event as an in-person event with the objective of better dissemination of research and project findings and to build and strengthen the network.
- Co-ordinating wider learning and collaboration events across the Collective.
- Making the above four-year grant commitment to CAR who in turn work with Appearance Collective charities and whose focus will be initially focused on evidence-based interventions that can help charities broaden their reach and impact with service users.

2. Investing in the Foundation's own capabilities and its offer to the sector.

This has taken the form of:

- Refreshing and refocusing its strategy and efforts and reprioritising investments.
- Accordingly, reviewing the governance requirements needed to deliver on that strategy and beginning to recruit additional skills and experience. There remain opportunities to apply to join the board as part of this governance strengthening exercise.
- Redeveloping its web presence with a new site that performs better and contains content to a wider audience and offering.
- Employing additional training and communications resource to bring external expertise into the sector and to improve dissemination and promotion of the Foundation's work and that of its grant holders.

Financial review

The only income received by the charity is bank interest and investment income. The charity does not actively raise funds from other sources.

Total expenditure during the year was £1,378,206 of which £1,340,489 (97.3%) related to grants. (2021: Total £796,448 of which grants were £773,290 (97.1%) after accounting for a £60,000 repayment of an unused grant awarded in a previous accounting period.) Where grants cross a number of years, they have been discounted within the financial statements in accordance with FRS 102.

Reserves policy and going concern

The charity was formed through a grant from the Vocational Training Charitable Trust of £8.58 million in 2015. The trustees envisage utilising these funds over 10 years to pursue the charity's objects and as such, expect the reserves available to reduce as the charity continues grant making. At 31 July 2022 the charity had unrestricted reserves of just under £4.13 million (2021 £5.58m). Of this £423,540 is held in the designated fund the trustees have earmarked for the Career Development programme.

The charity has minimal fixed operating costs and the trustees believe there are sufficient reserves available for the charity's foreseeable future operational activity. Plans are beginning to

be shaped to define the later stages of the charity's lifespan and potential legacy which take account of the financial projects of the next four years.

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 7 October 2013, and registered as a charity on 16 January 2014.

The company was established under a memorandum of association and is governed under its articles of association which state the objects and powers of the charitable company. All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 5 to the accounts.

Appointment of trustees

Trustees are appointed by application and interview. The charity has identified the skills mix needed for the Board and invited a range of applicants with relevant skills to apply. Applicants are interviewed by current board members and given an induction on the work of the charity and the role of a trustee.

Related parties and relationships with other organisations

The charity has no subsidiary entities.

As previously stated, the Centre for Appearance Research works closely with the Appearance Collective as part of the project funded by the VTCT Foundation. Prior to joining the Board of the Foundation Prof. Nichola Rumsey retired as Professor at the Centre for Appearance Research ('CAR') at the University of the West of England. She remains Professor Emerita.

Following a rigorous application review process a new grant of £1 million payable over 4 years was awarded to CAR. Professor Rumsey did not take part in the decision to fund CAR and the award was unanimously agreed by the other trustees.

Additionally in 2021 a Fellowship of £90,000 to cover three years from 1 October 2020 was awarded to fund a PhD at UWE, hosted by CAR, and payments were made to for this during the year ended 31 July 2022.

Dr Wendy Edwards is the chair of the Headlines Craniofacial Support ('Headlines') Research Committee. She was a trustee and chair of Headlines until June 2021, and her husband remains a trustee of Headlines.

An award of £88,445 was made to Headlines in 2021 to cover a 21-month project starting in August 2021 to create and evaluate bespoke adult online resources. This award was made after

thorough discussion by the trustees, and by unanimous agreement by all the trustees excluding Dr Edwards. This work is being carried out in collaboration with CAR.

Statement of responsibilities of the trustees

The trustees (who are also directors of The VTCT Foundation for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and 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 the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended 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 presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that 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 financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 July 2022 was 8 (2021:7). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The VTCT Foundation

Trustees' annual report

For the year ended 31 July 2022

The trustees' annual report has been approved by the trustees on 16 December 2022 and signed on their behalf by

Tony Lau Walker
Chair of trustees

Independent examiner's report

To the trustees of

The VTCT Foundation

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 July 2022.

This report is made solely to the trustees as a body, in accordance with the Charities Act 2011. My examination has been undertaken so that I might state to the trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the trustees as a body, for my examination, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the trustees of the charity (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- 1 Accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 The accounts do not accord with those records; or
- 3 The accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- 4 The accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Fleur Holden FCA

Sayer Vincent LLP, Invicta House, 108-114 Golden Lane, London, EC1Y 0TL

6 January 2023

The VTCT Foundation

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 July 2022

	Note	2022 £	2021 £
Income from:			
Investments	2	52,905	90,213
Total income		<u>52,905</u>	<u>90,213</u>
Expenditure on:			
Charitable activities			
Grant Making	3	1,378,206	796,448
Total expenditure		<u>1,378,206</u>	<u>796,448</u>
Net (expenditure) before net (losses)/gains on investments		(1,325,301)	(706,235)
Net (losses)/gains on investments	8	<u>(125,642)</u>	<u>683,863</u>
Net expenditure for the year and net movement in funds	5	(1,450,943)	(22,372)
Reconciliation of funds:			
Total funds brought forward		<u>5,578,405</u>	<u>5,600,777</u>
Total funds carried forward		<u>4,127,462</u>	<u>5,578,405</u>

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

The VTCT Foundation

Balance sheet

Company no. 8720416

As at 31 July 2022

	Note	£	2022 £	£	2021 £
Fixed assets:					
Investments	8		<u>5,500,756</u>		<u>6,375,651</u>
			5,500,756		6,375,651
Current assets:					
Debtors	9	–		60,000	
Cash at bank and in hand		<u>373,758</u>		<u>451,639</u>	
		373,758		511,639	
Liabilities:					
Creditors: amounts falling due within one year	10	<u>(731,137)</u>		<u>(908,431)</u>	
Net current (liabilities)			(357,379)		(396,792)
Total assets less current liabilities			5,143,377		5,978,859
Creditors: amounts falling due after one year	11		<u>(1,015,915)</u>		<u>(400,454)</u>
Total net assets			4,127,462		5,578,405
The funds of the charity:	13a				
Unrestricted income funds:					
Fair value reserve		606,809		862,297	
Designated funds		423,540		604,132	
General funds		<u>3,097,113</u>		<u>4,111,976</u>	
Total unrestricted funds			4,127,462		5,578,405
Total charity funds			4,127,462		5,578,405

The opinion of the trustees is that for the year ended 31 July 2022 the company was entitled to the exemptions conferred by Section 477 of the Companies Act 2006 relating to small companies.

The trustees acknowledge the following responsibilities:

- (i) The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476
- (ii) The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 16 December 2022 and signed on their behalf by

Tony Lau Walker
Chair of Trustees

The VTCT Foundation

Statement of cash flows

For the year ended 31 July 2022

	Note	2022 £	£	2021 £	£
Cash flows from operating activities					
Net cash (used in) operating activities	a)		(880,039)		(843,967)
Cash flows from investing activities:					
Interest and dividends from investments		52,905		90,213	
Purchase of investments		(821,825)		(1,746,776)	
Proceeds from sale of investments		1,571,078		2,359,513	
Net cash provided by investing activities			802,158		702,950
Change in cash and cash equivalents in the year			(77,881)		(141,017)
Cash and cash equivalents at the beginning of the year			451,639		592,656
Cash and cash equivalents at the end of the year			373,758		451,639

Reconciliation of net (expenditure) to net cash flow from operating activities

	2022 £	2021 £
Net (expenditure) for the reporting period (as per the statement of financial activities)	(1,450,943)	(22,372)
Losses/(gains) on investments	125,642	(683,863)
Dividends and interest from investments	(52,905)	(90,213)
Decrease/(Increase) in debtors	60,000	(60,000)
Increase in creditors	438,167	12,481
Net cash (used in) operating activities	(880,039)	(843,967)

1 Accounting policies

a) Statutory information

The VTCT Foundation is a charitable company limited by guarantee and is incorporated in England.

The registered office address is Aspire House, Annealing Close, Eastleigh, SO50 9PX.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Investments are drawn down when they are needed to pay grant and other commitments as they fall due.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

f) Investment income

Investment income is included in the statement of financial activities when receivable.

g) Fund accounting

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

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure on charitable activities includes the costs of grant making undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1 Accounting policies (continued)

i) Grants payable and refunded

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Where grant commitments are made for periods due in more than one year, these are discounted to their present value, based on a rate in line with the expected rate of return on investments.

Grants repaid by recipients who have been unable to use the funds as given are accounted for on the earlier of receipt of the repayment or when the charity has confirmed that repayment will be made. The repayment is shown as a reduction in the overall expenditure on grants in the year in note 4. Any repayments due but not received by the year end are also shown as debtors.

j) Allocation of support and costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

As the sole activity of the charity is grant making, support and governance costs are both allocated in full to the grant making activity.

k) Listed investments

Investments 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. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

l) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

m) Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

n) Financial instruments

The charity has both basic and non-basic financial assets and financial liabilities. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value using the effective interest method. Non-basic financial instruments are measured at fair value with any gain or loss going to the statement of financial activities. Full details are given in the financial instruments note.

2 Income from investments

	2022	2021
	Total	Total
	£	£
Bank deposits	1,752	2,492
Investment income	51,153	87,721
	52,905	90,213

All income from investments is unrestricted

3 Analysis of expenditure

a. Current year	Grant making	Governance	Support	2022	2021
	£	costs	costs	£	£
		£	£		
Grants payable (note 4)	1,329,763	-	-	1,329,763	760,460
Discounts unwound	10,726	-	-	10,726	12,830
Workshops and showcase	10,634	-	-	10,634	-
Insurance	-	-	778	778	778
Independent examination fees	-	2,760	-	2,760	2,760
Other professional fees	15,203	1,750	3,875	20,828	19,361
Board meeting costs	-	662	-	662	-
Trustee expenses	-	632	-	632	-
Other costs	-	-	1,423	1,423	259
	1,366,326	5,804	6,076	1,378,206	796,448
Support costs	6,076	-	(6,076)	-	-
Governance costs	5,804	(5,804)	-	-	-
Total expenditure	1,378,206	-	-	1,378,206	796,448

b. prior year	Grant making	Governance	Support costs	2021
		costs		
<i>Grants payable (note 4)</i>	<i>760,460</i>	<i>-</i>	<i>-</i>	<i>760,460</i>
<i>Discounts unwound</i>	<i>12,830</i>	<i>-</i>	<i>-</i>	<i>12,830</i>
<i>Insurance</i>	<i>-</i>	<i>-</i>	<i>778</i>	<i>778</i>
<i>Independent examination fees</i>	<i>-</i>	<i>2,760</i>	<i>-</i>	<i>2,760</i>
<i>Other professional fees</i>	<i>15,658</i>	<i>1,500</i>	<i>2,203</i>	<i>19,361</i>
<i>Trustee expenses</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Other costs</i>	<i>-</i>	<i>-</i>	<i>259</i>	<i>259</i>
	<i>788,948</i>	<i>4,260</i>	<i>3,240</i>	<i>796,448</i>
<i>Support costs</i>	<i>3,240</i>	<i>-</i>	<i>(3,240)</i>	<i>-</i>
<i>Governance costs</i>	<i>4,260</i>	<i>(4,260)</i>	<i>-</i>	<i>-</i>
<i>Total expenditure</i>	<i>796,448</i>	<i>-</i>	<i>-</i>	<i>796,448</i>

The VTCT Foundation

Notes to the financial statements

For the year ended 31 July 2022

4 Grants payable

	Main grant £	Small grant/ New Ways of Working £	Total commitment £	Effect of discounting £	2022 £	2021 £
Career Development Programme						
Action Medical Research for Children	94,592	-	94,592	-	94,592	-
University of Oxford -	86,000	-	86,000	(4,077)	81,923	-
UWE Partnership PhD	-	-	-	-	-	88,571
North Bristol NHS Cleft Research	-	-	-	-	-	50,000
Queen Mary University of London/Hannah Saunders	-	-	-	-	-	54,439
Other grants						
UWE/Centre for Appearance Research	1,000,000	-	1,000,000	(69,188)	930,812	-
Changing Faces	123,081	-	123,081	-	123,081	123,000
Katie Piper	33,750	-	33,750	-	33,750	-
Nf2 Biosolutions	-	25,000	25,000	-	25,000	-
Children's Burns Trust	-	19,355	19,355	-	19,355	14,219
Facial Palsy UK	-	12,500	12,500	-	12,500	68,687
Cleft Collective	-	-	-	-	-	100,000
Headlines	-	-	-	-	-	88,446
Oxford University Hospitals NHS Foundation Trust - Facial Palsy UK/CAR	-	-	-	-	-	47,826
British Burn's Association	-	-	-	-	-	20,000
Alopecia UK	-	-	-	-	-	26,487
Birmingham Women's and Children's	-	-	-	-	-	17,168
Caring Matters Now	-	-	-	-	-	24,971
Child Accident Prevention Trust	-	-	-	-	-	24,980
CLEFT - Bridging the Gap	-	-	-	-	-	22,000
Eczema Outreach Support	-	-	-	-	-	22,066
MACS	-	-	-	-	-	25,000
Appearance Matters 9 sponsorship, and travel bursaries	5,750	-	5,750	-	5,750	-
The Appearance Collective	3,000	-	3,000	-	3,000	2,600
Scar Free Foundation *	-	-	-	-	-	(60,000)
	<u>1,346,173</u>	<u>56,855</u>	<u>1,403,028</u>	<u>(73,265)</u>	<u>1,329,763</u>	<u>760,460</u>

* Grant underspend released/repaid by recipient.

Where grants payments are due in more than one year, these are discounted back to present value in line with the charity's accounting policies.

5 Net (expenditure) for the year

This is stated after charging:

	2022 £	2021 £
Independent examiner's fees (excluding VAT)	<u>2,300</u>	<u>2,200</u>

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £632 (2021: £Nil) incurred by 3 trustees (2021: 0) relating to attendance at meetings of the trustees and other meetings related to the work of the Foundation.

6 Related party transactions

Professor Nichola Rumsey provides consultancy to the Centre for Appearance Research (CAR) at the University of the West of England (UWE). A £1m grant was awarded to UWE/CAR in 2018 and the first two annual £200,000 tranches paid under the grant agreement before Professor Rumsey became a trustee of VTCT Foundation. Later tranches have only been paid by agreement of the trustees following satisfactory annual reports. The last tranche of this grant was paid during 2021/22.

Following a rigorous application process and unanimous agreement by all trustees (excluding Professor Rumsey) a new £1m grant for 4 years funding was awarded in June 2022.

During 2021 a Fellowship of £90,000 to cover three years from 1 October 2020 was awarded to fund a PhD at UWE, hosted by CAR. Additionally, a grant of £47,826 was awarded to the Oxford University Hospitals NHS Trust Facial Palsy Unit for a project that will be carried out with input from Facial Palsy UK and CAR. Payments to CAR require approval by all the other trustees rather than a simple majority.

Dr Wendy Edwards was the chair of Headlines Craniofacial Support until June 2021, and currently sits on the Headlines Research Committee. Her husband continues to be a trustee of Headlines. Headlines received an award of £88,486 in 2021 to cover 2 years funding of a research post. Dr Edwards did not take part in the grant decision and the awards were unanimously agreed by the remaining trustees after thorough review. This work is being carried out in collaboration with CAR.

There are no other related party transactions to disclose for 2022 (2021: none).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

7 Taxation

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

8 Investments

	2022 £	2021 £
Fair value at the start of the year	6,375,651	6,304,525
Additions at cost	821,825	1,746,776
Disposal proceeds	(1,571,078)	(2,359,513)
Net gain on change in fair value	(125,642)	683,863
	<u>5,500,756</u>	<u>6,375,651</u>

Investments comprise:

	2022 £	2021 £
UK Common investment funds	5,471,621	5,440,285
Cash held as part of portfolio	29,135	935,366
	<u>5,500,756</u>	<u>6,375,651</u>

9 Debtors

	2022 £	2021 £
Unused grant refund	-	60,000
	<u>-</u>	<u>60,000</u>

10 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	11,971	10,820
Grants payable	715,393	894,971
Accruals	3,773	2,640
	<u>731,137</u>	<u>908,431</u>

11 Creditors: amounts falling due after one year

	2022 £	2021 £
Grants payable	<u>1,015,915</u>	<u>400,454</u>

12 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.

13a Movements in funds (current year)

	At 1 August 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 July 2022 £
Fair value reserve	862,297	-	(255,488)	-	606,809
Designated fund – Career Development Programme	604,132	-	(180,592)	-	423,540
General funds	4,111,976	(72,737)	(942,126)	-	3,097,113
Total unrestricted funds	<u>5,578,405</u>	<u>(72,737)</u>	<u>(1,378,206)</u>	<u>-</u>	<u>4,127,462</u>

The fair value reserve represents the difference between the current fair value of the investments and their historic cost.

Purpose of designated fund

The trustees established a Fellowship programme in 2021 to support suitable Fellowships and PhD scholars. Following a review of the programme the Foundations launched its 'Career Development Programme' in 2022 and the fund has been renamed to match this.

An initial £1m was set aside to support this to be reviewed on an annual basis subject to levels of interest and suitability of applicants. The first award was made during 2021, with a total commitment of up to £200,000. Three awards were made in 2021, and a further two awards in 2022.

The amount charged to the fund as expenditure represents the total grant commitment made in the financial year the award is made before discounting, so that the remaining fund balance represents funds available for future awards. The discount will be unwound in future accounting periods against general funds.

13b Movements in funds (prior year)

	At 1 August 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 July 2021 £
Fair value reserve	380,646	481,651	-	-	862,297
Designated fund – Fellowships	800,000	-	(194,439)	(1,429)	604,132
General funds	4,420,131	292,425	(602,009)	1,429	4,111,976
Total unrestricted funds	<u>5,600,777</u>	<u>774,076</u>	<u>(796,448)</u>	<u>-</u>	<u>5,578,405</u>

THE VTCT FOUNDATION

England & Wales - Charity number 1155360

Accounts

Company number: 8720416

Charity Number: 1155360

The VTCT Foundation

Report and financial statements

For the year ended 31 July 2021

The VTCT Foundation

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The VTCT Foundation

Reference and administrative information

For the year ended 31 July 2021

Company number 8720416
Country of incorporation United Kingdom

Charity number 1155360
Country of registration England & Wales

**Registered office
and operational
address** Aspire House
Annealing Close
Eastleigh
SO50 9PX

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:

Rosanna Preston
Tony Lau Walker
Prof Nichola Rumsey
Prof Naiem Moiemem
Dr Wendy Edwards

Bankers CAF Bank Ltd
25 Kings Hill Avenue
West Malling
Kent
ME19 4JQ

**Investment managers
and custodians** abrdn (for CAF)
Bow Bells House
1 Bread Street
LONDON
EC4M 9HH

**Independent
Examiner** Fleur Holden FCA
Sayer Vincent LLP
Chartered Accountants
Invicta House
108-114 Golden Lane
LONDON
EC1Y 0TL

The trustees present their report and the financial statements for the year ended 31 July 2021.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims

The activities of the charity are grant making in the fields of vocational education, especially hair and beauty sectors, and research into the relief of disfigurement.

The charity's vision is: Supporting a better future for people with disfigurement.

The purposes of the charity are:

- 1) The advancement of education, research and public dissemination of knowledge in:
 - a. the art and technology of Health and Beauty Therapy
 - b. the skills and knowledge required for other vocational employments including those in the well-being, public and service industries
 - c. the impact and treatment of physical disfigurement and all kindred arts and sciences
- 2) the relief of sickness or poor health caused by physical disfigurement and the assistance of those with physical disfigurements, their families and carers to overcome any social, physical, psychological, emotional or other disadvantage.

The strategies employed to achieve the charity's aims and objectives are to:

- 1) partner with well managed charities and research institutions
- 2) support projects where match funding is available through grant making and consultancy
- 3) Award a mix of small and large grants to support both major long-term projects and smaller pilot projects
- 4) keep the charity's running costs to a minimum
- 5) disburse the funds over a fixed time period and not to fundraise for further funds
- 6) only fund projects carried out by UK based charities working in the UK.

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remain focused on its stated purposes.

The VTCT Foundation

Trustees' annual report

For the year ended 31 July 2021

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

Achievements and performance

The charity's main activities and beneficiaries are described below. All its charitable activities focus on grant making and are undertaken to further The VTCT Foundation's charitable purposes for the public benefit.

The charity has identified that it is important that it is familiar with the needs and activities of organisations working in the field of visible difference. Therefore, the charity is funding the Appearance Collective. The Appearance Collective – an informal network – brings together researchers, clinicians and representatives of charities working with visible difference to attend conferences and workshops on topics such as fundraising, research and interventions. The aim of the Collective's strategy is to reduce duplication, encourage collaboration, and to enable all those working in the visible difference arena to stay up to date with research and projects. A secondary objective is to help charities, many of which are small, to achieve long-term sustainability and to encourage a unified voice on issues connected with visible difference.

As part of the project funded by VTCTF the Centre for Appearance Research is working closely with the Appearance Collective to identify key areas of research leading to evidence based interventions and providing bespoke training.

The ongoing pandemic and associated challenges continued to provide opportunities for Appearance Collective members to work together. The Foundation was pleased to promote and support workshops and training sessions delivered regularly through the year by Changing Faces on the topic of PR, media and assessing and addressing the impact of covid on service users. CAR also delivered workshops to members including on the subject: '*Understanding men's experiences of visible difference: Learning from an Alopecia study*'. The 2021 VTCTF Annual Showcase was delayed until the autumn and would again be virtual. Finally, a grant to improve services to adult users awarded to Changing Faces provided an opportunity for the charity to work more closely with charity providing support for the top ten appearance related conditions. The objective was to increase the reach of Changing Faces and increase the range and nature of support available to service users.

The trustees raise awareness of the charity and its work through the charity's website www.vtctfoundation.org.uk, membership of the Appearance Collective, and attendance and organisation of workshops and conferences.

The trustees have agreed a portfolio of grants covering a spectrum from research to patient support. Applications were received via the above website or through direct contact with patient organisations, clinicians, and researchers. Each application is assessed against the Foundation's

The VTCT Foundation

Trustees' annual report

For the year ended 31 July 2021

grant making criteria and applicants are supported to make the best possible application by a part-time Grant Applications Manager.

During the year new grants included the following organisations:

- Cleft Collective £100,000
- Headlines £88,446
- Oxford Major Trauma Centre/OUH NHS Foundation Trust – Matt Hotton £47,826
- British Burns Association £20,000

Three awards were made under the Fellowship funding stream during 2020/21:

- CAR/UWE PhD Yr1/Christa Huntington – Supporting People Affected by Burn Injuries: Development and Evaluation of an Online Resource based on Personal Experiences to Support Patients and Train Health Professionals
- North Bristol NHS/ Matt Fell – research into novel approaches to understand the link between maternal smoking and cleft lip and palate
- Queen Mary's University London/Hannah Saunders – equality law research

Plans were put in place during the year to increase fellowship activity through the launch of VTCTF's own Career Development Programme scheduled for early 2022.

Small Grants Programme

In 2018 the trustees launched a Small Grants Programme to give easier access to small charities to grants of up to £25,000. The funds are to support charities working in the visible difference field, to enable them to achieve a step change and build their capacity and impact. The first grants were awarded in September 2018, and in total just over £310,000 was awarded to 13 organisations.

The trustees decided to continue with a second round of funding, launching in the last quarter of 2019, and this continued into 2020.

New Ways of Working

As a response to the challenges experienced by charities as a result of the Covid pandemic the trustees decided to supplement the small grants with an additional funding stream 'New Ways of Working'. This launched on 1 June 2020, intending to run until 31 December 2020. As the pandemic continued in to 2021, this funding stream has been extended.

Grants are awarded as either:

- Small grants to help organisations reinvent service delivery by developing digital capability and virtual capacity; or
- Larger grants to enable remodelling and redesigning how the charity operates for maximum impact and effectiveness in a post coronavirus world.

During the year to 31 July 2021, grants totalling £368,578 were made to 10 organisations (2020: £108,729 to 7 organisations) under the small grant and New Ways of Working programmes.

Financial review

The only income received by the charity is bank interest and investment income. The charity does not actively raise funds from other sources.

Total expenditure during the year was £796,448 of which £773,290 (97.1%) related to grants. (2020: Total £375,014 of which grants were £352,732 (94.1%)). This is after accounting for a £60,000 repayment of an unused grant awarded in a previous accounting period.

Where grants cross a number of years, they have been discounted within the financial statements in accordance with FRS 102.

Reserves policy and going concern

The charity was formed through a grant from the Vocational Training Charitable Trust of £8.58 million in 2015. The trustees envisage utilising these funds over 10 years to pursue the charity's objects and as such, expect the reserves available to reduce as the charity continues grant making. At 31 July 2021 the charity had unrestricted reserves of just under £5.58 million (2020 £5.60m). Of this £605,000 is held in the designated fund the trustees have earmarked for the Fellowship programme.

The charity has minimal operating costs and the trustees believe there are sufficient reserves available for the charity's operational life.

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 7 October 2013, and registered as a charity on 16 January 2014.

The company was established under a memorandum of association and is governed under its articles of association which state the objects and powers of the charitable company. All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 5 to the accounts.

Appointment of trustees

Trustees are appointed by application and interview. The charity has identified the skills mix needed for the Board and invited a range of applicants with relevant skills to apply. Applicants are interviewed by current board members and given an induction on the work of the charity and the role of a trustee.

Related parties and relationships with other organisations

The charity has no subsidiary entities.

As previously stated, the Centre for Appearance Research works closely with the Appearance Collective as part of the project funded by the VTCT Foundation. Prior to joining the Board of the Foundation Prof. Nichola Rumsey retired as Professor at the Centre for Appearance Research ('CAR') at the University of the West of England. She remains Professor Emerita.

Dr Wendy Edwards was the chair of Headlines Craniofacial Support ('Headlines') until June 2021, and her husband is also a trustee of Headlines.

During 2021 a Fellowship of £90,000 to cover three years from 1 October 2020 was awarded to fund a PhD at UWE which will be hosted by CAR. A key output will be a burns 'Health Talk'. Additionally, a grant of £47,826 was awarded to the Oxford University Hospitals NHS Trust Facial Palsy Unit for a project that will be carried out with input from Facial Palsy UK and CAR.

An award of £88,445 was made to Headlines in 2021 to cover a 21-month project starting in August 2021 to create and evaluate bespoke adult online resources. This award was made after thorough discussion by the trustees, and by unanimous agreement by all the trustees excluding Dr Edwards. This work will be largely carried out in collaboration with CAR.

In 2020 CAR received £20,000 as a New Ways of Working grant, and Headlines received a New Ways of Working grant of £10,500. Dr Edwards was not present when the decision was taken to make the grant.

Statement of responsibilities of the trustees

The trustees (who are also directors of The VTCT Foundation for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and 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 the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements

The VTCT Foundation

Trustees' annual report

For the year ended 31 July 2021

- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that 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 financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 July 2021 was 7 (2020:7). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on 13 December 2021 and signed on their behalf by

Tony Lau Walker
Chair of trustees

Independent examiner's report

To the trustees of

The VTCT Foundation

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 July 2021.

This report is made solely to the trustees as a body, in accordance with the Charities Act 2011. My examination has been undertaken so that I might state to the trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the trustees as a body, for my examination, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the trustees of the charity (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- 1 Accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 The accounts do not accord with those records; or
- 3 The accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- 4 The accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Fleur Holden FCA

Sayer Vincent LLP, Invicta House, 108-114 Golden Lane, London, EC1Y 0TL

14 December 2021

The VTCT Foundation

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 July 2021

	Note	2021 £	2020 £
Income from:			
Investments	2	<u>90,213</u>	<u>117,677</u>
Total income		<u>90,213</u>	<u>117,677</u>
Expenditure on:			
Charitable activities			
Grant Making	3	<u>796,448</u>	<u>375,014</u>
Total expenditure		<u>796,448</u>	<u>375,014</u>
Net (expenditure) before net gains/(losses) on investments		(706,235)	(257,337)
Net gains/(losses) on investments	8	<u>683,863</u>	<u>(269,593)</u>
Net expenditure for the year and net movement in funds	5	(22,372)	(526,930)
Reconciliation of funds:			
Total funds brought forward		<u>5,600,777</u>	<u>6,127,707</u>
Total funds carried forward		<u><u>5,578,405</u></u>	<u><u>5,600,777</u></u>

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

The VTCT Foundation

Balance sheet

Company no. 8720416

As at 31 July 2021

	Note	£	2021 £	£	2020 £
Fixed assets:					
Investments	8		<u>6,375,651</u>		<u>6,304,525</u>
			<u>6,375,651</u>		<u>6,304,525</u>
Current assets:					
Debtors	9	60,000		-	
Cash at bank and in hand		<u>451,639</u>		<u>592,656</u>	
		511,639		592,656	
Liabilities:					
Creditors: amounts falling due within one year	10	<u>(908,431)</u>		<u>(667,927)</u>	
Net current assets/(liabilities)			<u>(396,792)</u>		<u>(75,271)</u>
Total assets less current liabilities			<u>5,978,859</u>		<u>6,229,254</u>
Creditors: amounts falling due after one year	11		<u>(400,454)</u>		<u>(628,477)</u>
Total net assets			<u><u>5,578,405</u></u>		<u><u>5,600,777</u></u>
The funds of the charity:	13a				
Unrestricted income funds:					
Fair value reserve		862,297		380,646	
Designated funds		604,132		800,000	
General funds		<u>4,111,976</u>		<u>4,420,131</u>	
Total unrestricted funds			<u>5,578,405</u>		<u>5,600,777</u>
Total charity funds			<u><u>5,578,405</u></u>		<u><u>5,600,777</u></u>

The opinion of the trustees is that for the year ended 31 July 2021 the company was entitled to the exemptions conferred by Section 477 of the Companies Act 2006 relating to small companies.

The trustees acknowledge the following responsibilities:

- (i) The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476
- (ii) The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 13 December 2021 and signed on their behalf by

Tony Lau Walker
Chair of Trustees

The VTCT Foundation

Statement of cash flows

For the year ended 31 July 2021

	Note	2021 £	£	2020 £	£
Cash flows from operating activities					
Net cash (used in) operating activities	a)		(843,967)		(670,419)
Cash flows from investing activities:					
Interest and dividends from investments		90,213		117,677	
Purchase of investments		(1,746,776)		(866,127)	
Proceeds from sale of investments		2,359,513		1,352,054	
			702,950		603,604
Change in cash and cash equivalents in the year			(141,017)		(66,815)
Cash and cash equivalents at the beginning of the year			592,656		659,471
Cash and cash equivalents at the end of the year			451,639		592,656

Reconciliation of net (expenditure) to net cash flow from operating activities

	2021 £	2020 £
Net (expenditure) for the reporting period (as per the statement of financial activities)	(22,372)	(526,930)
Gains on investments	(683,863)	269,593
Dividends and interest from investments	(90,213)	(117,677)
(Increase) in debtors	(60,000)	-
Increase/(decrease) in creditors	12,481	(295,405)
Net cash (used in) operating activities	(843,967)	(670,419)

1 Accounting policies

a) Statutory information

The VTCT Foundation is a charitable company limited by guarantee and is incorporated in England.

The registered office address is Aspire House, Annealing Close, Eastleigh, SO50 9PX.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Investments are drawn down when they are needed to pay grant and other commitments as they fall due.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

f) Investment income

Investment income is included in the statement of financial activities when receivable.

g) Fund accounting

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

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure on charitable activities includes the costs of grant making undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1 Accounting policies (continued)

i) Grants payable and refunded

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Where grant commitments are made for periods due in more than one year, these are discounted to their present value, based on a rate in line with the expected rate of return on investments.

Grants repaid by recipients who have been unable to use the funds as given are accounted for on the earlier of receipt of the repayment or when the charity has confirmed that repayment will be made. The repayment is shown as a reduction in the overall expenditure on grants in the year in note 4. Any repayments due but not received by the year end are also shown as debtors.

j) Allocation of support and costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

As the sole activity of the charity is grant making, support and governance costs are both allocated in full to the grant making activity.

k) Listed investments

Investments 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. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

l) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

m) Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

n) Financial instruments

The charity has both basic and non-basic financial assets and financial liabilities. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value using the effective interest method. Non-basic financial instruments are measured at fair value with any gain or loss going to the statement of financial activities. Full details are given in the financial instruments note.

Notes to the financial statements

For the year ended 31 July 2021

2 Income from investments

	2021 Total £	2020 Total £
Bank deposits	2,492	2,687
Investment income	87,721	114,990
	<u>90,213</u>	<u>117,677</u>

All income from investments is unrestricted

3 Analysis of expenditure

a. Current year	Grant making £	Governance costs £	Support costs £	2021 £	2020 £
Grants payable (note 4)	760,460	-	-	760,460	337,688
Discounts unwound	12,830	-	-	12,830	15,044
Insurance	-	-	778	778	570
Independent examination fees	-	2,760	-	2,760	2,520
Other professional fees	15,658	1,500	2,203	19,361	18,617
Trustee expenses	-	-	-	-	246
Other costs	-	-	259	259	329
	<u>788,948</u>	<u>4,260</u>	<u>3,240</u>	<u>796,448</u>	<u>375,014</u>
Support costs	3,240	-	(3,240)	-	-
Governance costs	4,260	(4,260)	-	-	-
Total expenditure	<u>796,448</u>	<u>-</u>	<u>-</u>	<u>796,448</u>	<u>375,014</u>

b. prior year	Grant making	Governance costs	Support costs	2020
Grants payable (note 4)	337,688	-	-	337,688
Discounts unwound	15,044	-	-	15,044
Insurance	-	-	570	570
Independent examination fees	-	2,520	-	2,520
Other professional fees	14,117	1,500	3,000	18,617
Trustee expenses	-	246	-	246
Other costs	-	192	137	329
	<u>366,849</u>	<u>4,458</u>	<u>3,707</u>	<u>375,014</u>
Support costs	3,707	-	(3,707)	-
Governance costs	4,458	(4,458)	-	-
Total expenditure	<u>375,014</u>	<u>-</u>	<u>-</u>	<u>375,014</u>

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For the year ended 31 July 2021

4 Grants payable

	Main grant £	Small grant/ New Ways of Working £	Total commitment £	Effect of discounting £	2021 £	2020 £
Fellowships						
UWE Partnership PhD	90,000	-	90,000	(1,429)	88,571	-
North Bristol NHS Cleft Research	50,000	-	50,000	-	50,000	-
Queen Mary University of London/Hannah Saunders	54,439	-	54,439	-	54,439	-
University of Oxford – Wilkie Fellowship	-	-	-	-	-	196,694
Other grants						
Cleft Collective	100,000	-	100,000	-	100,000	-
Headlines (NWW in 2020)	88,446	-	88,446	-	88,446	10,500
Oxford University Hospitals NHS Foundation Trust – Facial Palsy UK/CAR	47,826	-	47,826	-	47,826	-
British Burn's Association	20,000	-	20,000	-	20,000	-
Alopecia UK	-	26,487	26,487	-	26,487	24,768
Birmingham Women's and Children's	-	17,168	17,168	-	17,168	-
Caring Matters Now	-	24,971	24,971	-	24,971	-
Centre for Appearance Research (NWW)	-	-	-	-	-	20,000
Changing Faces	-	123,000	123,000	-	123,000	-
Child Accident Prevention Trust	-	24,980	24,980	-	24,980	-
Children's Burns Trust	-	14,219	14,219	-	14,219	-
CLAPA Scotland	-	-	-	-	-	35,291
CLAPA (NWW grant)	-	-	-	-	-	30,000
CLEFT – Bridging the Gap	-	22,000	22,000	-	22,000	-
Debra	-	-	-	-	-	13,824
Dan's Fund for Burns	-	-	-	-	-	9,000
Eczema Outreach Support	-	22,066	22,066	-	22,066	-
Facial Palsy UK	-	68,687	68,687	-	68,687	-
MACS	-	25,000	25,000	-	25,000	-
The Appearance Collective	2,600	-	2,600	-	2,600	4,550
Lipidostrophy UK	-	-	-	-	-	637
Scar Free Foundation *	(60,000)	-	(60,000)	-	(60,000)	-
University of Sheffield*	-	-	-	-	-	(4,990)
Katie Piper*	-	-	-	-	-	(2,586)
	393,311	368,578	761,889	(1,429)	760,460	337,688

* Grant underspend released/repaid by recipient.

Where grants payments are due in more than one year, these are discounted back to present value in line with the charity's accounting policies.

5 Net (expenditure) for the year

This is stated after charging:

	2021 £	2020 £
Independent examiner's fees (excluding VAT)	2,200	2,200

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £Nil (2020: £246) incurred by 0 trustees (2020: 3) relating to attendance at meetings of the trustees and other meetings related to the work of the Foundation.

6 Related party transactions

Professor Nichola Rumsey provides consultancy to the Centre for Appearance Research (CAR) at the University of the West of England (UWE). A £1m grant was awarded to UWE/CAR in 2018 and the first two annual £200,000 tranches paid under the grant agreement before Professor Rumsey became a trustee of VTCT Foundation.

During 2021 a Fellowship of £90,000 to cover three years from 1 October 2020 was awarded to fund a PhD at UWE which will be hosted by CAR. Additionally, a grant of £47,826 was awarded to the Oxford University Hospitals NHS Trust Facial Palsy Unit for a project that will be carried out with input from Facial Palsy UK and CAR. A small grant of £20,000 was made to CAR in 2020. Payments to CAR require approval by all the other trustees rather than a simple majority.

Dr Wendy Edwards was the chair of Headlines Craniofacial Support until June 2021 and her husband continues to be a trustee of Headlines. Headlines received a grant in July 2020 of £10,500. A further award of £88,486 was made in 2021 to cover 2 years funding of a research post. Dr Edwards did not take part in the grant decision and the awards were unanimously agreed by the remaining trustees after thorough review. This work will be largely carried out in collaboration with CAR.

There are no other related party transactions to disclose for 2021 (2020: none).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

7 Taxation

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

8 Investments

	2021 £	2020 £
Fair value at the start of the year	6,304,525	7,060,045
Additions at cost	1,746,776	866,127
Disposal proceeds	(2,359,513)	(1,352,054)
Net gain on change in fair value	683,863	(269,593)
	<u>6,375,651</u>	<u>6,304,525</u>

Investments comprise:

	2021 £	2020 £
UK Common investment funds	6,375,651	6,304,525
	<u>6,375,651</u>	<u>6,304,525</u>

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For the year ended 31 July 2021

9 Debtors	2021 £	2020 £
Unused grant refund	60,000	–
10 Creditors: amounts falling due within one year	2021 £	2020 £
Trade creditors	10,820	7,446
Grants payable	894,971	657,961
Accruals	2,640	2,520
	908,431	667,927
11 Creditors: amounts falling due after one year	2021 £	2020 £
Grants payable	400,454	628,477

12 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.

13a Movements in funds (current year)

	At 1 August 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 July 2021 £
Fair value reserve	380,646	481,651	–	–	862,297
Designated fund – Fellowships	800,000	–	(194,439)	(1,429)	604,132
General funds	4,420,131	292,425	(602,009)	1,429	4,111,976
Total unrestricted funds	5,600,777	774,076	(796,448)	–	5,578,405

The fair value reserve represents the difference between the current fair value of the investments and their historic cost.

Purpose of designated fund

The trustees support suitable PhD scholars through a new Fellowship programme which commenced in 2020. An initial £1m was set aside to support this and will be reviewed on an annual basis subject to levels of interest and suitability of applicants.

The first award was made during 2020, with a total undiscounted commitment of up to £200,000, and a further three awards were made in 2021. The discounted award amount is charged to expenditure in the financial year the award is made. The balance representing the discount which will be unwound in future accounting periods has been transferred to general funds so that the remaining fund balance represents funds available for future awards.

13b Movements in funds (prior year)

	At 1 August 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 July 2020 £
Fair value reserve	735,967	–	(269,593)	(85,728)	380,646
Designated fund – Fellowships	1,000,000	–	(196,694)	(3,306)	800,000
General funds	4,391,740	117,677	(178,320)	89,034	4,420,131
Total unrestricted funds	6,127,707	117,677	(178,320)	–	5,600,777