

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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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 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.

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

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		5,500,756		6,375,651
			5,500,756		6,375,651
Current assets:					
Debtors	9	–		60,000	
Cash at bank and in hand		373,758		451,639	
		373,758		511,639	
Liabilities:					
Creditors: amounts falling due within one year	10	(731,137)		(908,431)	
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		(1,015,915)		(400,454)
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		3,097,113		4,111,976	
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.

Notes to the financial statements

For the year ended 31 July 2022

2 Income from investments

	2022 Total £	2021 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 costs £	Support costs £	2022 £	2021 £
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 costs	Support costs	2021
Grants payable (note 4)	760,460	-	-	760,460
Discounts unwound	12,830	-	-	12,830
Insurance	-	-	778	778
Independent examination fees	-	2,760	-	2,760
Other professional fees	15,658	1,500	2,203	19,361
Trustee expenses	-	-	-	-
Other costs	-	-	259	259
	788,948	4,260	3,240	796,448
Support costs	3,240	-	(3,240)	-
Governance costs	4,260	(4,260)	-	-
Total expenditure	796,448	-	-	796,448

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
Apperance Matters 9 sponorship, 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)
	1,346,173	56,855	1,403,028	(73,265)	1,329,763	760,460

* 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)	2,300	2,200

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.

Notes to the financial statements

For the year ended 31 July 2022

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>

Notes to the financial statements

For the year ended 31 July 2022

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
	731,137	908,431

11 Creditors: amounts falling due after one year

	2022 £	2021 £
Grants payable	1,015,915	400,454

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	5,578,405	(72,737)	(1,378,206)	–	4,127,462

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 £
<i>Fair value reserve</i>	<i>380,646</i>	<i>481,651</i>	<i>–</i>	<i>–</i>	<i>862,297</i>
<i>Designated fund – Fellowships</i>	<i>800,000</i>	<i>–</i>	<i>(194,439)</i>	<i>(1,429)</i>	<i>604,132</i>
<i>General funds</i>	<i>4,420,131</i>	<i>292,425</i>	<i>(602,009)</i>	<i>1,429</i>	<i>4,111,976</i>
Total unrestricted funds	5,600,777	774,076	(796,448)	–	5,578,405