

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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**For the year ended 31 July 2023**

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Reference and administrative information

For the year ended 31 July 2023

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**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 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](http://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.

### 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%)).

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

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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 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**

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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 £
<b>Income from:</b>			
Investments	2	<b>62,785</b>	52,905
<b>Total income</b>		<b>62,785</b>	52,905
<b>Expenditure on:</b>			
Charitable activities			
Grant Making	3	<b>81,124</b>	1,378,206
<b>Total expenditure</b>		<b>81,124</b>	1,378,206
<b>Net (expenditure) before net (losses) on investments</b>		<b>(18,339)</b>	(1,325,301)
Net (losses) on investments	8	<b>(118,144)</b>	(125,642)
<b>Net expenditure for the year and net movement in funds</b>	5	<b>(136,483)</b>	(1,450,943)
<b>Reconciliation of funds:</b>			
Total funds brought forward		<b>4,127,462</b>	5,578,405
<b>Total funds carried forward</b>		<b>3,990,979</b>	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 £
<b>Fixed assets:</b>					
Investments	8		<b>4,539,737</b>		5,500,756
			<b>4,539,737</b>		5,500,756
<b>Current assets:</b>					
Cash at bank and in hand		<b>400,649</b>		373,758	
		<b>400,649</b>		373,758	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	9	<b>(343,869)</b>		(731,137)	
<b>Net current assets/(liabilities)</b>			<b>56,780</b>		(357,379)
<b>Total assets less current liabilities</b>			<b>4,596,517</b>		5,143,377
Creditors: amounts falling due after one year	10		<b>(605,538)</b>		(1,015,915)
<b>Total net assets</b>			<b>3,990,979</b>		4,127,462
<b>The funds of the charity:</b>	13a				
Unrestricted income funds:					
Fair value reserve		<b>488,665</b>		606,809	
Designated funds		<b>423,540</b>		423,540	
General funds		<b>3,078,774</b>		3,097,113	
Total unrestricted funds			<b>3,990,979</b>		4,127,462
<b>Total charity funds</b>			<b>3,990,979</b>		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 £	£
<b>Cash flows from operating activities</b>					
<b>Net cash (used in) operating activities</b>	a)		(878,769)		(880,039)
<b>Cash flows from investing activities:</b>					
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	
<b>Net cash provided by investing activities</b>			905,660		802,158
<b>Change in cash and cash equivalents in the year</b>			26,891		(77,881)
Cash and cash equivalents at the beginning of the year			373,758		451,639
<b>Cash and cash equivalents at the end of the year</b>			400,649		373,758

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

	2023 £	2022 £
<b>Net (expenditure) for the reporting period (as per the statement of financial activities)</b>	(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
<b>Net cash (used in) operating activities</b>	(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.



Notes to the financial statements

For the year ended 31 July 2023

2 Income from investments

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

All income from investments is unrestricted

3 Analysis of expenditure

a. Current year	Grant making £	Governance costs £	Support costs £	2023 £	2022 £
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
	<b>65,795</b>	<b>5,348</b>	<b>9,981</b>	<b>81,124</b>	<b>1,378,206</b>
Support costs	9,981	–	(9,981)	–	–
Governance costs	5,348	(5,348)	–	–	–
Total expenditure	<b>81,124</b>	<b>–</b>	<b>–</b>	<b>81,124</b>	<b>1,378,206</b>

\* 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 costs	Support costs	2022
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
	<b>1,366,326</b>	<b>5,804</b>	<b>6,076</b>	<b>1,378,206</b>
Support costs	6,076	–	(6,076)	–
Governance costs	5,804	(5,804)	–	–
Total expenditure	<b>1,378,206</b>	<b>–</b>	<b>–</b>	<b>1,378,206</b>

## Notes to the financial statements

For the year ended 31 July 2023

## 4 Grants payable

	Main grant £	Small grants £	Total commitment £	Effect of discounting £	2023 £	2022 £
<b>Career Development Programme</b>						
Action Medical Research for Children	-	-	-	-	-	94,592
University of Oxford	-	-	-	-	-	81,923
<b>Other grants</b>						
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)	-
	(41,012)	35,202	(5,810)	-	(5,810)	1,329,763

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)	2,400	2,300

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.

**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)
	<b>4,539,737</b>	<b>5,500,756</b>

Investments comprise:

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

**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
	<b>343,869</b>	<b>731,137</b>

**10 Creditors: amounts falling due after one year**

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

**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	<b>4,539,737</b>
Net current assets	56,780	–	–	<b>56,780</b>
Long term liabilities	(605,538)	–	–	<b>(605,538)</b>
<b>Net assets at the end of the year</b>	<b>3,078,774</b>	<b>423,540</b>	<b>488,665</b>	<b>3,990,979</b>

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

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

## Notes to the financial statements

For the year ended 31 July 2023

## 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
<b>Total unrestricted funds</b>	<b>4,127,462</b>	<b>62,785</b>	<b>(199,268)</b>	<b>–</b>	<b>3,990,979</b>

## 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
<b>Total unrestricted funds</b>	<b>5,578,405</b>	<b>(72,737)</b>	<b>(1,378,206)</b>	<b>–</b>	<b>4,127,462</b>