

Company number: 8720416

Charity Number: 1155360

The VTCT Foundation

Report and financial statements

For the year ended 31 July 2024

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For the year ended 31 July 2024

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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/>.

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

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

- 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

The VTCT Foundation

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		115,088	62,785
Expenditure on:			
Charitable activities			
Grant Making	3	1,018,410	81,124
Total expenditure		1,018,410	81,124
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		3,404,936	3,990,979

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.

Notes to the financial statements

For the year ended 31 July 2024

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

Notes to the financial statements

For the year ended 31 July 2024

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.

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)
	4,354,785	4,539,737

Investments comprise:

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

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
	816,531	343,869

10 Creditors: amounts falling due after one year

	2024 £	2023 £
Grants payable	476,317	605,538

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	3,009,384	256,368	139,184	3,404,936

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	3,078,774	423,540	488,665	3,990,979

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