

THE SCAR FREE FOUNDATION

MAKING A WORLD WITHOUT SCARS A REALITY



THE ANNUAL REPORT & AUDITED ACCOUNTS

31 March 2020

Cover image:

HRH The Countess of Wessex with Scar Free Ambassador Elizabeth Soffe at the Scar Free 20th Anniversary Celebration at Buckingham Palace, December 2019

Chairman of the Board of Trustees
Professor Sir Bruce Keogh

The Scar Free Foundation
The Royal College of Surgeons of England
35-43 Lincoln's Inn Fields
London WC2A 3PE

SCARFREE.ORG.UK

Registered Charity No. 1078666 | Registered Company No. 03831398

OUR VISION

A world without scarring.

OUR MISSION

To achieve scar free healing within a generation and transform the lives of those affected by disfiguring conditions.



Ambassadors at the Scar Free Annual Involvement Event at the Royal College of Surgeons of England, London, June 2019



REFERENCE AND ADMINISTRATIVE DETAILS

Status

The organisation is a charitable company limited by guarantee, incorporated on 25 August 1999 and registered as a charity on 17 December 1999.

Governing Documents

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

Summary of Investment Powers

To invest and deal with any money not immediately required for its objects in or upon any investments, securities, or property.

Company Number

03831398

Charity Number

1078666

Registered office and operational address

35-43 Lincoln's Inn Fields, London, WC2A 3PE

Honorary Officers

Professor Sir Bruce Keogh (Chairman)
 Mr Simon Boadle (Honorary Treasurer)
 Professor Peter Weissberg (Chairman, Research Council)

Principal Staff

Mr Brendan Eley (Chief Executive)
 Ms Charlotte Coates (Head of Research Funds)
 Ms Amanda McKechnie (Company Secretary & Finance Manager)

Founding Principal Member of The Scar Free Foundation

British Association of Plastic Reconstructive and Aesthetic Surgeons (BAPRAS)

Principal Members of The Scar Free Foundation

British Association of Aesthetic Plastic Surgeons (BAAPS)
 British Burn Association (BBA)
 British Psychological Society (BPS)
 British Society for Surgery of the Hand (BSSH)
 Craniofacial Society of Great Britain & Ireland (CFSGB&I)

Patron

HRH, The Countess of Wessex

President

The Lord Rose of Monewden

Vice Presidents

Dr Geraldine Brough
 Professor Sir Kenneth Calman
 General Sir Nicholas Carter
 The Rt Hon the Lord Patten of Barnes
 Professor Sir John Temple
 Mr Hugh Twiss

Board of Trustees

Professor Sir Bruce Keogh (Chairman)
 Mr Simon Boadle (Honorary Treasurer)
 Professor Peter Weissberg (Research Council Chairman)
 Mr David Allen
 Ms Alison Clarke
 Mr Richard Collier
 Lt Gen Richard Nugee
 Mr Tim Streatfeild
 Mrs Alexandra Thrower

Bankers

CAF Bank Ltd, 25 King's Hill Avenue, West Malling, Kent, ME19 4JQ

Clydesdale Bank, 2nd Floor, 35 Regent Street, London, SW1Y 4ND

Santander, 4th Floor, 100 Ludgate Hill, London, EC4M 7NS

Shawbrook Bank Limited, Lutea House, The Drive Great Warley, Essex, CM13 3BE

Cash Management Platform

Flagstone Investment Management Ltd, 1st Floor, Clareville House, 26-27 Oxendon Street, London, SW1Y 4EL

Investment Managers

Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU

Solicitors

Paris Smith LLP, Number 1 London Road, Southampton, SO15 2AE

Bates Wells & Braithwaite LLP, Cheapside House, 138 Cheapside, London, EC2E 6BB

Squire Patton Boggs (UK) LLP, 7 Devonshire Square, London, EC2M 4YH

Auditors

Buzzacott LLP, 130 Wood Street, London, EC2V 6DL



Scar Free research underway at The Scar Free Foundation Centre for Conflict Wound Research, Birmingham

TRUSTEES REPORT

The Trustees present their report and the audited financial statements for the year ended 31 March 2020.

Reference and administrative information set out on pages 3 and 4 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

The organisation is a charitable company limited by guarantee, incorporated on 25 August 1999 and registered as a charity on 17 December 1999. The company was established under a Memorandum of Association which sets out the objects and powers of the charitable company and it is governed under its Articles of Association.

Trustee Recruitment, Appointment and Induction

There are a maximum of fifteen places on the Board of Trustees of which nine are currently filled, as at 2 July 2020.

On appointment, all Trustees undergo an induction consultation, usually with the Chief Executive and Honorary Treasurer, where their responsibilities and duties as a Trustee are formally outlined and an update on current business is provided. Charity Commission materials are provided offering further information as well as all copies of relevant documents such as the Memorandum & Articles of Association, the Management Plan, the Staff Handbook, the Financial Controls & Procedures Manual, the Manual for the Management of Research and the Appeal Strategy.

Further development opportunities are offered at quarterly Trustees' meetings and have previously included training in major donor fundraising, marketing and communications, governance and charity regulation, and regular presentations by the charity's grant-holders about work funded by the charity.

Organisational structure

The Patron of The Scar Free Foundation is HRH, The Countess of Wessex. Lord Rose of Monewden is the President of the Foundation. Trustees are deeply grateful for the continued interest and support of all our Vice Presidents, the commitment and counsel of our President and the active, supportive engagement of our Patron. Although the Patron, President and Vice Presidents serve no constitutional function, their role is much valued.

During the year, one Trustee – Lord Bethell – stepped down from the Board following his appointment as Minister of State for Innovation at the Department of Health and Social Care.

The Board conducts a Governance & Skills Audit every three years, the most recent being completed in 2018. This includes a review of the experiences and skills of the Board as well as addressing issues such as diversity.

Each April the Board of Trustees normally approves the Management Plan which is made up of three year and more specific one-year Corporate Objectives. The Management Plan includes the annual budget.

Research strategy is driven by the Research Council which currently meets twice a year and whose Chairman is currently a Trustee. The Scar Free Foundation Chief Scientific Adviser, Professor Paul Stewart, provides strategic research advice to the charity and is involved in the assessment of all new research awards. The day to day management of research activity is managed by expert 'Advisory

Panels' reporting directly to the Board of Trustees through the Research Council Chairman. Financial and general management matters are overseen by the Finance & Operations Committee, which meets quarterly and is chaired by the Honorary Treasurer (also a Trustee). All decisions are made by the Board of Trustees guided by the recommendations made by any of these standing committees.

A Nominations Committee also stands, chaired by the Chairman and whose membership consists of the nominated Honorary Officers plus the Chief Executive. This Committee meets on an ad hoc basis, to support the recruitment of senior volunteers to serve on the Board of Trustees, Finance & Operations Committee and Research Council.

No Trustee receives, or has received during the year being reported, payments other than incidental expenses incurred for attending meetings.

Key management personnel

The Trustees consider that they, together with the Chief Executive, the Head of Research Funds and Company Secretary & Finance Manager, comprise the key management in charge of running the charity on a day to day basis. Trustees delegate specific power to the key management personnel, which is documented and supervised. Each year, following internal staff appraisals and objective setting, staff meet one-to-one with the Foundation's retained Human Resources (HR) consultant to discuss, confidentially, their work and aspirations with the charity. The HR Consultant, with the Chief Executive, provides a report and recommendation on salary levels for consideration by the Finance & Operations Committee who then make a recommendation to the Board of Trustees at their April meeting. This includes a market benchmarking exercise (comparing the salaries available for similar jobs in similar organisations) and a 'cost of living' recommendation based on, but not tied to, the Consumer Price Index. A similar report and recommendation is made in respect of the Chief Executive by the HR Consultant and presented to the Board by the Honorary Treasurer.



Honorary Treasurer Simon Boadle and Research Council Chairman Professor Peter Weissberg at the Armed Forces Reception hosted by the Chief of the Defence Staff at Whitehall, London, September 2019



Ambassador, Hemani Modesia-Shah

OBJECTS AND AIMS OF THE CHARITY

The objects of The Scar Free Foundation are the relief of sickness and the protection and preservation of public health by:

- Carrying out and funding research into the improvement of treatments for the benefit of people who suffer from physical, psychological, social, or emotional disadvantage as a result of physical disfigurement or functional impairment present at birth or acquired through accident, disease, or illness and into the prevention of accidents which may cause such conditions; and
- Disseminating the useful results of such research and to help train health workers in appropriate treatments throughout the world; and
- Informing people about the availability of such treatments.

Trustees are pleased to report that they have referred to the Charity Commission's guidance on public benefit in their annual review of aims and objectives and in all future planning of the charity's activities. We believe these benefits – to a broad 'public' of people and their families affected by scarring, hard to heal wounds and disfigurement both now and in the future – are clearly represented in our determination to deliver better understanding and improved treatments, through research. These benefits will be greatly enhanced through work supported by the Foundation, for example, in burns, cleft, conflict wound research and our scientific pursuit of scar free healing, where the findings of our work could result in fewer incidents of serious accident or birth abnormality, as well as scar free outcomes.



Scar Free researcher Professor Liam Grover with Prince Harry at The Scar Free Foundation Centre for Conflict Wound Research, Birmingham

The vision of The Scar Free Foundation is **A WORLD WITHOUT SCARRING**. The charity's mission is **TO ACHIEVE SCAR FREE HEALING WITHIN A GENERATION AND TRANSFORM THE LIVES OF THOSE AFFECTED BY DISFIGURING CONDITIONS**. Our aim is to fundraise in the most targeted and cost-effective way possible; to fund and manage research of the very highest quality in the UK and Ireland for the benefit of people and their families living with scarring; and to manage the charity in a business-like and professional way.

OBJECTIVES FOR THE YEAR

During the financial year 2019/20, the Foundation continued to focus on the strategic development of the charity. The activities of the charity in 2020/21 will no doubt be impacted by the ongoing COVID-19 crisis but remain focused on the accomplishment of key objectives across research, fundraising and financial management. These are:

Research

To implement the Scar Free Strategy.

Fundraising

Through the Scar Free Appeal, to raise the budgeted appeal target for the year.

Financial management and corporate governance

To support and develop high quality governance and administration processes that underpin the work and growth of the charity.



Attendees at the Scar Free Annual Update Event at the Royal College of Surgeons of England, London, October 2019

STRATEGIES

The strategies to achieve these objectives can be summarised as follows:

Research

1. To manage new and forthcoming research projects and programmes in line with the Foundation's due processes, outlined in the Manual for the Management of Research, namely;
 - a. The Scar Free Foundation Centre for Discovery Science, University of Bristol
 - b. The Scar Free Foundation Centre for Conflict Wound Research, Birmingham and Bristol
 - c. The Scar Free Foundation UK Burns Research Network supported by the VTCT Foundation
 - d. The Scar Free Foundation Cleft Gene Bank and Cohort Study, University of Bristol (also known as The Cleft Collective)
 - e. The BSSH Centre for Evidence-Based Hand Surgery Research at the University of Nottingham
 - f. Other Scar Free Foundation Centres of Research as funds allow.
2. In support of this activity, the Foundation will ensure appropriate Research Management and Strategic processes are devised and maintained.

Fundraising

1. To recruit a suitably qualified business leader to the Development Board, who is capable of making a gift and driving networked fundraising activity among high net wealth audiences.
2. To revisit and update the Case for Support and Campaign Strategy previously adopted by the Board of Trustees.
3. To recruit suitably qualified members to the Development Board.
4. To implement the agreed three-year Communications Strategy.
5. To raise the budgeted appeal target for the year.

Financial management and corporate governance

1. To maintain and support The Scar Free Foundation's Honorary Management structure and associated activities.
2. To maintain and review effective financial control processes, including The Scar Free Foundation's policies on investment and reserves.
3. To retain, manage and lead the executive team.
4. To ensure the Foundation continues to support, develop and retain the right mix of people, processes and premises to support its plans for the year.



The Scar Free Foundation and CASEVAC Club members receiving The Sun Military Award for Innovation held at 10 Downing Street and Banqueting House, February 2020

ACHIEVEMENTS AND PERFORMANCE

THE COVID-19 PANDEMIC

The impact of the Coronavirus pandemic on our research, our income, our staff and our beneficiaries has been substantial. Although coming late in the year under report, the COVID-19 crisis will have a significant and long lasting impact on all aspects of the Foundation's work.

Much research activity has paused as we enter the new year, fundraising activity has had to stop and our staff team, now reduced in number, is working harder than ever from home. Trustees nevertheless remain optimistic for the future. We are confident that The Scar Free Foundation will survive the current crisis and emerge stronger than ever to continue our pursuit of scar free healing in a generation.

Research

Inevitably, as many research staff are deployed to clinical care, laboratories and offices are closed, and distancing guidelines restrict activity, much Scar Free funded research has recently paused. There are exceptions and we are pleased that we can continue meaningful research activity in many areas of our conflict, cleft and burns research programmes. We are so proud of those clinical researchers who have swapped lab coats for face masks and returned to front-line, NHS services.

Our priority remains the safety and wellbeing of our researchers and keeping our experienced and expert teams together so that as restrictions are lifted, our research can continue at an appropriate and safe pace. As at July 2020, there are encouraging signals that some activities in University labs, offices and across the NHS clinical research setting, will be able to resume soon. The Foundation stands ready to support all our research teams to ensure that when work can start, it does so safely and within the social restriction guidelines prescribed by Government.



HRH The Countess of Wessex meeting two Ambassadors at the 20th Anniversary Celebration at Buckingham Palace, December 2019

Fundraising

Perhaps the greatest impact of COVID-19 will be on our income. We rely on voluntary contributions and our usual fundraising methods – face to face meetings, receptions and events – are currently not possible. We are utilising different ways to connect with our supporters, conscious that physical distancing may be an element of life after lockdown for some time. When the time is right, we will be reaching out more than ever, to current and new supporters alike, with compelling stories of the impact of scarring, the work we are supporting in pursuit of scar free research and the life-changing potential of new treatments that are only possible through research.

Management and governance

We have reduced our running costs even further than our normally efficient base. Early in the crisis, we furloughed a sixth of our small executive team through the Government’s Coronavirus Job Retention Scheme and other, non-essential costs have been cut. Our remaining, very focused staff team are working effectively from home and we remain very much open for business.

Much has been reported on the challenges that will face the UK charity sector as a result of the COVID-19 crisis and the Foundation will not be immune from the repercussions. We could never have anticipated spending this, our anniversary year, making such difficult decisions – the pausing of research, the reduction in fundraising activity and the furloughing of staff. However, a prudent reserves policy and consistently low overhead costs combine to give us confidence that the Foundation will emerge from the pandemic and go on to rebuild research, fundraising and governance activities to pre-crisis levels and beyond. Our focus has not changed. There are more than 20 million people living with scarring in the UK today and the needs of people affected by scarring conditions – lost function, reduced mobility, psychological challenges – remain the same throughout and beyond the COVID-19 crisis. Our plan is to emerge and rebuild our activities in order to maintain our single-minded focus on the pursuit of scar free healing within a generation.

RESEARCH PROJECTS

The year 2019/20 has seen progress across the Foundation’s key areas of research.

THE CLEFT COLLECTIVE



Baby Amelia, whose family are involved in the Cleft Collective Study

The Scar Free Foundation Cleft Gene Bank and Cohort Study at the University of Bristol continues to make excellent progress. The major long-term goals of the Cleft Collective are to prevent clefts and cleft-related physical, functional and emotional scarring. To this end, the study aims to address three key questions;

- a. what causes a cleft lip and/or palate?
- b. what are the best treatments for those born with a cleft?
- c. what are the long-term impacts for those born with cleft?

The study has a bank of biological samples (blood, cleft tissue or saliva) collected from around 80% of participants.



Ambassador, Harry Fitzpatrick

Project Output

In the reporting year, the team published their work on a key finding relating to cleft and educational attainment in the **International Journal of Epidemiology**. In recent years, research that has indicated that those born with cleft struggle with education attainment at school. It was previously unclear whether this was as a result of genetic causes or environmental (hearing difficulties, teacher attitudes, speech development, missed school for hospital appointments, type of cleft, bullying, teasing or social exclusion). Research undertaken by the Cleft Collective team has shown that this is not genetically determined, which means that potential interventions may be available to optimise the potential of children born with a cleft. Further work by the team using data from the strength and difficulties questionnaire in the Cleft Collective has found that children born with a cleft appear to have higher levels of behavioural problems and hyperactivity at age five than the general population. The mechanisms by which having a cleft impacts on behaviour and educational attainment require further research, and the team are continuing to make progress in this area.

Recruitment

As at 31 March 2020, the total number of participants recruited to the study was 9,032 individuals from 3,223 families. Due to the COVID-19 Crisis, data collection to the study was suspended on 19 March 2020, as of 30 June the study as not resumed. The team hope to recommence data collection as soon as possible, but this is dependent on the resumption of Cleft surgery in the 16 hospitals participating in the project.

Data Collection

Prior to the COVID- 19 Crisis, all 16 cleft teams were involved in data collection and recruitment. The team continues to see a return rate of 50% for their baseline questionnaires and a 38% return rate for their follow up questionnaires; this is consistent with other years. Follow-up questionnaires are now available online for participants to complete. Early indicators show that these have been well received. More than 100 maternity units across the country are approved for cord blood collection. Cord blood provides the opportunity to measure the exposures

of the mother and infant with cleft during pregnancy and provides a useful insight into the causes of cleft. The completeness of phenotype data is a key part of the resource. The team ascertain this through linkage to medical records and cleft databases. To date they have successfully set up processes with nine of the cleft teams and will continue to work with the others following the resumption of data collection. Over the last year the team has been successful in obtaining data from over 1,000 child medical records.

Data Linkage

Work on data linkage has continued successfully; the team now has a data linkage agreement in place with the Cleft Registry and Audit Network (CRANE) database and has also obtained approval from the Office of National Statistics to house a “Data Safe Haven” at the University of Bristol for all staff who have passed their ‘safe researcher’ training. This will enable the team to obtain linked education data.

Patient and Public Involvement

Patient and Public Involvement (PPI) has been essential to the success of the study. In March 2020 the team learned that they had won the Royal College of Paediatric and Child Health/NIHR Paediatric Involvement and Engagement in Research (PIER) prize in recognition of their outstanding PPI work with individuals who are affected by cleft and their families.

Genotyping

The team has now started generating genotype data for all the non-syndromic cases and their families within their cohort. This will be an important resource for future work exploring the genetic and non-genetic causes of cleft and cleft-related outcomes.

Though much of the team’s activity has been affected by the COVID-19 crisis, staff have continued to work from home on a range of activities which will enable work to recommence in a timely fashion when it is possible to do so.

Advisory Panel

The Cleft Collective Advisory Panel, Chaired by Dr Tim Peakman, Chief Operating Officer of the University of Leeds, met twice during the reporting year.

The Panel comprises the following membership:

- Ms Rona Slator, Consultant Cleft Lip and Palate Surgeon, Birmingham Women's and Children's Hospital NHS Foundation Trust.
- Mrs Ana Hobbs, lived experience of Cleft Lip and Palate.
- Dr Liz Albery, retired Speech and Language Therapist.
- Ms Sarah Kilcoyne, Principal Specialist Speech and Language Therapist, Oxford Craniofacial Unit and Spires Cleft Centre
- Professor Heather Cordell, Professor of Statistical Genetics, Newcastle University

In the reporting year, Ms Sarah Kilcoyne and Professor Heather Cordell began their first period of membership of the Advisory Panel. Dr Tim Peakman kindly accepted the Research Council Chairman's invitation to undertake a second three-year term as Chairman. We are extremely grateful to Dr Peakman and all members of the Advisory Panel for their advice and guidance over the past 12 months.

THE SCAR FREE FOUNDATION CENTRE FOR CONFLICT WOUND RESEARCH

The aim of the Centre is to reduce and eventually eradicate the impact of scarring and related loss of function amongst Armed Forces personnel who sustain critical injuries during their deployment, as well as civilians injured in conflict or terrorism incidents. It will achieve this by supporting a nationally relevant programme of biological and clinical research. The Scar Free Foundation Centre for Conflict Wound Research is supported by the Chancellor using LIBOR funds.



Members of the CASEVAC Club at The Scar Free Foundation Centre for Conflict Wound Research, Birmingham

Since the Centre was formally opened by HRH The Countess of Wessex in November 2018, work has been underway on the following projects;

- **UNITS:** Understanding and Addressing the Support Needs of Military Personnel Affected by Visible Difference/ Disfigurement from Conflict Wounds, Professor Di Harcourt, Dr Mary Keeling, Centre for Appearance Research, University of the West of England.
- **DeSCAR:** First in human clinical trial of a bioactive dressing designed to prevent scarring of skin burns, Professor Liam Grover, Dr Richard Williams University Hospitals Birmingham NHS Foundation Trust/ University of Birmingham.
- **SMOOTH:** A prospective randomised controlled trial to examine the efficacy and mechanistic basis of fractional ablative carbon dioxide laser therapy in treating hypertrophic scarring, Professor Naiem Moiemem, Professor Janet Lord, University Hospitals Birmingham NHS Foundation Trust/ University of Birmingham.

UNITS

Since the project began, work has focused on;

- conducting a gap analysis, to identify existing literature and research in this specific field,
- the interview study, including one-to-one interviews with 20 injured currently serving personnel, 20 injured veterans and 20 spouses/parents of an injured service person or veteran, and
- the development of the questionnaire study, involving 200 military personnel/veterans with appearance-altering injuries and 200 civilians with appearance-altering injuries in order to examine how the experiences and challenges facing military personnel and veterans are similar or different to those facing civilians.

A key success this year has been the achievement of Ministry of Defence Ethical Approval which means the team can question serving military personnel. They have made a number of submissions including one to the **Journal of Military Behavioural Health** and have continued active Patient and Public Involvement work including the establishment of a Veterans' Advisory group who have assisted the team with the development of study materials such

as questionnaires. As at 30 June 2020, due to the temporary closure of the University of the West of England, the team is working from home and envisage slight delays to the project caused by the COVID-19 Crisis.

DeSCAR

This is a phase-one clinical trial to demonstrate the safety and efficacy of a new bioactive dressing, loaded with the protein Decorin, designed to prevent scarring of skin burns.

The milestone within the reporting year was the preparation of all necessary documentation for submission to the MHRA (Medicines and Healthcare Products Regulatory Agency). The purpose of the work leading to this milestone was to engage with the MHRA for a 'Scientific Advisory Meeting' in order to seek confirmation that the safety and performance data created to date would be considered sufficient for a safe and robust clinical trial in humans to be conducted. During the reporting year the team has undertaken pre-clinical work mandated by the MHRA on the safety of their Decorin dressing. They have also undertaken manufacturing tests to ensure the efficiency of the Decorin loaded within the dressing before they release product to the clinical trial sites for use on those recruited to the trial. As at 30 June 2020, due to the closure of the University of Birmingham, much work on the project has had to 'pause' with a resumption of some activities tentatively planned for mid-July 2020.

SMOOTH

This study examines the efficacy and mechanistic basis of fractional ablative carbon dioxide laser therapy in treating hypertrophic scarring.

The study has two sites, Birmingham and Swansea. During the reporting year work has focused on the development of the study protocol in association with the study's Patient and Public Involvement (PPI) Group, the achievement of ethical approval and the commencement of recruitment. Essential documents relating to the trial were drafted in meetings with the (PPI) group and members the CASEVAC Wounded Veterans' Club in summer 2019. These documents are largely for patients participating in the study including patient information sheets and patient consent forms.

After incorporating the PPI comments on the patient information sheets, the application for ethical approval was submitted via the IRAS (Integrated Research Application System) application process. Recruitment to the study commenced in early December. The team hopes to recruit 60 participants to the trial over two-years. As at 30 June 2020, due to the suspension of non COVID-19 research in the NHS, the project has had to 'pause' with recruitment to the study expected to resume later in 2020.

Conflict Wound Research Strategy Group

The Foundation also continues to work to promote collaboration in the conflict wound research sphere by convening the Conflict Wound Research Strategy Group. The aim of the Group is to facilitate supportive working and the sharing of ideas and resources in medical and psychological research relevant to the acute care, wound biology and life-time rehabilitation of severely injured Armed Forces personnel and 'civilian conflict' survivors. Members are drawn from universities, hospitals, charities, Government,

patient/survivor groups, either funding, undertaking, participating in or likely to benefit from research in the conflict wound sphere. The group met twice in the reporting year and we are grateful to Lt General Richard Nugee for agreeing to continue in his role as Chairman of this group, despite him retiring from the Armed Forces in February 2020.

THE UK BURNS RESEARCH NETWORK SUPPORTED BY THE VTCT FOUNDATION

The Foundation established the UK Burns Research Network in 2018. The 'Network' is a collaborative, coordinated programme of burns research aimed at delivering tangible care and treatment benefits to those encountering serious thermal injuries, and supporting longer term research aspirations as laid out in the Scar Free Strategy. It addresses a series of research priorities drawn from the Scar Free Strategy and identified as short and medium-term funding imperatives by attendees at the Scar Free Symposium, Scar Free Healing: Clinical Needs and Practice, which was held in London in 2017.



Dr Amber Young, University of Bristol, outlining the benefits of the Scar Free Children's Burns Cohort, at the Scar Free Annual Update Event held at BMA House, London

The following projects are currently underway:

- **CARe** Core Outcomes for Burn Care Research: short-term outcomes and outcome measures for use in burn care efficacy trials. Dr Amber Young, University of Bristol.
- **COSB** Detecting changes in patient reported outcomes over time following a burn injury: testing the responsiveness of the CARe Burn Scales. Professor Diana Harcourt, University of the West of England.

CARe

The CARe Burns Scale project is a large, multi-centred study testing a series of questionnaires to detect changes over time in how people are managing after a burn injury. The set of questionnaires the team has developed consist of CARe Burn Scales for adults, children, and young people following a burn injury, as well as the parents of children and young people with a burn injury. Participant recruitment started in early 2019 at 15 NHS burns centres across the country. Participants were questioned within four-weeks of sustaining a burn and then again at three- and six-month intervals post burn. As at 30 June 2020, research team members continue to work on the project from home. Research findings are anticipated in summer 2020.

COSB

Some 130,000 patients with burns require treatment in Emergency Departments each year. Researchers currently use different outcomes to assess care quality and new treatments. This makes it difficult for researchers and clinicians to work out which treatments are best. A Core Outcome Set (COS) is a minimum set of outcomes agreed, defined, measured and reported in a standard way included in all studies of a specific clinical area. The project aims to develop and understand short-term outcomes for patients recovering from burns. Key outputs over the reporting year include the development of a protocol for patient interviews (interviews were completed with 23 patients) the publication of the team's systematic review and a number of stakeholder engagement activities. Work on the project is due to be completed in August 2021.

The UK Burns Research Network Advisory Panel

The Foundation has established an Advisory Panel to advise on the prioritisation, funding and management of research projects in the Burns Network. The Panel is chaired by Dr David Mackie, former Secretary of the International Society of Burn Injury and a retired Burns Anaesthesiologist. Membership is composed of UK and European clinicians and academics working in burn care and treatment, and 'lived experience' volunteers. In the reporting year the Panel met twice by videoconference.

Other members of the Burns Research Network Advisory Panel include:

- Professor Mamta Shah, Consultant Burns and Plastic Surgeon, Royal Manchester Children's Hospital, Wythenshawe Hospital and the University of Manchester.
- Professor Peter Dzielwski, Consultant Burns and Plastic Surgeon.
- Mr John Gibson, Plastic Surgery Trainee and Clinical Lecturer in Reconstructive Surgery and Regenerative Medicine, Swansea University and Morriston Hospital Swansea. Lived experience of burns.
- Dr Sophie Dix, lived experience of burns.
- Professor Esther Middelkoop, Burns and Wound Healing Scientist, VUMC Medical Centre, Amsterdam, the Netherlands.
- Professor Nichola Rumsey, Trustee, The VTCT Foundation.
- Professor Folke Sjöberg, Professor of Burn Surgery and Critical Care at Linköping University, Sweden.
- Dr Lisa Williams, Consultant Clinical Psychologist, Chelsea and Westminster Hospital, London.

We are extremely grateful to the Advisory Panel for their advice and guidance during the reporting year.



Ambassador, Simon Weston, CBE

The 'SAFE TEA' Campaign

'SAFE TEA' is a national, public health campaign aimed at reducing the incidence of childhood hot drink scalds and is generously supported by The Worshipful Company of Tin Plate Workers alias Wire Workers. The project was developed as part of The Scar Free Foundation Centre for Children's Burns Research at the Universities of Bristol, Bath and Cardiff. The Foundation provided 'in kind' support to the project and assisted with the social media content and messaging for the campaign which was launched in October 2019 to coincide with National Burns Awareness week.

The SafeTea campaign had five core messages;

- keep hot drinks out of reach of young children,
- do not pass hot drinks over children,
- never hold a baby and a hot drink at the same time,
- create a SafeTea area at home where hot drinks are made and drink safely away from children, and
- first aid for burns is Cool Call and Cover.

Professor Alison Kemp and colleagues at Cardiff University are currently writing up their evaluation of the campaign, which will be completed in August 2020.

The BSSH Centre for Evidence-Based Hand Surgery Research at the University of Nottingham

Miss Karantana and colleagues are making good progress. They continue to deliver their Hand Surgery Evidence Updates service which now has 735 members from 53 countries and continues to grow. Since work commenced at the Centre, the team has achieved a total of £3,181,560 in additional funding, thus fulfilling one of the major objectives set by the British Society for Surgery of the Hand when establishing this award. During the reporting year, Miss Karantana became Director of the Centre, combining these activities with her clinical role. The team has been granted a no-cost extension until 2024 to enable the recruitment of an additional Clinical Research Fellow. The Foundation visited Miss Karantana to review progress at the Centre in October 2019.

BURNS FIRST AID








@SafeTeaCampaign #SafeTea

SafeTea
KEEP HOT DRINKS OUT OF REACH

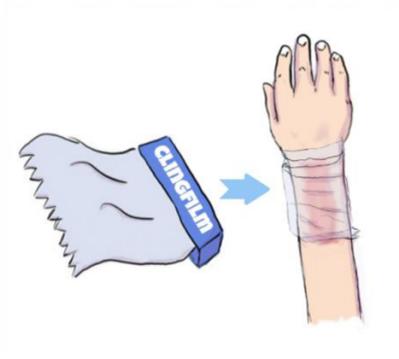
Cool Call Cover



20mins



**call 999 or 111
or your doctor**



First aid advice which was distributed across the SafeTea Campaign's social media channels



Members of the CASEVAC Club at The Scar Free Foundation Centre for Conflict Wound Research, Birmingham

DELIVERING THE SCAR FREE STRATEGY

A number of research programmes and initiatives which directly address the Scar Free Strategy are now in development. The Foundation is currently in discussion with several UK universities to ascertain their response to the strategy. It is hoped that funding will be finalised on other major programmes of work to address the Scar Free Strategy later in 2020.

THE MANAGEMENT OF RESEARCH

Research is the core business of The Scar Free Foundation. The Foundation has policies for the management of research, which comply with the guidelines set by the Association of Medical Research Charities (AMRC). They include:

- The structure to manage the process, which is provided by Advisory Panels, the Research Council, Chief Scientific Adviser and the Board of Trustees.
- The arrangements for the development, review and maintenance of our research strategy.
- The provision of open and fair arrangements for the application and selection process for funding research projects, including the essential requirement of independent peer review by appropriately qualified professionals.
- The Foundation's Written Agreement and Terms and Conditions for the award of grants.
- The arrangements to identify and manage potential conflicts of interests.



Ambassadors at the Scar Free Annual Involvement Event held at the Ministry of Defence, London

Research Council

The Research Council is established under the leadership of the Research Council Chairman, who is also a Trustee, to advise the Board of Trustees on the implementation and development of the Scar Free Strategy, which outlines the broad research objectives of the charity.

The objectives of the Research Council are:

- To advise the Board of Trustees on the pursuit of the broad strategic research goals of the charity as articulated in the Scar Free Strategy.
- To ensure that Scar Free Foundation research activity is undertaken in line with all legal and best practice guidance.

The main tasks of the Research Council are:

- To maintain a strategic oversight of the Scar Free Strategy and identify the gaps in the research strategy that should be addressed in the Foundation's research programme.
- To horizon scan the global scarring and wound healing research landscape and identify emerging research technologies and potential research leaders with whom the Foundation should interact in the UK and overseas.
- To maintain an awareness of the relevance of the Scar Free Strategy in a changing clinical and scientific landscape and ensure the involvement of patients and the public in the delivery of the strategy and the setting of priority areas.

Research Council members normally serve on Council for three-years, although the Board may extend the appointment for a second term. No member serves longer than six-years on the Council.

As at 30 June 2020, membership of the Scar Free Foundation Research Council is as follows:

- Chair, Professor Peter Weissberg, Research Council Chairman and Trustee.
- Mr Simon Withey, Consultant Plastic Surgeon, Royal Free Hospital London, Representative of the British Association of Aesthetic Plastic Surgeons.
- Mr Baljit Dheansa, Consultant Burns and Plastic Surgeon, Queen Victoria Hospital, East Grinstead. Representative of the British Association of Plastic, Reconstructive and Aesthetic Surgeons.
- Mr Henk Giele, Consultant Plastic, Reconstructive and Hand Surgeon, Oxford University Hospitals NHS Trust. Representative of the British Association of Plastic, Reconstructive and Aesthetic Surgeons.
- Mr Adam Reid, Academic Consultant Plastic Surgeon, University Hospital South Manchester. Representative of the British Association of Plastic, Reconstructive and Aesthetic Surgeons.
- Mrs Yvonne Wilson, Consultant Burns and Plastic Surgeon, Birmingham Women's and Children's Hospital. Representative of the British Burn Association.
- Mr Bruce Richard, Consultant Plastic and Cleft Lip and Palate Surgeon, Birmingham Women's and Children's Hospital NHS Foundation Trust. Representative of the Craniofacial Society of Great Britain and Ireland.
- Professor Dominic Furness, Associate Professor, Nuffield Department of Orthopaedics, Rheumatology and Musculoskeletal Sciences. Representative of the British Society for Surgery of the Hand.
- Mrs Rachel McDermott, Invited Member, Lived experience of Cleft Lip and Palate.
- Dr Yvonne Wren, Invited Member, Allied Health Professional, Director of Bristol Speech and Language Therapy Research Unit.
- Dr Amber Young, Invited Member, Children's Burns Medicine and Care, Consultant Paediatric Anaesthetist, Royal Bristol Hospital for Children.
- Professor David Abraham, Invited Member, Professor of Cell and Molecular Biology, University College London.

- Professor Jane Nixon, Invited Member, Deputy Director of the Clinical Trials Research Unit, University of Leeds.

During 2019/2020 Professor Diana Harcourt, the representative of the British Psychological Society demitted from the Research Council.

Trustees would like to extend our sincere gratitude to Research Council members for their counsel and support over the past year.

Chief Scientific Adviser

The role of Chief Scientific Adviser was established in 2018 to assist in the assessment of new work and the broader pursuit of the Scar Free Strategy and is fulfilled by Professor Paul Stewart, Executive Dean of Health and Medicine at the University of Leeds. Over the past 12 months the thoughtful and pragmatic advice and guidance provided to the Foundation by Professor Stewart has been invaluable. We extend our thanks to him for all his assistance.

The primary objectives of the Chief Scientific Adviser are:

- To receive and review independent reviews (expert, patient and public) of Scar Free Foundation Centre Award submissions.
- To evaluate and summarise reviewers' comments and where necessary, recommend clarifications or amends, for return and response by the applicant University/host.
- To make a funding recommendation to the Research Council Chairman, for onward consideration by the Board of Trustees.

Electives Adviser

The role of Electives Adviser was created in 2018, to oversee the assessment of Electives applications and Final Reports. The Electives Adviser also reports directly to the Research Council Chairman and Board of Trustees and has the following objectives:

- The triage of applications for review.
- With relevant review support, to recommend 'fundable' projects to the Board of Trustees.
- With relevant review support, to assess and recommend on the acceptance of Final Reports to the Board of Trustees.

We are extremely grateful to Mr Martin Mace, a retired Maxillofacial Surgeon and former Trustee of The Scar Free Foundation, for his hard work and valued counsel in the 2019 Electives application and Final Report assessments.



The Application and Selection Process

As a member of The Association of Medical Research Charities (AMRC), the Foundation is committed to an open, independent and professionally administered peer review and selection process. Research priorities, recommended by the Research Council, are approved by the Board. When funding becomes available for a project, the Foundation will aim to undertake an open research call. An ‘application pack’ is drawn up and approved by the Research Council Chairman with advice from the Chief Scientific Adviser. At the same time, an application and selection timetable is agreed and the project is advertised as widely as possible within the relevant research community. In preparation, a suitably qualified Assessment Panel is assembled, often of international standing, if the area of work so demands.

After the closing date for applications, submissions will be sent for external peer review. If the Foundation receives a large number of applications, the Chief Scientific Adviser, Research Chairman and/or Assessment Panel will triage applications to eliminate any proposals which fall outside the Foundation’s charitable objects and/or endorsed areas of interest.

Following assessment by External Peer Reviewers, the subsequent “long list” of candidate applications is then considered by the Chief Scientific Adviser and Research Council Chairman who consider the scientific and strategic relevance of each application. Where appropriate, an interview panel and/or site visit is undertaken. Suitable safeguards have also been made to ensure impartiality, through the rotation of the Research Council Chairman, Chief Scientific Adviser and Peer Reviewers, and no member takes part in the review of projects where a potential conflict of interest exists.

For major awards, following discussion and consideration of the peer review assessments by the Chief Scientific Adviser, Research Council Chairman and/or Assessment Panel, a recommendation for funding is made to the Board of Trustees by the



Student Electives, Molly Pinckston and Liam Cato, receiving an award for submitting highly commended final reports from Elective Adviser, Martin Mace, at the Scar Free Annual Update Event at the Royal College of Surgeons of England, London, October 2019

Research Council Chairman. The Board of Trustees then approve an award for research, subject to funding and the Foundation's established Rules and Conditions.



Ensuring Value in Research

In 2017, The Scar Free Foundation joined The Ensuring Value in Research (EViR) International Funders' Collaboration and Development Forum. A joint initiative by the health research organisations NIHR (UK), PCORI (USA) and ZonMW (Netherlands), the Forum is a group of international health related research funders and associated bodies, committed to advancing the practices of health-related research funding. As a member of the Forum, the Foundation has signed the following 'Consensus Statement';

"As organisations that fund health-related research, represent funders, or set funding policy, we believe that we have a responsibility not just to seek to advance knowledge, but also to advance the practices of health-related research and research funding. Therefore, we commit to working together and with our respective research communities to share current and develop new approaches to increase the value of health-related research. We commit to transparency in this process, including evaluating our progress and the impact of our efforts. This will contribute to improvement in the health and lives of all peoples, everywhere.

Along with other relevant activity in the wider research landscape (e.g., the REWARD statement), we understand that as funders we will maximise the value of research we fund when:

- we set justifiable research priorities;
- we require robust research design, conduct and analysis;
- we seek to ensure that research regulation and management are proportionate to risks;
- we seek to ensure that complete information on research methods and findings from studies is accessible and usable.

Increasing value will require collaborative efforts among funders, regulators, commercial organisations, publishers, editors, researchers, research organisations, research users and others".

The Foundation also subscribes to the pursuit of the '10 Guiding Principles' of the Funders' Forum which are now published on the Foundation's website. These principles, each geared to ensuring that the best possible value for money is achieved from all our research spend, are already guiding our strategic, grant selection and award process. We look forward to continuing to play an active part in the work of the EViR Forum.

FUNDRAISING & COMMUNICATIONS

During the 2019/20 financial year the Foundation continued to direct its fundraising efforts to the Scar Free Appeal. With the support of the Board of Trustees and other senior volunteers, we have continued to expand our networks and encourage new gifts through directed applications and approaches to new and existing donors and grant-making trusts.

In July 2019, Lord Bethell stepped down from his role as Development Board Chairman but remained on the Board (stepping down from the Board in March 2020). Lord Bethell had led the charity's high net wealth fundraising drive since July 2017 and the Board formally acknowledges the charity's appreciation for Lord Bethell's passion and commitment to the cause.

Income for the year fell to £1,517,950 in the year under report. This dramatic change is in large part due to the receipt, in 2018-19, of the bulk of a contribution from the Welsh Government for a research funding partnership due to extend over the next five years as well reduced activity in our high net wealth focused fundraising activities over the last two years. We are very grateful to The Chief of the Defence Staff, General Sir Nick Carter, for allowing the Foundation access to the splendid setting of Admiralty House for a 'conflict wound research' themed reception, hosted by the Chief of Defence People and Scar Free Trustee, Lt General Richard Nugee.

We were also delighted to see many supporters, both old and new, at our anniversary reception hosted by our Patron, HRH The Countess of Wessex, at Buckingham Palace in December 2019. Some 100 supporters gathered to celebrate the charity's 20th year and The Countess spoke warmly of her long association with and continued support for our work.



Scar Free supporters at the Armed Forces Reception hosted by the Chief of the Defence Staff at Whitehall, London, September 2019

2019/20 has seen a steady and continued growth in the profile of The Scar Free Foundation as our positive working relationship with advisors, Barley Communications, continues to mature. Highlights included the widely reported publication of our survey revealing that some 20.3 million people in the UK live with scarring. Coinciding with our partnership with the University of Bristol to explore the feasibility of a paediatric burns gene bank and cohort study, our Chief Executive, Brendan Eley, was joined by Liam and Sinead Soffe and their daughter Elizabeth on the BBC Breakfast sofa. Six-year-old Elizabeth survived a house fire as a baby and the family has been enormously supportive of our work through their activities on both mainstream and social media outlets.

The Scar Free Foundation is registered with the Fundraising Regulator and subscribes to the Code of Fundraising Practice. During the year, no relationships were held with any commercial participators. Mrs Karla Conway, a former Foundation employee and now fundraising consultant, was engaged during

the year to support our major donor fundraising activity. Due diligence ensured that no conflict of interest existed that might impact this professional relationship and a written agreement was entered into between the Foundation and Mrs Conway as prescribed by law. During the year, Mrs Conway supported the fundraising function by providing advice but was not involved in soliciting or otherwise procuring any gifts directly from donors. In adopting best practice as laid out by the Fundraising Regulator, Trustees, staff and Mrs Conway are sensitive to the issues of fundraising from people in vulnerable circumstances. Our core fundraising strategy, built on one-to-one, peer-driven personal approaches, lends itself to the identification and appropriate management of such issues.

Fundraising performance

Fundraised income for the year totalled £1,464,236 (£2,721,863 in the previous year). Our major gift model remains cost effective with only £378,057 (£319,860 in 2018/19) expended on fundraising.

Principal Patrons

We would like to thank our Principal Patrons; surgeons and clinicians who so generously support our work through an ongoing annual gift. A Principal Patron's commitment is so very important, underpinning the vital work that we do. During the year, we were fortunate to benefit from the support of the following:

- Ms Angelica Kavouni & Mr Lucian Ion
- Professor Vivien Lees
- Mr Nigel Mercer
- Professor Jonathan Sandy

Volunteer help

The Scar Free Foundation relies on the help of volunteers in all aspects of its activities. This support is provided principally by members of the Board of Trustees, the Research Council and Research Advisory Panels who all give their time freely. We are also very grateful to our Scar Free Ambassadors, volunteers with lived experience of scarring, who help communicate the scar free ambition and ensure that a patient perspective is at the heart of our research; their stories convey more powerfully than anything else, the need for more research and activity in this area. We are grateful to all Ambassadors who gave up their time to attend our engagement event at the Royal College of Surgeons in June 2019 where workshops in social media and presentation skills were delivered. We are especially grateful to Ambassadors, Lois Collier and Pam Warren who so generously shared their own experiences and skills with the group.

Finally, we are grateful to the CASEVAC Club of injured veterans from recent conflicts in Iraq and Afghanistan, and its co-founders David Wiseman and Dave Henson MBE for partnering with the Foundation on the Centre for Conflict Wound Research and our wider ambitions in this area.



Ambassador, Tattyana Finlay, at the Scar Free Annual Involvement Event at the Royal College of Surgeons of England, London, June 2019

PLANS FOR FUTURE PERIODS

In response to the Coronavirus Pandemic, the Board of Trustees has approved a six-month emergency Management Plan which acknowledges the unique circumstances and lays out a short-term response plan for the six months from April 2020. Activities and ambitions for the year have been reassessed. The pursuit of scar free healing through the implementation of our Scar Free Strategy remains our central goal but how we adapt and respond over the year has changed. This adaptation is threefold. Across all our key areas of business - research, fundraising, communications and management – we plan to:

- **Cope** with the immediate impact of the COVID-19 crisis.
- Prepare to **emerge** from the immediate restrictions that COVID-19 has placed on professional and personal life.
- Be ready for when we can all activities, at least to their pre-COVID-19 levels.

The COVID-19 situation changes daily, and a shorter-term plan seems most appropriate in these circumstances. The Plan will be regularly reviewed and a refreshed October 2020 to March 2021 Management Plan agreed later in the year.

The Charity Governance Code has been adopted by the Foundation and the Code’s principles are regularly revisited by the Chief Executive and the Board.



HRH The Countess of Wessex observing a Scar Free researcher at The Scar Free Foundation Centre for Conflict Wound Research, Birmingham

FINANCIAL REVIEW

During the year, our spend on research increased as new elements of our scar free research programme came online, from £1,114,784 in 2018/19 to £1,531,760. This is the largest annual spend on research for the charity since it was founded in 1999.

Restricted expenditure in the year was more than restricted income as it includes the expenditure on projects that had been financed in previous years.

A review of the commitment schedule for project expenditure is reviewed during the year, comparing original commitments against available restricted and designated funds, by our auditors Buzzacott. The latest review conducted in May 2020 confirmed the Foundation's position that all commitments are adequately provided for.

We end the year carrying forward reserves that both match our stated policy to provide sufficient, but not excessive, core funding, and the reassurance that all research commitments can be fully funded through existing restricted and designated funds.

The COVID-19 crisis has brought home to us, more than ever, the importance of a prudent reserves policy. With reduced fundraising in 2020, our free reserves will be impacted. Looking ahead over the next 12 months, we are confident that we can maintain this reserves policy and anticipate closing the 2020/21 year satisfying this stated policy. We do not feel that the Coronavirus pandemic should cause us to review our policy, but we will maintain a close watching brief on this during the year as lock down is lifted and income-spend plans become clearer.

RESERVES POLICY

The Scar Free Foundation has restricted funds which have been, and will be, generated through fundraising. Depending on the specified restriction, these will be either used to generate further funding to establish and maintain our major research programmes or used directly on particular research projects.

We continue to retain sufficient unrestricted funds to meet on-going core costs. The aim is to maintain sufficient unrestricted reserves to cover core costs for a twelve-month period and to meet redundancy costs should the Foundation ever have to be closed down.

Unrestricted reserves at the end of March 2020 were £895,488 of which £726,441 was in the general funds and constitutes free reserves. The core costs for 2019/20 are forecast to be approximately £703,351. The free reserves are therefore in line with the target set out above.

INVESTMENT POLICY

Investments are managed by Sarasin Partners LLP, our investment manager and adviser, through their Alpha range of Common Investment Funds.

The Trustees have established an overall investment policy, which involves the Foundation's available funds being categorised in one of two ways, for each of which there is an appropriate investment policy, namely:

Short term - in this category are funds which are budgeted for spending within a two-year period. These will be held in appropriate bank accounts, term deposits or liquidity funds, with the maturity of the deposits being managed to match both the liabilities and maximise the interest earned on them.

Medium and long term - Most of the funds in this category are not required within five years, but some of which will be spent between two and five years from now. They are invested in the Alpha Common Investment Fund for Endowments. This fund seeks long-term capital and income growth from a broadly diversified portfolio, of which 70% would normally be in shares with the balance in bonds, cash, property and alternative assets.

The use of Common Investment Funds enables the Foundation to access asset classes which might otherwise be closed to it and to achieve appropriate diversification and a broad spread of risk. These Common Investment Funds are charities in their own right, pooling the funds of other charities with these similar objectives.

The Alpha funds will make substantial asset allocation changes when necessary to protect capital, reduce volatility and enhance long-term returns. The selection of individual shareholdings is guided by a global, thematic research process which incorporates an ethical screening process. The Trustees regularly review with Sarasin Partners the Foundation's Investment Policy and the performance of these funds and make any appropriate changes in light of the Foundation's development, changes in markets or any other relevant factors.

Our investments decreased in value by 6% over the financial year 2019/20, this is due to both the disposal of Lady Rose's donation of shares and is also a reflection of the fall in world stock markets as at 31 March 2020. We remain vigilant to the volatile market that the pandemic is creating and mindful that the funds in Sarasins are long-term investments. As of 30 June 2020, the investments have increased in value by 13% since 31 March 2020.

RISK ASSESSMENT

The Board maintains a risk assessment system which is based on a numerical assessment of risk, with an accompanying management commentary, and Trustees consider these reports each quarter. The aim is to highlight and measure potential risks to the success of an activity or process, assess the impact and put in place appropriate management action.

Accordingly, we can confirm that the major risks to which the Foundation is exposed have been reviewed and actions are in place to mitigate those risks.

Current risks of greatest concern (i.e. the risks with greatest combined 'impact' and 'likelihood' score in the Trustees' quarterly risk assessment exercise) include:

1. **Fundraising: shortfall in budgeted income** – we remain cognisant of the difficulty of fundraising particularly for unrestricted monies. This will be exacerbated by the restrictions in force as a result of the Coronavirus Pandemic. Nevertheless, we are confident that we can continue to abide by our reserves policy, maintaining sufficient free reserves for core costs for the year ahead.
2. **COVID-19: Pandemic cause major disruption to the running of the Foundation** – as this report demonstrates, the immediate impact of the COVID-19 crisis has been significant and the long-term fall out can still only be estimated. We are confident however that the plans, briefly detailed herein, are sufficient to ameliorate the unavoidable disruption to ensure the Foundation can emerge from the crisis in as strong a position as possible.
3. **Financial Issues: External economic situation impacts on Fundraising** – the long-term economic impact of the COVID-19 crisis will colour all aspects of our operations, especially fundraising and research. It remains too early to assess the full impact on the University and research sector, but we will continue to work with research partners to ensure we maintain the the highest standards of quality research. Our fundraising will be hit but perhaps not as significantly as some charities reliant on retail or volume driven income sources. Our partnerships with key, high net wealth and 'grant making trust' donors will continue and we will continue to use our unique skillset and tradition to grow and strengthen these relationships still further.

RESPONSIBILITIES OF THE TRUSTEES

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the income or expenditure of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102).
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards (United Kingdom Generally Accepted Accounting Practice) have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the “going concern” basis unless it is inappropriate to assume that the company will continue in operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company’s transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company’s website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Each of the Trustees confirms that to the best of his/her knowledge there is no information relevant to the audit of which the auditors are unaware. Each of the Trustees also confirms that he/she has taken all necessary steps to ensure that he/she is aware of all relevant audit information and that this information has been communicated to the auditors.

The Trustees

Trustees, who are also Directors under company law, who served during the year and up to the date of this report were as follows:

Professor Sir Bruce Keogh (Chairman)

Mr David Allen

Mr Simon Boadle (Honorary Treasurer)

Lord James Bethell (resigned 10 March 2020)

Mr Richard Collier

Ms Alison Clarke

Lt Gen Richard Nugee

Mr Tim Streatfeild

Mrs Alexandra Thrower

Professor Peter Weissberg
(Research Council Chairman)

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 March 2020 was £6 (2019 – £6). The Trustees have no beneficial interest in the charitable company.

Approved by the Trustees on 2 July 2020 and signed on their behalf by



Professor Sir Bruce Keogh
Chairman



The Scar Free Foundation Chairman, Professor Sir Bruce Keogh, toasting the Foundation at the Scar Free 20th Anniversary Celebration at Buckingham Palace, December 2019

Independent auditor's report to the members of The Scar Free Foundation

Opinion

We have audited the financial statements of The Scar Free Foundation (the 'charitable company') for the year ended 31 March 2020 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Effects of COVID-19

We draw attention to the information contained in the trustees' report and principal accounting policies in these financial statements, which describe the disruption the charity is facing as a result of the COVID-19 pandemic and resultant enforced lockdown. In particular, the operations of the charity have needed to be adapted and there are financial challenges created because of the cancellation of face-to-face meetings and events, uncertainty over the impact of the pandemic on research, and the impact on the charity's investment portfolio. Our opinion is not modified in respect to this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a

material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Katharine Patel (Senior Statutory Auditor)

For and on behalf of Buzzacott LLP,
Statutory Auditor 130 Wood Street
London EC2V 6DL

Date: 27 July 2020

The Scar Free Foundation

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

For the year ended 31 March 2020

	Note	Restricted £	Unrestricted £	2020 Total £	Restricted £	Unrestricted £	2019 Total £
Income							
Donations and legacies	2	1,054,767	409,469	1,464,236	1,956,632	765,231	2,721,863
Investments	3	-	53,714	53,714	-	50,311	50,311
Total income		1,054,767	463,183	1,517,950	1,956,632	815,542	2,772,174
Expenditure							
Costs of raising funds	4	-	378,057	378,057	-	319,860	319,860
<i>Expenditure on charitable activities</i>							
Research programmes		1,267,880	-	1,267,880	891,905	-	891,905
Research development		-	263,880	263,880	-	222,879	222,879
Total expenditure		1,267,880	641,937	1,909,817	891,905	542,739	1,434,644
Net (expenditure) income before (losses) gains on investments	5	(213,113)	(178,754)	(391,867)	1,064,727	272,803	1,337,530
Net (losses) gains on investments	9	(45,707)	-	(45,707)	-	17,311	17,311
Transfers	13	3,554	(3,554)	-	(16,122)	16,122	-
Net (expenditure) income and net movement in funds		(255,266)	(182,308)	(437,574)	1,048,605	306,236	1,354,841
Reconciliation of funds:							
Funds brought forward		3,325,099	1,077,796	4,402,895	2,276,494	771,560	3,048,054
Funds carried forward		3,069,833	895,488	3,965,321	3,325,099	1,077,796	4,402,895

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

The Scar Free Foundation**Balance Sheet****For the year ended 31 March 2020**

	Note	£	2020 £	2019 £
Fixed assets				
Tangible fixed assets	8		6,525	8,534
Investments	9		882,748	938,745
			<u>889,273</u>	<u>947,279</u>
Current assets				
Debtors	10	7,126		725,372
Short term deposits		2,940,698		2,550,469
Cash at bank and in hand		194,761		408,973
		<u>3,142,585</u>		<u>3,684,814</u>
Liabilities				
Creditors: amounts falling due within one year	11	66,537		229,198
			<u>3,076,048</u>	<u>3,455,616</u>
Net current assets				
			<u>3,076,048</u>	<u>3,455,616</u>
Net assets				
	12		<u>3,965,321</u>	<u>4,402,895</u>
The funds of the charity:				
Restricted funds			3,069,833	3,325,099
Unrestricted funds				
Designated funds		169,047		321,711
General funds		726,441		756,085
		<u>895,488</u>		<u>1,077,796</u>
Total funds				
	13		<u>3,965,321</u>	<u>4,402,895</u>

Approved by the Trustees on 2 July 2020 and signed on their behalf by



Professor Sir Bruce Keogh

Company Registration Number O3831398 (England and Wales)

The Scar Free Foundation

Statement of Cash Flows

For the year ended 31 March 2020

	Note	2020 £	2019 £
Cash flow from operating activities:			
Net cash provided by operating activities	A	<u>116,842</u>	<u>652,476</u>
Cash inflow from investing activities:			
Dividends and interest from investments		53,714	50,311
Purchase of tangible fixed assets		(4,829)	(10,574)
Sale / (purchase) of investments		<u>10,290</u>	<u>(224,447)</u>
Net cash provided by (used in) investing activities		<u>59,175</u>	<u>(184,710)</u>
Change in cash and cash equivalents in the year		176,017	467,766
Cash and cash equivalents at 1 April 2019	B	2,959,442	2,491,676
Cash and cash equivalents at 31 March 2020	B	<u><u>3,135,459</u></u>	<u><u>2,959,442</u></u>

Notes to the statement of cash flows for the year to 31 March 2020

A Reconciliation of net movement in funds to net cash provided by operating activities

	2020 £	2019 £
Net movement in funds (as per the statement of financial activities)	(437,574)	1,354,841
Adjustments for:		
Depreciation charge	6,838	5,229
Losses (gains) on investments	45,707	(17,311)
Dividends and interest from investments	(53,714)	(50,311)
Decrease (increase) in debtors	718,246	(692,811)
(Decrease) increase in creditors	<u>(162,661)</u>	<u>52,839</u>
Net cash provided by operating activities	<u><u>116,842</u></u>	<u><u>652,476</u></u>

B Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	194,761	408,973
Notice deposits (3 - 12 months)	<u>2,940,698</u>	<u>2,550,469</u>
Total cash and cash equivalents	<u><u>3,135,459</u></u>	<u><u>2,959,442</u></u>

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2020

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

a) Basis of preparation

These accounts have been prepared for the year to 31 March 2020.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

b) Critical accounting estimates and areas of judgement

Preparation of the accounts requires the Trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- the allocation of staff and support costs;
- estimating the useful economic life of tangible fixed assets.

c) Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

The Trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above.

With regard to the next accounting period, the year ending 31 March 2021, the Trustees have taken into consideration the impact of the COVID-19 pandemic on the charity and have concluded that although there may be some negative consequences and greater risk in relation to the fundraising for the charity's activities, the Trustees believe that the charity is a going concern on the basis detailed within the Trustees' report. The most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the Trustees' report for more information).

d) Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Voluntary income is received by the way of donations and gifts and is included in full in the Statement of Financial Activities when receivable. Intangible income and gifts in kind are not included unless they represent goods or services which would have otherwise been purchased, in which case they are valued and brought in as income and the appropriate expenditure.

Revenue grants are credited to the Statement of Financial Activities when received or receivable whichever is earlier, unless they relate to a specific period, in which case they are deferred.

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2020

1. Accounting policies (continued)

d) Income recognition (continued)

Where unconditional entitlement to grants receivable is dependent upon fulfilment of conditions within the Charity's control, the incoming resources are recognised when there is sufficient evidence that conditions will be met. Where there is uncertainty as to whether the Charity can meet such conditions the incoming resource is deferred.

Grants for the purchase of fixed assets are credited to restricted income when receivable. Depreciation of fixed assets purchased with such grants is charged against the restricted funds.

Interest on term deposits is recognised on an accruals basis, so that the appropriate proportion is included in each year's financial statements.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

e) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure includes attributable VAT that cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the costs of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, are apportioned between activities as described in note 4.

The costs of generating funds relate to the costs incurred by the charity in raising funds for the charitable work.

Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities.

Grants payable are charged to the Statement of Financial Activities in the year in which the offer is conveyed to the recipient, except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

Governance costs include the management of the charity's assets, organisational management and compliance with constitutional and statutory requirements.

f) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life. The depreciation rates in use are as follows:

Leasehold Improvements :	Over the life of the lease
Computer Equipment :	3 years
Office Furniture and Equipment :	3 years

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2020

1. Accounting policies (continued)

g) Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

h) Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

i) Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

j) Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the Statement of Financial Activities in the year in which they fall due.

k) Pension contributions

The charitable company makes contributions on behalf of its employees into their personal pension funds. The amounts charged in the Statement of Financial Activities represent the contributions payable to the funds in respect of the accounting period. Outstanding pension contributions at the year end are included in creditors.

l) Fixed asset investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

m) Fund structure

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure, which meets these criteria are charged to the fund together with a fair allocation of management and support costs.

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

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Transfers are made from unrestricted funds to establish designated funds, which are in turn used to cover the cost of Research Projects. These designations are agreed annually by the Board of Trustees. Transfers are made from designated funds to restricted funds where restricted funding is not sufficient to cover a particular project. Transfers from restricted funds to unrestricted funds are made with the prior consent of the donor.

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2020

2a Donations and grants - unrestricted

	2020 £	2019 £
The Chancellor using LIBOR Funds	189,950	269,970
PF Charitable Trust	50,000	50,000
Nancy Moxon (Legacy)	42,919	-
EACTS Fellowship	30,000	-
Kavli Trust (UK)	20,000	20,000
Harry Hampson	10,000	10,000
Arbuthnot Banking Group PLC (Sir Henry Angest)	10,000	-
Richard Collier	5,000	-
The Atkin Charitable Foundation	5,000	5,000
Hintze Family Charitable Foundation	5,000	-
Wyfold Charitable Trust	5,000	-
Dorothy Eades (Legacy)	4,268	70,000
The Dorus Trust	4,000	4,000
Charles and Rowena Wilson	4,000	-
Marco Compagnoni & Bruce Sansom	3,000	3,200
Angelica Kavoni & Lucan Ion	2,500	2,500
Karim Tabet and Alexia Ackermann	2,000	2,000
The Worshipful Company of Tin Plate Workers alias Wire Workers	1,000	2,000
Nigel Mercer	1,300	1,200
Professor Jonathan Sandy	1,200	1,200
Professor Vivien Lees	1,000	1,000
Professor Peter Dziejewski	200	1,200
The Stephen Forrest Charitable Trust	-	150,000
VTCT Foundation	-	100,000
Childwick Trust	-	15,000
The Gosling Foundation	-	10,000
Douglas McGeorge	-	10,000
Anthony Watson (Legacy)	-	5,000
Holbeck Charitable Trust	-	5,000
Simon and Julia Boadle	-	5,000
Next PLC	-	5,000
Scar Family	-	4,739
Dominic Johson	-	1,000
Gift Aid Claims	3,268	6,457
Sundry Donations	8,864	4,765
Total	<u>409,469</u>	<u>765,231</u>

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2020

2b Donations and grants - restricted

	2020	2019
	£	£
The Chancellor using LIBOR Funds	668,355	810,774
CHEAR Foundation	300,000	327,941
Health and Care Research Wales	50,000	720,000
Eveson Charitable Trust	22,858	-
The Hobson Charity Ltd	8,000	-
Andrew Roberts	2,000	-
BBA	1,800	1,800
CFSGBI	1,200	1,427
BAPRAS	554	600
The J P Moulton Foundation	-	60,000
Edward Cadbury Charitable Trust	-	20,000
Lady Jenny Rose	-	10,290
GJW Turner Trust	-	2,000
BSSH	-	1,800
Total	<u>1,054,767</u>	<u>1,956,632</u>

3. Investment income

	2020			2019		
	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
	£	£	£	£	£	£
Income from listed investments	-	21,768	21,768	-	23,096	23,096
Interest receivable	-	31,946	31,946	-	27,215	27,215
Total	<u>-</u>	<u>53,714</u>	<u>53,714</u>	<u>-</u>	<u>50,311</u>	<u>50,311</u>

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2020

4. Total expenditure

	Costs of raising funds Unrestricted £	Research Grants Restricted £	Research Development Unrestricted £	Support Costs £	Governance £	2020 Total £
Staff Costs (Note 6)	128,617	-	124,942	113,918	-	367,477
Other Staff Costs	2,753	-	2,675	2,438	-	7,866
Rent	9,901	-	9,901	6,761	-	26,563
Computer and other office costs	20,811	-	20,811	14,212	-	55,834
Consultancy	4,342	-	4,342	2,965	-	11,649
Audit and Accountancy Fees	-	-	-	-	13,236	13,236
Staff Travel	937	-	937	640	-	2,514
Trustees' Travel Expenses	77	-	77	53	-	207
Depreciation	2,549	-	2,549	1,741	-	6,839
Recruitment	2,445	-	2,445	1,670	-	6,560
Appeal Costs	125,636	-	-	-	-	125,636
Insurance	-	-	-	-	2,344	2,344
Research Programmes						
- Cleft Lip	-	339,573	-	-	-	339,573
- Centre for Conflict Wound	-	745,757	-	-	-	745,757
- BSSH	-	90,797	-	-	-	90,797
- UK Burns Research Network	-	84,646	-	-	-	84,646
- Support Projects	-	7,107	-	-	-	7,107
Research Support costs	-	-	15,212	-	-	15,212
Total expenditure	298,068	1,267,880	183,891	144,398	15,580	1,909,817
Support Costs	72,199	-	72,199	(144,398)	-	-
Governance costs	7,790	-	7,790	-	(15,580)	-
2020 total expenditure	378,057	1,267,880	263,880	-	-	1,909,817

Support costs and governance costs have been allocated to each activity on the basis of staff time being 50% to costs of raising funds and 50% to research development.

The Scar Free Foundation

Notes to the financial statements

For the year ended March 2019

4. Total expenditure

	Costs of raising funds Unrestricted	Research Grants Restricted	Research Development Unrestricted	Support Costs	Governance	2019 Total
	£	£	£	£	£	£
Staff Costs (Note 6)	119,867	-	116,442	106,168	-	342,477
Other Staff Costs	2,360	-	2,292	2,089	-	6,741
Rent	11,688	-	7,438	7,438	-	26,564
Computer and other office costs	32,303	-	20,557	20,557	-	73,417
Consultancy	605	-	385	385	-	1,375
Legal Fees	-	-	-	11,495	-	11,495
Audit and Accountancy Fees	-	-	-	-	11,215	11,215
Staff Travel	865	-	550	550	-	1,965
Trustees' Travel Expenses	230	-	146	146	-	522
Depreciation	2,301	-	1,464	1,464	-	5,229
Recruitment	1,760	-	1,120	1,120	-	4,000
Appeal Costs	47,066	-	-	-	-	47,066
Insurance	-	-	-	-	2,342	2,342
Research Programmes						
- Chair of Tissue Regeneration	-	27,941	-	-	-	27,941
- Cleft Lip	-	314,378	-	-	-	314,378
- Centre for Conflict Wound	-	402,312	-	-	-	402,312
- Aesthetic Research	-	14,035	-	-	-	14,035
- BSSH	-	67,526	-	-	-	67,526
- VTCT Burns Network	-	49,460	-	-	-	49,460
- Support Projects	-	11,253	-	-	-	11,253
Research Support costs	-	5,000	8,331	-	-	13,331
Total expenditure	219,045	891,905	158,725	151,412	13,557	1,434,644
Support Costs	92,530	-	58,882	(151,412)	-	-
Governance costs	8,285	-	5,272	-	(13,557)	-
2019 total expenditure	319,860	891,905	222,879	-	-	1,434,644

Support costs and governance costs have been allocated to each activity on the basis of staff time being 61% to costs of raising funds and 39% to research development.

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2020

5. Net expenditure for the year before losses (gains) on investments

This is stated after charging:

	2020	2019
	£	£
Depreciation	6,839	5,229
Trustees' remuneration	Nil	Nil
Trustees' expenses	207	522
Auditors' remuneration:		
Audit	9,500	9,500
Operating lease rentals:		
Property	26,563	26,563
	<u>26,563</u>	<u>26,563</u>

Trustees' expenses represent the reimbursement of travel costs to two (2019 : 1) member relating to attendance at meetings of the Trustees, and carrying out other duties relating to the activities of the Foundation.

6. Staff costs and numbers

Staff costs were as follows:

	2020	2019
	£	£
Salaries and wages	297,552	278,528
Social security costs	31,260	29,675
Pension contributions	38,665	34,274
	<u>367,477</u>	<u>342,477</u>

The number of employees whose emoluments exceed £60,000 are:

	2020	2019
£110,001 - £120,000	<u>1</u>	<u>1</u>

Employer's pension contributions of £17,512 (2019:£17,299 to one employee) were made in respect of the highest paid employee.

The full-time equivalent of employees during the year was as follows:

	2020	2019
	No.	No.
Fundraising and Publicity	2.1	2.2
Research Development	2.1	1.4
Support & Governance Costs	1.4	1.4
	<u>5.6</u>	<u>5.0</u>

The Scar Free Foundation**Notes to the financial statements****For the year ended 31 March 2020****6. Staff costs and numbers (continued)**

The average number of employees (headcount) during the year was 5.6 (2019 - 5).

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the Trustees together with the Chief Executive, Company Secretary & Finance Manager and Head of Research Funds. The total remuneration (including taxable benefits and employers pension contributions) of the key management personnel for the year was £264,682 (2019 - £267,275).

7. Taxation

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

8. Tangible fixed assets

	Computer equipment and furniture £	Total £
Cost		
At the start of the year	26,884	26,884
Additions in year	4,829	4,829
Disposals in year	(10,402)	(10,402)
At the end of the year	<u>21,311</u>	<u>21,311</u>
Depreciation		
At the start of the year	18,350	18,350
Charge for the year	6,838	6,838
Disposals in year	(10,402)	(10,402)
At the end of the year	<u>14,786</u>	<u>14,786</u>
Net book value		
At the end of the year	<u><u>6,525</u></u>	<u><u>6,525</u></u>
At the start of the year	<u><u>8,534</u></u>	<u><u>8,534</u></u>

The Scar Free Foundation**Notes to the financial statements****For the year ended 31 March 2020****9. Investments**

	2020 £	2019 £
Market value at the start of the year	938,745	696,987
Additions	-	224,447
Disposals	(10,290)	-
Net unrealised (losses) / gains	(45,707)	17,311
	<u>(55,997)</u>	<u>17,311</u>
Market value at the end of the year	<u>882,748</u>	<u>938,745</u>
Cost at the year end	<u>741,751</u>	<u>752,041</u>
Investments comprise: Sarasin Alpha CIF for Endowments	882,748	928,405

10. Debtors

	2020 £	2019 £
Other debtors	2,000	372
Accrued income	-	720,000
Prepayments	5,126	5,000
	<u>7,126</u>	<u>725,372</u>

11. Creditors: amounts due within 1 year

	2020 £	2019 £
Accruals and deferred income	66,537	229,198
	<u>66,537</u>	<u>229,198</u>

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2020

12. Analysis of net assets between funds 2020

	Restricted funds £	Designated funds £	General funds £	2020 Total funds £
Tangible fixed assets	-	-	6,525	6,525
Investments	882,748	-	-	882,748
Net current assets	2,187,085	169,047	719,916	3,076,048
Net assets at the end of the year	3,069,833	169,047	726,441	3,965,321

Analysis of net assets between funds 2019

	Restricted funds £	Designated funds £	General funds £	2019 Total funds £
Tangible fixed assets	-	-	8,534	8,534
Investments	938,745	-	-	938,745
Net current assets	2,386,354	321,711	747,551	3,455,616
Net assets at the end of the year	3,325,099	321,711	756,085	4,402,895

The total unrealised gains at 31 March 2020 constitutes movements on revaluation and are as follows:

	2020 £	2019 £
Unrealised gains included above:		
On investments	140,997	186,704
Total unrealised gains at 31 March 2020	140,997	186,704

13. Reconciliation of movements in unrealised gains (losses)

Unrealised gains at 1 April 2019	186,704	169,266
Less: in respect to disposals in the year	-	127
	186,704	169,393
Add: net gains (losses) arising on revaluation arising in the year	(45,707)	17,311
Total unrealised gains at 31 March 2020	140,997	186,704

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2020

13. Movements in funds 2020

	At the start of the year £	Income £	Expenditure £	Gains on investments & Transfers £	2020 At the end of the year £
Restricted funds:					
Scar Free Projects	700,000.00	50,000	-	-	750,000
The Cleft Collective	1,097,919.00	2,000	(339,573)	-	760,346
Centre for Conflict Wound Research	470,462.00	699,213	(745,757)		423,918
The Scar Free Centre	300,000.00	300,000	-	(45,707)	554,293
BSSH Clinical Academic Post	325,474.00	-	(90,797)	-	234,677
UK Burns Research Network	431,244.00		(84,646)	-	346,598
Student Elective Awards	-	3,554	(7,107)	3,554	1
Total restricted funds	3,325,099	1,054,767	(1,267,880)	(42,153)	3,069,833
Unrestricted funds:					
<i>Designated funds:</i>					
Student Elective Awards	4,400	-	-	(4,400)	-
Scar Free Projects Bristol Centre	317,311	-	-	(202,462)	114,849
	-	-	-	54,198	54,198
<i>Total designated funds</i>	321,711	-	-	(152,664)	169,047
General funds	756,085	463,183	(641,937)	149,110	726,441
Total unrestricted funds	1,077,796	463,183	(641,937)	(3,554)	895,488
Total funds	4,402,895	1,517,950	(1,909,817)	(45,707)	3,965,321

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2020

13. Movements in funds 2019

	At the start of the year £	Income £	Expenditure £	Gains on investments & Transfers £	2019 At the end of the year £
Restricted funds:					
Tissue Regeneration Centre	-	27,941	(27,941)	-	-
Scar Free Projects	-	700,000	-	-	700,000
The Cleft Collective	1,412,297	-	(314,378)	-	1,097,919
Centre for Conflict Wound	-	872,774	(402,312)	-	470,462
The Scar Free Centre	-	300,000	-	-	300,000
BSSH Clinical Academic Post	393,000	-	(67,526)	-	325,474
UK Burns Research Network	430,414	50,290	(49,460)	-	431,244
National Institute of Aesthetic Research	34,969	-	(14,035)	(20,934)	-
Student Elective Awards	814	5,627	(11,253)	4,812	-
Management - Restricted	5,000	-	(5,000)	-	-
Total restricted funds	2,276,494	1,956,632	(891,905)	(16,122)	3,325,099
Unrestricted funds:					
<i>Designated funds:</i>					
Medical Elective Awards	8,600	-	-	(4,200)	4,400
Scar Free Projects	140,000	-	-	177,311	317,311
<i>Total designated funds</i>	148,600	-	-	173,111	321,711
General funds	622,960	815,542	(542,739)	(139,678)	756,085
Total unrestricted funds	771,560	815,542	(542,739)	33,433	1,077,796
Total funds	3,048,054	2,772,174	(1,434,644)	17,311	4,402,895

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2020

13. Movements in funds 2020

Research Projects

During the year, The Scar Free Foundation continued to pursue a number of key research themes. These have been funded as monies become available. The money may be restricted by the donor or where it is not, the Foundation will designate funds to particular projects.

Scar Free Projects

A total of £750,000 (of a £900,000 commitment) has been contributed by Health and Care Research Wales (Welsh Government) towards research to be undertaken in pursuit of the Scar Free Strategy at Swansea University. The Foundation is obligated, through a Memorandum of Understanding with the Welsh Government, to equally match the £750,000 award, when a grant to the University of Swansea is confirmed.

The Cleft Collective

Funds previously held for this major research programme have been contributed by various donors.

The Scar Free Foundation Centre for Conflict Wound Research

The Chancellor using LIBOR funds, has awarded a grant of £2,995,300 to the Foundation to support The Scar Free Foundation Centre for Conflict Wound Research. The grant will be paid in three annual installments. The second installment of £858,305 (£259,950 of which was unrestricted) was paid in June 2019. Additional funds have been received in 2019/20 from The Hobson Charitable Trust and Eveson Charity Foundation.

The Scar Free Centre

A total of £600,000 (of a £1,500,000 commitment) has been donated by the CHEAR Foundation towards research to be undertaken in pursuit of the Scar Free Strategy.

The BSSH Clinical Academic Post in Hand Surgery Research managed by The Scar Free Foundation

The British Society for Surgery of the Hand contributed a total of £500,000 towards the costs of a major programme of hand surgery research at the University of Nottingham.

The UK Burns Research Network supported by the VTCT Foundation (formerly Scar Free Healing Research)

Some £400,000 (of a £1,000,000 commitment) has been donated by the VTCT Foundation towards funding a Burns Research Network.

The Scar Free Foundation**Notes to the financial statements****For the year ended 31 March 2020****13. Movements in funds 2020 (continued)****Student Elective Award**

In 2019-20 The Scar Free Foundation again made Student Elective Awards in partnership with BAPRAS, BBA, BSSH and CFSGB&I. These are small project grants available to undergraduate and postgraduate students.

Unrealised Losses

Unrealised losses received from the Sarasins Investment account in 2019/20 total £45,704. The full amount has been transferred to restricted Bristol Centre as the centre has delays in starting.

14. Operating lease commitments

The charity had future minimum commitments at 31 March 2020 under operating leases expiring as follows:

	2020	2019
	£	£
Payments which fall:		
Within one year	17,414	18,997
Within one to two years	-	22,163
Within two to five years	-	-
	<u>17,414</u>	<u>41,160</u>

15. Related party transactions

During the year the charity received donations from Trustees totalling £5,000 (2019 - £16,200). In addition £300,000 (2019 - £327,941) was received from a Foundation of which a Trustee is also a Trustee.

**THE
SCAR FREE
FOUNDATION**

MAKING A WORLD WITHOUT SCARS A REALITY

The Scar Free Foundation
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SCARFREE.ORG.UK

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