Company number: 8720416
Charity Number: 1155360

The VTCT Foundation

Report and financial statements

For the year ended 31 July 2019

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The VTCT Foundation

Contents

For the year ended 31 July 2019

Reference and administrative information

For the year ended 31 July 2019

Company number	8720416
Charity number	1155360
Registered office and operational address	Aspire House Annealing Close Eastleigh SO50 9PX
Country of registration	England & Wales
Country of incorporation	United Kingdom
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: Rosanna Preston Brian Boyce (to September 2018) John Hart (to March 2019) Tony Lau Walker Prof Nichola Rumsey Prof Naiem Moiemen (from September 2018) Dr Wendy Edwards (from March 2019)
Bankers	CAF Bank Ltd 25 Kings Hill Avenue West Malling Kent ME19 4JQ
Independent Examiner	Helen Elliott FCA Sayer Vincent LLP Chartered Accountants Invicta House 108-114 Golden Lane LONDON EC1Y 0TL

The trustees present their report and the financial statements for the year ended 31 July 2019.

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

Objectives and activities

Purposes and aims

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

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

The purposes of the charity are:

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

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

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

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

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

Achievements and performance

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

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

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

The Appearance Collective was active during the year sharing research and information face to face and online including through three newsletters. The Centre for Appearance Research delivered three workshops to the Collective members. 55 Members and award holders were also invited to a grant holder showcase event at the Royal College of Surgeons in July where grant holders shared their project and research progress to date.

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

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

During the year new grants included the following organisations:

- Scar Free Foundation – to fund a Research Management and Public Involvement Officer for 2.5 years.
- Oxford University Hospitals NHS Foundation Trust – Oxford Major Trauma Centre – to develop information videos for patients who have experienced open fractures as a result of trauma.
- Action Medical Research for Children – To fund a 2.5 year Training Fellowship.

In April 2018 the trustees also agreed to start a Small Grants Programme to give easier access to small charities to grants of up to £25,000. The funds are to support charities working in the visible difference field, to enable them to achieve a step change and build their capacity and impact. The first grants were awarded in September 2018, and in total just over £310,000 was awarded to 13 organisations, as detailed in note 4 to the financial statements.

The initial programme ran until December 2018, and the trustees have decided to continue with a second round of funding with the next set of grants likely to be made towards the end of 2019.

Financial review

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

Total expenditure during the year was £722,015, of which £698,892 (96.8%) related to grants. (2018: £721,183 of £741,777 (97.2%)). Where grants cross a number of years, they have been discounted within the financial statements in accordance with FRS 102.

Reserves policy and going concern

The charity was formed through a grant from the Vocational Training Charitable Trust of £8.58 million in 2015. The trustees envisage utilising these funds over 10 years to pursue the charity's objects and as such, expect the reserves available to reduce as the charity continues grant making. At 31 July 2019 the charity had unrestricted reserves of just over £6.1 million (2018 £6.2m). Of this the trustees have designated £1 million for the Fellowship programme.

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

Structure, governance and management

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

The company was established under a memorandum of association and is governed under its articles of association which state the objects and powers of the charitable company.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 5 to the accounts.

Appointment of trustees

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

In 2016/17 the Board identified that it would like to widen its range and diversity and sought additional trustees – in particular with skills in NHS structure and funding, research, lived experience and business acumen. Subsequently two new trustees were appointed, Prof. Nichola Rumsey OBE, a research psychologist, and Prof. Naiem Moiemen FRCS, plastics and burns Consultant Surgeon at University Hospital Birmingham. Both bring a wealth of experience to the Foundation.

Trustee vacancies were advertised to the members of the Appearance Collective and in March 2019 Dr Wendy Edwards joined the Board – bringing both lived experience and knowledge of research and the NHS

Related parties and relationships with other organisations

The charity has no subsidiary entities.

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

During the year to July 2018 both Prof. Nichola Rumsey and Prof. Naiem Moiemen were trustees of the Scar Free Foundation (SFF). However, restructuring of the SFF Board facilitated their recruitment to the VTCT Foundation as they were standing down as trustees of SFF. This helps to manage any potential conflicts of interest.

Dr Wendy Edwards is also the chair of Headlines Craniofacial Support. Headlines received a two year grant from VTCT Foundation during the year ended 31 July 2017, and a further small grant of £20,644 in December 2018. All decisions to fund Headlines were taken by the trustees before Dr Edwards became a trustee of the Foundation.

Statement of responsibilities of the trustees

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

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

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

Members of the charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 July 2019 was 7 (2018: 6). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

The opinion of the trustees is that the company is entitled to the exemptions conferred by Section 477 of the Companies Act 2006 relating to small companies.

The trustees acknowledge the following responsibilities:

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

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

The trustees' annual report has been approved by the trustees on 16 December 2019 and signed on their behalf by

Rosanna Preston
Chair of trustees

Independent examiner's report

To the trustees of

The VTCT Foundation

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 July 2019.

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

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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

Helen Elliott FCA
Sayer Vincent LLP, Invicta House, 108-114 Golden Lane, London, EC1Y 0TL
17 December 2019

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

For the year ended 31 July 2019

	Note	2019 Total £	2018 Total £
Income from:			
Investments	2	**108,957**	111,654
Total income		**108,957**	111,654
Expenditure on:			
Charitable activities			
Grant Making	3	**722,015**	741,777
Total expenditure		**722,015**	741,777
Net (expenditure) before net gains on investments		**(613,058)**	(630,123)
Net gains on investments		**120,315**	161,479
Net (expenditure) for the year	5	**(492,743)**	(468,644)
Net movement in funds		**(492,743)**	(468,644)
Reconciliation of funds:			
Total funds brought forward		**6,620,450**	7,089,094
Total funds carried forward		**6,127,707**	6,620,450

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

The VTCT Foundation

Balance sheet

As at 31 July 2019

Company no. 8720416

	Note	£	2019 £	£	2018 £
Fixed assets:					
Investments	8		7,060,045		7,384,744
			7,060,045		7,384,744
Current assets:					
Cash at bank and in hand		659,471		1,179,909	
		659,471		1,179,909	
Liabilities:					
Creditors: amounts falling due within one year	9	(850,424)		(859,814)	
Net current assets/(liabilities)			(190,953)		320,095
Total assets less current liabilities			6,869,092		7,704,839
Creditors: amounts falling due after one year	10		(741,385)		(1,084,389)
Total net assets			6,127,707		6,620,450
The funds of the charity:	12				
Unrestricted income funds:					
Fair value reserve		735,967		661,728	
Designated funds		1,000,000		–	
General funds		4,391,740		5,958,722	
Total unrestricted funds			6,127,707		6,620,450
Total charity funds			6,127,707		6,620,450

The opinion of the trustees is that for the year ended 31 July 2019 the company was entitled to the exemptions conferred by Section 477 of the Companies Act 2006 relating to small companies.

The trustees acknowledge the following responsibilities:

(i) The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476

(ii) The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

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

Approved by the trustees on 16 December 2019 and signed on their behalf by

Rosanna Preston
Trustee

The VTCT Foundation

Statement of cash flows

For the year ended 31 July 2019

	Note	2019 £	2019 £	2018 £	2018 £
Cash flows from operating activities					
Net cash (used in) operating activities	a)		(1,074,409)		(847,569)
Cash flows from investing activities:					
Interest and dividends from investments		108,957		111,654	
Purchase of investments		(286,089)		(1,502,693)	
Proceeds from sale of investments		731,103		3,093,843	
Net cash provided by investing activities			553,971		1,702,804
Change in cash and cash equivalents in the year			(520,438)		855,235
Cash and cash equivalents at the beginning of the year			1,179,909		324,674
Cash and cash equivalents at the end of the year			659,471		1,179,909

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

	2019 £	2018 £
Net (expenditure) for the reporting period (as per the statement of financial activities)	(492,743)	(468,644)
Gains on investments	(120,315)	(161,479)
Dividends and interest from investments	(108,957)	(111,654)
(Decrease) in creditors	(352,394)	(105,792)
Net cash (used in) operating activities	(1,074,409)	(847,569)

1 Accounting policies

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

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

b) Basis of preparation
The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (March 2018) and the Companies Act 2006.

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

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

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

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

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

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

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

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

h) Expenditure and irrecoverable VAT
Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity heading:

- Expenditure on charitable activities includes the costs of grant making undertaken to further the purposes of the charity and their associated support costs

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

1 Accounting policies (continued)

i) Grants payable

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

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

j) Allocation of support and costs

Resources expended are allocated to grant making or governance where the cost relates directly to those activities. Investment managers fees are allocated to grant making activities. The costs of overall administration and overheads of the charity are treated as support costs.

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

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

k) Listed investments

Investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

l) Cash at bank and in hand

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

m) Creditors

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

n) Financial instruments

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

2 Income from investments

	2019 Total £	2018 Total £
Bank deposits	**2,457**	2,429
Investment income	**106,500**	109,225
	108,957	111,654

All income from investments is unrestricted

3 Analysis of expenditure

a. Current year	Grant making £	Governance costs £	Support costs £	**2019 £**	2018 £
Grants committed (note 4)	663,266	–	–	**663,266**	674,247
Discounts unwound	35,626	–	–	**35,626**	46,936
Insurance	–	–	570	**570**	567
Independent examination fees	–	2,520	–	**2,520**	2,920
Other professional fees	11,914	1,785	3,569	**17,268**	15,263
Trustee expenses	–	1,371	–	**1,371**	968
Other costs	798	363	233	**1,394**	876
	711,604	6,039	4,372	**722,015**	741,777
Support costs	4,372	–	(4,372)	–	–
Governance costs	6,039	(6,039)	–	–	–
Total expenditure	722,015	–	–	**722,015**	741,777

b. prior year	*Grant making*	*Governance costs*	*Support costs*	*2018*
Grants committed (note 4)	*674,247*	–	–	*674,247*
Discounts unwound	*46,936*	–	–	*46,936*
Insurance	–	–	*567*	*567*
Independent examination fees	–	*2,920*	–	*2,920*
Other professional fees	*12,977*	*1,143*	*1,143*	*15,263*
Trustee expenses	–	*968*	–	*968*
Other costs	*766*	–	*110*	*876*
	734,926	*5,031*	*1,820*	*741,777*
Support costs	*1,820*	–	*(1,820)*	–
Governance costs	*5,031*	*(5,031)*	–	–
Total expenditure	*741,777*	–	–	*741,777*

4 Grants payable

	Main grant	Small grant programme	Total commitment	Effect of discounting	2019	2018
			£	£	**£**	£
Scar Free Foundation	100,000	–	100,000	–	**100,000**	–
Action Medical Research for Children	164,739	–	164,739	(1,614)	**163,125**	–
Oxford University Hospitals NHS Trust	46,332	–	46,332	–	**46,332**	61,384
The Appearance Collective	4,900	–	4,900	–	**4,900**	1,310
Alopecia UK	38,670	24,451	63,121	–	**63,121**	–
Changing Faces	–	24,726	24,726	–	**24,726**	333,552
CLAPA	–	–	–	–	**–**	196,252
CLAPA Scotland	–	25,000	25,000	–	**25,000**	–
Headlines	–	20,644	20,644	–	**20,644**	40,929
Cleft – Bridging the Gap	–	–	–	–	**–**	21,668
Sheffield University	–	–	–	–	**–**	19,152
Ectodermal Dysplasia	–	25,036	25,036	–	**25,036**	–
Childrens Burns Trust	–	25,000	25,000	–	**25,000**	–
Microtia UK	–	17,060	17,060	–	**17,060**	–
Facial Palsy UK	–	25,000	25,000	–	**25,000**	–
University of Bristol	–	24,750	24,750	–	**24,750**	–
Child Accident Prevention Trust	–	24,975	24,975	–	**24,975**	–
The Neuro Foundation	–	25,000	25,000	–	**25,000**	–
MACS	–	25,000	25,000	–	**25,000**	–
Vitiligo Support UK	–	23,597	23,597	–	**23,597**	–
	354,641	310,239	664,880	(1,614)	**663,266**	674,247

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

5 Net (expenditure) for the year

This is stated after charging:

	2019	2018
	£	£
Independent examiner's fees (excluding VAT)	**2,100**	2,100

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2018: £nil). No charity trustee received payment for professional or other services supplied to the charity (2018: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £1,371 (2018: £929) incurred by 5 trustees (2018: 4) relating to attendance at meetings of the trustees and other meetings related to the work of the Foundation.

6 Related party transactions

Professor Nichola Rumsey was a trustee of the Scar Free Foundation until October 2018. VTCT Foundation has a long term grant commitment to Scar Free Foundation made befoe Professor Rumsey was a trustee of VTCT Foundation, of which £600,000 has not yet been drawn down by SFF. No payments were made relating to this grant during the year ended 31 July 2018 or 31 July 2019. An additional grant of £100,000 was awarded to Scar Free Foundation in October 2018 to suport a Research and Public Invovement officer. All trustees approved this award.

Professor Rumsey also provides consultany to the Centre for Appearance Research (CAR) at the University of the West of England (UWE). £200,000 was paid to UWE/CAR in September 2017, and a further £200,000 in October 2018 under a grant agreement made before Professor Rumsey became a trustee of VTCT Foundation. The remaining grant commitment to be paid in future years is £600,000 before any discounting. Payments to CAR require approval by all the other trustees rather than a simple majority.

Dr Wendy Edwards is also the chair of Headlines Craniofacial Support. Headlines received a grant from VTCT Foundation during the year ended 31 July 2017, and a further small grant of £20,644 in December 2018. All decisions were taken by the trustees before Dr Edwards became a trustee of the Foundation.

There are no other related party transactions to disclose for 2019 (2018: none).

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

7 Taxation

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

8 Investments

	2019 £	2018 £
Fair value at the start of the year	**7,384,744**	8,814,415
Additions at cost	**286,089**	1,502,693
Disposal proceeds	**(731,103)**	(3,093,843)
Net gain on change in fair value	**120,315**	161,479
Fair value at the end of the year	**7,060,045**	7,384,744

Investments comprise:

	2019 £	2018 £
UK Common investment funds	**7,060,045**	7,384,744

9 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	**9,164**	9,720
Grants payable	**837,795**	847,535
Accruals	**3,465**	2,559
	850,424	859,814

10 Creditors: amounts falling due after one year

	2019 £	2018 £
Grants payable	**741,385**	1,084,389

11 Legal status of the charity

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

12a Movements in funds (current year)

	At 1 August 2018 £	Income & gains £	Expenditure & losses £	Transfers £	**At 31 July 2019** **£**
Fair value reserve	661,728	120,315	–	(46,076)	**735,967**
Designated fund – Fellowships	–	–	–	1,000,000	**1,000,000**
General funds	5,958,722	108,957	(722,015)	(953,924)	**4,391,740**
Total unrestricted funds	6,620,450	229,272	(722,015)	–	**6,127,707**

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

Purpose of designated fund
The trustees are hoping to support suitable PhD scholars through a new Fellowship programme commencing in 2020. Funds have been set aside to support this and will be reviewed on an annual basis subject to levels of interest and suitability of applicants.

12b *Movements in funds (prior year)*

	At 1 August 2017 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 July 2018 £
Fair value reserve	*742,003*	*161,479*	*–*	*(241,754)*	*661,728*
General funds	*6,347,091*	*111,654*	*(741,777)*	*241,754*	*5,958,722*
Total unrestricted funds	*7,089,094*	*273,133*	*(741,777)*	*–*	*6,620,450*