

RAFT – Restoration of Appearance and Function Trust

Registered Charity 299811



**Report and Unaudited Accounts
for the year ended 30 June 2020**



RAFT - Restoration of Appearance and Function Trust

Annual Report and Accounts for year ended 30 June 2020

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Officers and Advisers

Charity registration	Registered in England and Wales; number 299811	
Principal office	475 Salisbury House London Wall London EC2M 5QQ	
Chief Patron	HRH The Duchess of Kent GCVO	
Trustee	RAFT Trustees Limited	
Board of the Trustee		Date change effective:
	Niccolò Caderni	<i>Chairman</i>
	Mick Jackson	<i>Deputy Chairman</i>
	Clifford Tompsett	<i>Honorary Treasurer</i>
	Jonathan Angell	appointed 20 November 2019
	Norbert Kang	
	Graeme Rimmer	
	Dafydd Wright	
	Richard Williams	resigned 19 November 2019
Executive Team	Chief Executive Officer and Director of Research: Chief Financial Officer:	Elena Garcia Nick Latham
Banker	Barclays Bank plc 54 High Street Ruislip, HA4 7AT	
Independent Examiner	Nexia Smith & Williamson Onslow House Onslow St Guildford GU1 4TL	
Solicitor	Dechert LLP 160 Queen Victoria Street London, EC4V 4QQ	
Website	www.raft.ac.uk	

RAFT - Restoration of Appearance and Function Trust

Annual Report of the Trustee for year ended 30 June 2020

Chairman's Statement

The year ended June 2020 was our first after the difficult but essential decisions we took in 2019 to ensure long-term financial viability and the strengthening of our scientific and clinical relevance. Although, in common with the entire charitable sector, we were witnessing a challenging funding climate, little we knew at the time that the Covid 19 pandemic would further corroborate the validity of the Trustees' choices.

Our selection of locations for our research projects has proven a success: we are now firmly established in our new premises and have robust governance and processes in place. Furthermore, by no longer being isolated, we are starting to see the advantages of partnering and the constructive comments from external experts.



The Breast Reconstruction and Keloids programmes are benefiting from the facilities and the collaboration of the Griffin Institute a centre of excellence in pre-clinical research. The Bone programme moved to University College London, already the home to our 3D Printing and Bionic Limb research. Our Research Student, Nazanin Owji, completed her PhD and is now working at the UCL facility.

In April 2020 we were able finally to surrender our lease of the Leopold Muller Building. Without our long-term lease obligations, and after a thorough change in our staffing arrangements and back office costs, we are confident that no efforts have been spared in ensuring that more and more of our donations are going directly to fund our scientific research.

Our programmes were hit by the Covid pandemic to varying degrees: We were able to continue with the Breast project but reduced, more or less drastically, others as resources, especially at UCL, were diverted to the pandemic. Matters started improving in the summer, only to suffer further delays as a result of the various lockdowns and the pervasive uncertainty about our collective future. We are confident, however, that these are temporary setbacks, and that the relevance of our research and the validity of our strategic and operational choices are even stronger after the pandemic.

Details of our science programmes are given in the next few pages: we are making good progress on all fronts and are targeting some important milestones as early as the first half of 2021, particularly on the Breast and Bone projects. Assuming the next stages of our research are successful, we will be looking to bring this to patients by developing further clinical and scientific research, as well as financial partnership through commercial developments.

Our donations are down this year: the pandemic has had a predictably negative effect on our donors; having decided to limit administrative expenditure we have been focusing on completing the re-organisation rather than fundraising. We are now ready to re-engage with our existing and new donors, presenting a well-run, highly focused organization able to make an impact in patients' quality of life through a series of targeted and fundable research initiatives that we are proud to steer forward with the tireless work of our scientists and the help of our donors, both of which we humbly acknowledge.

A handwritten signature in dark ink, which appears to read "Niccolò Caderni". The signature is written in a cursive style.

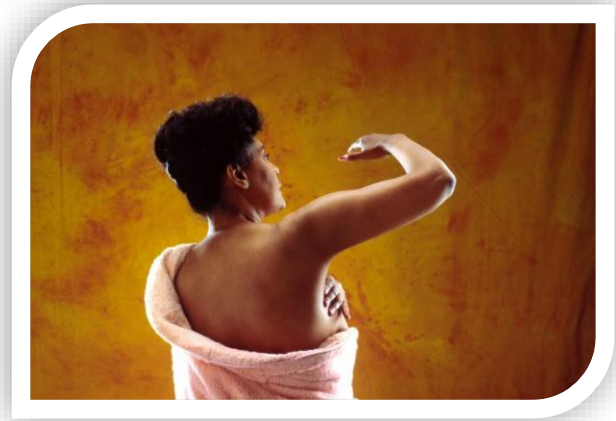
Niccolò Caderni
Chairman

26th February 2021

Our Programmes

Breast reconstruction

Over 50,000 women in the UK are diagnosed with breast cancer every year. . Fewer than half the women in the UK who have a mastectomy choose to have breast reconstruction. These patients have suffered the trauma of cancer and are understandably unwilling to undergo further surgery with an uncertain outcome. Current reconstructive options are far from ideal. The RAFT Institute offers women the prospect to rebuild a natural feeling breast.



Our aim is to develop an implant built from natural proteins found in breast tissue. It will be used in conjunction with fat supplemented by stem cells to help rebuild the breast and ensure that the fat will stay within the breast reconstruction site rather than dissipating throughout the body. As the breast tissue grows, the implant will be absorbed, leaving behind a natural breast, made with the patient's own body tissue.

Once proven, RAFT's solution will allow for a natural feel outcome, with a quicker, less painful recovery time, and a far more cost-effective procedure.

Work on this project is now undertaken at The Griffin Institute. As with all our current programmes we fully fund and control the scientific content. Over the last year, we have completed the analysis of our first pre-

clinical trial and completed the scale-up of the implant to a relevant human size. We are now preparing for our second pre-clinical trial, which should be completed by Q3 of 2021. Once completed, and subject to appropriate funding, we will be then ready to seek approval to conduct clinical trials.

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Bone

Amongst the most common surgical procedures, those involving bone account for approximately 44% of the total. Fractures, bone diseases (e.g. osteoporosis), dental implants, spinal fusion or hip or knee replacements often need bone grafting to stop bone loss and promote healing.



Our aim is to develop a biomaterial implant for bone regeneration to:

- act as a filler where there is a loss of bone
- encourage the body to make bone naturally

This novel material promotes new bone formation and is biodegradable as new bone forms. We are developing this as a malleable template to regenerate bone naturally over time and can be easily manipulated by the surgeons in the clinic. The use of such a biomaterial would eliminate the need for a second surgery to harvest autografts, significantly reducing costs and surgery times.

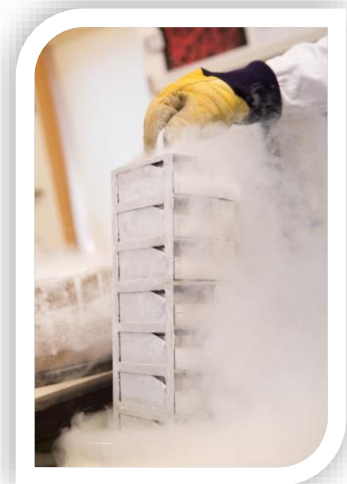
The work we are doing in this area will benefit patients in many aspects of surgical and dental treatment.

This project was moved to the UCL Eastman Dental Institute in early 2020. Pre-clinical work has started, and due to be completed before the end of 2020. Moreover, additional work in the laboratory is being carried out to further understand how the bone biomaterial interacts with bone cells. If results are positive, SmartCaP® can then enter commercialisation, for both dental and orthopaedic applications.

Wound Healing - Keloids

A keloid scar is a raised, painful growth on the skin, which often occurs after a minor scratch or cut. Keloids are a form of tumour and although not cancerous, can have a serious effect on a person's quality of life. In the UK 3.5 people per 1,000 suffer from keloid scars and, apart from pain and discomfort, the visible scarring can also result in social anxiety and self-esteem issues. Current treatment is risky and can exaggerate the situation. Particularly problematic is the issue of keloid recurrence after surgical removal, which occurs in 70% of patients.

Our aim is to develop a biomaterial-based treatment that prevents keloid recurrence after surgical removal. This product will be highly beneficial to patients and save medical resources. It will not require added hospital time so the potential cost savings in personnel time and aftercare would be significant.



This project is now undertaken at The Griffin Institute. Work on this project started by assessing how the cells responsible for keloids interact with the various proteins and components found in skin.

Once we understand these interactions, we will manufacture a biomaterial that is specifically designed to prevent keloids from coming back after they are removed by surgery.

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3D printing – facial reconstruction



In the UK approximately 60,000 operations to repair skull and jaw bones are carried out each year. Traditionally, metal implants, bone grafts and artificial prosthetics are used but have a risk of rejection and other issues requiring multiple operations. 3D printing offers exciting prospects to create custom-fit implants; however, the inks used in 3D printing are far from ideal.

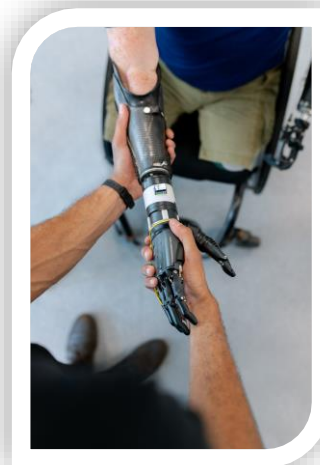
In conjunction with University College London, our aim is to develop a 3D printable ink, supplemented with calcium phosphate for 3D printing of custom-fit implants for facial reconstruction surgery. This novel ink will be able to encourage the body to grow bone naturally as the implant gradually gets absorbed by the body, providing significant benefits to patients and saving the need for multiple operations as a patient grows older.

We have developed a family of novel inks that are biocompatible and biodegradable and can be 3D printed into complex porous shapes. Results from our earlier work confirmed the biocompatibility and bone-forming abilities of our ink. This work was done as part of the first PhD project on this programme, which has now been completed. Work on the second PhD continues to optimise the ceramic component of the ink as well as the synthesis of the polymer component of the ink.

Bionic Limb

Around 5,500 adults and children in the UK are living with an upper limb amputation or have congenital upper limb deficiency and hundreds more amputation procedures take place every year. Current prosthesis for upper-limb amputees often have poor attachment, which causes chaffing, pain, and discomfort. Upper limb amputation is functionally more disabling than lower limb amputation because of the vast number of fine motor skills undertaken by the hand and arm. Limb-loss is extremely traumatic for patients and their families. It can impact on a patient's mental as well as physical health and affect their emotional wellbeing, independence, mobility and financial situation.

Our aim is to develop a multiplexed implantable device for controlling a prosthetic limb, the goal of which is to make upper arm prosthetics completely intuitive.



This project takes place at University College London and the work to develop a system for the transfer of neuromuscular signals to a prosthetic device continues. We have also demonstrated the feasibility of wirelessly transferring both data and power between the implant and the external control device.

Design and manufacturing of prototypes have been completed and testing is now ongoing. We will continue towards developing a final design for the signal amplification circuit and testing its efficacy.

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Annual Report of the Trustee for year ended 30 June 2020

Annual Report of The Trustee

The Trustee is pleased to present the Report and Accounts for the year ended 30 June 2020 which have been prepared in accordance with the accounting policies set out in the notes to the accounts.

Operational

Objectives and Activities

The Charity carries out primary research into reconstructive plastic surgery, specifically to improve the treatments available after physical trauma, such as life-threatening burns, wounds, and cancers of the skin. Our aim is to ensure that every patient who suffers a wound or major tissue trauma regains their quality of life, independence, and dignity. The overriding purpose is 'Tissue reconstruction after physical trauma'.

Its stated charitable objects are to relieve sickness by the provision or assistance in the provision of facilities for the practice of reconstructive plastic surgery, burns healing and associated disciplines. The Trusts shall also:

- i) promote clinical and scientific research in reconstructive plastic surgery and associated disciplines
- ii) improve the medical services available to those treated for plastic surgery.

Structure, Governance and Management

The Charity is constituted under a Trust Deed dated 22 July 1988. The Trustee of the Charity is RAFT Trustees Limited ("the Trustee"), a limited liability company whose directors are referred to as "Trustees" in this report.

RAFT's charitable mission and ethos is important to the Trustees. Equally important is good governance and the Trustees hold themselves to standards similar to those of a public company. This includes:

- an independent Board, with strong governance and financial skills, and an interest in the work we do.
- new Trustees are invited and encouraged to attend Board meetings before being appointed. On appointment there is an induction process including a pack with background information and guidelines on duties and responsibilities.

The Board also oversees that fundraising is conducted transparently in accordance with the Trust's ethical standards designed, inter alia, to ensure donors are never pressured or contacted against their will. Most of the charity's donations come from trusts and foundations or high net worth individuals. The charity does not use external organisations to seek donations from individuals and has a complaints policy to ensure that any complaints are addressed promptly and thoroughly.

The Board usually meets four times a year, either in person or more recently by video or telephone link and determines the direction of policy and strategy. The surgical community continues to be well represented, with one plastic surgeon currently on the Board and others as Patrons. In addition, the Board and Executive team are assisted by the Scientific Advisory Committee. Responsibility for the day to day management of the Charity is delegated to the Executive Team, who meet regularly with the Chairman and Deputy Chairman. Trustees receive regular updates on the financial status of the charity and progress against agreed priorities.

The RAFT Group

The RAFT Group consists of RAFT Enterprises Ltd (REL), a wholly owned subsidiary of RAFT. This limited company undertakes commercial activity in support of RAFT's charitable objectives. Two other subsidiaries are currently dormant and details are given in the Notes to the Accounts. When taxable profits are made, they are transferred to the Charity under Gift Aid under the terms of a deed of covenant.

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At the Balance Sheet date, the Group owned 1.6% of the equity in Smart Matrix Ltd (SML), an independent for-profit company established in 2011 to commercialise the development of Smart Matrix®, a product of RAFT's research programme.

Management of risk

The Trustees have identified and keep under review the major risks to which the Charity is exposed and continue to oversee the management controls and systems to manage those risks. The risks are reviewed on an ongoing basis.

Principal risks	What the risks mean	How we manage the risks
The current coronavirus pandemic has caused the UK Government to implement varying restrictions on social and business activities, for an unknown duration of time.	The full impact over time of this pandemic is still very uncertain. The economic consequences are having an impact on our supporter's ability to fund our research. The social restrictions are also impacting our ability to hold fund raising events and to interact with our donor base. Our research has also been delayed.	The Trustees and Executive review the commitment to research and other spending commensurate with the level of income and reserves.
Loss of income from our supporters including foundations, individuals, and events	RAFT is fortunate to have support from a variety of foundations and other donors. Failure to grow or maintain the donor base will lead to a reduction in funding income.	The Trustees are reviewing the fundraising strategy, including investing in additional resources to support the fundraising effort renewing our existing contacts and increasing the donor base.
Failure to deliver scientific programmes	Failure to deliver scientific programmes due to loss of rigour in planning and assessment of deliverables and or failure to maintain capability of key staff	Governance by Scientific Advisory Board who review the current programme and assess future projects. Focussing on a limited number of relevant research programmes.
Impairment of the investment in Smart Matrix Limited.	An impairment of asset values, particularly Smart Matrix Limited would impact the ability to cover temporary income shortfalls by asset sales.	Regular review of the valuation. Support Smart Matrix wherever possible. The evaluation is dependent on the ability of Smart Matrix Limited to complete the commercialisation of the product.

Approach to fundraising

We are reliant on fundraising to cover our costs and are incredibly grateful to all our supporters for the contributions they have made. We are registered with the Fundraising Regulator and abide by their codes and regulations.

Our approach to fundraising consists of:

- soliciting donations from charitable trusts, corporate partners, and individuals
- direct marketing appeals to individuals who have already expressed an interest in the work we do
- encouraging people to participate in events to raise funds on our behalf, particularly the London Marathon.
- when times permit, running a number of charitable and informational events, some of which raise funds

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We do not currently use third party professional fundraisers.

RAFT strives for excellence through a safe fundraising environment for all donors. Should we have concerns regarding the vulnerability of a donor, for example, a lack of capacity, then we would not take a donation.

We have a fundraising policy in place. Statements on privacy and complaints policies and process are available on our website. The Trustees are of the view that during the year to 30 June 2020 we have been compliant with those standards and we have not received any complaints.

Public benefit

The overriding principle behind the medical research we undertake into tissue and bone reconstruction is to enable patients to regain their quality of life, independence and dignity enabling them to rebuild their lives after major trauma, serious wounds or burns, disease or birth defects. Further details are included in the programmes section.

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

Financial review

The accounts have been prepared in accordance with FRS102 and the Statement of Recommended Practice on Accounting and Reporting by Charities (effective 1 January 2019). The Statement of Financial Activities shows an overall decrease in funds of £272,059, of which £166,079 was in unrestricted funds and £105,980 was in restricted funds.

Income

Incoming resources is primarily voluntary income to support our programmes. We are very grateful to our committed group of donors and supporters who have continued to support and promote RAFT's activities, many have been involved since the early years.

Historically we also benefitted from the commercial income from research services but those arrangements ceased for the time being during the year. We are exploring other potential income generating strategies based on our scientific know-how.

Total Income for the year was £200,224 (2019: £610,334); we concentrated our resources on implementing the strategy review and fundraising activities were curtailed. In common with other not for profit organisations income has reduced significantly this year because the global covid pandemic has resulted in a lot of our traditional funders reviewing the situation and reducing or stopping funding for the time being.

Our income from Trusts and Foundations was £77,650 (2019: £280,270) a significant reduction from the amount in 2019. Individual donations are down 39%. Donated services received by RAFT amounted to £58,000 in 2020 (2019: £140,000) as providers have faithfully responded to RAFTs requirements for which we are extremely grateful. This sum is included in both income and expenditure in the Statement of Financial Activities.

Income from Fundraising Events was significantly down this year as the London Marathon was moved to a virtual event in October 2020, and not the same level of fundraising appeal. Going forward, with places being deferred and less places available to us, we will not be seeing the levels of income from this event that we have benefitted from in recent years.

Services provided by REL to SML amounted to £40,868 in the year (2019: £133,845). For the last few years Research Services have been provided to SML to support the commercialisation of Smart Matrix®. As clinical trials have advanced, there has been little requirement for RAFT to provide services.

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Expenditure

Total Expenditure, including fundraising costs, but before the exceptional provision for property outgoings recognised in 2019, has decreased to £495,633 (2019: £956,848) for the year.

Our research expenditure has significantly reduced in the year to £439,586 (2019: £725,415) as the rationalisation programme was implemented and specific projects relocated to centres of excellence. We remain in complete control of the direction of the science and are fully funding it but are benefitting from superior facilities and input from others.

Fundraising expenditure was minimal as our limited resources were concentrating on the rationalisation programme and ensuring we had a business model going forward. The cost of fundraising events was similar to the previous year; the deferral of the London Marathon taking more resource than if it had taken place.

The overall reduction in expenditure reflects the recognition by the Board that the decrease in Foundation and Trust income was largely outside of RAFT's control, especially as the pandemic progresses and levels of uncertainty remain high. Measures to reduce the cost base were started in the 2019 financial year as part of the strategic review and work continued in reducing the costs and setting up a new business mode during the year.

Services provided to SML by REL amounted to £40,868 in the year (2019: £133,845). Expenditure associated with the provision of research services to SML has fallen in line with the requirement for provision of services and accounts described above.

Other income – net gain on investments

This represents realised and unrealised gains (net of taxation) on RAFT's investment in SML and amounted to £40,868 in 2020 (2019: £407,874). Realised gains in 2019 resulted from the sale in May 2019 of 526 B shares in SML and unrealised revaluation gain reflects the increase in the value of the remaining 286 B shares in SML revalued at 30 June 2019.

Property disposal

As a result of the strategic review the Trustees took the view the property was no longer appropriate and completed the surrender of the lease to the NHS landlord. It had been recognised that the disposal would not be completed without having regard to alleged historic property outgoings. Provision for these was made in the year to June 2019 and released in the current year when the disposal completed and RAFT was indemnified against all future costs. The cash proceeds received amounted to £350,000. The net effect of the two transactions taken together resulted in a surplus of £23,350 in the current year.

Coronavirus Pandemic

During the year, a coronavirus pandemic emerged and is still ongoing. At the time of the approval of these accounts there is still uncertainty around how long the effects of this will last and it has not been possible to quantify the financial impact of the pandemic on the Charity.

Staffing and support service arrangements

As part of the strategic review all the employment contracts with one exception, were terminated at various stages during the year. Additional services have been acquired on a consultancy or contract basis as required. Throughout the year the Executive team has comprised Elena Garcia and Nick Latham, who were both employees until September.

Since then, Elena Garcia has provided her services either directly as a consultant or, since January she has been an employee of the Griffin Institute, and an element of the amounts charged from them include an allocation of her costs relating to RAFT matters, other than the breast and keloid programmes. Nick Latham has charged for his services through a third-party company, of which he is a Director and shareholder. This company has also provided services of additional bookkeeping and administration staff.

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Net income/(expenditure) for the year

The net expenditure for the year was £(295,409) before the property related transactions (2019: £(346,314) before property related transactions and investment gains). There were no movements on the investments in the year. The net expenditure taking the property transactions into account was £(272,059) (2019: £(668,440)).

The Charities subsidiary, REL, has made a loss in the year of £(1,093) (2019: realised profit £506,642 and further unrealised gains on investments, net of tax of £108,458). Other subsidiary companies have not traded in the year.

Cash balances at 30 June 2020 were £499,748 (2019: £460,954).

Executive remuneration

The remuneration of the Executive Team is approved by the Trustees. No member of the Executive Team is involved in deciding his or her own remuneration. RAFT benchmarks its executive pay against trends in both remuneration surveys and more current data drawn from recruitment consultants.

The remuneration in the year, including basic pay, pension and benefits was as follows:

Role		Remuneration to 30 June 2020	Remuneration to 30 June 2019
Chief Executive and Director of Research	to September 2019 ⁽¹⁾	£14,232	£ 51,277
Chief Financial Officer (part time)	to September 2019 ⁽²⁾	£9,664	£ 40,935
Director of Development (part time)	to July 2019 ⁽³⁾	£6,740	£ 60,471
		£30,636	£152,683

As part of the strategic review most employment contracts have been terminated, including those of the Executive Team.

(1) – In the period from September 2019 to January 2020 the services of the Chief Executive Officer, Elena Garcia, have been provided through a personal contract and since then through a contract with the Griffin Institute. The amount charged under these arrangements was £20,186.

(2) - Since September 2019, the services of Nick Latham, the Chief Financial Officer, have been provided through Bedford Street Associates Limited which also provides ancillary bookkeeping and administration services to RAFT. The amount charged in respect of Nick Latham was £50,896, including provision for related overheads.

(3) - The Director of Development has not been replaced.

No director of the trustee company received any remuneration during the year other than reimbursement of expenses detailed in the note 10 to the accounts.

Going concern

The Trustees regularly review the charity's cash flow to ensure that it has sufficient working capital available to sustain its operations. RAFT meets its day to day requirements from existing cash resources.

Trustees oversee the following controls to ensure that RAFT maintains liquidity:

- A regular review is undertaken by Chair and Deputy Chair
- Management Accounts including a Balance Sheet, Income and Expenditure Account and Cash Flow Statement are reviewed at each Trustee meeting
- The Treasurer formally reviews financial matters with the Chief Financial Officer regularly, including updating policies and procedures
- The Executive Team review the Risk Register when changes arise, with a full review annually.

The accounts are prepared on the going concern basis. The group had net assets of £636,443 at year-end and the £499,748 cash in hand.

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The cash realised from the share sale in May 2019 has been used to affect a smooth and orderly transition to a new and more sustainable model. The laboratories at the Mount Vernon Hospital site are no longer used and the lease was surrendered in April 2020 resulting in a cash inflow of £350,000.

The Breast and Keloid programmes have been transferred to the Griffin Institute (formerly the Northwick Park Institute for Medical Research) in Harrow and the Bone programme to University College London, based at the Royal Free Hospital. The ownership, sponsorship and overall supervision and direction of our research programmes remain entirely in RAFTs control, but we benefit from the resources and input from our collaboration partners.

As part of the restructuring the back office and support functions now operate from a virtual office, with services being provided to the Group through contract or consultancy arrangements on a much-reduced overall cost base.

The overall aim of the Trustees is to ensure the going concern of the Charity and the continuation of the scientific research in the most appropriate environment.

During the year, the coronavirus pandemic emerged which caused significant restrictions on social and business activities, the impact of which will be felt for some years. Whilst this has caused the deferral of some programme related expenditure it has had a bigger impact on our fundraising ability and events, but we are confident that we will re-engage with our donors.

Our base plan assumes additional funding income in excess of previous year amounts. Should this not occur then we will slow down expenditure to match incoming resources. Our programmes are for the most part on agreements of a year or less and will not be renewed if we do not feel that the relevant funding will be received, and we do not have the resources to fund it ourselves.

Our current projections show that the charity is expected to be able to meet its liabilities as they fall due for the foreseeable future. After careful consideration of these factors, the Trustees have concluded that the going concern basis of preparation is appropriate.

Reserves policy

The charity has a policy of maintaining free reserves at a minimum level to satisfy working capital requirements and to cover fluctuations in voluntary income. The Trustees have agreed that this level should usually be set at the equivalent of six to nine months' total expenditure but having regard to prevailing conditions. However, given the coronavirus pandemic, we are maintaining our reserves at the highest level to cover potential net outflows in the next twelve months. We will be fundraising to cover specific research as well as core costs. Our expenditure on speculative research has ceased for the time being.

As at 30 June 2020, cash balances in the group totalled £499,748. The group's Net Current Assets are £426,124, of which £6,283 is allocated to cover Restricted Fund obligations. Adding in Fixed Assets in the form of shares held, and provisions, the group has Net Assets of £636,443.

This report was approved by the Trustees. Signed on their behalf on 26th February 2021 by:



Niccolò Caderni
Chairman

Scientific Output

Peer-reviewed scientific papers:

- **Decellularised scaffolds: just a framework? Current knowledge and future directions.** E García-Gareta, Y Abduldaem, P Sawadkar, C Kyriakidis, F Lali, KV Greco. *J Tissue Eng* 2020, 11, 1-18.
- **A synergistic relationship between PCL and natural polymers enhances the physical properties and biological activity of scaffolds.** P Sawadkar, J Mohanakrishnan, P Rajasekar, B Rahmani, N Kohli, L Bozec, E García-Gareta. *ACS Applied Materials & Interfaces* 2020, 12 (12), 13587.
- **Towards the Development of a Novel Ex Ovo Model of Infection to Pre-Screen Biomaterials Intended for Treating Chronic Wounds.** E García-Gareta, J Binkowska, N Kohli, V Sharma. *J Func Biomater* 11 (2), 37.
- **Pre-screening the intrinsic angiogenic capacity of biomaterials in an optimised ex ovo chorioallantoic membrane model.** N Kohli, P Sawadkar, S Ho, V Sharma, M Snow, S Powell, MA Woodruff, L Hook, E García-Gareta. *J Tissue Eng* 2020, 11, 2041731420901621.
- **Synthesis, characterisation and 3D printing of an isosorbide based, light curable, degradable polymer for potential application in maxillofacial reconstruction.** N Owji, A Aldaadaa, JR Cha, T Shakouri, E García-Gareta, HW Kim, JC Knowles. *ACS Biomater Sci Eng* 2020. 6 (5), 2495.
- **Biomimetic in vitro model of cell infiltration into skin scaffolds for pre-screening and testing of biomaterial-based therapies.** R Ballesteros-Cillero, E Davison-Kotler, N Kohli, WS Marshall, E García-Gareta. *Cells* 2019, 8, 917.

Academic book chapters:

- **Biomaterials for Organ and Tissue Regeneration: New Technologies and Future Prospects; Chapter: Composite materials for musculoskeletal tissue engineering.** PSP Poh, MA Woodruff, E García-Gareta. Editors: Nihal Vrana, Helena Knopf-Marques, and Julien Barthes. Elsevier Limited (Oxford, UK). ISBN: 0081029071 / 9780081029077. Published on 20th March 2020.

Patents:

- WO2020035703A1, PCT/GB2019/052313: Tissue Scaffold. PCT filing Date: 17th Aug 2019.

Conference presentations:

- **“In Vivo Comparison of 3 Dermal Scaffolds using the Porcine Animal Model of Acute Wound Healing”** Stuart John Brown, Vaibhav Sharma, Elena García-Gareta, Lilian Hook. 30th annual conference of the European Society for Biomaterials – September 2019, Dresden (Germany).
- **“Conceptual and Practical Considerations In The Development of a Keloid Scar-Inhibiting Dermal Replacement Scaffold”** Stuart John Brown, Elena García-Gareta. 30th annual conference of the European Society for Biomaterials – September 2019, Dresden (Germany).
- **“A Novel Pro-Angiogenic Fibrin-Alginate Technology for Repair and Regeneration of Multiple Tissues”** Vaibhav Sharma, Stuart Brown, Nupur Kohli, Lilian Hook, Elena García-Gareta. 30th annual conference of the European Society for Biomaterials – September 2019, Dresden (Germany).
- **“Simultaneous power transfer and bidirectional serial communication for implantable electronics”** De Jager, K., Mentink, M., Lancashire, H., Taylor, S., and Vanhoestenbergh, A. In BioMedEng 2019.
- **“Stimulation induced biopotential amplifier saturation due to common mode voltage”** Caplan, I., de Jager, K., Al’Joboori, Y., Duffell, L., Vanhoestenbergh, A., and Loureiro, R. In BioMedEng 2019.
- **“Characterisation of a multi-channel multiplexed emg recording system: towards realising variable electrode configurations”** De Jager, K., Mentink, M., Lancashire, H., Al-Ajam, Y., Taylor, S., Vanhoestenbergh, A. In BIOCAS 2019.

RAFT - Restoration of Appearance and Function Trust

Annual Report of the Trustee for year ended 30 June 2020

Statement of Trustee's responsibilities

The Trustee is responsible for preparing the Annual Report of the Trustee and the Accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustee to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources of the charity and the group for that period.

In preparing these accounts, the Trustee is required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity and group will continue in business.

The Trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the accounts comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. It is also responsible for safeguarding the assets of the charity and the group and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RAFT - Restoration of Appearance and Function Trust

Annual Report and Accounts for year ended 30 June 2020



Independent Examiner's Report to the Trustees of RAFT – Restoration of Appearance and Function Trust

I report to the trustees on my examination of the accounts of RAFT – Restoration of Appearance and Function Trust for the year ended 30 June 2020, which comprise the consolidated Statement of financial activities, the consolidated and charity balance sheets, the consolidated cashflow statement and the notes to the accounts, including a summary of significant accounting policies.

Respective responsibilities of trustees and examiner and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants in England & Wales, which is one of the listed bodies.

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

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.

A handwritten signature in black ink that reads "Jeffrey Selden".

Name:

Fellow of The Institute of Chartered Accountants in England & Wales

Address: Smith & Williamson LLP
Onslow House
Onslow Street
Guildford GU1 4TL

2 March 2021

RAFT - Restoration of Appearance and Function Trust

Annual Report and Accounts for year ended 30 June 2020

Consolidated Statement of Financial Activities

Year ended 30 June 2020

	Note	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Income and endowments from:					
Donations and legacies	2	106,705	43,861	150,566	444,551
Charitable activities:					
Fundraising events	3	5,664	-	5,664	27,415
Other trading activities:					
Research services	4	40,868	-	40,868	133,845
Other income		2,208	-	2,208	4,260
Investments	5	918	-	918	263
Total income		156,363	43,861	200,224	610,334
Expenditure on:					
Raising funds	6	4,902	4,386	9,288	99,248
Charitable activities:					
Fundraising events	3	6,618	-	6,618	6,022
Research	7	150,394	289,192	439,586	725,415
Other trading activities:					
Research services	4,7	40,141	-	40,141	125,963
Other expenditure:					
Provision for property outgoings	7	-	-	-	730,000
Total expenditure		202,055	293,578	495,633	1,686,648
Net gain on investments	9	-	-	-	407,874
Net expenditure for the year		(45,692)	(249,717)	(295,409)	(668,440)
Other recognised gains:					
Disposal of fixed assets	12	23,350	-	23,350	-
Transfers between funds		(143,737)	143,737	-	-
Net movement in funds		(166,079)	(105,980)	(272,059)	(668,440)
Total funds brought forward		796,239	112,263	908,502	1,576,942
Total funds carried forward		630,160	6,283	636,443	£908,502

All of the above results are derived from continuing activities. All gains and losses recognised in the period are included above.

RAFT - Restoration of Appearance and Function Trust

Annual Report and Accounts for year ended 30 June 2020

Consolidated and Charity Balance Sheets

30 June 2020

	Note	Group		Charity	
		2020 £	2019 £	2020 £	2019 £
Fixed assets					
Tangible fixed assets	12	1,000	1,098,200	1,000	1,098,200
Investments	13	271,700	271,700	4	4
		272,700	1,369,900	1,004	1,098,204
Current assets					
Trade and other debtors	14	3,558	2,012	5,270	108,320
Prepayments and accrued income		8,000	16,000	8,000	16,000
Bank accounts and cash balances		499,748	460,954	499,050	355,111
		511,303	478,966	512,320	479,431
Creditors:					
Amounts falling due within one year					
Trade creditors		10,019	25,244	10,017	25,244
Other creditors including tax and social security	15	485	12,919	485	12,919
Accruals and deferred income		74,675	61,261	72,885	60,010
		85,179	99,424	83,387	98,173
Net current assets		426,124	379,542	428,933	381,258
Total assets less current liabilities		698,824	1,749,442	429,937	1,479,462
Provisions for liabilities:	16	62,381	840,940	8,041	786,600
		62,381	840,940	8,041	786,600
Total net assets		636,443	£908,502	421,896	£692,862
The funds of the charity:					
Unrestricted funds		630,160	174,163	415,613	(41,477)
Property revaluation reserve		-	622,076	-	622,076
Total unrestricted funds	17	630,160	796,239	415,613	580,599
Restricted income funds	17	6,283	112,263	6,283	112,263
Total funding provided		636,443	£908,502	421,896	£692,862

The accounts were approved by the Board of Trustees and signed on their behalf by:

Niccolò Caderni

Niccolò Caderni, Director of RAFT Trustees Ltd, Chair
26th February 2021

RAFT - Restoration of Appearance and Function Trust

Annual Report and Accounts for year ended 30 June 2020

Consolidated Cash Flow Statement

Year ended 30 June 2020

	Note	2020 £	2019 £
Net expenditure for the year before revaluations		(295,409)	(1,076,314)
Adjust for depreciation		41,550	53,400
Decrease in debtors and prepayments		6,454	23,226
(Decrease)/increase in creditors, accruals, and provisions		(62,804)	665,638
Net cash used in operating activities		(310,209)	(334,050)
Cashflows from investing activities:			
Acquisition of tangible fixed assets	12	-	(1,000)
Disposal of tangible fixed assets	12	349,000	-
Disposal of investments	13	-	499,700
Net cash provided by investing activities		349,000	498,700
Change in cash and cash equivalents in the year		38,791	164,650
Cash and cash equivalents at beginning of year		460,954	296,304
Cash and cash equivalents at end of year		£ 499,745	£460,954

RAFT - Restoration of Appearance and Function Trust

Annual Report and Accounts for year ended 30 June 2020

NOTES TO THE ACCOUNTS

Notes to the Accounts

1. Accounting policies

RAFT is registered as a charity (Number 299811) with the Charity Commission. It is domiciled and incorporated in England, with offices at Leopold Muller Building, Mount Vernon Hospital, Northwood, Middlesex HA6 2RN; from April 2020 the registered office is 475 Salisbury House, London Wall, London EC2M 5QQ. The charity meets the definition of a public benefit entity under FRS102.

In the application of the company's accounting policies, the trustee is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis. Actual results may differ from these estimates.

(a) Basis of preparation

The accounts have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective from 1 January 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice. Investments are included at market value, or cost if market value is not determinable. The company's functional currency is GBP sterling.

(b) Going Concern

The accounts are prepared on the going concern basis. On a consolidated basis the charity had net assets of £636,443 at year-end, and net current assets of £426,124. The Trustees have implemented plans to minimise its outgoings and work in collaboration on a restricted number of projects. The resulting forecasts show that the charity is expected to meet its liabilities as they fall due for the foreseeable future.

The emergence of the coronavirus pandemic as explained in Trustees Annual Report has caused economic uncertainty within the United Kingdom. The Trustees have considered the potential impact of this on the financial position of the Charity and have concluded that the Charity is unlikely to be adversely affected by this considering particularly the ability of funders to continue to support the charity, and the deferral of some programmes. These factors have been incorporated in the cash projections reviewed by the Trustees. Our base plan assumes additional funding income in excess of previous year amounts. Should this not occur then we will slow down expenditure to match incoming resources.

After careful consideration of these factors, the Trustees have concluded that there are no material uncertainties about the charity's ability to continue in operation and that the going concern basis of preparation is appropriate.

(c) Group accounts

These accounts consolidate the results of the charity and its wholly-owned subsidiaries, RAFT Enterprises Limited (registered in England and Wales: 02482872), Smart Matrix Intellectual Property Limited (registered in England and Wales: 09267906) and RAFT Ventures Limited (registered in England and Wales: 09091336), on a line by line basis.

(d) Income

All incoming resources are included in income when the charity is legally entitled to the income, the conditions for receipt have been met, the amount can be quantified with reasonable accuracy and there is reasonable assurance of receipt.

Donations and all other receipts from fundraising are reported gross and the related fundraising costs are reported separately.

- **Fundraising events** - Ticket income from events is recognised in the period when the event takes place. Sponsorship income is recognised over the period of time to which the sponsorship relates

RAFT - Restoration of Appearance and Function Trust

Annual Report and Accounts for year ended 30 June 2020

NOTES TO THE ACCOUNTS

1. Accounting policies (continued)

- **Other trading activities** - Income from the commercial trading operations of RAFT Enterprises Limited is included in income in the period in which the sale is made.
- **Donated services and goods** - Donated services and goods are included at the value to the charity where this can be quantified.

(e) Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for the goods or service. Rental payments are charged to income on a straight-line basis over the period to which they relate. Charitable activities include all expenditure relating to the objects of the charity, including research activities and related support and management costs.

(i) Staff costs allocation

Staff costs are allocated between expenditure for raising funds, fundraising events, trading activities and charitable activities according to the cost of staff working directly on the relevant area.

(ii) Repairs and maintenance

Expenditure is written off in the period in which it is incurred. A major repair or refurbishment, which gives rise to a significant and continuing economic benefit to the charity by extending the useful life of the asset, is capitalised.

(iii) Overhead allocation

Administration and management costs comprise those overhead expenses which, whilst mainly related to the charitable activities, are not wholly so attributable.

(iv) Pension costs

Retirement benefits for certain employees are funded by defined contributions from the group. Payments are made to pension provision companies. The group's contributions are treated as expended in the period in which they become payable.

(v) Patent costs

All expenditure on development is written off in the year it is incurred where the trustee does not consider there is sufficient certainty that future revenues generated will exceed historic expenditure.

(f) Tangible fixed assets and depreciation

Tangible assets are stated at cost less depreciation. Assets are depreciated, to write their cost down to estimated residual value. Depreciation is normally charged in equal annual instalments over their anticipated useful lives, as follows:

Leasehold building	4%
Laboratory equipment	33.3%
Office equipment	33.3%

Donated assets are capitalised at fair market value.

An interim valuation of the leasehold building is carried out if it is likely that there has been a material change in value; and a full valuation is obtained from a qualified valuer when the trustee considers it appropriate.

(g) Significant judgements

The valuation of RAFT Enterprises Limited's shareholding in Smart Matrix Limited requires significant judgements to be made.

The Group classifies certain one-off charges or credits that have a material impact on the Group's financial results as exceptional items. These are disclosed separately to provide further understanding of the financial performance of the Group.

RAFT - Restoration of Appearance and Function Trust

Annual Report and Accounts for year ended 30 June 2020

NOTES TO THE ACCOUNTS

1. Accounting policies (continued)

(h) Investments

Fixed asset investments are stated at market value at the balance sheet date if market value can reasonably be determined. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the period.

(i) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Any bank overdrafts are shown within borrowings in current liabilities.

(j) Financial assets and liabilities

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Trade debtors, trade creditors and amounts due from the subsidiary company are recognised initially at transaction price. These obligations are intended to be settled within one year and are therefore not discounted using the effective interest method. Transaction cost represents their fair value.

(k) Equity instruments

There were no equity instruments issued in the year.

(l) Fund accounting

Funds held by the charity are either:

- **Unrestricted funds** - these are funds which can be used in accordance with the charitable objects at the discretion of the trustee.
- **Property revaluation reserve** – representing the difference between the historical costs and the valuation less depreciation.
- **Restricted funds** - these funds, which arise from grants or donations made for a specific purpose, can only be used for that particular purpose within the objects of the charity. Restrictions arise when stipulated by the donor or grantor or where funds are raised for a specified purpose. The balances of the funds represent the unspent balances.

2. Donations and legacies	Unrestricted	Restricted	2020	2019
	£	£	£	£
Trusts and foundations	34,650	43,000	77,650	280,270
Donations by individuals	11,548	761	12,309	20,114
Gift Aid	2,507	100	2,607	3,135
Corporate sponsors	-	-	-	1,032
Donated services	58,000	-	58,000	140,000
	£106,705	£43,861	£150,566	£444,551

A number of trustees continue to make occasional donations, but no trustee sought to influence expenditure choices through their donations.

RAFT - Restoration of Appearance and Function Trust
Annual Report and Accounts for year ended 30 June 2020
NOTES TO THE ACCOUNTS

3. Fundraising events	2020	2019
	£	£
Events income	5,664	27,415
Less: events expenditure	(6,618)	(6,022)
	<hr/>	<hr/>
Net contribution from fundraising events	£(954)	£21,393

4. RAFT Enterprises Limited: - trading activities	2020	2019
	£	£
Income from research services	40,868	133,845
Income from other services	-	-
	<hr/>	<hr/>
	40,868	133,845
Less: research services expenditure	(40,141)	(125,963)
	<hr/>	<hr/>
Gross income	727	7,882
Less: administration and management costs	(1,820)	(940)
Plus: realised gain on investments in the year	-	299,416
	<hr/>	<hr/>
Realised profit for the year	(1,093)	306,358
Less: profits donated to parent company by gift aid	-	(506,642)
Plus: unrealised gain on investments net of tax provision	-	108,458
	<hr/>	<hr/>
Net deficit for the year including revaluation	£ (1,093)	£ (91,826)

Smart Matrix Intellectual Property Limited and RAFT Ventures Limited were dormant throughout the year, and in 2019.

The assets engaged in the charity's three wholly owned subsidiaries are:

	2020	2019
	£	£
Fixed asset investments	271,700	271,700
Current assets	1,160	105,873
Current liabilities	(1,790)	(2,493)
Inter-company balances with parent charity	(2,177)	(105,095)
Long-term liabilities – deferred tax on revaluation	(54,336)	(54,336)
	<hr/>	<hr/>
Net assets	£ 214,557	£215,649

RAFT Enterprises Limited's object is to carry on trading activities for the benefit of RAFT. Smart Matrix Intellectual Property Limited's object is to commercialise intellectual property which benefits RAFT through its shareholding and royalty income. RAFT Ventures Limited (formerly Intuitive Bionics Limited) is dormant. All three companies are registered in England & Wales.

RAFT - Restoration of Appearance and Function Trust
Annual Report and Accounts for year ended 30 June 2020
NOTES TO THE ACCOUNTS

5. Investment income	2020	2019
	£	£
Bank interest	918	263

6. Fundraising costs	2020	2019
	£	£
Staff costs	5,340	90,219
Consultancy and external services	3,948	8,510
Other costs	-	519
	£9,288	£99,248

7. Research, research services and other costs	2020	2019
	£	£
External scientific services	98,770	73,378
Research staff	99,765	259,318
Support staff	14,099	74,304
Tuition fees and conferences	1,075	12,392
Scientific materials and equipment costs	3,991	13,524
Communication costs	246	5,657
IT costs	14,055	30,207
Office costs	1,648	5,248
Travel costs	2,580	16,521
Other costs	3,329	5,703
Insurance	7,682	14,611
Depreciation	41,550	53,400
Intellectual property costs	72,229	70,390
Consultancy and external services	52,001	-
Other professional fees	1,835	10,196
Donated professional services	58,000	140,000
Rationalisation costs	-	56,600
Provision for property outgoings (see note 16)	-	730,000
Governance costs (Note 8)	6,872	9,929
	£479,727	£1,581,378

Shown as:	2020	2019
	£	£
Research	439,586	725,415
Research services	40,141	125,963
Provision for property outgoings	-	730,000
	£479,727	£1,581,378

RAFT - Restoration of Appearance and Function Trust
Annual Report and Accounts for year ended 30 June 2020
NOTES TO THE ACCOUNTS

8. Governance costs		2020	2019
		£	£
Independent Examination:	current year	3,500	3,500
	prior year	1,500	-
Audit fees: prior periods		-	5,011
Fees paid to company related to the independent examiner/auditor		1,820	940
Other trustee costs		52	478
		£6,872	£9,929

9. Net gain on investments		2020	2019
		£	£
Surplus on disposal		-	249,345
Surplus on revaluation		-	135,573
Movement on taxation provision		-	22,956
		£ -	£407,874

10. Information regarding directors and employees		2020	2019
		£	£
(a) Staff costs during the period were			
	Wages and salaries	129,030	381,972
	Social security costs	10,811	38,018
	Other pension costs	878	3,851
		£119,203	£423,841

No member of staff received emoluments over £60,000 (2019: one between £60,000 and £69,999).

(b) The average number of persons employed during the year was 4 (2019: 10). At the year end there was one employee; staffing and support service arrangements are detailed in the Trustees report.

(c) Executive remuneration

Total compensation received by the members of the Executive Team as employees amounted to £30,636 (2019: £152,683). More details of the executive remuneration and ongoing staffing arrangements can be found in the Trustees report.

(d) Trustees

No director of the trustee company, or person related or connected by business to them, has received any remuneration from the Trust during the year (2019: none). No trustee was reimbursed for any expenses (2019: one trustee - £472).

11. Taxation

RAFT is a registered charity and therefore exempt from taxation under CTA 2010 to the extent that funds are applied for charitable purposes. As a result of this, and the donation by gift aid of its entire net profit by the subsidiary, no liability arises to corporation tax on the surplus for the financial period. Under FRS102, a deferred taxation liability has to be recognised on investment revaluation. The trustees fully expect that when these assets are sold, and this liability crystallises, the liability will be extinguished by making a gift aid donation of the proceeds to the charity.

RAFT - Restoration of Appearance and Function Trust
Annual Report and Accounts for year ended 30 June 2020
NOTES TO THE ACCOUNTS

12. Fixed assets

Group and charity	Long Leasehold building £	Laboratory equipment £	Office equipment £	Total £
Cost or valuation:				
At 1 July 2019	1,185,000	19,084	3,160	1,207,244
Disposals	(1,185,000)	(1,000)	(3,160)	(1,189,160)
At 30 June 2020	£ -	£18,084	£ -	£18,084
	Long Leasehold building £	Laboratory equipment £	Office equipment £	Total £
Depreciation:				
At 1 July 2019	94,800	11,084	3,160	109,044
Charge for the period	35,550	6,000	-	41,550
Disposals	(130,350)	-	(3,160)	(133,510)
At 30 June 2020	£ -	£17,084	£ -	£17,084
Net book value:				
At 30 June 2020	£ -	£ 1,000	£ -	£ 1,000
<i>At 30 June 2019</i>	<i>£1,090,200</i>	<i>£8,000</i>	<i>£ -</i>	<i>£1,098,200</i>

An independent valuation was carried out on the leasehold Leopold Muller Building in July 2017 which resulted in a value of £1,185,000 as at 30 June 2017. The historic cost of the building was £468,124. The leasehold interest of the building was surrendered in April 2020 for a cash consideration of £350,000. After fees and taking into account the net book value and utilisation of the property provision the surplus on disposal was £23,350.

As the Charity is not a legal entity the long lease was held on the behalf of the Trust by RAFT Trustees Limited.

There were no capital commitments at the end of the year (2018 £nil).

13. Investments

	Group 2020 £	2019 £	Charity 2020 £	2019 £
At 1 July 2019	271,700	386,482	4	4
Disposals	-	(250,355)	-	-
Movement in fair value	-	135,573	-	-
At 30 June 2020	£271,700	£271,700	£4	£4

The group investment is in Smart Matrix Limited. The Charity investment is in its wholly owned subsidiary, RAFT Enterprises Limited. At 30 June 2020, the Group holds 286 'B' shares in Smart Matrix Limited, representing 16% of the B shares issued, 1.6% of the total issued. The investments are recognised at fair value in accordance with FRS102 after due consideration by the Trustees.

RAFT - Restoration of Appearance and Function Trust
Annual Report and Accounts for year ended 30 June 2020
NOTES TO THE ACCOUNTS

14. Trade and other debtors	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	227	-	18	1,243
VAT	3,331	2,012	3075	1,982
Amount due from subsidiary company	-	-	2,177	105,095
	£3,558	£2,012	£5,270	£108,320

15. Other creditors	Group		Charity	
including tax and social security	2020	2019	2020	2019
	£	£	£	£
PAYE	485	12,919	485	12,919
	£ 485	£12,919	£485	£12,919

16. Provisions for liabilities	Group		Charity	
	Other provisions	Deferred taxation	Total	Other provisions
	£	£	£	£
Balance brought forward	786,600	54,340	840,940	786,600
Utilised in the year	(778,559)	-	(778,559)	(778,559)
	£ 8,041	£54,340	£62,381	£8,041

In light of the rationalisation programme that took place during the year provision had been made to cover abnormal costs relating to staff, including redundancy costs, as well as costs to decommission office and laboratory premises. These were mostly used during the year and the balance is expected to be utilised in the year to 30 June 2021 or released.

As part of the rationalisation and transition considerations, it was recognised that it would not be possible to dispose of the leasehold interest without having regard to historic property outgoing. Accordingly, a provision of £730,000 was made in the prior year. This provision was utilised when the building was surrendered in April 2020 and released from any potential related liabilities.

RAFT - Restoration of Appearance and Function Trust
Annual Report and Accounts for year ended 30 June 2020
NOTES TO THE ACCOUNTS

17. Movements in funds	Balances 1 July 2019	Income	Expenditure	Property disposal	Transfers	Balances 30 June 2020
Unrestricted funds:	£	£	£	£	£	£
General funds	174,163	156,363	(166,555)	609,926	(143,737)	630,160
Revaluation reserve	622,076	-	(35,500)	(586,576)	-	-
Total unrestricted funds:	796,239	156,363	(202,055)	23,350	(143,737)	630,160
Restricted funds:						
Adipose breast reconstruction	75,000	32,000	(153,544)	-	46,544	-
Bone regeneration	30,000	11,811	(101,451)	-	59,640	-
Keloids	-	50	(37,603)	-	37,553	-
Bionic limb	7,263	-	(980)	-	-	6,283
Total restricted funds	112,263	43,861	(293,578)	-	143,737	6,283
Total funds:	£ 908,502	£200,224	£(495,633)	£23,350	-	£636,443

A restricted fund is established for each main research project so that donors can designate the specific project they wish their donation to be applied to. All research projects meet RAFT's charitable objectives and are continuously reviewed to ensure that they will deliver direct patient benefit. RAFT commercialises its research outcomes provided this would not compromise availability of its discoveries to any group of patients. Income from commercialisation is promptly reinvested in new research projects.

18. Analysis of group net assets by fund

	Unrestricted funds	Restricted funds	Total 30 June 2020
	£	£	£
Tangible fixed assets	1,000	-	1,000
Investments	271,700	-	271,700
Net current assets	419,841	6,283	426,124
Provisions	(62,381)	-	(62,381)
	£630,160	£6,283	£636,443

RAFT - Restoration of Appearance and Function Trust
Annual Report and Accounts for year ended 30 June 2020
NOTES TO THE ACCOUNTS

19. Related party transactions

The charity sold £40,141 (2019: £125,963) of services to its subsidiary RAFT Enterprises Limited (REL) during the year. As at 30 June 2020, the charity is owed £2,177 by REL (2019: £105,095). Pursuant to a Deed of Covenant REL transferred realised profits of £nil (2019: £506,642) to the charity under the Gift Aid scheme.

During the year, Smart Matrix Limited, a company in which RAFT Enterprises Limited holds voting rights, was recharged by the RAFT Group for services agreed under the Services Agreement. These totalled £40,868 (2019: £133,845). At 30 June 2020 Smart Matrix owed RAFT Group £210 (2019: £nil).

RAFT Enterprises Limited holds 286 'B' shares in Smart Matrix Limited.

One director of the Trustee of RAFT had interests in Smart Matrix Limited as follows:

	1 July 2019		30 June 2020	
	Ordinary Shares	% of Total	Ordinary Shares	% of Total
Mick Jackson	176	1.0%	176	1.0%

Mick Jackson continues to hold 176 shares, and as Smart Matrix issue new shares his percentage holding will be less than that at 30 June 2020.

Since September 2019, the services of Nick Latham, the Chief Financial Officer, have been provided through a third-party consultancy, Bedford Street Associates Limited, he is a Director and shareholder of that company. The total paid in the year to Bedford Street Associates was £65,028 (2019: nil) including time-based costs for Nick Latham and another for ancillary bookkeeping and administration services. The services of the Chief Executive Officer, Elena Garcia, have been provided through a contract with the Griffin Institute. Elena Garcia is not a director or shareholder.

20. Subsidiary undertakings

The following were subsidiary undertakings of RAFT:

Name	Class of share	Holding	Aggregate investment £
RAFT Enterprises Limited *	Ordinary	100%	4
Smart Matrix Intellectual Property Limited~	Ordinary	100%	1
RAFT Ventures Limited ~	Ordinary	100%	100

* - subsidiary undertaking of RAFT

~ - subsidiary undertaking of RAFT Enterprises Limited.

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21. Consolidated statement of financial activities: Prior year comparatives by fund type:

	Unrestricted funds	Restricted funds	Total 2019
	£	£	£
Income and endowments from:			
Donations and legacies	285,919	158,632	444,551
Charitable activities:			
Grants and contracted income	-	-	-
Fundraising events	27,415	-	27,415
Other trading activities:			
Research services	133,845	-	133,845
Other Income	4,260	-	4,260
Investments	263	-	263
Total income	451,702	158,632	610,334
Expenditure on:			
Raising funds	71,330	27,918	99,248
Charitable activities:			
Fundraising events	6,022	-	6,022
Research	272,593	452,822	725,415
Other trading activities:			
Research services	125,963	-	125,963
Other expenditure:			
Provision for property outgoings	730,000	-	730,000
Total expenditure	1,205,908	480,740	1,686,648
Net gain on investments	407,874	-	407,874
Net income/(expenditure) for the year	(346,332)	(322,108)	(668,440)
Other recognised gains:			
Revaluation of fixed assets	-	-	-
Net movement in funds:	(672,066)	3,626	(668,440)
Total funds brought forward:	1,468,305	108,637	1,576,942
Total funds carried forward	£ 796,239	£112,263	£908,502