

CHANGING FACES

**A Registered Charity
A Company Limited by Guarantee**

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31st MARCH 2011

haysmacintyre
Chartered Accountants
Registered Auditors
London

Charity number: 1011222
Company Registration Number: 2710440
Charity registered in Scotland: SC039725

CHANGING FACES

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH 2011

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CHANGING FACES

REPORT OF THE TRUSTEES (Continued...)

FOR THE YEAR ENDED 31st MARCH 2011

The Directors and Trustees (henceforth referred to as the Trustees) of *Changing Faces* submit their Annual Report and Financial Statements for the year ended 31st March 2011. The financial statements have been prepared in accordance with the Charity Commission's "Accounting and Reporting by Charities: Statement of Recommended Practice" (revised in 2005), applicable law and the charity's governing document.

1. REFERENCE AND ADMINISTRATIVE DETAILS

Changing Faces is a Registered Charity (No: 1011222), a charity registered in Scotland (No: SC039725) and a Company Limited by Guarantee (No: 2710440), registered in England and Wales. It has no share capital. The liability of members in the event of a winding up is limited to £1. The members are the Trustees and Directors of the Charity.

TRUSTEES AND DIRECTORS

The following Trustees/Directors served between 1st April 2010 and 4th July 2011:

Tony Hobson (Chairman) *

Mike Okninski (Hon Treasurer) * **

Mark Landon (Company Secretary) *

Alan Baines **

Viki Cooke

Pieter Folmer **

Dr Nigel Hunt

stepped down 30th June 2010

Dr Felicity Mehendale

Philip Rogerson

** until 24th January 2011

Dr Theresa Rose

Professor Susan Standring

stepped down 31st March 2011

His Honour Judge Paul Thomas QC

Chris Walker FRCS

Stephen Woodford *

* Member of Nominations Committee

** Member of Audit Committee

CHIEF EXECUTIVE

Dr James Partridge OBE

HONORARY SOLICITOR

Ms Fiona Button, Excello Law

REGISTERED OFFICE

Changing Faces
The Squire Centre
33-37 University Street
London WC1E 6JN

SOLICITORS

Stone King LLP
16 St John's Lane
London EC1M 4BS

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FOR THE YEAR ENDED 31st MARCH 2011

PRINCIPAL ADDRESS

The Squire Centre
33-37 University Street
London WC1E 6JN

AUDITORS

haysmacintyre
Fairfax House
15 Fulwood Place
London WC1V 6AY

BANKERS

Lloyds TSB Bank plc
Law Courts, PO Box 1000, BX1 1LT

PATRONS AND COUNCILS

Changing Faces invites well-known, respected people to be Patrons. They do not have any decision-making powers but receive regular reports about the charity's work. They are:

Sir Christopher Benson
Rory Bremner
Michelle Dockery
Lord Fellowes of West Stafford
Gloria Hunniford
Terry Mansfield CBE
Jan Ravens
William Simons
Fiona Squire
The Duke of Westminster KG, OBE, TD, DL
Simon Weston OBE
Benjamin Zephaniah

The Trustees are advised and supported in their work by three Councils:

- The Advisory Panel composed of a multi-disciplinary group of experts, professionals, parents and people with disfigurements. It has no decision-making powers. The Panel consists of General Advisers, and Programme and Project Advisers with a specific remit to advise on particular areas of the charity's work.
- The Research Council, composed of academics and scientists and chaired by Dr Richard Lansdown, former Trustee, which is accountable for making and monitoring research grants from the *Changing Faces* Research Fund.
- The Young People's Council composed of young people with disfigurements. It has no decision-making powers.

2. STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity is a company limited by guarantee and its governing document is the Memorandum and Articles of Association.

Governance

Changing Faces believes that the overall principle that should guide the governance of the charity is that: "each level of management should take decisions for which they are accountable and should not take decisions which are properly the decisions of the next level". The following sections from the Governance and Management Manual make explicit where decisions are made and where accountability lies.

In particular, the Trustees who are responsible for the overall governance of the charity are required to make decisions on the following:

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Statutory Matters

- Approval of Annual Report and Financial Statements
- Remuneration of the auditors and any recommendations as to the appointment or removal of auditors
- Approval of resolutions and corresponding documentation to be put to members at the Annual General Meeting.

Board

- Terms of reference, as necessary, of the Chair, Chief Executive, Hon Treasurer and Hon Secretary
- Approval of the terms and conditions of the Chief Executive
- Appointment or removal of Chair, Treasurer, Secretary and Trustees.

General and Financial Management Matters

- Approval of strategy
- Approval of annual budgets, staff numbers and overall pay rates
- Approval of changes to the management and control structure
- Review of risk management arrangements
- Review of overall governance arrangements
- Approval of rules (and revisions thereto) relating to approval authorities for:
 - capital expenditure
 - major programmes/material contracts
 - financial guarantees and comfort letters
- Approval of financial and investment policies
- Approval of the principal terms of borrowing agreements
- The granting of legal charges over any asset.

Miscellaneous Matters

- Adoption of, and changes to, pension arrangements
- Approval of health and safety policies and all other policies relating to data protection, equal opportunities, confidentiality, child protection, grievance etc
- Approval of changes in professional advisers to the charity.

Board Committees

There are two Committees of the Board:

- The Nominations Committee, consisting of four Trustees, was established in April 2007. It is responsible for ensuring there is an appropriate range of expertise amongst the Trustees, and for making recommendations to the Board on the recruitment of Trustees.
- The Audit Committee, consisting of four Trustees, was established in March 2008. It is responsible for examining and reviewing, with the auditors, the adequacy of *Changing Faces'* accounting, financing and operating controls and ensuring all statutory and regulatory requirements are met, making recommendations to the Board relating to the charity's accounts.

Recruitment, Induction and Training of Trustees

The Nominations Committee regularly reviews the skills, experience and interests of the Trustees. Candidates with appropriate experience are sought through wide networks and open invitation to apply to fill the vacancies on the Board.

New Trustees are provided with a formal induction programme incorporating the opportunity to meet key staff, and an induction pack of documentation such as the charity's constitution, recent Annual Reports and Accounts, recent Board minutes and current Strategic Plan. Opportunities for training are made known to Trustees, and budget is provided for this purpose.

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REPORT OF THE TRUSTEES (Continued...)

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Management

The Management Team has the following terms of reference:

- CEO: responsible for the overall management of the charity, ensuring all programmes are effectively resourced and appropriately co-ordinated. Accountable to the Trustees.
- Management Team (Deputy CEO and all Heads of Teams): collectively responsible for managing the charity including communicating to the whole Team. Led by and accountable to the CEO.
- Heads of Programmes/Teams: responsible for the development, direction and management of their Programmes. Accountable to the CEO.
- Staff Team: responsible for carrying out the activities of their Programme as defined by their individual Operational Plans and their job descriptions. Accountable to Head of Programme/Team.
- Project Managers: staff with project management responsibilities are delegated budgets for their projects and an agreed level of decision-making. Accountable to Head of Programme/Team.

Structure

The organisational structure as at 1st April 2011 is shown in Annex 1.

Other Policies and the management of risk

- During 2010-11, the Trustees reviewed all the policies affecting the operation of *Changing Faces* (eg: re data protection, health and safety, equal opportunities, confidentiality etc).
- The Trustees have also monitored the Risk Assessment and Management of the principal areas of the charity's operations and considered what needed to be done to manage the major risks that may arise, including with respect of adverse publicity.
- In the opinion of the Trustees, *Changing Faces* has the resources and systems in place that, under normal conditions, should allow the risks identified by them to be mitigated to an acceptable level in its day-to-day operations.

Public Benefit

- The Trustees believe the charity has fully met the requirement to provide benefit to the public and have paid due regard to Charity Commission guidance on this matter. Refer to details in section 4, Achievements and Performance.

3. OBJECTIVES AND ACTIVITIES

The legal objects of the charity

The objects of the charity, as set out formally in the Memorandum and Articles of Association, are as follows:

1. To help those who suffer from facial or other disfigurement to overcome social, physical, psychological, emotional disadvantage by way of counselling and training in social skills
2. To promote knowledge of the special problems associated with disfigurement through all types of educational medium
3. To provide training and assistance to those who are in contact with disfigured people whether socially as relatives or friends or at work or in the course of specific professional contact or healthcare support generally.

The rationale for *Changing Faces*' work

'Disfigurement' – having a 'visibly different' face or body – can result from many causes: it may be from a congenital condition like a birthmark or a cleft lip and palate, from scarring from an accident, burns or other injuries, from facial paralysis (eg: after a stroke), from cancer surgery, from skin conditions such as psoriasis and acne, or from rarer conditions like Apert's Syndrome and neurofibromatosis.

CHANGING FACES

REPORT OF THE TRUSTEES (Continued...)

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Research commissioned by *Changing Faces* in 2008 resulted in new estimates of the scale of significant disfigurement, based on reasonable and tough assumptions and differentiated by the medical causes of disfiguring conditions. Significance was taken as having 'visibility', 'extent' and 'location' dimensions.

The research reached the following conclusions:

- 542,000 (or one in 111) people in the UK have a significant disfigurement to the face.
 - 92,000 have congenital or birth conditions like birthmarks, cleft lips/palates
 - 66,000 have disfigurements from accidents such as burns and facial scars
 - 40,000 have cancer-related disfigurements, particularly from surgery
 - 100,000 have disfigurements from facial paralysis including from stroke
 - 220,000 have disfiguring skin conditions like psoriasis, vitiligo and acne
- 1,345,000 (or one in 45) people have significant disfigurement to their face and body.
- 415,500 people are expected to acquire a significant facial disfigurement in the period of a year, some conditions being transient, some life-threatening.

Surgery and medicine can sometimes make a disfigurement less conspicuous but rarely can it be removed. Psychologically, a disfigurement can trigger a whole range of emotions, grief, identity concerns, loss of self-esteem, self-consciousness and uncertainty about the future in the individual and their family – and in other people too. Parents and families are vulnerable too – feelings of guilt, anger and powerlessness are common.

Socially, in our looks-obsessed society, anyone who looks 'different' is vulnerable to exclusion, bullying and discrimination which can result in low self-esteem, educational under-performance and long-term psycho-social problems. Everyday social encounters, events that most children/adults take for granted, can become problematic: for example, facing the playground, going swimming, using public transport, or trying to make friends. Other people's reactions range from staring, pity, embarrassment, avoidance, curiosity and dread, to name-calling and outright rudeness.

Research and *Changing Faces'* work show that if these threats become too great, people can buckle, resorting to shyness, withdrawal, violent and aggressive behaviour, truancy, isolation, avoidance, self-harm and even attempted suicide. Their social circle can diminish and self-esteem can fall rapidly. Depression and anxiety can lead to low self-esteem and academic failure.

Since 1992, *Changing Faces* has helped directly over 9,000 people with disfigurements, and their families, to face the future with more confidence – and many more indirectly via the NHS and in schools. By influencing public attitudes through media coverage and awareness campaigns, it has also started to bring disfigurement "out of the shadows". It successfully lobbied for disfigurement to be covered by the Disability Discrimination Act (1995), subsequent Acts and the Equality Act 2010.

Mission and Goals

Changing Faces' mission is to create a better and fairer future for the estimated 1.3m people in the UK – one in 45 in the population – and the many millions worldwide who have psycho-socially significant facial and other disfigurements from any cause, whether from birth, eye or skin conditions, cancer (surgery), trauma, burns or facial paralysis.

Our goal is a fair and just world where...

- everyone with a disfigurement has the right, without discrimination, to the highest attainable standard of health care including access to effective psycho-social help/services to strengthen their self-esteem and self-confidence
- all professionals and every health clinic, school and workplace are informed, and skilled to tackle the psycho-social effects of disfigurement confidently
- everyone in society respects face equality and can face disfigurement with confidence, free of prejudice and discrimination.

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REPORT OF THE TRUSTEES (Continued...)

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Changing Faces exists in order to...

- support, advise and inspire individuals with disfigurements of all ages, and their families
- help to develop and advocate for improved health/social care, education and employment
- transform public and institutional attitudes and behaviours to respect face equality so that people with disfigurements are accorded fairness, informed acceptance and inclusion.

In 2006, *Changing Faces* decided strategically to shift the focus of our efforts to be a catalyst for change and a campaigning organisation and no longer primarily a service provider (because this is neither sustainable nor desirable).

We now aim to support and represent the interests of people with disfigurements in the UK and other countries through 3 Programmes:

1. CARING: innovating/providing psycho-social help for individuals and families (eg: counselling, social skills training, workshops, school support, self-help information)
2. CATALYST: promoting professional awareness, skills and best practice in health care, education and work to meet people with disfigurements' psycho-social needs
3. CAMPAIGNING: promoting public awareness and campaigning for face equality, equal rights and opportunities for people with disfigurements.

Each Programme is delivered by one or more teams of specialists and is run by one/two Heads who are also active on the ground, informed by our Young People's Council and users, and underpinned by research and evaluation.

The main Programmes

Our Programmes are inter-related and informed by our Young People's Council and other users. Our work is underpinned by academic research evidence and by ongoing evaluation. Each Programme has a specialist team.

1. CARING: working with individuals and families

People with disfigurements can and do live full, valuable and happy lives but many need specialised psycho-social help to be able to face people with confidence and make the most of their lives. *Changing Faces* specialises in working with children, young people and adults with disfigurements, and those close to them, to strengthen their self-esteem and confidence by gaining 'disfigurement life-skills'.

The Programme has two teams – our Children and Young People's Service and our Adult Service. Each employs Specialists who provide and test new ways to help through one-to-one counselling, workshops and family days, self-help guides, an interactive website for young people (www.iface.org.uk), and school-based support for children.

2. CATALYST: working with professionals and policy-makers

Surgical and medical treatments for disfiguring conditions are very important: they are often life-saving and can be aesthetically beneficial but they can rarely remove a disfigurement completely. Patients and families need to have access in their locality (ie: hospital, GP) to disfigurement-specific psycho-social help to build self-esteem and confidence. As pupils, employees and customers, they need access to disfigurement-confident support to manage the everyday social challenges when attitudes and behaviours have a significant impact. Our 10-strong Policy and Practice team provides expert advice and specialised training and works to influence policy and practice on the delivery of local/national services, working with professional associations and representative bodies.

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REPORT OF THE TRUSTEES (Continued...)

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During 2010-11, our UK Network team, expanded during the previous year, consolidated its presence in Wales, Scotland, Northern Ireland, and in England: the North, the Midlands, the South and South West, the East and South East, and London. The Officers act as signposts for people with disfigurements and their families in their regions, and raise awareness of disfigurement issues amongst professionals in the local NHS, schools, colleges and employers. They also campaign for face equality and co-ordinate local fund-raising efforts.

3. CAMPAIGNING: challenging the public and opinion-formers

Everyone irrespective of their appearance has the right to be, and be seen to be, respected and included in society for who they are; no-one should be discriminated against or disadvantaged because of their disfigurement or appearance. *Changing Faces* is committed to raising awareness of the issues faced by people with disfigurements and to advocating for a society which fully respects face equality.

Our 3-strong Campaigns and Communications team supported by our Face Equality Champions aims to transform public attitudes and behaviour about disfigurement via the media, PR/external relations, informative literature and our website.

Underpinning the Programmes, we have a **Research Fund**, an **Operational Support** team of three people, and a small **Fund-raising** team headed by the CEO.

4. ACHIEVEMENTS AND PERFORMANCE

Looking across the breadth of our Programmes, as described below, we believe we have achieved very positive impacts on the lives and life-prospects of people with disfigurements this year.

1. Caring Programme – working with individuals and families

Our Client Services team has now been consolidated under one Head and we also introduced a new post, Head of Client Care (HCC), who is responsible for the development of a quality assurance framework which will ensure that all *Changing Faces* interventions are delivered according to consistent standards and are continuously evaluated. In November this soon bore fruit as *Changing Faces* was one of the first charities to achieve the Information Standard, a new Department of Health quality mark.

The team's work has, as ever, been to provide practical, sensitive and empowering support to the many people and families who contact the charity directly for help with living with the psychological and social impact of their (or their child's) disfigurement or seek self-help advice via the website. Some headlines:

- 186 children, young people and families got in touch for the first time or received ongoing support and 292 adults benefitted directly from individual and group support
- Preliminary analysis of the impact of our adult counselling (as measured by the Clinical Outcome and Routine Evaluation (CORE) questionnaire) suggests that over 80% of the clients who received a course of counselling reported a significant decrease in distress
- We were contacted by 75 teachers and made 21 visits to schools around the UK to support children/young people with disfiguring conditions and their teachers
- 6 innovative and very positively-evaluated workshops have been organised each attended by up to eight participants:
 - *An Island of Adventure Day* in London for 11-year-olds about to move from junior to senior school. Parallel sessions were held for parents
 - *A Space Day* for 5 to 8-year-olds in Glasgow, with a parents' session.
 - *Two Beauty Inside and Out* workshops in Edinburgh and London for young people and adults
 - Workshops on Assertiveness and Intimacy were held in London

CHANGING FACES

REPORT OF THE TRUSTEES (Continued...)

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- Patients of the University College London Hospital head and neck cancer clinic benefited from an 8-session group intervention led by Adult Specialist, Isabelle Hans, which received very positive initial feedback; a formal evaluation is in progress.
- Our advice for teachers was updated for Anti-Bullying Week in November which also included a new video of Lucas, who featured in our young people's poster campaign
- Seven self-help leaflets were produced for and positively received by the Vitiligo Society
- The Young People's Council continues to be active with a growing membership (now 24) of 12 – 25 year olds. Three meetings were held during the year, the planned residential weekend had to be cancelled but was replaced with a full day of activities.
 - An innovative meeting in London, 3.7.10, involved a theatre workshop (run by Peer Productions) to empower young people to engage in controversial topics such as 'Can bullying ever be stopped?' and 'Parents' or Peers' Views?'
 - An exploratory meeting in Glasgow, 28.8.10, with a small keen group of teenagers sought views on how they wish to see *Changing Faces* develop in Scotland
 - A meeting in London on 29.1.11 was attended by one of the Trustees, Prof. Susan Standring. It was agreed that *Changing Faces* could do more to encourage children and young people to access our services independently
- Our young people's website, www.iface.org.uk, now has 332 registered users. We supported an application to the BBC Children In Need Appeal from Youthhealthtalkonline to develop their website with an area for young people with disfigurements. The role of iface will be reviewed if this funding is secured.

We have continued our active links with many support groups and professional bodies:

- The project funded by the British Association of Dermatology, completed at the end of March, resulted in fruitful links with 30 skin-condition support groups.
- Articles were submitted to the British Association of Skin Camouflage and the British Limbless Ex-Service Men's Association (BLESMA).

The findings of a trauma audit, in collaboration with Frenchay Hospital's Outlook Unit, were presented at the Centre for Appearance Research's Appearance Matters conference in June; This audit suggests that trauma symptoms may be present in individuals who would not be considered to have endured a specific trauma but who have had repeated exposure to challenging experiences as a result of disfigurement. The implications of this work for assessment and treatment will be the subject of further consideration.

2. Catalyst – working with professionals and policy-makers

2.1 Policy and Practice team

Our Policy and Practice and UK Network teams have had busy years raising the awareness and skills of professionals in the NHS, schools and workplaces about disfigurement and influencing policy-makers – and we can report good progress at national and local levels.

General lobbying activity

- Our Policy Advisers successfully submitted evidence, advice and case studies to the Equality and Human Rights Commission which was strongly reflected in the new Codes of Practice and Non-Statutory Guidance for the new Equality Act. This means that people with disfigurements are much more likely to be provided with fair treatment in employment and good customer service. But we also decided to step up our efforts to improve the poor legal protection for people with disfigurements under the new Act.
- *Changing Faces* had a presence at all the Party conferences in the autumn of 2010 which proved a useful fact-finding exercise and opened up many new networks.

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Health

- New specialty Guides in Ophthalmology and Oncology were produced, the first being launched at The Royal College of Ophthalmologists' annual congress in Liverpool.
- 15 presentations have been made to over 2,000 participants and 37 conferences attended including Appearance Matters 4, the British Ocular Plastic Surgery Society, the British Association of Dermatology, Primary Care Live, the British Psychological Society, the Birmingham International Burn Congress, the British Special Interest Group in Dietetics, National Voices, the Royal Society of Medicine's Squint Forum, Liverpool Quality of Life conference, the Scottish Burns Network, a head and neck cancer conference, and North West Genetic Counsellors event in Manchester.
- Other activity includes work on national burn care standards, contributing to the National Institute for Clinical Excellence's Patient Involvement Group and to a research project at the Royal Eye Hospital. Henrietta Spalding is chairing the Patient/Public Engagement Panel for the London and South East Burn Care Review.
- We have run 16 training events for 590 professionals in Guernsey, London, Dublin and Manchester (paediatric psycho-social care team) and at the Royal Marsden Head and Neck cancer course, and at the University of Hertfordshire's 'Mind and Skin' course.
- We have completed psycho-social modules for the King's College London MSc course in head and neck maxillo-facial prosthetics, the teaching of which started in January 2011.
- We have submitted evidence or contributed in person, to various policy consultations such as a head and neck cancer research think-tank organised by Bristol University, the National Network for Burn Care, a consultation by the Hospital for Sick Children, Great Ormond Street, the House of Commons' Health Select Committee, the United Nations Convention on the Rights of Persons with Disabilities, and an Equality and Human Rights Commission consultation on disability harassment.
- We have completed our project for the London and South East Burns Network: a very cleverly-designed Training Manual on 'Psycho-social Rehabilitation in Burn Care' was developed and piloted at burns units in the region and evaluated by the Centre for Appearance Research with pleasing results: all staff felt more confident in how to provide psycho-social care. The Manual was formally launched at the British Burns Association conference in March 2011 – and it is likely that all UK Burn networks will adopt it. Funding has been secured for specialised paediatric content to be created.

Education

- A new awareness-raising poster for teachers and staff rooms (based on our children's posters) was launched at the National Union of Teachers' conference, and prompted an invitation to run two workshops at a subsequent conference.
- 10 conference presentations were made (eg: at a national Inclusion Conference, the Scottish Learning Festival) and articles were published in Skill, the teachers' publication of the Royal Mail, and in the Sept/Oct edition of the Special Education Needs Magazine.
- The climate for teacher training has been very difficult throughout the year, leading to a decision to cease in-house training to focus on local authorities, involving our Regional Officers. We have run 7 training events for 250 professionals including specialist nurses treating the rare condition epidermolysis bullosa, carers and teachers in Birmingham and teachers in Hounslow on Supporting the Child with a Visible Difference.
- Our ongoing work with the Universities of Hull and Wolverhampton has been very fruitful leading to learning sessions with about 100 trainee teachers.
- We have established strong links with the Institute of Education, running sessions both for Institute staff and Postgraduate Certificate in Education students. There is excellent buy-in to our work from the Institute's management.

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- Policy: we have drawn the attention of key educational bodies to the needs of children with disfigurements especially on bullying, to Skill, National Children's Bureau, Anti-Bullying Alliance, Every Disabled Child Matters, Alliance for Inclusive Education, the Institute of Education, Department for Education and teachers' unions.
- Department for Education project: *Changing Faces* received an 18-month grant to produce resources on face equality for teachers – and hence students – of the Art, Drama and English curricula of secondary schools. Marketing to 1,750 secondary schools in England including online local publicity has begun.

Employers

- The Face Equality at Work scheme has continued to attract new members, thanks in part to a BT-hosted event in November and a new online forum.
- New members joining Barclays, M&S, Tesco and Shell include the Olympic Delivery Authority, Welsh Water, Addenbrooke's Hospital NHS Trust, William Hill, Excello Law, Southend NHS Trust, Bradford University, ABMU (a Welsh health board), and Healthline.
- This brings the total of Face Equality at Work members at 31.3.11 to 33 employers who together employ over 1,170,000 staff and serve millions of customers each year.
- Training: employers' training budgets have been very challenged in these austere times but despite this, 6 training events have been organised involving over 100 participants in organisations such as Lovells, Porchlight, Group Gwalia (a Welsh housing association), Cardiff City Council, Charles Russell – with excellent feedback. We have also delivered four Face Equality training sessions for the Welsh Assembly.
- Policy: we have made submissions and/or contributions to a Government Equality Office consultation, Southend Borough Council Equality Duty and the Equality and Human Rights Commission's Strategic Disability Forum.

Armed Forces

- Our links with the rehabilitation teams for injured Iraq and Afghanistan veterans continue to develop such as an invitation to conduct a training session for staff at Headley Court, the main post-acute rehabilitation centre in Surrey.

The UK Network (UKN) team

- Regional Offices were successfully launched in the North, Midlands, South/South West and East/South East of England, joining those in Wales, Scotland and Northern Ireland.
- A secondee from the Scottish Government's Health Department added an extra full-time post for Scotland for ten months.
- We held successful events to launch Face Equality to key policy-makers, politicians and opinion-formers at the National Assembly for Wales (28.6.10), then the Scottish Parliament (5.10.10) and finally the Northern Ireland Assembly (1.2.11).
- North of England: launched at Wigan Athletic Stadium with good local media coverage, our work has focused on creating new networks and holding Community of Interest events to engage people with disfigurements and interested professionals.
- Job Centre Plus asked for training for their national network of specialist advisers on working with people with disfigurements, including with the Manchester Burns Unit.
- Midlands: launched by the Deputy Mayor of Birmingham, good networks are developing with the NHS, local voluntary sector, Black, Asian Minority Ethnic and Faith communities.
- Excellent local publicity was achieved during Anti-bullying week in November, thanks to 'local lad' Lucas (featured in our young people's poster advertising campaign).
- East and South-East: promising links are being developed with the pharmaceutical industry and Baxter International and Merz Pharma have joined the Face Equality at Work scheme.
- Action plans have been developed with Southend Borough Council and Addenbrooke's Hospital; all Luton schools have received information on face equality for their students.

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- South and South-West: the launch included a presentation on the Face-IT website, developed by the Centre of Appearance Research with funding from *Changing Faces*.
- Links are being established with many health professionals in many settings throughout the region including with the Royal Marines regional rehabilitation centre.
- Wales: The Senedd event for 80 people heard powerful speeches on the importance of face equality by Edwina Hart, Minister for Health and Social Services, and Falklands hero and *Changing Faces* Patron, Simon Weston.
- A successful grant application was made to the Welsh Assembly to deliver four seminars on Face Equality to Local Service Board members (“leaders of local public and third sector organisations who come together to take collective action to ensure public services are effective and citizen-focused”) across Wales.
- Scotland: Lloyds TSB Foundation for Scotland has generously given office space.
- The Scottish Parliament event was attended by Adam Ingram, Minister for Children and Early Years and Tam Baillie, Scotland’s Commissioner for Children and Young People, both of whom gave strong support. An Early Day Motion to encourage Members of the Scottish Parliament to support face equality was signed by 29 politicians. In March 30 MSPs signed a pledge to support Face Equality if re-elected in the May elections.
- Robin Blacklock, a parent of a child with a disfigurement and a member of our local Fundraising group, has developed a fundraising project to raise a minimum of £10,000 (and potentially much more) with visits to all the winning teams of the European Cup.
- Northern Ireland: Alex Maskey MLA hosted our Face Equality Campaign launch at Stormont. Local celebrity, Olivia Nash made a powerful presentation about her granddaughter who has a disfigurement. Burns survivor, Jodie Hinds and plastic surgeon, Chris Hill, also spoke at the event attended by over 60 people.

3. CAMPAIGNING – working with the public and opinion-formers

Our Campaigns and Communications team have continued to achieve much media coverage for the charity’s many activities and to promote face equality through projects with the media and advertising industries. The team also ensures that our website is now a very interactive public face of the charity with 90,365 hits in the year by 65,744 visitors. Highlights include:

Face Equality campaign

- Our Children’s Face Equality posters have been developed for schools, translated into Welsh for use on Cardiff Bus and in Wales generally, have featured in The Independent and 235 of them were displayed pro bono by CBS Media on billboards at railway stations around the country for 2 weeks in August.
- The Children’s Face Equality campaign won a Children and Young People Now Award – a great accolade to the courage of the four young people who took part and the whole team who supported them both at *Changing Faces* and DDB Europe in 2009 and 2010.
- We worked closely with Channel 4 throughout the summer and autumn as it developed a new six-part, prime-time TV series entitled ‘Beauty and the Beast: the Ugly Face of Prejudice’, a title we sought to change in view of its potentially negative connotations. The aim of the series was to investigate the ‘extremes of discrimination’ by pairing up two people to share their lives for one week: one with a facial disfigurement, the other with an intense preoccupation with their appearance. The series was generally well-received, averaging 2m viewers a week and dramatically increasing hits on our website (six times the average in the first week and averaging about 2.5 to 3 times in the following weeks), and our Facebook and Twitter sites.
- Three Face Equality projects will go ahead in 2011-12 if funding permits: a cinema ad (created by DDB) to tackle film portrayals of disfigurement (pledges of cinema space secured), a photographic exhibition with David Bailey (£10,000 already generously donated by the Persula Foundation) and a Facebook survey.

CHANGING FACES

REPORT OF THE TRUSTEES (Continued...)

FOR THE YEAR ENDED 31st MARCH 2011

Media coverage

- Media coverage was steady throughout the year totalling over 100 articles, features and news items on national and local TV, radio and press, online and in specialist publications. Highlights included: interviews with James Partridge on BBC Five Live (April), The Today Programme and News at 10 on the world's first full face transplant, and an interview with Face Equality Champion Kellie O'Farrell in teenage magazine Bliss.
- During Anti-bullying week (in November), media coverage of some young people involved in our Face Equality posters was obtained on BBC Breakfast, in The Mirror, the Evening Standard and Children and Young People Now. Website and social networking hits also increased significantly around this time.

Informing and developing stakeholders

- In May 2010, our annual Reception at the Royal Society of Portrait Painters' (RSPP) exhibition, attended by 250 people, heard a powerful speech by Lucas, one of the stars of the children's poster campaign.
- A Panel discussion during the RSPP exhibition about the representation of disfigurement in childhood was chaired by Alastair Adams, President of the RSPP, and featured artist, Peter Monkman, Chris Lapham, a creative director at advertising agency DDB, and Face Equality Champion, Debbie Begent.
- Antony Williams, who has painted Her Majesty the Queen's portrait, won the 2010 *Changing Faces* Prize and has drawn two Face Equality Champions, featured in the 2011 exhibition.
- As usual, our Annual Review and two newsletters were produced and distributed to over 10,000 people and we also produced a new leaflet about the charity.
- Policy: our Guidelines for Journalists and Broadcasters have been distributed widely throughout the media; they also appear on the Ofcom intranet after a presentation about disfigurement to its policy team, and on the Media Trust and Society of Editors' websites.

4. Operational support and fund-raising

Operational support

The Operational Support team has provided invaluable support to the Chief Executive and all the staff during the year including on all recruitment, finance, governance, IT and office administration issues. As well as organising an exhaustive recruitment process for the Deputy CEO, the team has ensured many changes in working practices have been carried through efficiently – and, happily, there have been two maternity leaves to cover.

The charity's database/contact management system now requires significant overhaul and upgrade to cope with the growing demands placed upon it. A detailed Invitation to Tender was drawn up with excellent support from our consultant from Charity Technology Trust and the resulting submissions thoroughly assessed. Decisions will be made in the Spring of 2011.

Fund-raising

In addition to the £350,000 pledged at the start of the year from a range of very generous donors (eg: the Esmée Fairbairn Foundation and the Vocational Training Charitable Trust) and the £120,000 of two Government project grants (which closed on 31.3.11), our fund-raising efforts have brought in £920,000 from all sources.

CHANGING FACES

REPORT OF THE TRUSTEES (Continued...)

FOR THE YEAR ENDED 31st MARCH 2011

We are grateful to many people and institutions for their gifts and grants and especially to:

Charitable Trusts and Foundations

- The Welton Foundation
- The Garfield Weston Foundation
- The Venture Partnership Foundation
- The Geoff and Fiona Squire Foundation
- The John Ellerman Foundation
- The St James's Place Foundation
- The Man Group plc Charitable Trust

Corporates

- Xstrata plc
- Bupa

Fund-raising events

- A Gala Dinner in Guernsey, featuring a hilarious performance from Rory Bremner, raised £32,500, plus £17,500 for the Red Cross Children's Hospital in Cape Town, South Africa, organised as a joint venture.
- Our Advent Carol Concert with Kirstie Allsopp and Geoffrey Palmer raised £6,000.

Individual and community giving

- The 6-strong London Marathon team raised a superb £12,000 in 2010
- We thank the many people who did extra-ordinary sponsored efforts for *Changing Faces* such as Tony Stenning (Square Up in the City boxing match), James Kennedy and friends (Marsh Man triathlon), Friends of Max Turner (*in memoriam*) and many others.

Major pro bono support

- DDB UK
- Skylark 2.0, Graham Whitney and Sally Cross
- CBS Media
- Graham Beveridge, Cynthia Cormack and many behind the scenes of the Guernsey Gala

Other news

Research Council

The two winners of the *Changing Faces* Essay Prize received their £500 at the Appearance Matters 4 Conference in June 2010 from Dr Richard Lansdown, Council Chairman.

International

James Partridge made two international visits during the autumn-winter of 2010-11, to Stanford University for two invited speaking engagements and to other institutions in North America, and to South Africa to meet with like-minded charities and health professionals.

James Partridge recognised

James was awarded the Beacon Prize for Leadership 2010, having 'displayed and communicated a vision that has inspired others to take action on a significant scale or on a difficult issue and made a significant difference'. He was one of nine recipients in 2010, joining the ranks of Sir Bob Geldof and Jamie Oliver, previous winners of the honour, described by former Prime Minister Gordon Brown as the 'Nobel Prize of the Charity World'.

CHANGING FACES

REPORT OF THE TRUSTEES (Continued...)

FOR THE YEAR ENDED 31st MARCH 2011

Looking forward to 2011-2012

We will be reshaping our programmes into two main streams: Changing Lives and Changing Minds. Headline information on 2010-2011 activity presented in this way is as follows:

Changing Lives – helping people of all ages who have disfigurements and their families

Our direct help has benefited:

- 478 individuals and families in person (face-to-face, phone, email etc)
- 332 young people using the dedicated iface website
- 6,574 people have gained by accessing our client-focused webpages
- Over 80% of clients who received counselling reported a significant decrease in distress

Indirectly, we reached:

- 25,900 patients via each health professional reached/trained
- 2,900 children with disfigurements via education professionals reached and/or trained

Changing Minds – challenging the attitudes of people of all ages without disfigurements

- 43,500 children or young people via the teachers we have trained/informed
- Face Equality teacher resources have been sent to 1,750 secondary schools in England
- 1,170,000 people are in the workforces of our Face Equality at Work scheme members
- Audiences/readers of several million were reached via 30 national TV, radio and press appearances/articles, and many more through regional, local and specialist outlets
- Audiences totalling 12m people watched the Channel 4 'Beauty and the Beast: the Ugly Face of Prejudice' series
- 59,170 people have visited our website to learn about disfigurement and the charity.

5. FINANCIAL REVIEW

Commentary on the Accounts

The Balance Sheet shows Unrestricted Funds of £1.63 million (2010: £1.70 million), including the value of the Squire Centre, purchased in 2004.

Income and Expenditure Account

Our Unrestricted Funds show, after transfers, a deficit of £78,367 (2010: surplus of £229,881) and our Restricted Funds show a deficit of £95,440 (2009: surplus of £40,913). The Trustees are also able to declare that, going into 2011-12, the charity has pledges of £419,791 (compared with £372,378 at the start of 2010-11) mostly for projects (£279,791) rather than core income.

The most notable features of the Income and Expenditure Account are:

Income

- Total Voluntary Income from donations and gifts decreased by 26%, at £1,132,925 (2010: £1,444,036). The 2010 figure was inflated by the significant donations made specifically to enable the charity to repay the loan on The Squire Centre.

Expenditure

- Expenditure on our charitable activities increased by some £147,833, or 12% to £1,347,590 (2010: £1,199,757).
- Fund-raising costs increased by 31% to £178,592 (2010: £136,284), as a result partly of holding a major fundraising Gala event whereas none was held in 2009-2010, and also additional staff time dedicated to fund-raising by the newly appointed Deputy Chief Executive.
- Governance costs at £24,898 (2010: £24,101) are stable.
- Spending on the Catalyst Programme increased by £146,894 reflecting in particular expenditure relating to the Department for Education project grant.

CHANGING FACES

REPORT OF THE TRUSTEES (Continued...)

FOR THE YEAR ENDED 31st MARCH 2011

The Balance Sheet

- An overall decrease of £173,807 (or 8.4%) is shown in net assets.

Principal Funding Sources

Trust and corporate sources

A total of £971,108 (2010: £1,257,346) has been raised and the Trustees want to thank the following very sincerely for their major gifts and grants, of £5,000 and over:

Charitable Trusts

- 29th May 1961 Charitable Trust
- HB Allen Charitable Trust
- BBC Children in Need
- Biss Davies Charitable Trust
- Childwick Trust
- John Coates Charitable Trust
- Gwendoline and Margaret Davies Charitable Trust
- John Ellerman Foundation
- Esmée Fairbairn Foundation
- Hands Trust
- Herrod Foundation
- Thomas J Horne Memorial Trust
- Lennox and Wyfold Foundation - The Wyfold Fund
- Man Group plc Charitable Trust
- Medicor Foundation
- Edith Murphy Foundation
- Oak Foundation
- Persula Foundation
- Monica Rabagliati Charitable Trust
- Rank Foundation
- Rufford Foundation
- St James' Place Foundation
- Sobell Foundation
- Geoff and Fiona Squire Foundation
- Stafford Trust
- Steel Charitable Trust
- Venture Partnership Foundation
- Vitol Charitable Foundation
- Vocational Training Charitable Trust
- Barbara Ward Children's Foundation
- Welton Foundation
- Garfield Weston Foundation
- Westminster Foundation

Companies

- Barclays plc
- BUPA
- Christies
- Harley Medical Group
- Xstrata Services UK

CHANGING FACES

REPORT OF THE TRUSTEES (Continued...)

FOR THE YEAR ENDED 31st MARCH 2011

Statutory grants

The second year of a two-year grant of £197,000 was received from the Department for Schools, Children and Families to develop and evaluate curriculum materials.

Individual donations

Changing Faces has been delighted to receive donations totalling £161,817 (2010: £186,690) from so many people and local fund-raising groups through an extraordinary mix of fund-raising activities during the year.

Pro bono gifts

Changing Faces has received a great many gifts of time and advice from individuals and organisations during the year.

We wish to thank every single individual and institution who has supported *Changing Faces* in any way during the year. We assure them all that their gifts have been used very purposefully to create a better and fairer future for people with disfigurements to their face or body.

Reserves Policy

The Trustees of *Changing Faces* aim to manage the limited cash reserves of the charity carefully with the following principles in mind:

Unrestricted Funds

- A target for free reserves has been set as 6 months of total expenditure, (ie: c.£775,000 on present spending) to underpin the core work of the charity.
- The Trustees aim to move towards this target through fund-raising and control of expenditure.
- The free reserves (Unrestricted Funds less Tangible Fixed Assets) at the year-end amounted to a surplus of £111,654 (2010: £173,539). The Trustees aim to build on this surplus to provide reserves against contingency needs.

Restricted Funds

- The Restricted Funds available are to be used for purposes specified by the donors and should remain in cash form. These funds will be managed in approved Bank Accounts that enable them to be accessed quickly but also earn as high interest as possible.

Investment management

- The Trustees will consider employing the expertise of an Investment Adviser once the unrestricted cash reserves of the charity reach an appropriate level.

CHANGING FACES

REPORT OF THE TRUSTEES (Continued...)

FOR THE YEAR ENDED 31st MARCH 2011

6. PLANS FOR THE FUTURE

The Trustees and staff team reviewed and refreshed our strategy during the winter-spring of 2010-11 and believe that the new Strategic Plan for 2011-16 (available on request or from the website) sets the stage for extending the accessibility and influence of the charity in the years ahead. We have re-affirmed that:

Our Vision is a world in which people with disfigurements are confident, valued and included as citizens, students and employees, and receive comprehensive health and social care that fully addresses their psychological, social and practical needs.

Our Mission is to demonstrate what help should be provided, to argue for its widespread availability, to raise awareness of disfigurement prejudice and to campaign for a fair society.

We see *Changing Faces*' role, in consultation with users, to be to

- provide excellent practical and emotional support and advice and demonstrate how that can be delivered
- provide best-practice training and advice for professionals
- advocate for high standards for health services, education and employment practices
- lobby for improved anti-discrimination legislation and codes of practice
- challenge public attitudes to embrace face equality and end disfigurement prejudice.

Executive Summary of our 5-year Strategy

Over the next 5 years, *Changing Faces* aims to radically increase our efforts to bring about change and make our help much more accessible to those who could benefit.

Under the twin banners of Changing Lives and Changing Minds, we will aim to scale-up our impact across the whole of the UK and gradually, as funds are raised, in other countries too in suitable forms working with local partners and fellow NGOs.

The Changing Lives programme will aim to make our unique package of help (known as FACES) much more locally accessible by creating, training and starting to establish local teams of new professionals – Changing Faces Practitioners (CFPs) – to deliver FACES. We also aspire, in the longer run, to establish CFPs within the health system thereby transforming mainstream care. The idea has been welcomed by senior health professionals and the response from potential funders has also been encouraging.

The Changing Minds programme will continue our advocacy for better health care, inclusive schools and workplaces, and campaign for a fair society for everyone who looks different. As we establish regional *Changing Faces* offices around the UK, we expect to mobilise our supporters and champions to transform local practice and attitudes.

Plans for 2011-2012

However, despite having this strong strategy for the future, at the beginning of April 2011, the Trustees reluctantly concluded, in the light of the prevailing challenging economic conditions, that some of *Changing Faces*' current activities were no longer sustainable in the context of funds available and our projected income streams.

They believe that *Changing Faces* is now well placed to navigate the challenging times, and everyone associated with the charity is now determined and re-focused on our direct service delivery and continuing to strive for a better and fairer future for people with disfigurements.

CHANGING FACES

REPORT OF THE TRUSTEES (Continued...)

FOR THE YEAR ENDED 31st MARCH 2011

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Changing Faces for the purposes of company law) are responsible for preparing the Trustees' 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group 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 of the Charities SORP
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time of 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the trustees is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

As Directors we also confirm that we have made all necessary enquiries and taken such steps that we ought to, to ensure that we become aware of any relevant audit information and that we confirm that the company's auditors have been made aware of such information.

Auditors

A resolution will be proposed at the Annual General Meeting that haysmacintyre be re-appointed as auditors to the company for the ensuing year.

By Order of the Board

.....
Anthony Hobson
Chairman

4th July 2011

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

OF CHANGING FACES

We have audited the financial statements of the *Changing Faces* for the year ended 31 March 2011 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's Trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out in the Report of the Trustees, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and nonfinancial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

Richard Weaver (Senior Statutory Auditor)
for and on behalf of haysmacintyre, Statutory Auditor
Registered Auditors

Fairfax House
15 Fulwood Place
London
WC1V 6AY

..... July 2011

CHANGING FACES

STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an Income and Expenditure account and Statement of Total Recognised Gains and Losses)

FOR THE YEAR ENDED 31st MARCH 2011

	Notes	Unrestricted Funds £	Restricted Funds £	2011 £	2010 £
Incoming Resources					
<i>Incoming resources from generated funds:</i>					
<i>Voluntary income: donations and gifts</i>					
Charitable Trust donations		368,652	521,438	890,090	1,141,732
Corporate donations		58,730	22,288	81,018	115,614
Private donations		134,373	4,625	138,998	168,584
Community groups		15,899	6,920	22,819	18,106
<i>Activities for generating funds:</i>					
Fundraising events		49,405	750	50,155	17,891
<i>Investment income</i>					
Interest receivable		1,254	-	1,254	1,230
<i>Incoming resources from charitable activities:</i>					
Statutory Grants		-	139,987	139,987	125,433
Training and Consultancy		49,767	50	49,817	39,292
Other incoming resources		3,118	17	3,135	3,054
Total Incoming Resources	1	681,198	696,075	1,377,273	1,630,936
Resources Expended					
<i>Cost of generating funds:</i>					
Cost of generating voluntary income		171,342	7,250	178,592	136,284
<i>Charitable Activities:</i>					
Caring Programme		147,468	204,012	351,480	342,665
Catalyst Programme		192,759	562,053	754,812	607,918
Campaigning Programme		222,098	18,200	240,298	243,788
Research		-	1,000	1,000	5,386
Governance costs		24,898	-	24,898	24,101
Total Resources Expended	3	758,565	792,515	1,551,080	1,360,142
Net (Outgoing)/Incoming resources before transfers		(77,367)	(96,440)	(173,807)	270,794
Gross Transfers between funds	10	-	-	-	-
Net incoming resources		(77,367)	(96,440)	(173,807)	270,794
Reconciliation of Funds					
Fund balances brought forward at 1 April 2010		1,705,278	375,269	2,080,547	1,809,763
Fund balances carried forward at 31st March 2011	10	1,627,911	278,829	1,906,740	2,080,547

All amounts relate to continuing activities. All recognised gains and losses are included in the income and expenditure account. The accompanying notes form part of these financial statements.

CHANGING FACES

BALANCE SHEET

AS AT 31st MARCH 2011

	Notes	2011		2010	
		£	£	£	£
FIXED ASSETS					
Tangible assets	6		1,515,257		1,531,739
CURRENT ASSETS					
Stock	7	3,236		3,570	
Debtors and prepayments	8	89,078		37,434	
Cash at bank and in hand		364,870		572,110	
		<u>457,184</u>		<u>613,114</u>	
CREDITORS: Amounts falling due within one year	9	(65,701)		(64,306)	
NET CURRENT ASSETS			391,483		548,808
NET ASSETS			<u>1,906,740</u>		<u>2,080,547</u>
REPRESENTED BY					
Restricted Income Funds	10		278,829		375,269
Unrestricted Funds	10		1,627,911		1,705,278
			<u>1,906,740</u>		<u>2,080,547</u>

For a full analysis of the make up of the reserves of £1,906,740 please refer to Note 10 of these accounts and the reserves policy detailed on page 17.

The financial statements were approved by the Board of Trustees and authorised for issue on 4th July 2011 and signed on their behalf by:

.....
Anthony Hobson
Chairman

.....
Mike Okninski
Honorary Treasurer

The accompanying notes form part of these financial statements.

CHANGING FACES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH 2011

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and Statement of Recommended Practice, Accounting by Charities issued in March 2005 and the Companies Act 2006.

Incoming Resources

All incoming resources are accounted for when the charity becomes entitled to the income and the amount can be quantified with reasonable accuracy. Donations, bank interest and other income are accounted for when receivable. Gifts in kind are accounted for at market value or at a reasonable estimated valuation.

Grants

Grants are included in incoming resources when they are receivable. Where the grant making body specifies that amounts given should be utilised in a future accounting period, the income is deferred to that period. If certain conditions have to be fulfilled before the charity becomes entitled to the use of the grant, then the income is deferred until such conditions have been met.

Resources Expended

Expenditure is accounted for on an accruals basis and includes irrecoverable VAT which is reported as part of the expenditure to which it relates.

Costs of generating funds are those costs incurred to raise voluntary income and costs of trading activities for the purpose of raising funds. Charitable expenditure relates to costs incurred in delivering the charity's activities and services to its beneficiaries. Governance costs are costs incurred in meeting the constitutional and statutory requirements of the charity.

Depreciation of Tangible Fixed Assets

Depreciation is provided on all tangible fixed assets so as to write them off over their anticipated useful lives at the following annual rates on a straight line basis:

Leasehold property	- Over duration of lease
Office equipment	- 25%
Office furniture	- 20 %
Computer equipment	- 25%

The leasehold property is held on a 105 year lease commencing from November 2004.

Additions to fixed assets costing less than £500, and those acquired from restricted income funds are written off in the year.

Donated Assets

Donated assets are capitalised at a value equivalent to market value as at the date of donation.

Cost Apportionment

A proportion of staff and indirect costs are attributed to activities on the following bases:

Staff	- actual costs or level of activity engaged by staff
Indirect costs	- level of activity engaged by staff

Lease and Hire Purchase Contracts

Rentals under operating leases are charged to the income and expenditure account as incurred.

CHANGING FACES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH 2011

1. ACCOUNTING POLICIES (continued)

Taxation

No provision has been made for taxation as the company's charitable status renders it exempt from UK direct taxation.

Funds

Restricted Funds: The purpose and use of restricted funds are imposed by the donor or by the specific terms of the charity appeal.

Unrestricted Funds: These are funds available for use at the discretion of the trustees in furtherance of the objectives of the charity.

Pensions

The company operates a defined contribution pension scheme on behalf of its staff. Contributions are charged to the statement of financial activities as they become payable in accordance with the rules of the scheme.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Cash Flow Statement

The charity has taken advantage of the exemption under FRS1 not to prepare a Cash Flow Statement.

2. STATUS

The company is limited by guarantee and has no share capital. The liability of members in the event of a winding up is limited to £1. The members are the trustees of the charity.

3. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff Costs	Other	2011	2010
	£	£	£	£
<i>Charitable Activities:</i>				
Caring Programme				
Adults	122,965	22,691	145,656	137,034
Children and Young People	168,766	37,058	205,824	205,631
Catalyst Programme				
Health	111,593	25,323	136,916	137,743
Education	110,861	81,584	192,445	106,010
Employment	106,112	22,186	128,298	130,462
UK Network	172,451	59,228	231,679	163,443
NHS Burn care projects	35,746	25,625	61,371	69,685
Multi-disciplinary work with professionals	-	4,102	4,102	575
Campaigning Programme	185,296	55,002	240,298	243,788
Research	-	1,000	1,000	5,386
Governance costs	12,700	12,198	24,898	24,101
	<hr/>	<hr/>	<hr/>	<hr/>
	1,026,490	345,998	1,372,488	1,223,858
<i>Costs of generating funds:</i>				
Fundraising	131,155	47,437	178,592	136,284
	<hr/>	<hr/>	<hr/>	<hr/>
	1,157,645	393,435	1,551,080	1,360,142
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CHANGING FACES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31st MARCH 2011

3. ANALYSIS OF TOTAL RESOURCES EXPENDED (continued)

Direct and support costs	Direct Costs £	Support Costs £	Total 2011 £	Total 2010 £	
<i>Charitable Activities:</i>					
Caring Programme					
Adults	131,559	14,097	145,656	137,034	
Children and Young People	186,064	19,760	205,824	205,631	
Catalyst Programme					
Health	124,403	12,514	136,917	137,743	
Education	179,818	12,627	192,445	106,010	
Employment	116,223	12,075	128,298	130,462	
UK Network	211,552	20,127	231,679	163,443	
NHS Burn care projects	58,634	2,737	61,371	69,685	
Multi-disciplinary work with professionals	4,102	-	4,102	575	
Campaigning Programme	219,315	20,893	240,298	243,788	
Research	1,000	-	1,000	5,386	
<i>Governance costs</i>	11,965	12,933	24,898	24,101	
	<u>1,244,635</u>	<u>127,853</u>	<u>1,372,488</u>	<u>1,223,858</u>	
<i>Costs of generating funds:</i>					
Fundraising	163,866	14,726	178,592	136,284	
	<u>1,408,501</u>	<u>142,579</u>	<u>1,551,080</u>	<u>1,360,142</u>	
Support costs allocation	Office Costs £	Finance and IT £	Premises £	Total 2011 £	Total 2010 £
<i>Charitable Expenditure:</i>					
Caring Programme					
Adults	5,466	4,593	4,038	14,097	23,196
Children and Young People	7,662	6,439	5,659	19,760	33,190
Catalyst Programme					
Health	4,852	4,078	3,584	12,514	20,648
Education	4,897	4,114	3,616	12,627	15,039
Employment	4,683	3,935	3,457	12,075	22,346
UK Network	7,805	6,558	5,764	20,127	26,088
NHS Burn care projects	709	892	1,136	2,737	10,557
Multi-disciplinary work with professionals	-	-	-	-	-
Campaigning Programme	8,137	6,837	6,009	20,983	36,374
<i>Governance costs</i>	12,933	-	-	12,933	12,399
	<u>57,144</u>	<u>37,446</u>	<u>33,263</u>	<u>127,853</u>	<u>199,837</u>
<i>Costs of generating funds:</i>					
Fundraising	5,711	4,798	4,217	14,726	22,476
	<u>62,855</u>	<u>42,244</u>	<u>37,480</u>	<u>142,579</u>	<u>222,313</u>

CHANGING FACES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31st MARCH 2011

4. SURPLUS FOR THE YEAR	2011	2010
	£	£
The surplus for the year is stated after charging:		
Auditors' remuneration	7,920	9,410
Depreciation of fixed assets	20,610	23,802
Operating lease rentals – other	3,844	3,776
	<u> </u>	<u> </u>

5. EMPLOYEES	2011	2010
	£	£
Wages and salaries	1,004,222	857,291
Social security costs	84,960	82,217
Pension costs	30,933	22,917
	<u> </u>	<u> </u>
	<u>1,120,115</u>	<u>962,425</u>

The average number of people (full time equivalent) employed by the company during the year was as follows:

	No.	No.
Caring Programme	7.5	7.5
Catalyst Programme	13.5	11.5
Campaigning Programme	5.0	4.0
Fundraising	3.0	2.5
	<u> </u>	<u> </u>
	<u>29.0</u>	<u>25.5</u>
	<u> </u>	<u> </u>
The number of employees whose emoluments exceeded £60,000 per annum was:		
£80,000 - £90,000	1	1
	<u> </u>	<u> </u>

None of the Trustees received any emoluments in the year.

None of the Trustees received reimbursement of expenses during the year (2010: none).

6. TANGIBLE ASSETS	Leasehold Premises	Office Furniture	Office Equipment	Computer Equipment	Total
	£	£	£	£	£
COST					
At 1 April 2010	1,599,566	16,355	25,409	56,725	1,698,055
Additions	-	-	-	4,128	4,128
Disposals	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31st March 2011	1,599,566	16,355	25,409	60,853	1,702,183
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
DEPRECIATION					
At 1 April 2010	76,170	16,355	24,462	49,329	166,316
Charge for the year	15,234	-	394	4,982	20,610
Disposals	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31st March 2011	91,404	16,355	24,856	54,311	186,926
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET BOOK VALUE					
At 31st March 2011	1,508,162	-	553	6,542	1,515,257
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31st March 2010	1,523,396	-	947	7,396	1,531,739
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

CHANGING FACES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31st MARCH 2011

6. TANGIBLE ASSETS (continued)

90% of the charity's assets are used for charitable purposes and 10% for fundraising and administration purposes.

A legal charge is held over the leasehold property by The Big Lottery Fund.

7. STOCKS	2011	2010
	£	£
Stocks of booklets and publications	3,236	3,570

Stocks are recognised to the extent booklets and publications are to be sold in 2010-2011. When these items are indicated as to be distributed free they have been included in the amount for prepayments.

8. DEBTORS	2011	2010
	£	£
Trade debtors	65,199	22,655
Other debtors	18,538	5,000
Prepayments and accrued income	5,341	9,779
	<u>89,078</u>	<u>37,434</u>

9. CREDITORS: Amounts due within one year	2011	2010
	£	£
Trade creditors	30,465	9,956
Accruals and deferred income	7,920	29,772
Taxes and social security	27,316	24,578
	<u>65,701</u>	<u>64,306</u>

CHANGING FACES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31st MARCH 2011

10. FUNDS	Restricted funds £	Unrestricted Funds £	Total £
Balance at 1 April 2010	375,269	1,705,278	2,080,547
Net incoming/(outgoing) resources	(95,440)	(78,367)	(173,807)
Transfer between funds	-	-	-
	<u>375,269</u>	<u>1,705,278</u>	<u>2,080,547</u>
Balance at 31st March 2011	<u>279,829</u>	<u>1,626,911</u>	<u>1,906,740</u>
Analysis of net assets between funds:			
Tangible fixed assets	-	1,515,257	1,515,257
Net current assets / (liabilities)	279,829	111,654	391,483
Long term liabilities	-	-	-
	<u>279,829</u>	<u>1,626,911</u>	<u>1,906,740</u>

	At 1 April 2010 £	Income £	Expenditure £	Transfers between funds £	At 31 March 2011 £
The restricted funds of the charity are made up of:					
Caring Programme					
Adults	4,567	103,000	37,567	-	70,000
Children and Young People	52,550	164,426	166,445	2,000	52,531
Catalyst Programme					
Health	34,702	76,758	99,217	-	12,243
Education	51,897	117,891	167,620	(1,168)	-
Employment	19,453	55,400	67,655	(1,000)	6,198
UK Network	145,189	105,988	166,685	(1,997)	82,495
NHS Burn care projects	61,440	42,120	58,634	-	44,926
Multi-disciplinary work	-	1,242	1,242	-	-
Campaigning Programme	4,035	22,000	18,200	2,165	10,000
Research	1,436	-	1,000	-	436
Cost of generating voluntary income	-	7,250	7,250	-	-
	<u>375,269</u>	<u>696,075</u>	<u>791,515</u>	<u>-</u>	<u>278,829</u>

CHANGING FACES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31st MARCH 2010

10. FUNDS (continued)

Restricted Funds

The Caring Programme consists of work with Adults, to support men and women who have disfigurements and with Children and Young People, to support parents and children who have disfigurements, including with families and schools.

The Catalyst Programme promotes best practice for health and social care professionals, teachers and employers to support the rehabilitation and develop the potential of patients, pupils and employees who have disfigurements.

The Campaigning Programme works with the media, Government departments and the public to promote a culture in which people with disfigurements are treated fairly and with respect.

The Research Fund funds research on disfigurement and appearance, which underpins the charity's work.

11. COMMITMENTS UNDER OPERATING LEASES

As at 31st March 2011, the company had annual commitments under non cancellable operating leases as set out below:

	2011	2010
	£	£
Operating leases which expire:		
In one to two years	132	2,870
In two to five years	7,732	968
	<u>7,864</u>	<u>3,837</u>

12. PENSIONS

The company operates a defined contribution scheme in respect of salaried employees. Contributions are charged in the accounts as incurred and there were no outstanding or proposed contributions as at the balance sheet date. Pension costs charged in the year were £30,933 (2010: £22,917).

13. RELATED PARTY TRANSACTIONS

There were no transactions with related parties.

CHANGING FACES

ANNEX: 1: ORGANISATIONAL STRUCTURE, 1st APRIL 2011

