

CHANGING FACES
A Registered Charity
A Company Limited by Guarantee
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31st MARCH 2009

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 2009

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CHANGING FACES

REPORT OF THE TRUSTEES (Continued...)

FOR THE YEAR ENDED 31st MARCH 2009

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 2009. 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 2008 and 25th June 2009:

Mr Anthony Cann (Chairman) *

Mr Mike Okninski (Hon Treasurer) * **

Mr Mark Landon (Company Secretary from 26th June 2008) *

Mr Alan Baines **

Mr Anthony Brown (Company Secretary to 26th June 2008)

Mrs Sally Cartwright

appointed 1st May 2008

retired 26th June 2008

appointed 1st April 2009

served until death 29th May 2009

Ms Viki Cooke

Mr Pieter Folmer **

Dr Nigel Hunt

Mr Andrew Jarvis

Dr Sally Kelway MD

Dr Felicity Mehendale

Mr Philip Rogerson **

Dr Theresa Rose

Professor Susan Standring

Mr Paul Thomas QC

Mr Chris Walker FRCS

Mr Stephen Woodford *

appointed 1st June 2008

retired 26th June 2008

retired 26th June 2008

appointed 1st May 2009

appointed 1st May 2009

appointed 1st May 2008

appointed 1st May 2008

appointed 1st June 2008

* Member of Nominations Committee, ** Member of Audit Committee

CHIEF EXECUTIVE

Dr James Partridge OBE

HONORARY SOLICITOR

Ms Fiona Button, Dunham Solicitors

REGISTERED OFFICE

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

SOLICITORS

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

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FOR THE YEAR ENDED 31st MARCH 2009

PRINCIPAL ADDRESS

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

AUDITORS

haysmacintyre
Fairfax House
15 Fulwood Place
London WC1V 6AY

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

Ms Gloria Hunniford

Mr Terry Mansfield CBE

Mr Greville Mitchell OBE

Ms Jan Ravens

Mr William Simons

Mrs Fiona Squire

The Duke of Westminster KG, OBE, TD, DL

Mr Simon Weston OBE

Mr 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 down/up". 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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REPORT OF THE TRUSTEES (Continued...)

FOR THE YEAR ENDED 31st MARCH 2009

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 reviewed the audit of the skills, experience and interests of the Trustees, including the five new Trustees appointed in May and June 2008. A further round of recruitment was undertaken with the specific objectives of filling identified skill gaps on the Board. One new Trustee joined the Board on 1st April 2009, and a further two in May 2009.

The Board is very sad to report the death of Sally Cartwright just six weeks after her Trusteeship started. Sally gave a great deal to Changing Faces over 17 years especially in advising on school issues. She will be greatly missed.

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REPORT OF THE TRUSTEES (Continued...)

FOR THE YEAR ENDED 31st MARCH 2009

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.

Management

Since April 2006, a Management Team has been in place with 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 (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 2009 is shown in Annex 1.

Other Policies and the management of risk

- During 2008-09, 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

- We 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.

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REPORT OF THE TRUSTEES (Continued...)

FOR THE YEAR ENDED 31st MARCH 2009

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.

Recent 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, from surgery for skin cancer
 - 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 44) 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.

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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 well over 8,000 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) and subsequent Acts.

Mission and Goals

Changing Faces' mission is to create a better and fairer future for the 1.3m people in the UK and the many others worldwide who have facial and other disfigurements from any cause.

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

- everyone with a disfigurement has the right, without discrimination on any ground, 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 fairness and confidence, free of prejudice and discrimination.

The rationale for the Catalyst for Change Strategy

In a thorough strategic review in the autumn of 2005, it was decided that it was neither sustainable nor desirable for *Changing Faces* to be, or be thought to be, the main provider of psycho-social services for people with disfigurements. The charity's client service was a model of best practice but the charity should now seek to enable others, especially professionals, to replicate it. Furthermore, many people who contact *Changing Faces* wanted to gain support and access to services from the health and education authorities in their locality that are similar to those services provided by *Changing Faces*.

Simultaneously, supporters were telling *Changing Faces* to become more and more the national voice on disfigurement issues and to start to transform public attitudes nationwide.

It was therefore decided that over the following 5-10 years from 2006, *Changing Faces* should strategically shift its efforts to empower professionals and influence public attitudes whilst continuing to help, and to innovate new ways of helping individuals living with disfigurements, and their families who contact the charity. The balance of efforts would change, with much more effort being put into work to inform/train professionals, advocate for better services and inform/educate the wider public.

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REPORT OF THE TRUSTEES (Continued...)

FOR THE YEAR ENDED 31st MARCH 2009

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 and is run by one/two Heads who are also active on the ground.

▪ **Individuals Programme**

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 parts – 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, and school-based support for children.

▪ **Professionals Programme**

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 Professionals team provides expert advice and specialised training and works to influence policy on the delivery of local/national services, working with professional associations and representative bodies.

During 2009-10, our UK Network team of half-time Officers in Wales, Scotland and Northern Ireland which are an integral part of the Professionals Programme will be expanded and be created as a 'Programme' in itself. The plan is to recruit a new Head of the UK Network to develop this project with Officers in 5 English Regions – the North, the Midlands, the South and South West, the East and South East, and London.

▪ **Society Programme**

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 aims to transform public attitudes and behaviour about disfigurement via the media, PR/external relations, informative literature and our website. It is the prime driver of our face equality campaign.

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.

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REPORT OF THE TRUSTEES (Continued...)

FOR THE YEAR ENDED 31st MARCH 2009

4. ACHIEVEMENTS AND PERFORMANCE

2008-09 was an excellent year for *Changing Faces* and, given the current turbulent and recessionary economic climate, to be a very challenging year indeed. However, *Changing Faces* is well-prepared with sound plans and much determination. We have refreshed our 5-year Strategic Plan for 2009-14 which is detailed in section 6 and have produced a very detailed Annual Plan for 2009-10, available on request. Our team has also expanded considerably in light of wonderful new grants obtained – and will develop further in 2009-10; a staff structure is provided in the Annex 1. We believe the requirement for public benefit has been met through the following activities.

There have been many highlights over the last 12 months in each of our Programmes:

Individuals Programme – for people with disfigurements and families

We believe the requirement for public benefit has been met through the following activities:

Our Individuals Programme currently consists of eight professionals (working in two teams, the Adult Service and the Children and Young People's Service, each with a Head), supported by our Wales, Scotland, Northern Ireland and, to be appointed during 2009, a team of English Regional Officers in their own settings.

- Our counsellors, teachers, play therapists and youth workers continue to provide high-quality personal counselling, social skills workshops/events and self-help advice. Client numbers remain steady: 350 new contacts from children and young people (and their families) and adults with a wide range of disfiguring conditions and a rising number of ongoing contacts, now running at over 2,000 in the year.
- Our counselling 'offer' has expanded to include some long-term counselling contracts with adults and evening sessions for young people, as well as e-mail counselling.
- We have run a record number of workshops – five for children, three for young people and four for adults during the year; for example, for children and young people:
 - An *Island of Adventure* day in May to provide support and ideas for children moving from primary to secondary school in the next school term – with a parallel session for parents providing information and support for this transition
 - Two *Harry Potter*-themed days for 7- to 11-year-olds, which explored themes around talking about appearance, managing bullying and being more confident, one in London, the other in Manchester
 - An *animal-themed day* for 5- to 9-year olds in Cambridge – with a parallel parents' session on talking about appearance with children and managing other people's reactions
 - An *Early Years workshop* for parents of children under the age of 5, tackling their hopes and fears for their child's future, how to manage other people's reactions and how to build children's confidence. A crèche was also provided.
 - A *Beauty Inside & Out* workshop for 10 women in July with support from outside experts in body language, make-up, and skin care.
 - An *Intimacy* workshop for 5 women on October was very well-evaluated.
- Our young people's website, www.iface.org.uk, received over 2,900 individual visitors in the year (with 70% new visitors). It has 262 registered users.

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- We are building relationships with Armed Services charities like Combat Stress and Blesma (the British Limbless Ex-Servicemen's Association). *Changing Faces* was invited to a meeting at Headley Court, the Armed Forces rehabilitation centre in Leatherhead, Surrey organised by Group Captain Richard Castle, a member of our Advisory Panel. Provision of psychological support for men and women serving in the Forces, both in the acute stages and in the longer-term, was discussed. How *Changing Faces* can enhance such support, especially as veterans return to civilian life, is being discussed with the Armed Forces, Help for Heroes and the other charities.
- Ethnicity/disability monitoring since April reveals that our clients are 70% White British; 30% have a disability other than a disfigurement.
- The Adult Service is exploring the Eye Movement Desensitization and Reprocessing intervention for clients with trauma with Natty Triskel (Consultant Psychologist, Bristol).
- Harriet Griffey, an independent journalist and member of our Advisory Panel, has helped us to write a new self-help booklet for adults with disfiguring conditions entitled "Living with a disfigurement: managing the challenges" which is now available free to our clients and patients throughout the NHS and more widely.
- Our growing range of self-help factsheets and guides for people with disfigurements and their parents, families and teachers are in strong demand via our website.
- The Individuals Programme team has spoken at many support group meetings during the year (such as a meeting of 40 patients with head, neck and thyroid cancer and their carers at Romford Hospital in August). We continue to nurture good relations with such organisations and with the medical research foundations concerned with disfigurement.
- We are also working with the Equalities National Council and other agencies to exchange information about services, and to explore possible collaboration, particularly with efforts to reach people with disfigurements and families in Black, Asian and Minority Ethnic communities.
- Feedback from clients continues to be very positive, with over 90% of those returning feedback stating that the support we offered has enabled them to gain confidence in managing their concerns and others' reactions.
- Following advice from Professor Stan Newman of University College London, we have introduced two new instruments for monitoring the outcome of our counselling activity: the Clinical Outcomes in Routine Evaluation (the CORE system which is widely used in the NHS and private practice), and the Derriford Appearance Scale (much used in disfigurement research). The *Changing Faces* Research Council is also taking a more active role in helping us to evaluate – and eventually publish – the outcomes of our work.

Professionals Programme – acting as a Catalyst for Change

We believe the requirement for public benefit has been met through the following activities:

Our team has grown considerably this year thanks primarily to a superb 5-year grant from the Vocational Training Charitable Trust (VTCT). We reconfigured our advisory team in light of this grant in the autumn and now have Policy Advisers in Health, Employment and Education, Training Advisers in Employment, Health and, shortly, in Education. They work closely with our three UK Network Officers in Wales, Scotland and Northern Ireland.

In February, the whole charity was devastated by the news of the sad death after a tough fight with cancer of Suzanne Millstone, our Health Professional Training Adviser and Clinical Supervisor. She was much loved by all the team and had given wise counsel and training to hundreds of clients and professionals in her seven years with *Changing Faces*.

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REPORT OF THE TRUSTEES (Continued...)

FOR THE YEAR ENDED 31st MARCH 2009

Health

Awareness and skills:

- We have spoken at a number of medical conferences/seminars on the psycho-social impact of living with a disfigurement including at 'Oedema in Head and Neck Cancer', the Red Cross and the Occupational Therapists' National Special Interest Group.
- We are now being asked to deliver modules on degree courses for health professionals (eg: cancer nurses at the Royal Marsden Hospital, prostheticists at King's College London, practitioners in burn care in Manchester)
- *Changing Faces* has run a record number of study days and training courses for health professionals – in Edinburgh, Perth, Leicester and at our HQ in London.
- Articles about our approach have appeared notably in professional journals, *Therapy Today*, *The Psychologist* and the *Midwives' Journal*.
- Medical Education: psycho-social modules under development for MSc courses at King's College London; a seminar at Brighton and Sussex Medical School was well received.
- We have started a new project to develop a training package for burn care professionals in London and the South East.

Policy:

- *Changing Faces* has continued to be effective in pressing for improved psycho-social care in burns services through the National Burn Care Group (NBCG); new Standards of Psycho-social Care fully recognising our approach were approved in December 2008.
- Our report on the current psycho-social services in burn care was accepted by the NBCG emphasising the need for significant investment in staffing, facilities and training.
- We are working with clinical teams in London (St George's Hospital), Brighton, Stirling, and Belfast which have all committed to conduct psycho-social audits in order to prepare business cases for their respective Trusts.

Education

Awareness and skills:

- Articles have appeared in many journals read by teachers and educationalists such as the *International Journal for Equality and Innovation in Early Childhood* and we presented our approach at workshop/lectures at a Teach First conference, and at the Centre for Appearance Research at the University of the West of England.
- We have developed and run three Continuing Professional Development courses for teachers supported by our new DVD teaching resource
- We have helped the universities of Hull, De Montfort and Birmingham on inclusion issues.

Resources:

- *Changing Faces* was awarded a £200,000 grant over two years, from April 2009, by the Department for Children, Schools and Families (DCSF) to develop curriculum resources for secondary schools on face equality: Professor Tony Cline has agreed to chair the advisory group for this exciting new project and we will recruit staff shortly.

Policy:

- We have received excellent advice and guidance on how to develop this aspect of our activities from charities including Breast Cancer Care, TreeHouse and Barnardo's.
- After an All Party Parliamentary Group meeting, *Changing Faces* was invited to meet Lord Adonis, the (former) Schools Minister in the DCSF and has subsequently met with officials in his Department.

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Employers

- The launch of the Face Equality campaign brought new focus to our employment work by enabling *Changing Faces* to present disfigurement as an equality and business issue – and we decided to try to get a group of leading organisations to sign up to a set of *Face Equality at Work* principles and action plan.
- Barclays plc committed to be the first employer to back the campaign and marked this with a launch event in July at their Canary Wharf HQ hosted by Chief Executive, John Varley. 100 people attended from a range of corporate, industry, public and voluntary sector organisations and generated considerable interest. This has led to much follow-up, discussion, consultancy and training opportunities.
- By the end of March 2009, in addition to Barclays, the following had signed up: Marks & Spencer, British Airways, the National Policing Improvement Agency, Oxford County Council and Southend University NHS Trust, Lovells, KPMG, School of Oriental and African Studies, Shell, London Underground, the Council for Healthcare Regulatory Excellence and the Olympic Delivery Authority - London 2012.

UK Network

This project, to broaden our presence and reach across the UK, has continued to gather momentum – and we have now decided to extend it into England during the next two years in light of the success of our Officers' work in Wales, Scotland and Northern Ireland.

Wales

- After a considerable funding problem, we were finally able to appoint a new Wales Officer in early November and he is now reconnected with stakeholders in Wales and building up our work there again
- Policy: *Changing Faces* presented to the Dermatology Council for Wales to argue the case for improved psycho-social care.

Scotland

- Awareness and skills: we have arranged a number of events for health professionals including a Masterclass for psychologists and counsellors in June and a Beauty Inside and Out workshop for 13- to 16-year-olds with the Cleft Unit in Edinburgh
- Policy: the Scottish Burns Network has committed to auditing the current standard of psycho-social care in the burns units; we submitted evidence to several Scottish Parliament consultations, on cancer care, on specialist services for children and young people, on patients' rights and human rights.

Northern Ireland

- Awareness and skills: We have given a range of talks including to the Child Minding Association and at a psycho-educational day in oncology
- Policy: the Hospital Services in Belfast have decided to review how to improve psycho-social services throughout its entire system; the Northern Ireland Equalities Commission has committed its support for face equality.
- The Fall Ball, a fundraising event organised by the Burns and Plastics Units in Belfast, in aid of *Changing Faces* in October, was a success with over 200 people attending and nearly £7,500 being raised.

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Society Programme

We believe the requirement for public benefit has been met through the following activities:

The Face Equality campaign launch and roll-out has been the focus of the Campaign and Communications team's energy and efforts over most of the year, with our pro bono partnerships with DDB, Feel Films and Porter Novelli paying great dividends. In the autumn, we reconfigured the team so that we could commit more to developing the external events needed to 'start conversations' about face equality with opinion formers and the public.

Public Awareness

- The Campaign was launched with considerable media coverage, our new website and JC Decaux agreeing to give us free advertising space. The film plays on Bebo, My Space, You Tube and Friction TV. The Lend your Face collage now has over 1,000 faces behind the campaign including celebrities Joanna Lumley, Barbara Windsor, and Jemma Kidd.
- *Changing Faces* has also been involved in the London College of Fashion's debate on Beauty, a Wellcome Collection discussion about living with disfigurement positively
- Media coverage this year has been sustained and often brilliant: highlights include:
 - a feature on Face Equality at Work in *Personnel Today*
 - an excellent article on disfigurement and art in *The Guardian*
 - a BBC3 and BBC1 documentary called Me and My Face featuring Jess Lee
 - a BBC Online magazine article on Alison Rich which prompted huge interest, some donations and 200+ new people lending their faces to our face collage
 - a double-page spread in *Speak Out* (Birmingham charity magazine).
- Thanks to a pro bono offer from CBS Media and sponsorship from Bupa, 500 Face Equality posters were displayed throughout the London Underground for two weeks over the New Year in 2009, being seen by over 2.2m people, which would have cost £56,500
- High School Musical: a special three day tie-up with the Hammersmith Apollo involved Face Equality posters being given to young people, encouraging them to lend their face.

Informing and developing stakeholders

- We launched the Face Equality campaign at a Reception at the Royal Society of Portrait Painters' exhibition at The Mall Galleries to 300 guests with powerful presentations.
- Our 60 Face Equality Champions around the UK have helped us to promote the campaign throughout the year using the specially designed Face Equality packs, business cards, leaflets and other promotional materials.
- Our new website has been much applauded and now receives over 1,000 hits a week and we are exploring online and social networking/marketing possibilities.
- We have kept all our supporters informed through two newsletters and our eye-catching Annual Review.

Policy

- Face Equality in the Media: hosted by The Guardian at their new headquarters, we organised a panel discussion on 'Disfigurement on TV' based on Cardiff University's Research (funded by the Healing Foundation and Welsh Assembly Government) at the end of March 2009. The panel included Sarah Montague (Chair); Simon Bucks, (Associate News Editor, Sky News), Simon Dickson (Deputy Head of Documentaries Channel 4) and Hilary Salmon (Senior Executive Producer, BBC Drama).
- We supported Dr Ali Goode (of COG Research) when he presented a paper on our public attitudes survey at the Market Research Society conference in March.

CHANGING FACES

REPORT OF THE TRUSTEES (Continued...)

FOR THE YEAR ENDED 31st MARCH 2009

Operational support and fund-raising

We believe the requirement for public benefit has been met through the following activities:

Operational support

- This year has seen a huge amount of recruitment of new staff, which our small Operational Support team has handled very efficiently along with all the financial, governance, IT and office administration which is required to run a charity with an income of £1.25m.
- Our reception area now includes a new Resource Area with all our books, articles and reference materials; a pilot is being devised to make the resources available externally.

Fund-raising

- We have been absolutely thrilled with all the superb gifts, grants and donations received from many individuals and institutions – a full list of our supporters is available on request but the following are major donors to whom we owe especial thanks:
 - Vocational Training Charitable Trust
 - Venture Partnership Foundation
 - Skin Deep
 - Vitol Foundation
 - BlackRock's Charity of the Year Committee and staff
- Our London Marathon runners smashed all records – over £35,000 was raised
- The Radio 4 Appeal in May 2008 raised over £6,700 and we received an offer of a month's free cinema space, and an artist decided to paint a portrait of someone with a disfigurement.
- Our Gala Dinner in October starred our Patron, impressionist Jan Ravens, and, with Barclays plc's seedcorn support, our Committee chaired by Su Jenkins, secured auctions and raffles which brought in a net income of over £40,000.

Research Fund

We believe the requirement for public benefit has been met through the following activities:

- The first project funded by the *Changing Faces* Research Fund (to a researcher at the UWE Bristol) to develop a computer-based clinical intervention (based on cognitive behavioural principles) for people with disfigurements has reported important success. People who have used the website show a significant and sustained improvement in self-esteem and confidence. Plans are being developed to make the intervention available beyond the trial.
- During the year the Research Council has reviewed its Terms of Reference and agreed especially to become more involved in the process by which the charity evaluates its work. The new Terms describe the Council's remit as follows:
 - a) to advise and guide the Board of Trustees and staff of *Changing Faces* in any aspect of the charity's work in respect of research to ensure that all the charity's relevant activities and projects have robust methodologies and appropriate integrated evaluation;
 - b) to allocate and manage grants from funds raised specifically for, or designated by the Trustees to, the *Changing Faces* Research Fund, in accordance with the guidelines approved by the Trustees from time to time;
 - c) to advise and guide the Board of Trustees and staff of *Changing Faces* in the promotion of psycho-social research in disfigurement in creative ways other than through research grants;
 - d) to advise and guide the Board of Trustees and staff of *Changing Faces* on sources of research funding.
- The Council instigated a new *Changing Faces* Prize for under- and postgraduate students of medicine, dentistry, psychology, nursing, social work, play therapy, and professions allied to medicine (prostheticists, occupational therapists, physiotherapists, speech and language therapists). Two Prizes of £500 each were offered in October 2008 for a 2,000 word essay on the theme 'Coping with Disfigurement'. Over 30 entries are currently being judged.

CHANGING FACES

REPORT OF THE TRUSTEES (Continued...)

FOR THE YEAR ENDED 31st MARCH 2009

International work

We believe the requirement for public benefit has been met through the following activities:

- We continued to work with and support *Changing Faces*' first Associate, Stichting Eigen Gezicht in the Netherlands.
- The CEO represented the charity in May 2008 on a speaking and workshop tour of Taiwan (invited by the Sunshine Welfare Foundation), Hong Kong (invited by Professor of Plastic Surgery, Professor Andrew Burd and the 2nd Hong Kong International Burns & Wound Healing Symposium) and Bangladesh (invited by the Acid Survivors Foundation of Bangladesh).
- We were delighted to benefit from a major pro bono project conducted by the Global Strategy team at Deloitte's (thanks to an introduction by the Venture Partnership Foundation). This reviewed the strategic options available to *Changing Faces* internationally and produced a framework for decision-making.

5. FINANCIAL REVIEW

Commentary on the Accounts

The Balance Sheet shows Unrestricted Funds of £1.5 million (2008: £1.4 million), including the value of the Squire Centre, purchased in 2004 and the associated ongoing liability of £349,000 (2008: £400,000) to repay the loan enabling the purchase.

Income and Expenditure Account

Our Unrestricted Funds show a surplus of £86,906 (2008: £220,474) whilst our Restricted Funds show a surplus of £68,160 (2008: surplus of £581). The Trustees are also able to declare that, going into 2009-10, the charity has pledges of £631,000 (compared with £243,800 at the start of 2008-09) mostly for projects (£271,750) and repayment of the loan (£274,000) rather than core income.

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

Income

- Total Voluntary Income from donations and gifts increased by 18%, at £1,089,652 (2008: £924,645).
- Rental income from the short-term letting of a section of the Squire Centre has provided useful unrestricted income of just over £30,000 to the end of the sub-lease on 31st March.

Expenditure

- Expenditure on our charitable activities increased by some £57,513, or 6% to £955,659 (2008: £898,146).
- Fund-raising costs increased by 26% to £164,007 (2008: £130,200), in part as a result of increasing the public fund-raising role to full-time from January 2009.
- Governance costs at £28,970 (2008: £13,547), reflect a year including exceptional legal costs connected with a full review of the Memorandum and Articles of Association, including the necessary changes to permit registration with the Office of the Scottish Charity Regulator and the end of the sub-lease of part of the Squire Centre.
- Spending on the Society Programme increased by £58,713 reflecting the launch of the Face Equality campaign and the rejuvenation of our website

A £51,000 repayment has been made in the year towards the outstanding balance of the £1m loan taken on the Squire Centre in 2004. This now stands at £349,000.

CHANGING FACES

REPORT OF THE TRUSTEES (Continued...)

FOR THE YEAR ENDED 31st MARCH 2009

The Balance Sheet

- Our continuing loan liability is £349,000, reduced from £400,000 during the year. Pledges of £274,000 have been committed, which will be received in 2009-2010 and the charity is therefore intending to repay the loan in full on time by July 2009.
- An overall increase of £155,066 (or 9%) is shown in net assets.

Principal Funding Sources

Trust and corporate sources

A total of £931,292 (2008: £778,921) 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
- Alchemy Foundation
- HB Allen Charitable Trust
- Annett Charitable Trust
- BBC Children in Need
- Biss Davies Charitable Trust
- Carpenters' Company Charitable Trust
- Childwick Trust
- CHK Charities Ltd
- John Coates Charitable Trust
- Comic Relief
- Equitable Charitable Trust
- Fidelity UK Foundation
- Hugh Fraser Foundation
- Freemasons' Grand Charity
- Simon Gibson Charitable Trust
- Hobson Charity Ltd
- Sir James Knott Trust
- L'Arbre Vert Foundation
- Leathersellers' Company Charitable Fund
- Lloyds TSB Foundation for England and Wales
- Man Group plc Charitable Trust
- Oak Foundation Ltd
- Persula Foundation
- PF Charitable Trust
- Rufford Maurice Laing Foundation
- Henry Smith Charity
- Sobell Foundation
- Geoff and Fiona Squire Foundation
- Steel Charitable Trust
- TBF and KL Thompson Trust
- Triangle Trust 1949 Fund
- Venture Partnership Foundation
- Vitol Charitable Foundation
- Vocational Training Charitable Trust
- Waterloo Foundation

CHANGING FACES

REPORT OF THE TRUSTEES (Continued...)

FOR THE YEAR ENDED 31st MARCH 2009

Companies

- Barclays plc
- BlackRock Investment Management (UK) Ltd
- BUPA
- Paul (UK) Ltd
- Vitol Broking

Statutory grants

A grant of £70,867 was received from the London and South East Burns Network for 2008-2009 to develop and evaluate training for burn care professionals on the psycho-social aspects of rehabilitation.

Individual donations

Changing Faces has been delighted to receive donations totalling £158,360 (2008: £145,724) 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.£575,000 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 deficit of £75,632 (2008: deficit of £183,671). This deficit is attributable to the acquisition of the Centre during 2004. The Trustees aim to raise funds in future years to eliminate it and create a surplus of free reserves.
- At the year-end, there is £349,000 (2008: £400,000) of the £1m loan outstanding. The intention is to repay this in full by July 2009.

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 rise to levels above £150,000.

CHANGING FACES

REPORT OF THE TRUSTEES (Continued...)

FOR THE YEAR ENDED 31st MARCH 2009

6. PLANS FOR THE FUTURE

Long-term, 2009-13

At the beginning of April 2009, the vision for *Changing Faces*' development over the next 5 years is that the charity should grow its activities and campaigns not just in the UK but internationally too. Such an international programme will require significant funding and a strategy of gradual development.

The timing of this growth is dependent on whether and when that funding can be secured and on the charity's capacity to manage the change and growth. The gloomy global economic outlook is likely to make the search for funding more difficult but not impossible.

We have therefore described what we think could be achievable in this coming year and what we would like to achieve by 2014. The speed of development towards those long-term goals is impossible to define precisely at this time.

In the short-term, in 2009-10, we are determined to continue to develop all our activities and campaigns with due caution and close attention to cost control and by stepping up our fund-raising efforts. Our Plan (see page 19) includes expanding our UK Network team with a new Head and eventually five English Regional Officers, and launching the Face Equality campaign into the media, schools and the NHS. We will not take our eye off the UK in a way that might jeopardise our efforts.

We envisage the steps to our desired growth could be:

April – September 2009:

- Complete and celebrate the repayment of the £1m loan – a further £175,000 is required as at 31.3.09
- Gain the use of sub-let area (tenants leaving 31.3.09) and, once funds are available, fully refurbish the space so that the staff team can use the whole property
- Consider and decide how the charity's governance, leadership and management, including its fund-raising efforts can best be evolved
- Explore options for seedcorn funding and for the funding of the six possible strands of a future International Programme as described by the Deloitte's Global Strategy team (October 2008):
 - a. Online publishing
 - b. Franchise
 - c. Education
 - d. Centre of Excellence
 - e. NGO partnership
 - f. In-country effort
- Decide which strands should be pursued if funding can be found.

October 2009 – March 2010:

- Instigate the search for the seedcorn and other funding needed to develop an international presence for *Changing Faces*
- Develop the new arrangements for the charity's governance, leadership and management, recruiting and inducting as required

CHANGING FACES

REPORT OF THE TRUSTEES (Continued...)

FOR THE YEAR ENDED 31st MARCH 2009

Looking further ahead, our vision is that by 2014, *Changing Faces* will be recognised as:

- being the world's leading source of psycho-social help and inspiration for people with disfigurements and their families, including in many languages and online
- having the capacity and competencies to provide expert advice for professionals and policy-makers throughout the world in health, education and the workplace about how to address the psycho-social needs of their patients, students, employees and customers with disfigurements
- being highly influential in promoting face equality and inclusion in all cultures across the globe where attitudes towards disfigurement are predominantly negative

In terms of outcomes, over the next five years we aspire to make the following happen, towards our long-term vision (underlined below) of a fair and just world. Indicators and baseline figures to measure these improvements are being developed.

Please note that these outcomes are entirely UK-focused at this time but will be complemented by international goals as our International Programme is put into action.

Everyone with a disfigurement will have full access to effective psycho-social help to strengthen their self-esteem and self-confidence

By 2014:

- The numbers of people contacting *Changing Faces* for direct help will have increased by 10% per year – including the hits on the clients' sections of the websites
- The number of parents down-loading or acquiring our 'top tips' to support their child in adopting positive attitudes and building self-confidence will have increased by 10% pa
- We will have disseminated 20,000 copies of our new self-help guide for adults with disfigurements and parents/families.

Every health clinic, school and workplace will be informed and skilled to tackle the psycho-social effects of disfigurement confidently

By 2014:

- The NHS standards and guidelines for the treatments of five of the major disfiguring conditions (eg: clefts, burns, head and neck cancer, skin conditions and facial paralysis) will recognise that psychological care should be integrated routinely into services for patients and families
- The need to provide psycho-social support at GP surgeries for individuals and their families with disfiguring conditions will be recognised in prevailing primary care standards
- Modules on the psycho-social issues of disfigurement will feature strongly in education institutions' under- and post-graduate curricula for medics, nurses and teachers
- National best-practice recruitment policy will recognise the need to respect face equality principles; accordingly, major employers in the public and private sectors will promote face equality through appropriate cultures, attitudes, policies and practices.

Everyone with a disfigurement will be entitled to and enjoy respect and fairness – and everyone in society will be able to face disfigurement with confidence whether or not they have a disfiguring condition.

By 2014:

- Face equality will be recognised as a key equality issue by Government and by the Equality and Human Rights Commission and disfigurement properly enshrined in equality and human rights legislation
- There will be a greater diversity of faces in mainstream TV programmes and advertising
- The issue of public attitudes towards disfigurement will be much more widely debated
- A public attitude survey in 2011 will show an improvement in people's attitudes towards people who have disfigurements.

CHANGING FACES

REPORT OF THE TRUSTEES (Continued...)

FOR THE YEAR ENDED 31st MARCH 2009

Annual Plan, 2009-10

During the autumn-winter of 2008-09, *Changing Faces* reviewed all its Programmes in light of the progress made in the year and external opportunities and threats including the economic downturn. We are determined to continue to develop all our activities and campaigns – and with due caution and close attention to cost control and by stepping up our fund-raising efforts.

The full Annual Plan for 2009-10 which contains the detailed plans for all our Programmes is available on request. Our current staffing structure is described in Annex 1.

The headlines for 2009-10 for each Programme:

Individuals and families

- Maintain and develop our existing one-to-one, group and online activities, providing help to the 500+ people and families who contact us for the first time and all ongoing clients
- Nurture the Young People's Council and explore how to increase adult user involvement.

Professionals

- Grow all our Catalyst for Change efforts in the NHS, schools and with employers, boosted by new VTCT-funded Advisory staff
- Launch the Face Equality campaign into education/schools and the NHS and roll it out further with employers including with a Face Equality at Work membership scheme.

UK Network

- Recruit a new Head to develop this project with Officers in 5 English Regions as well as Wales, Scotland and Northern Ireland; a full team should be in place by March 2010

Society

- Galvanise the Face Equality campaign to the public, the media and opinion-formers through eye-catching, attitude-shifting events and partnerships
- Continue to push for informed and positive portrayals of people with disfigurements throughout the media

Fund-raising and Operational Support

- Fundraising will be challenging: must increase our fund-raising team's size and efforts
- Plan to complete the £1m loan repayment by July 2009
- Take over the whole Squire Centre and invest in its refurbishment, as well as continuing to have a strong administrative team backed up with effective IT and database systems

International

- Aspirationally, once the loan is repaid, develop our international activities utilising with the strategic framework proposed by Deloitte.

The whole charity will commit, as routine, to the measurement of the outcome of all work in all Programmes in close collaboration with the Centre for Appearance Research and other institutions

CHANGING FACES

REPORT OF THE TRUSTEES (Continued...)

FOR THE YEAR ENDED 31st MARCH 2009

7. CONCLUSIONS AND LOOKING AHEAD

The Trustees believe that 2009-10 will be an extremely important year for *Changing Faces* as we finally complete the repayment of the £1m loan on our excellent HQ thereby potentially liberating much energy and resource to pursue our aspirations, including internationally.

However we also recognise, as all charities do, that as a result of the economic recession, 2009-10 and probably subsequent years will present many challenges not only in fund-raising terms but also because our services may well be more in demand as the downturn bites into people's confidence.

Changing Faces is determined to remain optimistic in the face of the uncertainties ahead. We are absolutely determined to sustain and develop our empowering, our advocacy and our campaigning not just in the UK but, eventually, internationally too.

We hope that our supporters – and many new ones too – will be inspired to support *Changing Faces* in working for a better and fairer future for people with disfigurements.

CHANGING FACES

REPORT OF THE TRUSTEES (Continued...)

FOR THE YEAR ENDED 31st MARCH 2009

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Law applicable to incorporated charities in England and Wales requires the Trustees, who are also directors for the purposes of company law, to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of its financial activities during the year. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- 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 which disclose with reasonable accuracy the financial position of the charitable company. These accounting records should enable them to ascertain its financial position and to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity 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 Cann
Chairman

25th June 2009

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

OF CHANGING FACES

We have audited the financial statements of *Changing Faces* for the year ended 31st March 2009 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

As described in the Statement of Trustees' Responsibilities the charity's trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The Trustees are also directors of *Changing Faces* for the purposes of company law.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and whether the Trustees' Report is consistent with the financial statements. We also report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31st March 2009 and of its incoming resources and application of resources in the year then ended;
- have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the financial statements.

haysmacintyre
haysmacintyre
Chartered Accountants, Registered Auditors
..... 6 July 2009

Fairfax House, 15 Fulwood Place
London WC1V 6AY

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 2009

	Notes	Unrestricted Funds £	Restricted Funds £	2009 £	2008 £
Incoming Resources					
<i>Incoming resources from generated funds:</i>					
<i>Voluntary income: donations and gifts</i>					
Charitable Trust donations		331,292	505,361	836,653	721,836
Corporate donations		11,626	83,013	94,639	57,085
Private donations		128,544	1,235	129,779	93,931
Community groups		17,562	11,019	28,581	51,793
<i>Activities for generating funds:</i>					
Fundraising events		63,630	-	63,630	195,052
<i>Investment income</i>					
Rental income		30,459	-	30,459	30,000
Interest receivable		21,142	-	21,142	25,398
<i>Incoming resources from charitable activities:</i>					
Statutory Grants		-	70,867	70,867	44,216
Training and Consultancy		23,229	-	23,229	38,665
Other incoming resources		4,723	-	4,723	4,972
Total Incoming Resources	1	<u>632,207</u>	<u>671,495</u>	<u>1,303,702</u>	<u>1,262,948</u>
Resources Expended					
<i>Cost of generating funds:</i>					
Cost of generating voluntary income		155,827	8,180	164,007	130,200
<i>Charitable Activities:</i>					
Individuals Programme		64,601	280,157	344,758	342,911
Professionals Programme		159,537	200,070	359,607	341,708
Society Programme		136,366	107,750	244,116	185,403
Research		-	7,178	7,178	27,764
International		-	-	-	360
<i>Governance costs</i>		<u>28,970</u>	<u>-</u>	<u>28,970</u>	<u>13,547</u>
Total Resources Expended	3	<u>545,301</u>	<u>603,335</u>	<u>1,148,636</u>	<u>1,041,893</u>
Net Incoming/(Outgoing) resources		<u>86,906</u>	<u>68,160</u>	<u>155,066</u>	<u>221,055</u>
Reconciliation of Funds					
Fund balances brought forward at 1 April 2008		<u>1,388,491</u>	<u>266,196</u>	<u>1,654,687</u>	<u>1,433,632</u>
Fund balances carried forward at 31st March 2009	11	<u>1,475,397</u>	<u>334,356</u>	<u>1,809,753</u>	<u>1,654,687</u>

All amounts relate to continuing activities. All recognised gains and losses are included in the income and expenditure account.

The notes on pages 25 to 32 form part of these financial statements.

CHANGING FACES

BALANCE SHEET

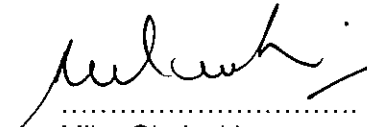
AS AT 31st MARCH 2009

	Notes	2009		2008	
		£	£	£	£
FIXED ASSETS					
Tangible assets	6		1,551,029		1,572,162
CURRENT ASSETS					
Stock	7	8,078		8,090	
Debtors and prepayments	8	19,447		152,605	
Cash at bank and in hand		655,192		469,251	
		<u>682,717</u>		<u>629,946</u>	
CREDITORS: Amounts falling due within one year	9	(423,993)		(347,421)	
NET CURRENT ASSETS			258,724		282,525
Total assets less current liabilities			1,809,753		1,854,687
CREDITORS: Amounts falling due after more than one year	10		(-)		(200,000)
NET ASSETS			<u>1,809,753</u>		<u>1,654,687</u>
REPRESENTED BY					
Restricted Income Funds	11		334,356		266,196
Unrestricted Funds	11		1,475,397		1,388,491
			<u>1,809,753</u>		<u>1,654,687</u>

For a full analysis of the make up of the reserves of £1,809,753 please refer to Note 11 of these accounts and the reserves policy detailed on page 16.

The financial statements were approved by the Board of Trustees and authorised for issue on 25th June 2009 and signed on their behalf by:


.....
Anthony Cann
Chairman


.....
Mike Okninski
Honorary Treasurer

The notes on pages 25 to 32 form part of these financial statements.

CHANGING FACES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH 2009

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 1985.

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 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 2009

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 £	2009 £	2008 £
<i>Charitable Activities:</i>				
Individuals Programme				
Adults	111,053	44,058	155,111	141,622
Children and Young People	132,595	57,052	189,647	201,289
Professionals Programme				
Health	74,880	24,020	98,900	72,005
Education	35,362	11,001	46,363	31,954
Employment	60,449	15,575	76,024	57,447
UK Network	73,315	26,166	99,481	135,996
NHS Burn care projects	27,969	10,329	38,298	19,543
Multi-disciplinary work with professionals	-	541	541	24,763
Society Programme	130,154	113,962	244,116	185,403
Research	-	7,178	7,178	27,764
International	-	-	-	360
Governance costs	11,620	17,350	28,970	13,547
	<u>657,397</u>	<u>327,232</u>	<u>984,629</u>	<u>911,693</u>
<i>Costs of generating funds:</i>				
Fundraising	101,832	62,175	164,007	130,200
	<u>759,229</u>	<u>389,407</u>	<u>1,148,636</u>	<u>1,041,893</u>

CHANGING FACES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31st MARCH 2009

3. ANALYSIS OF TOTAL RESOURCES EXPENDED (continued)

Direct and support costs	Direct Costs £	Support Costs £	Total 2009 £	Total 2008 £
<i>Charitable Activities:</i>				
Individuals Programme				
Adults	129,858	25,253	155,111	141,681
Children and Young People	160,347	29,300	189,647	201,369
Professionals Programme				
Health	83,036	15,864	98,900	72,023
Education	38,755	7,608	46,363	31,962
Employment	63,234	12,790	76,024	57,465
UK Network	83,617	15,864	99,481	136,033
NHS Burn care projects	32,147	6,151	38,298	19,549
Multi-disciplinary work with professionals	541	-	541	24,802
Society Programme	217,406	26,710	244,116	185,465
Research	7,178	-	7,178	27,764
International	-	-	-	360
<i>Governance costs</i>	17,280	11,690	28,970	13,547
	<u>833,399</u>	<u>151,230</u>	<u>984,629</u>	<u>911,693</u>
<i>Costs of generating funds:</i>				
Fundraising	141,668	22,339	164,007	130,200
	<u>975,067</u>	<u>173,569</u>	<u>1,148,636</u>	<u>1,041,893</u>

Support costs allocation	Office Costs £	Finance and IT £	Premises £	Total 2009 £	Total 2008 £
<i>Charitable Expenditure:</i>					
Individuals Programme					
Adults	11,993	7,066	6,194	25,253	37,315
Children and Young People	13,915	8,198	7,187	29,300	50,205
Professionals Programme					
Health	7,534	4,439	3,891	15,864	11,534
Education	3,613	2,129	1,866	7,608	4,749
Employment	6,074	3,579	3,137	12,790	11,760
UK Network	7,534	4,439	3,891	15,864	23,293
NHS Burn care projects	3,008	1,721	1,422	6,151	3,392
Multi-disciplinary work with professionals	-	-	-	-	24,424
Society Programme	12,686	7,473	6,551	26,710	38,445
<i>Governance costs</i>	11,690	-	-	11,690	5,337
	<u>78,047</u>	<u>39,044</u>	<u>34,139</u>	<u>151,230</u>	<u>210,454</u>
<i>Costs of generating funds:</i>					
Fundraising	10,609	6,250	5,479	22,339	21,032
	<u>88,657</u>	<u>45,294</u>	<u>39,618</u>	<u>173,569</u>	<u>231,486</u>

CHANGING FACES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31st MARCH 2009

4. SURPLUS FOR THE YEAR	2009	2008
	£	£
The surplus for the year is stated after charging:		
Auditors' remuneration	7,187	7,344
Depreciation of fixed assets	28,087	28,967
Operating lease rentals – other	2,854	3,102
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
5. EMPLOYEES	2009	2008
	£	£
Wages and salaries	667,685	616,454
Social security costs	67,042	62,567
Pension costs	24,502	16,672
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

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

	No.	No.
Individuals Programme	8.0	7.5
Professionals Programme	7.5	7.0
Society Programme	3.0	3.0
Fundraising	3.0	2.0
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
The number of employees whose emoluments exceeded £60,000 per annum was:		
£80,000 - £90,000	1	-
£70,000 - £80,000	-	1
	<u> </u>	<u> </u>
	<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 (2008: none).

CHANGING FACES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31st MARCH 2009

6. TANGIBLE ASSETS	Leasehold Premises £	Office Furniture £	Office Equipment £	Computer Equipment £	Total £
COST					
At 1 April 2008	1,599,566	16,355	23,831	46,912	1,686,664
Additions	-	-	944	6,026	6,970
Disposals	-	-	-	(91)	(91)
At 31st March 2009	<u>1,599,566</u>	<u>16,355</u>	<u>24,775</u>	<u>52,847</u>	<u>1,693,543</u>
DEPRECIATION					
At 1 April 2008	45,702	11,872	20,610	36,319	114,503
Charge for the year	15,234	2,241	3,399	7,213	28,087
Disposals	-	-	-	(76)	(76)
At 31st March 2009	<u>60,936</u>	<u>14,113</u>	<u>24,009</u>	<u>43,456</u>	<u>142,514</u>
NET BOOK VALUE					
At 31st March 2009	<u>1,538,630</u>	<u>2,242</u>	<u>766</u>	<u>9,391</u>	<u>1,551,029</u>
At 31st March 2008	<u>1,553,864</u>	<u>4,483</u>	<u>3,222</u>	<u>10,593</u>	<u>1,572,162</u>

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

A first legal charge is held over the leasehold property by the Geoff & Fiona Squire Foundation as security over the bank loan the Foundation guaranteed. A second legal charge is held by The Big Lottery Fund.

7. STOCKS	2009 £	2008 £
Stocks of booklets and publications	<u>8,078</u>	<u>8,090</u>

Stocks are recognised to the extent booklets and publications are to be sold in 2009/2010. When these items are indicated as to be distributed free they have been included in the amount for prepayments.

CHANGING FACES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31st MARCH 2009

8. DEBTORS	2009	2008
	£	£
Trade debtors	2,285	32,091
Other debtors	7,670	114,251
Prepayments and accrued income	9,492	6,263
	<u>19,447</u>	<u>152,605</u>
	<u><u>19,447</u></u>	<u><u>152,605</u></u>
9. CREDITORS: Amounts due within one year	2009	2008
	£	£
Bank loan	349,000	200,000
Trade creditors	11,435	13,200
Accruals and deferred income	42,945	115,596
Taxes and social security	20,613	18,625
	<u>423,993</u>	<u>347,421</u>
	<u><u>423,993</u></u>	<u><u>347,421</u></u>
10. CREDITORS: Amounts falling due after more than one year	2009	2008
	£	£
Bank loan		
Due within one to two years	-	200,000
Due within two to five years	-	-
	<u>-</u>	<u>-</u>
Due after more than one year	-	200,000
Due within one year (see Note 9)	349,000	200,000
	<u>349,000</u>	<u>400,000</u>
	<u><u>349,000</u></u>	<u><u>400,000</u></u>

The loan is secured by a guarantee given by the Geoff & Fiona Squire Foundation (see Note 6).

CHANGING FACES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31st MARCH 2009

The Society 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.

12. COMMITMENTS UNDER OPERATING LEASES

As at 31st March 2009, the company had annual commitments under non cancellable operating leases as set out below:

	2009 £	2008 £
Operating leases which expire:		
In one to two years	-	-
In two to five years	2,870	2,870
	<u>2,870</u>	<u>2,870</u>
	<u>2,870</u>	<u>2,870</u>

13. 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 £24,502 (2008: £16,672).

14. RELATED PARTY TRANSACTIONS

There were no transactions with related parties.

ANNEX: 1: ORGANISATIONAL STRUCTURE, APRIL 2009

