

CHANGING FACES

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

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

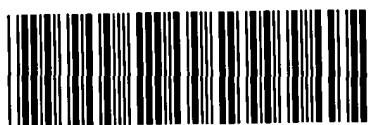
FOR THE YEAR ENDED

31st MARCH 2020

Haysmacintyre LLP
Chartered Accountants
Registered Auditors
London

Registered Charity number: 1011222
Company Registration Number: 02710440
Charity registered in Scotland: SC039725

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CHANGING FACES

REPORT OF THE TRUSTEES for the year ended 31st March 2020

Report of the Chair

I wanted to start this report by paying tribute to our Founder and CEO of 25 years – Dr James Partridge – who very sadly passed away in August 2020. James was an unequalled, passionate, and tireless pioneer for people with visible differences and his loss will be deeply felt in our community. His vision will inspire our future work – particularly as we look ahead in these uncertain times. We were also deeply saddened by the death of our wonderful Trustee, and long-standing and deeply-committed supporter, Richard Morris. His loss will be felt greatly by us all.

Changing Faces has made significant progress during the year to March 31st 2020, which was the second year of our three-year strategic plan to provide direct support and secure positive change for people in the UK affected by visible difference.

The first two years of our strategy have been about transition and transformation. Our approach has centred around a comprehensive review of our core wellbeing and skin camouflage services – aiming to increase their reach, impact, responsiveness, and accessibility through prioritising a new approach to digital. We have continued to champion the voices of people with visible differences: building our new Campaigners' programme, launching hard-hitting campaigns to drive social change, strengthening our research approach, sharing more stories, and developing our approach to listening, collaborating and consulting people with visible differences. We have invested carefully in sustainable income generation, digital infrastructure, staff team and governance structures that will ensure we build a resilient, innovative, and dynamic charity for the future. And we have developed our use of data – to help us to understand our impact so that we can prioritise the work that makes the most difference.

It has been an ambitious programme of change and development, but I am very pleased to say that – with a few exceptions – we have delivered our strategic priorities this year.

As we looked ahead to final year of our strategy, our intention was to focus on anchoring our key changes – and investing further in our fundraising and digital capacity – to create a platform for substantial, but ambitious growth in our next strategic plan.

Of course, like so many charities, our work has been profoundly impacted by Covid-19. It has inevitably been the case that our original plan for the year ahead has been very significantly altered as we have adapted to both the operational and financial impacts of the crisis. A detailed account of that impact, and our response, can be found in the 'Looking Ahead' section of this report.

Some of that disruption was felt in the last months of the 19/20 financial year. Our generous supporters were quick to help us respond to this crisis but sadly some of our expected corporate partnerships and community fundraising were affected. We also saw the suspension of NHS income, and a slight reduction in Skin Camouflage appointment numbers, due to the service being paused in mid-March.

The injustices and mental health challenges faced by people with visible differences remain acute. People with visible differences also face new and growing difficulties as a result of the Covid-19 pandemic. Our commitment to our purpose remains as strong as ever. However, we recognise that for the next 18 months, long-term ambition for the charity's future means that our immediate priority must be to scale back our activities: focussing our resources fully on those activities delivering the greatest impact for our community, while maintaining a secure financial foundation. Our revised plans for the 2020/21 financial year reflect those careful considerations about where to focus our resources to achieve the greatest impact.

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Changing Faces is fortunate to have gone into the crisis with a healthy balance sheet and a strong reserves position. We achieved an 11% growth in voluntary income during the year, building on a 30% growth the year before that. Our current strategy – to prioritise investment in digital transformation – also serves us well for responding to the pandemic. Therefore, we are confident that these underlying strengths, and our rapid response to the crisis, will put us in a good position to navigate the many challenges ahead and deliver our vital services to a community who needs us now more than ever.

As a Board of Trustees, we know that the combined effort of our loyal friends, volunteers, Champions and supporters is essential for us to achieve our goals. On behalf of the Board of Trustees, I would like to thank each and every one of the people who selflessly and generously gave their time, money and voices this year.

Our relationships with other charities and organisations who share our passion and purpose are also more important than ever. Vital networks such as the Appearance Collective and Face Equality International enable us to amplify our voice, and our work with other academic and research partners is essential to ensuring the validity, efficacy, and independence of our agenda.

In closing, I would like to thank my colleagues who serve voluntarily as Trustees of Changing Faces. They all know that transitioning the charity has been challenging and the time ahead is likely to be more testing than ever. Their support and counsel will be essential to helping the charity achieve its goals.

Finally, I would like to thank the leadership and staff team at Changing Faces, past and present, for their tenacity, imagination, creativity, and hard work in ensuring that the charity continues its essential work. I know there have been moments of extreme pressure, difficulty, and uncertainty, but I also know that we have the ambition, dedication, and talent to achieve our long-term goals.

David Clayton

Chair of the Board of Trustees

26 October 2020

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Objectives and Activities

Changing Faces is the UK's leading charity for people in the UK with a visible difference: a mark, scar or condition that makes them look different. We provide advice, support and psychosocial services to children, young people, and adults. We challenge discrimination and we campaign for Face Equality: a world that truly values and respects people who look different.

Why our work is needed

'Not having to go out and face the world and the stares that come with looking different, is in many ways so much easier. For years, I have had to force myself to face up to the anxiety and go out my front door. I can start to feel that anxiety coming back - just the thought of going out the other day made me think about who would see my scars, what would they think? I'm already back in the mindset of where I was before where I think 'What am I going to have to deal with today?' Tulsi, a burns survivor

We know that looking different in a world where there is such pressure to look a certain way already presents huge challenges. People with visible differences are vulnerable to isolation, loneliness, social anxiety, and low self-esteem. They face staring, harassment, bullying and hate crime. They experience lowered expectations in school, problems getting work and stereotyping in the media. They are severely under-represented in public life and decision-making.

Among adults:

- One in three people say that they feel depressed, sad, or anxious as a result of having a visible difference
- 60% of people have experienced hostile behaviour from strangers
- Almost a quarter say they feel self-conscious or embarrassed going out in public as a result of their visible difference
- A third say that their employers have not been effective in preventing discrimination against them in the workplace.

Among children and young people:

- Less than a third of children say they would be friends with a child with a visible difference
- Almost half of young people who have a visible difference are bullied at school
- Half of young people say they have witnessed negative behaviour towards a person with a visible difference – like staring, pointing, or saying something nasty to them, or taking a photo of them.

People with visible differences have also been hard hit by Covid-19. Many have already self-isolated previously due to bullying and abuse they receive because of their visible difference. They tell us that they are stressed and anxious about going back out in public and returning to school, university or work - alongside coping with pandemic-related challenges like wearing facemasks, dealing with video calls, and other health issues which make them vulnerable.

"When I think about going back outside after lockdown, I have a lot of anxiety about my skin and appearance as I know the questions I hate to answer will be still there when I meet new people." Amba

Our research and contact with other appearance charities shows that many of our community who have not previously needed targeted mental health support are more likely to do so in the future due

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to the pandemic. Over 40% of people with visible differences tell us their mental health has got worse since March; nearly half (43%) would like support for their mental health and wellbeing, and the same number would like support online. We will need to continue to respond to meet the evolving needs of our visible difference community during and beyond the Covid-19 crisis.

How does Changing Faces help?

People with visible differences have told us about the transformational impact our work can have. Our Wellbeing and Skin Camouflage services build confidence and resilience – giving people with visible differences tools to manage their feelings, cope in different social settings, handle other people's reactions or deal with transitions such as starting school. Our campaigns, education and learning programmes drive change so that the ambitions of people with visible difference are not limited by attitudes, behaviours or systems and they can lead the lives they choose.

Our strategy is about building a future where everyone with a visible difference has the confidence, support, and opportunity to lead the lives they want. It will see us stand alongside people with visible differences to challenge discrimination, remove barriers to success and campaign for Face Equality: a world that truly values and respects people who look different.

Our ambition is to build and grow our charity so that we can have the greatest possible impact – always keeping the voices of people affected by visible difference at the heart of our approach. We know there are thousands more people who need our help, so we won't stop until everyone with a visible difference has the confidence, support, and opportunity to live the lives they want.

Our new strategy has seen us deliver our charitable purpose through four strategic themes:

The leading provider of service innovation for those with a visible difference

We will innovate, evaluate impact, and demonstrate excellence in our services – based on an in-depth understanding of our service users' needs. We will increase the reach of services through effective use of digital. And we will use our evidence and expertise to inspire and influence best practice in psychosocial support for those with a visible difference.

Championing the voice of those with a visible difference

We are determined to empower people affected by visible difference to tell their stories and be heard. We will raise awareness of the reality of living with visible difference, change attitudes and challenge prejudice. We will be an expert on the issues affecting people with visible differences and use our evidence to secure positive social change.

Achieving long term financial sustainability

We will manage our finances responsibly and ensure there is greater predictability and sustained growth in our funding whilst minimizing risk by developing a more balanced portfolio of funding sources.

A highly efficient and effective organization

We will build a values-focused culture of learning, accountability and high-performance. We will have a transparent and effective governance structure and build a working environment that encourages learning and innovation. We will prioritize and evaluate what is critical to our success and report regularly and transparently our performance. We will build our digital vision, skills, culture, and capability.

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The leading provider of service innovation for those with a visible difference

New Service Strategies

This year we continued to implement our new Wellbeing, Skin Camouflage and Education strategies, with a strong focus on quality and evaluation; innovation and responsiveness; financial sustainability; accessibility; consultation and user voice; governance and compliance.

Our service strategy over the last three years has seen us adapt the Thrive Framework, the Anna Freud and Tavistock and Portman model for children's mental health support (CAMHS), for the Changing Faces Wellbeing Service. The framework offers a structured range of support interventions for clients – from coping, getting help, getting more help, and getting risk support.

Wellbeing Service

Our Wellbeing service offers a spectrum of support for people with different levels of need including counselling and support via our Wellbeing Practitioners, online peer group chat and forum, the Support and Information Line, self-help factsheets and guided self-help via FacelT@home.

Over the past year our Wellbeing Team were proud to deliver vital support, information, and advice to 867 people of all ages, and their families affected by visible differences. 90% of our 1-1 counselling clients reported a significant improvement in their self-identified goals on the Client Outcomes Evaluation Scale.

'I just want to say thank you so much for the service I received, it was blooming brilliant! I don't think I had a clear idea of what I wanted to achieve when I started, but I don't think I'd have believed I could have come so far. There's no magic moment where everything is ok and all my fears are gone, but the prospect of there being a time in the not too distant future when most days I don't have a problem with how I look and I'm not bothered by people who do, doesn't feel unrealistic.'

On our Support and Information Line, 96% of those who responded to our feedback survey reported high satisfaction with the way we met their needs, with 94% rating us highly in helping with their appearance related concerns. 99% reported the service as high quality.

'Many thanks for all the time you spent on our phone call yesterday. You were a great listener. I found it so helpful and it gave me hope that help is out there!'

Following a successful pilot, our Online Support Forum, which provides peer-to-peer support for people with visible differences had 1,606 members by March 2020. We also enhanced our peer offer, by completing the research, scoping, and service design phases for a new our Online Peer Group work and were delighted to launch the very first weekly online Peer Group Chat in May 2020.

'After more than fifty years living in a silent hatred because of my difference finally I feel like I'm not alone and have connected with people who "get it!" What a relief.'

In January 2020, we also launched FacelT@home, a self-guided, online tool for adults to help people learn new skills and providing useful tips to build confidence.

We were also delighted to receive 15,137 unique page views to our self-help pages of our website which provides a wide range of Self-Help for adults, families and young people learn new techniques to handle living with an unusual appearance.

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'A really helpful guide about what makes it such a challenging situation for affected parents. I wish I'd been able to read this page on day one.'

An ambitious workshop programme was delivered in year 2 of our Children in Need-funded service in Yorkshire and the Humber, where 83 children and young people attended six dynamic workshops supporting them to build skills with peers who may be struggling with similar issues. With a focus on peer-to-peer support, shared experience, confidence-boosting and building self-esteem, workshop activities varied from relaxation and mindfulness, to creative writing and circus skills.

Skin Camouflage Service

2,164 clients in England and Scotland were supported by our Skin Camouflage Service, which offers a consultation with a trained Practitioner to provide advice on camouflage-creams used on a condition, mark or scar causing them concern. 92% of clients said the service met their needs. We continued to improve our Volunteer Practitioner training programme, and this received reaccreditation from the Royal College of Nursing. We were also able to add a new video to our web pages to support clients to learn more about our appointments.

In line with our strategic plan for services, we completed our clinic transformation plan across England. Appointments are now delivered from 'super-clinics' or hubs, based in easily accessible locations in the South West, Midlands, North, and London/South East. The transformation in Scotland is planned for 2020/2021.

New digital tools have allowed us to start offering online appointment-booking in some areas, and clients have benefitted from the introduction of automated appointment reminders and opportunities to provide feedback. Client data is now collected and transferred using digital forms, making service administration more efficient and secure. The team have also moved training materials online, improving accessibility for new trainees.

Unfortunately, we completed the transformation in England just as the country entered lockdown due to Covid-19. In order to ensure the safety of our clients, volunteers and staff we therefore suspended the service from mid-March but will reopen as soon as possible within the safety guidelines. We are also exploring digital options for service delivery.

Education and Learning

Our Face Equality in Schools Project, in partnership with University College London, the Institute of Education and funded by the VTCT Foundation, moved into the second phase of development. This phase focussed on teacher training resources and included several innovative elements. Children, young people, parents, and teachers all contributed to a series of short videos explaining the impact of visible difference on their lives and how schools can support them in their education and wellbeing. In addition, it was agreed that an animation would be commissioned to explain to teachers the concept of implicit bias and how it can affect their decision making and behaviour.

Implementation of the Workplace strategy began, and significant progress was made toward corporate funding of an Implicit Bias training programme, co-delivered by people with a visible difference and a digital recruitment resource. Presentations were also made to Benefit, the FCO and BECTU (the media union). Initial discussions included providing workplace training on implicit bias and recruitment as part of #PledgetobeSeen. The first in a series of paid for training for front of house staff at Barclays headquarters at Canary Wharf took place in January. In addition, an implicit bias workshop was delivered to the recruitment agency Prospectus. Work on corporate training and potential funding was suspended in March due to Covid as businesses focused on the consequences of lockdown.

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A workshop on the psychological aspects of visible difference was delivered to the London Adult Neurology Clinical Excellence Network. Work was also started on scoping training for Health Care Professional. Discussions with several organisations involved in the areas including the Education Lead for the British Dermatology Nursing Group, helped inform the process. Desk research was also undertaken to understand the key areas where we can influence training both at pre-qualification and CPD level. However, work has been temporarily paused on scoping training for Health Care Professional due to capacity and timing.

Research

Our links with academic and other research partners continue to be fundamental to the validity, efficacy, and independence of our agenda. The current relationships that have been active this year

- Centre for Appearance Research (CAR), members of both the CAR steering group and Faceit@home steering group
- Education Psychology Group, University College London as a part of the Face Equality in Education Programme
- University of Sheffield, support for our Children in Need programme in Sheffield
- The Institute of Education as part of the Face Equality in Education Programme.

Policy and Consultations

We continue to monitor opportunities for Changing Faces to influence the policy and legislative framework for the lives and rights of people with visible difference. We are currently members of the All-Party Parliamentary Groups (APPGs) for Skin, Cancer, Bullying, Disability and Body Image.

This year we have contributed to:

- Oral evidence to the APPG for Skin
- Department for Digital, Culture, Media and Sport (DCMS) Online Harms White Paper
- Presentation at APPG on Bullying

Championing the voice of people with a visible difference

Face Equality Day

This year we celebrated Face Equality Day by launching a new report into the experiences of people with visible differences – My Visible Difference. This included a brief film that summarised the findings. The media work was led by both champions and ambassadors and despite a busy news agenda, we secured 132 pieces of coverage, across national, regional and trade press. Highlights included the Sunday Telegraph, BBC Online, BBC Social, ITV Lunchtime News, BBC2 Victoria Derbyshire, Channel 5, The Herald and Evening Times, alongside a series of three articles in the Metro. Face Equality Day was even the subject of Pause for Thought on BBC Radio 2.

We held a special report launch and panel discussion at The Telegraph newsrooms, hosted by Telegraph Editor Emeritus Ian MacGregor. Panellists included Vicky Knight, a burns survivor and star of the film Dirty God about an acid attack, our Champion Natalie Ambersley who has vitiligo and Baroness Williams of Trafford, Minister of State for Countering Extremism and Minister of State for Equalities.

#VisibleHate Hate Crime Campaign

Due to the 2019 election and purdah restrictions on the Home Office, we took the decision to delay the launch of our #VisibleHate campaign until January 23rd. With new research, case studies and a powerful creative film, it became the most successful campaign ever for Changing Faces. Actor and

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presenter Adam Pearson and five other ambassadors starred in the film and led on media work, helping to achieve over 150 positive media pieces with a reach of over 30 million. These included BBC Breakfast, BBC local radio, Talk Radio, Channel 5, Sky News, BBC Scotland News, Metro, inews, Telegraph and Joe.co.uk.

Adam shared that whilst the abuse is tough to deal with, the video gave him the opportunity to educate people:

'I've been abused in the street but also get a lot of hate online. Some people say to me "well just quit social media" but that's not a solution.

'This highlights the impact of hate crime and will cultivate a landscape where people like me can exist and engage without being attacked simply for how we look.'

The launch the film, our research and practical advice pages for people who experience or witness a hate crime lead to Changing Faces adding 8,000 new followers across its social channels and experiencing the biggest day of website traffic in the history of the charity. The film was very well received and achieved a combined reach of over 1.8m across all platforms and was viewed over 640,000 times.

Pledge to be Seen

On Face Equality Day we launched our Pledge To Be Seen campaign, calling on companies and brands to represent more people with visible differences. We were seeking to secure 20 businesses and brands in support and despite disruption due to Covid-19, eight businesses have publicly announced their support, including IBM, Avon, creative industry union BECTU and Ofcom.

Our pledge partner Avon formally launched our partnership to their employees and representatives. A campaign celebrating Avon's 60th anniversary featuring one of Changing Faces Champions, launched in July 2019 and the first publicity shoot for Changing Faces' Ambassadors took place in December 2019. The shoot featured five Ambassadors with visible differences and the incredibly powerful images are increasing diversity across Avon's brochures and social media platforms. At the shoot Paulette said: *'This is like a dream come true, I never thought I would do anything like this - I love it!'*

Campaigners Programme

Our Campaigners Programme offers expert campaigning training and support for people with visible differences across the UK; giving them a platform to use their voices and seek change at the highest levels. As part of our Programme this year, we have delivered two face-to-face training days for nine campaigners with sessions including: media training, a public speaking workshop, staying safe online and using social media (supported by experts from Twitter) and campaign development. Our campaigners have been central to the planning and delivery of our campaigns, co-creating research questions and providing feedback to develop campaign key messages, as well as sharing their stories so every campaign is grounded in the lived experience of having a visible difference in the UK today.

Changing Faces campaigner, Natalie: "Being a campaigner has presented me with so many great opportunities. It has allowed me to contribute towards changing the views of the media when it comes to representing those with a difference, as well as build my presentation and public speaking skills."

Campaigners have taken part in a huge range of awareness raising activities. They have given oral evidence to APPGs, shared their experiences at round-table discussions with the Home Office,

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submitted written evidence to the DCMS Online Harms White Paper, been featured in magazines, interviewed on TV and radio shows (including BBC2 Victoria Derbyshire Show, Channel 5 News and BBC Radio Scotland) and quoted in regional and national newspapers. They have made their own videos, written blogs and delivered presentations to hundreds of children during Anti-Bullying Week 2019 as part of our partnership with Picturehouse Cinemas, spoken at corporate meetings and fundraising events. The campaigners also co-created the recruitment, interview, and selection process for cohort two of the campaigners' programme, resulting in 49 applications.

Changing Faces campaigner, Ella: "Being a campaigner for Changing Faces has given me a new lease of life and enabled me to try new experiences and meet extraordinary people."

Our Year in Numbers

Our 2019/20 Target	Our 2019/20 Result
To provide effective, evidence based transformed Wellbeing services direct to 900 people with visible difference	941 people were provided with support, information, and advice, and 1:1 counselling support
To deliver between 1,800 and 2,000 Skin Camouflage appointments in England	1,940 appointments delivered
85% of Changing Face's Practitioner clients improved against self-defined outcomes	92% of clients improved against self- defined outcomes ¹
To develop 3 key campaigns demonstrating need for change with clear engagement opportunities	Delivered 6 key Campaigns: Face Equality Day; Hate Crime; I'm Not Your Villain; Portrait Positive; Telegraph Christmas Appeal; and #PledgeToBeSeen
To secure 90 positive, on-message, national and regional press, and media articles	494 national and regional press and media secured
To establish a Champions programme and appoint 15 Champions nationwide	New campaigners programme launched, and nine campaigners recruited. Twelve members appointed to our Youth Advisory Group in Scotland.
Increase aggregate social media followers by 20% across our channels (Includes Facebook, Instagram, LinkedIn, Twitter, and YouTube)	Total growth of 27% across our channels
Generate and share 30 new stories from people visible differences	39 stories shared.

Achieving long term financial sustainability

Delivering against budget

In 2019/20 we set a budget which was designed to balance the need for investment in Changing Faces' future with the need for financial prudence. We increased income, continued the transformation of our services, and invested in our digital capability while maintaining free reserves at six months of operating costs.

Overall, our income was broadly in line with what was budgeted for 2019/20 and we saw a third consecutive year of growth in income. We were on track to successfully deliver against budget until the disruption to fundraising activity in March due to Covid-19. As income declined in March 2020,

¹ Based on 145 respondents who gave pre and post ratings

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Changing Faces used free reserves to manage the impact of the pandemic, and as a result, reserves fell at the end of the year.

	2019/20 Budget £'000	2019/20 Result £'000	Difference %
Income	1,639	1,565	-5%
Costs	<u>(1,842)</u>	<u>(1,894)</u>	+3%
Deficit	<u>(203)</u>	<u>(329)</u>	N/A

Delivering sustained income growth year on year

In 2019/20, we reported income from ongoing activities that was 7% higher than in 2018/ 19. This growth followed the development of our fundraising plan, which was closely tied into our strategic plan.

Income breakdown	2019/20 £'000	2018/19 £'000	Difference %
Legacies	85	64	+33%
Income from trusts and grants	1,017	777	+31%
Other donations	209	373	-44%
Fundraising income	64	29	+122%
Charitable activities, including Skin Camouflage services	181	199	-9%
Investment	<u>9</u>	<u>9</u>	+8%
Total income	<u>1,565</u>	<u>1,451</u>	+8%

Diversifying income sources

We are committed to developing and securing sustainable income to help us realise our ambitions. In 2019/20 we continued to diversify our income streams and balance the risk inherent to each income stream. As such we undertake fundraising activities via individual fundraising, community, and challenge events, trusts and major gifts and corporate partnerships.

Our fundraising plan has made good progress in terms of securing positive growth across all of these income streams. Like many charities, our fundraising activities were disrupted in March by Covid-19 and we have moved swiftly to adapt and respond to the needs of our donors. We are incredibly grateful to all of our amazing friends and supporters for the flexibility and generous support they have given us during this time.

A highly efficient and effective organization

Digital Strategy

In line with our strategic commitment to digital transformation, in the last year we have stabilised our existing website, audited and improved some of the priority content, and supported the organisation to explore new digital solutions, for example rolling out the end-to-end digital process for Skin Camouflage, and developing and piloting a new online peer support service. Underpinning all of this was the work to review and update our digital strategy which enabled us to secure funding from the Fidelity Foundation UK for the development of a new website and donation platform.

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Through an inclusive internal process, we developed a complete understanding of our requirements for both the website and donation platforms and have successfully tendered and appointed new suppliers for each. We have almost completed the discovery phase for the new website, which has enabled us to better understand the needs of our core audiences through the development of a set of user personas (fictional characters who represent our users and their likely online journeys). We have also conducted external testing of the new website navigation to ensure that users will be able to find what they are looking for; and have progressed our content strategy to ensure the new website delivers a step change in the quality and consistency of our content.

We're in a really strong position as we move into the design and development phases of the website and donation platforms projects in 2020/21.

Safeguarding

Safeguarding remains a strong focus with a continual assessment of best practice across key areas. This year saw the embedding of our training plan, with Level 1 Training for all staff, volunteers and trustees involved at Changing Faces and Level 2 Training for all staff engaged with clients, Ambassadors, Champions and media volunteers. The Safeguarding Team held a quarterly meeting, a combination of reflective practice, practical discussion and monitoring the safeguarding log and DBS/PVG checks.

We logged 18 safeguarding concerns (all assessed at medium risk) and no incidents this year.

The Safeguarding Policies and Procedures were updated at the end of March 2020.

New KPI Framework

Following the recruitment of our first Data and Impact Manager, we have continued to strengthen our approach to evaluation and measurement across the charity – including developing a cross charity KPI framework that is monitored quarterly to understand performance and impact.

Governance Review

Changing Faces completed a review of the Charity's safeguarding, governance and management arrangements and performance, in line with the Charity Commission's December 2017 guidance. Following a detailed skills audit, Changing Faces ran a robust and open recruitment process, with an emphasis on securing clinical and fundraising skills and a new Treasurer. We were delighted by the strength and breadth of the applications and welcomed eight new Trustees in July 2019.

London Head Office

During the year, Changing Faces made plans to leave the offices in London from where it had operated for 15 years, as the lease came to an end. The Covid-19 pandemic and the subsequent lockdown interrupted our plans, so in May 2020 we left our London offices to embark on a period of homeworking and a virtual office. Staff have shown great resilience in adapting to these changes. In 2021 we plan to reassess the options available to us for a London office.

IT Systems Move to the Cloud

In March 2020 Changing Faces moved all its IT systems to the cloud, on the Microsoft Office 365 platform. All staff have laptops and are able to work flexibly from different locations. The successful completion of this project supported the move to a virtual office.

Scotland

The new Head of Scotland arrived in July 2019 with the first task of creating a strong team culture and performance. Our generated income for year 19/20 was 35% over target at £273,527. Our

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press and media coverage also excelled with 36 local and National hits across broadcast and press. The Visible Hate campaign was particularly successful with support from Police Scotland and National radio and TV coverage.

Psychosocial support for children & families - Glasgow Practitioner

The Changing Faces Practitioner role in Glasgow came to an end in Jan 2020 when project funding from the National Lottery ended. We supported 183 clients and their families during the last year of the project. 43 of those were intensive 1-1 support with regular session with the practitioner, we also ran events within the hospital to promote support. Going forward it was agreed by both NHS and Changing Faces that the service model would be developed to work more in the local community but with strong links to primary and secondary care.

Youth Action Group (YAG) & Youth Work

The demand for schools and youth workshops continued to be strong and culminated in 33 assemblies and workshops reaching 6,065 pupils across multiple locations. As a result of Covid-19 our schools work was sadly, suspended in March in line with Government and NHS advice.

Delivery of the workshops was bolstered by the support of the Youth Action Group who co-delivered many events in their own schools and schools local to them. During the year, the Youth Action Group had multiple engagement in press and media and also won an award from the Scottish Power Foundation for Community impact and engagement.

Skin Camouflage

293 clients were supported through the Skin Camouflage service during 19/20 an increase on the previous year of over 15%. Plans were funded, developed, and approved to transform the service during 20/21 with the aim of client referrals utilising NHS referral networks. The waiting list in West of Scotland had been significantly reduced by running additional multi practitioner clinics which allowed portion of the statutory funding to be accessed. A strong new funding relationship was developed with the William Grant Foundation that gained a £50k investment into the transformation with potential for further funding.

Our 2019/20 Target	Our 2019/20 Result
Ensure 20 positive, on-message press and media coverage is generated in relation to Scotland	36 media pieces secured
To deliver 300 Skin Camouflage appointments	293 appointments delivered
Deliver engagement within 3000 children and young people in schools and youth clubs to a high standard in Scotland	Delivered 33 assemblies and workshops reaching 6,065 young people and teaching staff.

CHANGING FACES

REPORT OF THE TRUSTEES for the year ended 31st March 2020

Looking ahead and the impact of Covid-19

In March 2020, Changing Faces was pleased to agree our annual plan for 2020-21. This was to be the final year of our ambitious three-year strategy to grow our impact by providing direct support and securing positive change for people in the UK affected by visible difference. While the first two years of our strategy have been about transition and transformation, our intention in the final year was to focus on anchoring our key changes – and investing in our fundraising capacity – to create a platform for substantial growth in our next strategic plan.

Even as we agreed that plan, it was clear that the impact of Covid-19 would be substantial. It has inevitably been the case that our original approach has been very significantly altered as we have had to adapt to both the operational and financial impacts of the crisis.

In March we suspended our Skin Camouflage and Schools' services in line with Government and NHS advice and the Wellbeing Team acted quickly to adapt our services to digital delivery. This has meant moving our face-to-face counselling sessions for young people, parents and adults online – using either video-conferencing or telephone – and offering support via our Support & Information Line, online support forum, factsheets, online self-help programme and Peer Support programme. We also moved our entire staff team to work from home.

We are also facing significant financial challenges forecasting approximately a 40% drop in income, caused by both the suspension of NHS income from our Skin Camouflage service and a reduction in voluntary income in England and Scotland. We are managing this position carefully through a recruitment freeze, use of the Furlough Scheme, delaying all non-essential expenditure and a staff restructure. In line with our approach to cost saving, we have also paused the move to a new office in London and are currently operating in a fully virtual environment with all staff working from home. We will revisit this decision in the New Year – when we are clearer about our future needs and the workplace implications of Covid-19.

Our commitment to our purpose remains as strong as ever. However, we recognise that for the next 18 months, long-term ambition for the charity's future means that our immediate priority must be to scale back our activities: focussing our resources fully on those activities delivering the greatest impact for our community, while maintaining a secure financial foundation.

We have therefore reviewed our previous strategic goals – using the following three principles:

Charitable Purpose

People with visible differences are telling us about growing anxiety about coming out of lockdown and facing a return to stares, harassment, and bullying. Our concern is that this crisis will lead many to regress, negatively impacting their mental health and resilience, at a time when other psychological services will be heavily over-subscribed, and so it is critically important our wellbeing services are ready to respond to these changing needs.

Core Capability

We recognise the absolute need to focus our time and more limited resources on the work that will make the greatest impact and where our contribution is most unique. We have endeavoured to be disciplined about doing less and doing it well. We are also mindful of preserving the unique and critical services – including skin camouflage and our specialist wellbeing and education services – that no-one else provides as well as championing the voices of an otherwise highly marginalised community.

CHANGING FACES

REPORT OF THE TRUSTEES for the year ended 31st March 2020

Economic Engine

Where possible and aligned to our purpose and capability, we have looked to honour existing commitments to our funders and prioritised work where we have already have funding and relationships in place to support this activity.

Our revised priorities are:

- To restructure our staff team in line with our income and delivery priorities
- To deliver our new website and donation platform
- To continue delivering our vital wellbeing and counselling services
- To launch our new children and young people's wellbeing service
- To launch our new Face Equality in Schools programme
- To maintain, transform, and gradually reopen, our Skin Camouflage service in line with NHS and Government guidelines
- To continue to share the stories of people affected by visible differences and advocate for positive social change
- To maximise our income generation – in these very challenging circumstances

Fundraising Statement

Changing Faces is committed to the pursuit of its charitable aims to the benefit of all people living with visible difference. We fundraise so that we can provide services that deliver our charitable objectives and work for Face Equality for all people across the UK.

We have regard to the guidance provided by the Fundraising Regulator, and we actively support the Code of Fundraising Practice. We promise to be open, honest, clear, respectful, fair, reasonable, and accountable.

All Changing Faces staff and volunteers (including the Board of Trustees) have a responsibility to be aware and have a thorough understanding of fundraising best practice.

Changing Faces respects the rights of its supporters to clear, truthful information about our work, how donations and other income are spent, and how we manage donors' information responsibly. The individuals that we mail are our supporters with whom we already have a relationship, and who have given their consent to be contacted by us. We never buy in any data lists for fundraising and we do not sell or share supporter details with any other individuals or organisations.

We do not employ professional fundraising agencies with regard to any aspects of our fundraising activities. All of our activities are planned and delivered in house by our small fundraising team, who build relationships with our supporters.

Our policies and procedures are compliant with best practice as set out by the institute of Fundraising, with the best interests of the charity's donors and the vulnerable paramount. We never pressure anyone to make a donation and take particular care to avoid asking vulnerable people for donations.

We will not solicit or accept donations from companies or individuals who participate in activities which could cause detriment to the charity's reputation or work.

The charity received no complaints regarding its fundraising activities in the last twelve months.

CHANGING FACES

REPORT OF THE TRUSTEES for the year ended 31st March 2020

Complaints are taken very seriously and will be investigated, with disciplinary action being taken where appropriate. If a complaint is deemed serious enough it may result in the removal of a fundraiser from a campaign and/ or the termination of a campaign.

Our warmest thanks go to everyone who has supported Changing Faces this year. We are ever so grateful to the individuals who have run, cycled, baked, and so much more in support of our work. We are also thankful to those who have supported us in other ways: by nominating Changing Faces, sharing our campaigns, and voting for us.

We would like to thank NHS England for their ongoing support and advice during the year.

Corporate supporters Trusts and Foundations have continued to support our work generously. In particular we would like to highlight the support of:

Addleshaw Goddard, Avon, BBC Children in Need, The Ellem Foundation, The Gannochy Trust, Garfield Weston Foundation, John Ellerman Foundation, The National Lottery Community Fund, Pegasus, PF Charitable Trust, The Robertson Trust, the ScottishPower Foundation, St. James's Place Charitable Foundation, Thomas Cook Children's Charity and The VTCT Foundation.

CHANGING FACES

REPORT OF THE TRUSTEES for the year ended 31st March 2020

Financial Review

During 2019/20, Changing Faces consolidated the operational changes made in the previous financial year. Investment was made in fundraising capability to grow income to support the increased charitable activity. The sale of the long leasehold on the charity's London headquarters in autumn 2017 had rebuilt free and designated reserves, and in combination with focussed investment in strategic fundraising, provided funding to ensure the charity's sustainability during the period of transition and into the future.

The budget for 2019/20 balanced the need for investment in Changing Faces' future with the need for financial prudence, and considered both the financial risks of overcommitting the charity's resources and the strategic risks inherent in delaying investment in the charity's future necessary to grow the charity's impact among its beneficiaries and strengthen the charity's position with future funders.

Therefore, the budget for 2019/20 included both core operational costs and exceptional infrastructure investment costs. The core budget was balanced, with income budgeted to rise by 13% and costs budgeted to fall by 7%. The investment in infrastructure projects was approved by the Board and funded from designated reserves. The planned infrastructure investment comprised:

- Investment to build digital capability and capacity
- Investment in a new London headquarters, following the end of the lease at 33-37 University Street, which Changing Faces had occupied since 2004.

2019/20 summary

Income rose in 2019/20:

Income

	2019/20 £'000	2018/19 £'000	2017/18 £'000
Gross income			
Legacies	85	64	20
Donations	1,290	1,178	939
Charitable activities	181	199	200
Other trading activities	-	1	1
Investments	9	9	2
Gross income from operating activities	<u>1,565</u>	<u>1,451</u>	<u>1,162</u>

Gross income from operations rose by 8% in 2019/20 compared to 2018/19. Excluding legacies, the increase was 7%.

Voluntary income was 9% higher in 2019/20 than in 2018/19. Trusts and grants income was up by 30%. Other donations fell by 43%; the significant donations in 2018/19 from the Telegraph Newspaper Christmas Appeal distort these figures.

Charitable activities comprise largely the skin camouflage services provided by Changing Faces to clients in England and Scotland. These services are largely paid for by NHS bodies under a mix of SLAs, contracts, and as non-contracted activity (NCA). Income for skin camouflage services fell by 8%.

The start of the Covid-19 Pandemic in March had an impact on fundraising in March, and as a result, Changing Faces is reporting income 5% lower than budgeted.

CHANGING FACES

REPORT OF THE TRUSTEES for the year ended 31st March 2020

Expenditure

	2019/20	2018/19	2017/18
	£'000	£'000	£'000
Services and Innovation	964	958	963
Championing the Voice	339	279	293
Scotland Office	280	242	244
International research	-	5	39
Costs of income generation	<u>311</u>	<u>272</u>	<u>366</u>
Total	<u>1,894</u>	<u>1,756</u>	<u>1,905</u>

In 2019/20, Changing Faces planned to report a deficit, with investment in digital transformation to equip the charity for the future. The costs above comprise both operational costs and investment costs.

Services and Innovation comprises the charity's work directly with people living with visible difference and includes one to one psychosocial and skin camouflage services, as well as digital services, digital resources, education, and training. Championing the voice comprises communications and campaigns. In 2019/20, Changing Faces invested over £150,000 in its digital capability, as part of a multi-year investment programme.

Result

Changing Faces reported a deficit of £328,967 at the operating level in 2019/20 compared to an operating deficit of £303,962 in 2018/19.

	2019/20	2018/19	2017/18
	£'000	£'000	£'000
Deficit from operations	(329)	(304)	(742)
Profit on sale of leasehold	-	-	1,488
Total reported surplus / (deficit)	<u>(329)</u>	<u>(304)</u>	<u>746</u>

CHANGING FACES

REPORT OF THE TRUSTEES for the year ended 31st March 2020

Reserves

All charities are required to ensure that the amount they hold in reserves is appropriate for the charity's size and the nature of its activities. Changing Faces' policy is to hold free reserves calculated at six months of relevant unrestricted operational expenditure. While free reserves have fallen below this level at the end of March 2020, the intention is to rebuild them in the medium term.

Reserves

	2019/20	2018/19	2017/18
	£'000	£'000	£'000
Restricted reserves	362	272	173
Designated reserves	942	1,049	1,049
Free reserves	<u>280</u>	<u>592</u>	<u>995</u>
Unrestricted reserves	<u>1,222</u>	<u>1,641</u>	<u>2,044</u>
Total reserves	<u>1,584</u>	<u>1,913</u>	<u>2,217</u>

Restricted reserves

At 31 March 2020, restricted reserves totalled £362,388 (2019: £271,674). Restricted reserves are those funds which represent donations and grants received which are to be spent on a specific activity. These funds are ring-fenced, and costs are allocated against the funds by reference to the funders' expressed purposes.

Unrestricted reserves: designated reserves

At 31 March 2020, designated reserves totalled £941,763 (2019: £1,049,854). These designated reserves have been allocated by the trustees for infrastructure investment but have not yet been committed.

The Trustees have approved investment from the designated fund for two infrastructure projects:

1. Changing Faces' digital investment programme. This programme will invest in the charity's digital capability, to expand its ability to deliver services, including creating a new website for the charity. The project was started in 2019/20 and is expected to be completed in 2020/21.
2. Changing Faces' head office property needs. In May 2020, Changing Faces left its offices in University Street, London WC1E at the end of the lease. With an IT infrastructure that supports home working, Changing Faces has decided that most staff will work remotely until the end of 2020/21, when future property needs will be re-evaluated.

Unrestricted reserves: free reserves

At 31 March 2020, free reserves totalled £280,257 (2019 £591,847).

The Trustees have calculated the level of free reserves which are needed to allow the charity to meet its commitments to its clients, staff and other stakeholders, to manage the implications of a period of a shortfall in income or unexpectedly high costs.

CHANGING FACES

REPORT OF THE TRUSTEES for the year ended 31st March 2020

In estimating the level of free reserves, the Trustees have had regard to Charity Commission Guidance on the level of appropriate reserves to ensure sustainability of service delivery. The Trustees have determined that Changing Faces should target six months cover of recurrent operating costs, with consideration given to the treatment of those costs covered by restricted funds.

Recurrent operating costs are calculated by adjusting the actual level of costs incurred to remove the elements covered by restricted funding, the exceptional costs relating to the restructuring and additional costs which are considered to imply no long term financial commitment, for example consultancy costs. Based on these calculations, the trustees estimate that a total of £516,444 of free reserves is required. At the end of March 2020, free reserves were £280,257, the equivalent of 3.3 months of costs. It is Changing Faces intention to continue to target 6 months of reserves and to rebuild free reserves to a level which complies with the charity's reserves requirement.

The Trustees will continue to carefully monitor the charity's results in light of the budget and the reserves position and will take any action needed if they identify any significant risk to the charity's financial position or its ability to support its core activities.

Investments

The priority in Changing Faces investment policy is to preserve capital, and a low risk investment policy has been adopted. After assessing the risks of different investment groups, Changing Faces has limited its investments to fixed term deposits of between three and six months, and notice deposits of a similar term, placed with financial institutions with a high credit rating.

CHANGING FACES

REPORT OF THE TRUSTEES for the year ended 31st March 2020

Principal risks and uncertainties

The Board of Trustees has overall responsibility for risk management at Changing Faces. It is responsible for establishing the charity's risk appetite, ensuring that major risks are identified and approving appropriate procedures to detect, prevent and manage major risks. Changing Faces' risk management programmes are designed to mitigate risks appropriately, rather than to eliminate all risk.

The Audit and Risk Committee has the power to investigate and manage risk on behalf of the Board, and reports to the Board on strategic risks and risk management. The Finance Committee reviews management accounts and financial performance and provides assurance to the Board.

The principal tools used by Changing Faces to mitigate risks are:

1. **Risk register.** The Leadership Team manages a risk register which is regularly reviewed by the Audit and Risk Committee. Risks are assessed as to the likelihood of their occurring and the impact if they were to occur, giving a "raw" risk rating. Mitigations and future actions are defined, and the risk rating is then recalculated, to ensure that it remains within the Board of Trustees' stated risk appetite.
2. **Performance indicators.** We monitor performance through the use of key performance indicators and strategic milestones, which are reported to the Board quarterly, with differences to expectations thoroughly analysed.
3. **Planning and budgeting.** We produce budgets annually, monitor variances monthly, and reforecast expected results quarterly. The Finance Committee reviews monthly management accounts and reforecasts. The Finance Committee reports on the financial results to the Board of Trustees.

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REPORT OF THE TRUSTEES for the year ended 31st March 2020

The major risks identified by Changing Faces are:

Risk	Management
Pandemic impact on the charity: The Covid-19 pandemic could: <ol style="list-style-type: none"> 1. reduce the charity's ability to offer face to face services for an extended period 2. result in lower income due to the economic crisis 	<ul style="list-style-type: none"> • Regular Board committee meetings (every two weeks) to monitor the external situation and address challenges • Acceleration of strategic planning process and options appraisals for all face to face services • Reforecast of budgets and cashflow projections based on changed expectations • Immediate suspension of services affected, furloughing of staff, to allow time for strategic planning • Delay of decision around longer term property investment • Continued investment in digital capability and capacity
Finance: The charity is reliant on voluntary income to support its activities. Increased regulation and increased competition for funding could mean that we fail to reach our targets, leading to the loss of liquidity and inability to meet our commitments. Poor financial controls could lead to error or fraud.	<ul style="list-style-type: none"> • Diversification of income streams • Investment in strong and effective fundraising team • Relationship management with donors and funders • Robust process for setting budgets, aligned to the strategic plan • Scrutiny of and challenge to budgets by Trustees • Monthly monitoring of budgets and budget variances • Quarterly reforecast of expectations • Robust reserves policy • Risk averse investment policy • Scrutiny of results by the Finance Committee
Governance: Lack of strategic clarity and failure to ensure impact could harm the charity's ability to achieve its charitable objectives. Inability to attract and retain good staff could mean that strategic opportunities are missed.	<ul style="list-style-type: none"> • Reporting on KPIs and key milestones • Reporting on budget • Investment in data and impact management tools and knowhow • Implementation of strategic plan • Involvement of people with lived experience of visible difference • Emphasis on training and development for staff • Building strong and effective culture and values
Compliance: Failure to comply with legal and regulatory requirements could result in fines and reputational damage.	<ul style="list-style-type: none"> • Key legal and regulatory requirements identified • Serious incident reporting policy in place • Data Protection Officer appointed • Mandatory data protection training framework • GDPR compliant data mapping tool employed • DBS check framework in place • Safeguarding action plan, policies, and training
Operational: Service provision and development may not be aligned to beneficiaries' needs and desires Digital capability may not support remote working.	<ul style="list-style-type: none"> • Impact review process initiated in 2020/21, centred around beneficiaries' experiences • Robust clinical governance and extensive safeguarding processes underpin services • Multi-year investment in digital capability to build a digital culture and develop digital products
Environmental and External: Communications and brand positioning may fail to maintain a strong reputation and the confidence of stakeholders and funders.	<ul style="list-style-type: none"> • Building a clear brand • Consistent communications • Meticulous reporting to funders • Due diligence when considering new projects • Development of key messages • Reputation management

CHANGING FACES

REPORT OF THE TRUSTEES for the year ended 31st March 2020

Governance

Legal structure

Changing Faces is a company registered in England and Wales, limited by guarantee, with registered number 02710440. It is a registered charity in England and Wales (Charity number 1011222), and in Scotland (Charity number SC039725).

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. Changing Faces' services are widely publicised and available to everyone in the UK who would benefit, free of any cost.

Board of Trustees

The Board of Trustees is responsible for managing the activity of the charity. It was composed of 15 Trustees at 31 March 2020, with a wide range of skills and experience including professional and clinical expertise.

The Board meets four times per year to regularly review and direct Changing Faces' strategy, budget, and performance. Certain matters are reserved for Board approval, including changes to strategy and budget. The Board also meets for an annual away day to investigate strategic proposals in more depth.

Appointments to the Board of Trustees are managed by Trustees. Trustees are recruited through a process of advertisement, application, and interview. Selection is based on set criteria to ensure a broad range of skills and experience. New Trustees are provided with a formal induction programme incorporating the opportunity to meet key staff, and an induction pack of documentation including the charity's constitution, recent Annual Reports and Accounts, recent Board minutes and the current Strategic Plan. Opportunities for training are offered to Trustees, and budget is provided for this purpose.

The Board maintains control over all strategic and policy decisions, including the approval of budgets, risk management and governance arrangements. It delegates some of its responsibilities to three Board committees, which make recommendations to the Board within their terms of reference:

- The Audit and Risk Committee is responsible for managing risk, monitoring compliance with regulatory authorities, and reviewing the year end accounts.
- The Finance Committee is responsible for ensuring that the charity's finances are being appropriately and effectively managed, by monitoring the charity's financial position, overseeing the production of budgets and management accounts, developing and implementing financial, reserves and investment policies and ensuring that proper financial records are kept.
- The Nominations Committee is responsible for overseeing the recruitment of Trustees and of the charity's CEO. The committee also approves trustee appointments to the other committees.

Day to day management is delegated to the Chief Executive and the Leadership Team.

Management remuneration

Changing Faces seeks to set its salary levels for all paid staff, including management, by reference to market rates, within the context of voluntary sector organisations of a similar size. A benchmarking project was completed in June 2018; all staff roles were re-evaluated at the same

CHANGING FACES

REPORT OF THE TRUSTEES for the year ended 31st March 2020

time and transferred to the new pay and staffing structure. The pay policy describes how salaries are set and defines the salary structure for all staff within the organisation. During the year ended 31 March 2020, key management were defined as the CEO, the Director of Services and Innovation, the Director of Fundraising and the Director of Finance and Resources.

CHANGING FACES

REPORT OF THE TRUSTEES for the year ended 31st March 2020

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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles 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 charitable company will continue in operation.

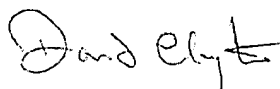
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time of the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding 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 charitable 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 charitable company's auditors have been made aware of such information.

By Order of the Board



.....
David Clayton
Chair of Trustees

26 October 2020

CHANGING FACES

FINANCIAL STATEMENTS for the year ended 31st March 2020

Independent auditor's report to the members of Changing Faces

Opinion

We have audited the financial statements of Changing Faces for the year ended 31 March 2020 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Responsibilities of Trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement as set out on page 26, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

CHANGING FACES

FINANCIAL STATEMENTS for the year ended 31st March 2020

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

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the directors' report).

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

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

CHANGING FACES

FINANCIAL STATEMENTS for the year ended 31st March 2020

- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, 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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

.....

Lee Stokes (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date 26 October 2020

CHANGING FACES

FINANCIAL STATEMENTS for the year ended 31st March 2020

CHANGING FACES

Company limited by guarantee

Registered Company No: 02710440

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31st March 2020

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

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Income from					
Donations and legacies	3	759,856	615,097	1,374,953	1,242,813
Charitable activities		180,748	-	180,748	199,177
Other trading activities		-	-	-	793
Investments		9,493	-	9,493	8,784
Total		950,097	615,097	1,565,194	1,451,567
Expenditure on					
Raising funds	4	305,629	4,928	310,557	271,707
Charitable activities		1,093,002	490,602	1,583,604	1,483,822
		1,398,631	495,530	1,894,161	1,755,529
Net income / (expenditure)		(448,534)	119,567	(328,967)	(303,962)
Transfers between funds	10	28,853	(28,853)	-	-
Net movement in funds	10	(419,681)	90,714	(328,967)	(303,962)
Reconciliation of funds	10				
Total funds brought forward		1,641,701	271,674	1,913,375	2,217,337
Total funds carried forward		1,222,020	362,388	1,584,408	1,913,375

All of the charity's activities are continuing. There were no gains or losses other than those shown above. The accompanying notes form part of these financial statements.

CHANGING FACES

FINANCIAL STATEMENTS for the year ended 31st March 2020

CHANGING FACES

Company limited by guarantee

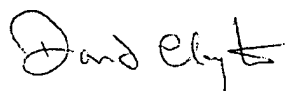
Registered Company No: 02710440

BALANCE SHEET as at 31st March 2020

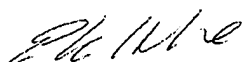
	Note	2020 £	2019 £
Fixed assets			
Tangible assets	7	18,372	13,502
Total fixed assets			
Current assets			
Debtors and prepayments	8	247,929	166,934
Cash at bank and in hand		1,589,829	1,863,838
Total current assets		1,837,758	2,030,772
Liabilities			
Creditors: amounts falling due within one year	9	(271,722)	(130,899)
Net current assets		1,566,036	1,899,873
Total net assets		1,584,408	1,913,375
Restricted income funds		362,388	271,674
Unrestricted funds:			
Designated funds		941,763	1,049,854
Free reserves		280,257	591,847
		1,222,020	1,641,701
Total funds	10	1,584,408	1,913,375

The accompanying notes form part of these financial statements.

The financial statements were approved by the Board of Trustees and authorised for issue on 26 October 2020, and signed on their behalf by:



David Clayton
Chair of Trustees



Elissa Holme
Honorary Treasurer

CHANGING FACES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2020

CHANGING FACES

Company limited by guarantee

Registered Company No: 02710440

STATEMENT OF CASH FLOWS

	2020 £	2019 £
Cash Flows from operating activities:		
Net cash provided by/(used in) operating activities (see below)	(271,150)	(437,663)
Cash flows from investing activities:		
Bank interest received	9,493	8,784
Payments to acquire tangible fixed assets	(12,352)	(10,360)
Net cash provided by/(used in) investing activities	(2,859)	(1,576)
Change in cash and cash equivalents in the reporting period	(274,009)	(439,239)
Cash and cash equivalents at the beginning of the reporting period	1,863,838	2,303,077
Cash and cash equivalents at the end of the reporting period	1,589,829	1,863,838
Reconciliation of net income/(expenditure) to net cash flow from operating activities	2020 £	2019 £
Net income / (expenditure) for the year	(328,967)	(303,962)
Adjustments for:		
Depreciation charges	7,482	2,898
Bank interest received	(9,493)	(8,784)
(Increase)/decrease in stock	-	5,640
(Increase)/decrease in debtors and prepayments	(80,995)	(58,620)
Increase / (decrease) in creditors	140,823	(74,836)
Net cash used in operating activities	(271,150)	(437,663)
Analysis of cash and cash equivalents	2020 £	2019 £
Cash at bank and in hand	1,589,829	1,863,838

CHANGING FACES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2020

Notes to the Financial Statements

1. ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (Sorp 2015) (Second Edition effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Changing Faces meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going Concern

No material uncertainties that may cast significant doubt about the ability of the charity to continue as a going concern have been identified by the Trustees and therefore these accounts have been prepared on a going concern basis.

The Covid-19 pandemic meant that Changing Faces was forced to restructure its activities, and services were affected by the lockdown and other restrictions. The outlook for charitable income was affected as a consequence of this, and the outlook for donations and for fundraising activities also worsened, leading the charity to revise downwards its income forecasts. The Trustees of Changing Faces moved quickly to address the changing outlook, revising budgets for 2020/21 and 2021/22. The strategic plan was adjusted to reflect the changed operating and financial environment. The charity's staff structure and operating resources were reviewed and reconfigured to ensure they were appropriate for a changed operating environment.

Cashflow forecasts have been prepared based on the revised expectations, reflecting several different scenarios for 2020/21 and 2021/22. Trustees have examined these cashflow forecasts and are confident that Changing Faces has the financial resources to continue trading for the foreseeable future.

Income

All income is recognised once the Charity has entitlement, it is probable that income will be received, and the amount of income receivable can be measured reliably.

Legacy income is recognised when it is probable it will be received. Pecuniary legacies are recognised when probate is granted. Residuary legacies are recognised when either probate has been granted, or the estate has been finalised or notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate.

Grants

Grants are accounted for as income 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.

CHANGING FACES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2020

Donated Assets

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

Expenditure

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category.

Raising funds are those costs incurred to raise donations and legacies and costs of trading activities. Charitable activities relates to costs incurred in delivering the charity's activities and services to its beneficiaries. Governance costs are those associated with incurred in meeting the constitutional and statutory requirements and is now apportioned on the same basis as support costs.

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

Leases

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

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:

Office equipment	- 25%
Office furniture	- 20%
Computer equipment	- 25%

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

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.

Employee benefits

Short term benefits: Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Employee termination benefits: Termination benefits are accounted for on an accrual basis and in line with FRS 102.

Accounting estimates and judgements

In preparing the financial statements, the Trustees are required to make estimates and judgements. The matters below are considered to be the most important in understanding the judgements made and the uncertainties that could impact the amounts reported in the financial statements.

CHANGING FACES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2020

Legacy income

Legacy income requires judgement about the probability of receipt which affects the timing of income recognition. Legacy income is recognised when the Charity has established entitlement to a legacy, when the receipt of the legacy is probable and when the amount due can be estimated with sufficient accuracy.

Cost allocation

Support costs are allocated to charitable activities. Judgement is required in determining and applying the basis appropriate for each support activity.

Bad debt provision

The valuation of debtors is based on judgements about the probability of receipt of the amounts invoiced.

Valuation of assets and liabilities

Stocks

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

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Fund Accounting

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

Designated Funds: these funds have been allocated by the Trustees for anticipated use on specific projects.

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

Taxation

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

CHANGING FACES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2020

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.

3A INCOME ANALYSIS

	2020 Unrestricted	2020 Restricted	2020 Total	2019
	£	£	£	£
Legacies	85,002	-	85,002	63,898
Income from trusts and grants	401,640	615,097	1,016,737	776,593
Other donations	208,845	-	208,845	373,448
Income from fundraising activity	64,369	-	64,369	28,874
Trading activities	-	-	-	793
Charitable activities	180,748	-	180,748	199,177
Investment income	9,493	-	9,493	8,784
Total	950,097	615,097	1,565,194	1,451,567

3B INCOME FROM CHARITABLE ACTIVITIES

	2020 Unrestricted	2020 Restricted	2020 Total	2019 Total
	£	£	£	£
Skin camouflage services	179,773	-	179,773	195,535
Consultancy and training	975	-	975	3,642
Total	180,748	-	180,748	199,177

4A ANALYSIS OF TOTAL EXPENDITURE

	2020 Unrestricted	2020 Restricted	2020 Total	2019 Total
	£	£	£	£
Charitable activities				
Service Innovation				
Wellbeing	187,093	200,534	387,627	355,647
Skin camouflage services	324,508	9,848	334,356	391,521
Education	117,345	124,810	242,155	211,475
	628,945	335,192	964,138	958,643
Championing the Voice				
Communications	268,034	71,008	339,042	278,835
International research	-	-	-	4,721
	268,034	71,008	339,042	283,556
Scotland	196,022	84,402	280,424	241,623
	1,093,001	490,602	1,583,604	1,483,822
Cost of raising funds				
Fundraising costs	305,629	4,928	310,557	271,707
Total	1,398,630	495,530	1,894,161	1,755,529

CHANGING FACES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2020

4B DIRECT AND SUPPORT COSTS

	2020 Direct costs £	2020 Support costs £	2020 Total £	2019 Total £
Charitable activities				
Changing lives				
Wellbeing	336,761	50,866	387,627	355,647
Skin camouflage services	292,470	41,886	334,356	391,521
Education	227,426	14,729	242,155	211,475
	856,657	107,481	964,138	958,642
Changing Minds				
Communications	323,962	15,080	339,042	278,834
International research	-	-	-	4,721
	323,962	15,080	339,042	283,555
Scotland office	248,770	31,654	280,424	241,624
	1,429,389	154,215	1,583,604	1,483,821
Cost of raising funds				
Fundraising costs	286,375	24,182	310,557	271,708
	1,715,764	178,397	1,894,161	1,755,529

Included in the above are governance costs of £33,145 (2019: £28,549).

4C SUPPORT COSTS ALLOCATION 2020

	Premises costs £	Office costs £	Staff and volunteer costs £	Depreciation £	2020 Total £	2019 Total £
Charitable activities						
Changing lives						
Wellbeing	11,536	32,836	4,360	2,133	50,866	57,863
Skin camouflage services	9,499	27,039	3,591	1,757	41,886	67,538
Education	3,340	9,508	1,263	618	14,729	25,458
Changing Minds						
Communications	3,420	9,735	1,293	632	15,079	21,947
Scotland office	7,179	20,434	2,713	1,328	31,654	35,097
Cost of raising funds						
Fundraising costs	5,484	15,611	2,073	1,014	24,182	19,569
	40,458	115,163	15,293	7,482	178,397	227,472

Support costs are allocated on a per capita basis, related to the average WTE staff employed in each activity.

CHANGING FACES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2020

5. NET MOVEMENT IN FUNDS

	2020	2019
	£	£
The result for the year is stated after charging:		
Auditor's remuneration – audit	10,860	9,840
Depreciation of fixed assets	7,482	2,898
Operating Leases	<u>2,399</u>	<u>2,399</u>

6. EMPLOYEES

Total remuneration

	2020	2019
	£	£
Wages and salaries	985,286	838,744
Social security costs	104,219	87,813
Pension costs	57,879	42,143
Redundancy costs	-	2,281
Ex gratia payment	12,000	-
	<u>1,159,384</u>	<u>970,981</u>

Average number of employees

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

	2020	2019
	FTE	FTE
Wellbeing	5.0	4.6
Skin camouflage	4.2	5.4
Education	1.5	2.0
Communications	1.5	1.8
Scotland Office	3.1	2.8
Administration	5.4	5.0
Fundraising	2.4	1.6
	<u>23.1</u>	<u>23.2</u>

The average number of staff employed during the year was as follows:

	2020	2019
	Number	Number
	<u>27</u>	<u>26</u>

CHANGING FACES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2020

6. EMPLOYEES (Continued)

Remuneration of higher paid staff

The number of employees whose emoluments exceeded £60,000 per annum was:

	2020	2019
£60,000 - £70,000	2	1
£70,000 - £80,000	-	1
£80,000 - £90,000	-	1
£90,000- £100,000	1	-
£100,000-£110,000	1	-

Remuneration of key management personnel

Total remuneration of key management personnel for the year, including employer pension contributions and employer National Insurance contributions was £347,113 (2019: £304,243). Key management personnel are the charity's leadership team, comprising the CEO, the Director of Services and Innovation, the Director of Fundraising and the Director of Finance and Resources.

Employer pension contributions of £17,331 (2019: £12,988) were made to a defined contribution scheme on behalf of the key management personnel above.

Board of Trustees members' expenses

None of the Trustees received any remuneration in the year (2019: none). Three Trustees received reimbursement of expenses during the year totalling £1,272 (2019: £145). The charity maintains liability insurance covering members of the Board of Trustees in their capacity as directors.

7. TANGIBLE ASSETS

	Office Furniture £	Office Equipment £	Computer Equipment £	Total £
COST				
At 1 st April 2019	7,295	6,912	29,447	43,654
Additions	-	-	12,352	12,352
Disposals	-	-	(17,042)	(17,042)
At 31 st March 2020	7,295	6,912	24,757	38,964
DEPRECIATION				
At 1 st April 2019	7,294	5,836	17,022	30,152
Charge for the year	1	1,076	6,405	7,482
Disposals	-	-	(17,042)	(17,042)
At 31 st March 2020	7,295	6,912	6,385	20,592
NET BOOK VALUE				
At 31 st March 2020	-	-	18,372	18,372
At 31 st March 2019	1	1,076	12,425	13,502

CHANGING FACES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2020

8. DEBTORS

	2020	2019
	£	£
Trade debtors	13,116	23,342
Prepayments and accrued income	232,259	137,224
Other debtors	2,554	6,368
	247,929	166,934

Accrued income includes invoices which were raised after the end of the financial year but which relate to the prior year's activity. In 2020, accrued income includes three significant trust donations which were awarded in 2019/20 and where receipt was delayed due to the Covid-19 pandemic.

9. CREDITORS: Amounts due within one year

	2020	2019
	£	£
Trade creditors	63,600	44,075
Accruals and deferred income	175,777	55,155
Employer pension contributions	7,492	5,906
Other taxes and social security	24,853	21,549
Other creditors	-	4,214
	271,722	130,899

In 2020, deferred income includes a grant of £100,000 representing the second year of a two-year grant where the income was received in advance.

10. FUNDS

	Unrestricted funds	Restricted funds	Total
	£	£	£
Balance at 1 st April 2019	1,641,701	271,674	1,913,375
Net income/(expenditure) before transfers	(419,681)	90,714	(328,967)
Balance at 31 st March 2020	1,222,020	362,388	1,584,408
Analysis of net assets between funds			
Tangible fixed assets	18,372	-	18,372
Net current assets	1,203,648	362,388	1,566,036
	1,222,020	362,388	1,584,408

CHANGING FACES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2020

10. FUNDS (CONTINUED)

The restricted funds of the charity comprise:

	At 1 April 2019	Income	Expenditure	Transfers between funds	At 31 March 2020
	£	£	£	£	£
Face equality in schools	89,940	116,337	(123,203)	0	83,074
Face it together	53,469	90,502	(100,602)	(11,853)	31,516
Scotland Youth Engagement	58,894	45,127	(68,355)	(17,000)	18,666
Scotland Youth Engagement	10,000	-	(10,000)	-	-
Psycho-social support for children and young people	9,155	56,384	(56,025)	-	9,514
Psycho-social support for children and young people in Scotland	9,904	-	(9,904)	-	-
Data and impact	7,429	-	(7,429)	-	-
Support and information Line	27,463	-	(27,463)	-	-
Support and information Line	-	5,000	(5,000)	-	-
Skin Camouflage film	5,420	-	(5,420)	-	-
Support for adults with a visible difference	-	57,363	(29,147)	-	28,216
Support for children and young people with a visible difference	-	100,000	(13,847)	-	86,153
Changing attitudes to visible difference in Scotland	-	50,000	(6,995)	-	43,005
Website development	-	84,384	(22,140)	-	62,244
Hate Crime awareness	-	10,000	(10,000)	-	-
	271,674	615,097	(495,530)	(28,853)	362,388

Transfers between funds represents the value of funds granted as restricted but where the funders allowed Changing Faces to unrestrict the grants, to help the charity to face the Covid-19 pandemic.

Restricted funds

Face Equality in Schools is a three-year project to design, create and evaluate materials for use in schools and further education colleges.

Face it together is a two-year project to support people living with visible difference.

Scotland Youth Engagement is a multi-year project to support children and young people campaigning for face equality in Scotland.

Psycho-social support for children and young people is a three-year project to support children and young people living with visible difference in Sheffield and the Humber.

CHANGING FACES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2020

10. FUNDS (CONTINUED)

Psycho-social support for children and young people in Scotland funded a practitioner based in a hospital in Glasgow.

Data and Impact supported Changing Faces' investment in data management services.

Support and Information Line are grants funding a help line for people living with visible difference to signpost access to support and resources.

Skin Camouflage Service film is a grant to create an information and marketing film about the skin camouflage service.

Support for adults with a visible difference is a grant funding psychosocial support.

Support for children and young people with a visible difference is a grant provided to set up a psycho-social support framework.

Changing attitudes to visible difference in Scotland is a grant funding an awareness campaign in Scotland.

Website development is a grant which covers the third-party costs of creating a new website.

Hate Crimes awareness was a short-term project to provide social media resources to combat hate crimes arising from visible difference.

The unrestricted funds of the charity comprise:

	At 1 April 2019 £	Income £	Expenditure £	Transfers between funds £	At 31 March 2020 £
Designated funds	1,049,854	-	(144,682)	36,591	941,763
Free reserves	591,847	950,097	(1,253,949)	(7,738)	280,257
	<u>1,641,701</u>	<u>950,097</u>	<u>(1,398,631)</u>	<u>28,853</u>	<u>1,222,020</u>

Unrestricted reserves: designated reserves

The Trustees have approved investment from the designated fund towards investments in the necessary infrastructure, both digital and physical, to support Changing Faces' operations.

CHANGING FACES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2020

11. COMMITMENTS UNDER OPERATING LEASES

As at 31st March 2019, the company had annual commitments under non-cancellable operating leases as set out below:

	2020 £	2019 £
Operating lease payments due:		
Within one year	1,603	2,398
In one to two years	236	728
	<hr/> 1,839	<hr/> 3,126

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 £57,879 (2019: £42,143).

13. RELATED PARTY TRANSACTIONS

No payments were made to related parties in the current or preceding year.

14. FUTURE COMMITMENTS

At 31 March 2020, Changing Faces had entered into a contract with Fat Beehive for the construction of a new website. The contract is valued at £44,280 inclusive of VAT, and 50% of this was paid during 2019/20, with the remainder due on completion of the website.

CHANGING FACES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2020

2019 COMPARATIVES

15. INCOME ANALYSIS 2019

	2019	2019	2019
	Unrestricted	Restricted	Total
	£	£	£
Legacies	63,898	-	63,898
Income from trusts and grants	385,799	390,794	776,593
Other donations	293,448	80,000	373,448
Income from fundraising activity	28,874	-	28,874
Trading activities	793	-	793
Charitable activities	199,177	-	199,177
Investment income	8,784	-	8,784
Other	-	-	-
Total	980,773	470,794	1,451,567

16. INCOME FROM CHARITABLE ACTIVITIES 2019

	2019	2019	2019
	Unrestricted	Restricted	Total
	£	£	£
Skin camouflage services	195,535	-	195,535
Consultancy and training	3,642	-	3,642
Total	199,177	-	199,177

17. ANALYSIS OF TOTAL EXPENDITURE 2019

	2019	2019	2019
	Unrestricted	Restricted	Total
	£	£	£
Charitable Activities			
Service Innovation			
Wellbeing	309,236	46,411	355,647
Skin Camouflage	336,818	54,703	391,521
Education	78,436	133,039	211,475
Yorkshire Office	-	-	-
	724,490	234,153	958,643
Championing the Voice			
Communications, campaigns	202,248	76,587	278,835
International research	-	4,721	4,721
	202,248	81,308	283,556
Scotland Office	189,336	52,287	241,623
Cost of Charitable Activities	1,116,074	367,748	1,483,822
Cost of raising funds	267,493	4,214	271,707
Total	1,383,567	371,962	1,755,529

CHANGING FACES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2020

18. DIRECT AND SUPPORT COSTS 2019

	2019 Direct costs £	2019 Support costs £	2019 Total £
Charitable activities			
Service Innovation			
Wellbeing	297,784	57,863	355,647
Skin camouflage services	323,981	67,539	391,520
Education	186,017	25,458	211,475
Yorkshire office	-	-	-
	807,782	150,860	958,642
Championing the Voice			
Communications, campaigns	256,888	21,946	278,834
International research	4,721	-	4,721
	261,609	21,946	283,555
Scotland office	206,527	35,097	241,624
Cost of Charitable Activities	1,275,918	207,903	1,483,821
Cost of raising funds	252,139	19,569	271,708
	1,528,057	227,472	1,755,529

19. SUPPORT COSTS ALLOCATION 2019

	Premises costs £	Office costs £	Staff and volunteer costs £	Deprec- iation £	2019 Total £
Charitable Activities					
Service Innovation					
Wellbeing	10,008	32,410	14,708	737	57,863
Skin Camouflage	11,681	37,830	17,167	860	67,538
Education	4,403	14,260	6,471	324	25,458
Yorkshire Office	-	-	-	-	-
Championing the Voice					
Communications campaigns	3,796	12,293	5,578	280	21,947
International	-	-	-	-	-
Scotland Office	6,070	19,659	8,921	447	35,097
Cost of raising funds	3,385	10,961	4,974	249	19,569
Total	39,343	127,413	57,819	2,897	227,472

Support costs are allocated on a per capita basis, related to the average WTE staff employed in each activity.

CHANGING FACES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2020

20. FUNDS 2019

	Unrestricted funds £	Restricted funds £	Total £
Balance at 1 st April 2018	2,044,495	172,842	2,217,337
Net income/(expenditure) before transfers	(402,794)	98,832	(303,962)
Balance at 31 st March 2019	1,641,701	271,674	1,913,375
Analysis of net assets between funds			
Tangible fixed assets	13,502	-	13,502
Net current assets	1,628,199	271,674	1,899,873
	1,641,701	271,674	1,913,375

CHANGING FACES

REPORT OF THE TRUSTEES for the year ended 31st March 2020

ADMINISTRATIVE DETAILS

Address

Registered Office: Changing Faces, 10 Queen Street Place, London EC4R 1AG

Postal address: PO box 76751, London WC1A 9QR

Website: www.changingfaces.org.uk

Trustees

The following Trustees served between 1st April 2019 and 31 March 2020.

David Clayton (Chairman) ** ***

Mark Landon (Company Secretary and Deputy Chairman) ***

Elissa Holme * ** *** (Hon Treasurer) (appointed July 2019)

David Rough (Hon Treasurer) (resigned October 2019)

Nicola Sawford (Chair, Audit Committee) * **

Prof Tony Cline

Bridget Gardiner ** (appointed July 2019)

Helen Gravestock * (appointed July 2019)

Susan Harrison *

Emma Howard (appointed July 2019)

Victoria Hunt

Farhana Kapasi (appointed July 2019)

Nicholas Lee (appointed July 2019)

Richard Morris (appointed July 2019)

Andrew Thompson (appointed July 2019)

Chris Walker FRCS

Members of Board Committees:

* Audit Committee

** Finance Committee

*** Nominations Committee

Patrons

Sir Christopher Benson

Rory Bremner

Michelle Dockery

Lord Fellowes of West Stafford

Jan Ravens

Fiona Squire

Benjamin Zephaniah

Solicitors

Stone King LLP, Boundary House, 91 Charterhouse Street, London EC1M 6HR

Auditor

Haysmacintyre LLP, 10 Queen Street Place, London EC4R 1AG

Bankers

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