

REGISTERED COMPANY NUMBER: 03672399 (England and Wales)
REGISTERED CHARITY NUMBER: 1092212

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020
FOR
SMILE MEDIATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**Ainsworths Limited
Charter House
Stansfield Street
Nelson
Lancashire
BB9 9XY**

SMILE MEDIATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2020

Page

1	Trustees' annual report
4	Independent examiner's report
5	Statement of financial activities
6	Summary statement of financial activities
7	Balance sheet
8	Notes to the financial statements
The following pages do not form part of the financial statements	
14	Detailed statement of financial activities

SMILE MEDIATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2020

The trustees (who are also directors of the charity for the purposes of the Companies Act 2006) present their report together with the unaudited financial statements of the charity for the year ended 31st March 2020. The company was incorporated under the Companies Act on 23rd November 1998 (Company number 03672399). The company obtained charitable status on 27th May 2002 under the provisions of the Charities Act 1992 and 1993 (Charity number 1092212). The company is governed by the Memorandum and Articles of Association as amended on 15th May 2013.

PRINCIPAL ACTIVITIES AND OBJECTIVES

The principal activity of the company during the year under review was that of community mediation and conflict resolution services.

TRUSTEES AND DIRECTORS

Mr P Kenyon
Mrs K Bailey
Miss C Pike
Mr J Ormerod
Ms C Dobson
Mr P Iganski

The charity trustees have complied with their duty in the Charities Act to have regard to the guidance on public benefit as published by the Charity Commission in exercising their powers of duties.

Review of Developments, Activities and Achievements

The year started with a goodbye, as one member of staff resigned to start a full-time job and we welcomed back a former employee after extended maternity leave. Welcoming back a former employee meant that the settling in period was minimal and operations continued as before.

The Chief Executive was accepted onto a Building for Sustainability Programme in May 2019, funded by the People's Postcode Lottery and delivered in partnership with Selnet and Social Enterprise Academy. This eight month programme helped to support Smile to identify and strengthen business skills. This led to further opportunities to work with a business coach and mentor to develop a growth plan for the business.

Smile recruits and trains new volunteer mediators annually; however this was postponed until September 2020 as Smile retained sufficient volunteers to deliver mediations. It is important to balance the number of mediators against the number of mediation cases to ensure continuous practice to maintain and develop skills. Having too many mediators would mean less opportunity to practice which is both unsatisfactory for the volunteer and poor value for money for Smile.

August 2019 was a significant month for the Smile Team as we packed up our desks and moved out of School House (our 'home' since 2000) and moved into Centenary Court. This decision by the trustees was part of the growth plan; a physical move into the town centre has raised our profile and strengthened the working relationship with Calico, our new landlord. Training and skills workshops continued to form part of our wider service offer and Smile supported a number of new organisations to upskill their staff. Smile now delivers a level 3 BTEC Conflict Resolution course in partnership with RESOLVE and we repackaged a range of day courses into bitesize workshops; this was in response to the demand from employers to minimise the impact of training on day to day operations. Smile continues to develop this approach and the feedback from delegates is excellent.

Mediation contracts are the core of our business and during the year Smile provided mediation services for new partners. The market is competitive as more and more Housing Providers club together to realise economies of scale by issuing larger tenders. This has been both a challenge and a development opportunity for Smile and we will continue to ensure we are 'contract ready' as tenders are advertised.

SMILE MEDIATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES (continued)
FOR THE YEAR ENDED 31ST MARCH 2020

Review of Developments, Activities and Achievements (Cont.)

In March 2020, as we approached the year-end the whole world looked very different due to the covid-19 pandemic. Within ten days the team prepared for homeworking, ensuring our IT and systems could be accessed remotely and we reviewed how we would continue to provide mediation in a world where face to face contact was no longer an option, at least for the foreseeable future.

The whole team, including staff, volunteers and trustees came together and set up a brand new Listening Service to support people experiencing anxiety due to the pandemic. Mediators are well placed to listen well without trying to 'fix' people and this service has grown, thanks to grant funding from Lancashire Community Foundation and the Charities Aid Foundation (received in April/May 2020).

One of the biggest and most successful changes to our service as a result of this situation has been the introduction of virtual mediation, using Zoom. The speed at which the staff and mediators have adapted and developed new skills has been amazing. We are supporting more people than ever before and we are able to respond more quickly as there is no longer a need to travel long distances to meet in person. In the future, when face to face mediation becomes possible again, Smile will continue to provide a wider choice to our customers including virtual mediation.

We have been fortunate due to prudent financial planning that no staff have been furloughed and whilst this was not an easy decision it proved to be the right one as referrals for mediation and the listening service started to come through in greater numbers. The need for 'good listening' and tools to resolve conflict is clearly a priority, at first to address anxiety about the unknown and as we come out of lockdown the fear and anxiety for some people feeling 'institutionalised' during three months of isolation. Smile is well placed to support professionals and communities as we enter an alternative future.

It is important to recognise the efforts of all our staff, volunteers, associates and trustees; because of them and their commitment to mediation as a positive way to manage difficult situations and relationships Smile is able to provide much needed conflict resolution services. Thank you all...

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also directors of Smile Mediation Limited 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 including Financial Reporting Standard 102 (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material 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 business.

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

**SMILE MEDIATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES (continued)
FOR THE YEAR ENDED 31ST MARCH 2020**

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

ON BEHALF OF THE BOARD:

.....

Mr P Kenyon
Director

Date:

3
SMILE MEDIATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2020

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2020, which are set out on pages 5 to 13.

RESPONSIBILITIES AND BASIS OF REPORT

The charity's trustees (who are also its directors for the purposes of company law) are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

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

INDEPENDENT EXAMINER'S REPORT

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

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

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

Mel Henry FCCA
Ainsworths Limited
Chartered Accountants
Stansfield Street
Nelson, Lancashire
BB9 9XY

Date:

SMILE MEDIATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MARCH 2020

	Note	Restricted £	Unrestricted £	2020 Total £	2019 Total £
INCOMING RESOURCES					
<i>Charitable activities:</i>					
Mediation service contracts	2	-	77,610	77,610	116,668
Other funding		<u>-</u>	<u>1,999</u>	<u>1,999</u>	<u>2,335</u>
TOTAL INCOMING RESOURCES		<u>-</u>	<u>79,609</u>	<u>79,609</u>	<u>119,003</u>
RESOURCES EXPENDED:					
Charitable activities	3	<u>-</u>	<u>87,351</u>	<u>87,351</u>	<u>100,840</u>
TOTAL RESOURCES EXPENDED	5	<u>-</u>	<u>87,351</u>	<u>87,351</u>	<u>100,840</u>
NET MOVEMENT IN FUNDS		-	(7,742)	(7,742)	18,163
Transfer between funds		-	-	-	-
RECONCILIATION OF FUNDS					
TOTAL FUNDS B/FWD		<u>-</u>	<u>41,844</u>	<u>41,844</u>	<u>23,681</u>
TOTAL FUNDS C/FWD		<u>-</u>	<u>34,102</u>	<u>34,102</u>	<u>41,844</u>

All of the charity's activities are classified as continuing. Movements on reserves and all recognised gains and losses are shown above.

SMILE MEDIATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

SUMMARY STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MARCH 2020

	2020	2019
	£	£
Income	79,609	119,003
Expenditure	<u>87,351</u>	<u>100,840</u>
OPERATING DEFICIT	(7,742)	18,163
OTHER INCOME		
Interest receivable and similar income	<u>-</u>	<u>-</u>
NET SURPLUS (DEFICIT) FOR THE FINANCIAL YEAR	<u>(7,742)</u>	<u>18,163</u>

BALANCE SHEET AS AT 31ST MARCH 2020

Mr P Kenyon.....
Director

SMILE MEDIATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2020

1. ACCOUNTING POLICIES

a) Basis of preparation

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

b) Grants

Grants are recognised in full in the Statement of Financial Activities in the year in which they are receivable.

c) Incoming resources

Incoming resources are included when receivable.

d) Resources expended

Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

e) Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Equipment	25% reducing balance
Freehold property	0% reducing balance

f) Intangible fixed assets

Amortisation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Website	33.33% straight line
---------	----------------------

SMILE MEDIATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2020

2. CHARITABLE ACTIVITIES

	Restricted funds	Unrestricted funds	Total Funds 2020	Total Funds 2019
	£	£	£	£
Mediation Services				
Acorn Recovery Projects	-	-	-	417
Ainsworths News Ltd	-	-	-	24
Blackburn Diocese	-	750	750	-
Blackburn with Darwen Borough Council	-	-	-	950
Boohoo	-	-	-	750
Building Bridges, Pendle	-	-	-	210
Burnley Borough Council	-	4,000	4,000	4,500
Calico Housing	-	11,000	8,250	11,000
Cherry Fold Community	-	-	-	8,100
Child Action Northwest	-	-	-	950
Chorley Council	-	5,200	7,950	1,950
Community Gateway Association	-	-	-	5,750
Delphi Medical Ltd	-	-	-	16,875
Direct Mediation Services	-	120	120	40
Disability First	-	650	650	-
Fylde Borough Council	-	-	-	650
Gannow Big Local	-	4,200	4,200	3,500
Gina Howard	-	-	-	140
Hyndburn Borough Council	-	-	-	3,150
Inspire BWD	-	-	-	1,250
Lancashire Care Foundation Trust	-	-	-	105
Lancashire Constabulary	-	-	-	210
Lancashire County Council	-	230	230	5,060
Lancashire Mind	-	-	-	650
Manchester City Council	-	20,790	20,790	21,340
Onward Homes	-	-	-	1,950
Peacebuilders	-	-	-	600
Pendle Borough Council	-	5,200	5,200	4,105
Resolve ASB	-	600	600	500
Rossendale Borough Council	-	5,000	5,000	8,000
Self-Referrals	-	520	520	1,040
Six Town Housing	-	-	-	1,950
Southway Housing	-	6,900	6,900	9,988
Stobart Biomass Products	-	750	750	-
Together Housing	-	-	-	139
Trafford Housing Trust	-	7,950	7,950	650
Trust House Lancashire	-	2,850	2,850	210
Uclan	-	-	-	105
West End Community Centre	-	900	900	-
Refund – Sarah Nataraj	-	-	-	(140)
	<u>-</u>	<u>77,610</u>	<u>77,610</u>	<u>116,668</u>

SMILE MEDIATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2020

3. CHARITABLE ACTIVITIES

	Restricted	Unrestricted	2020 Total	2019 Total
	£	£	£	£
Provision of charitable services:				
Mediation services	-	84,887	84,887	97,900
Governance costs	-	2,464	2,464	2,940
	<u>-</u>	<u>87,351</u>	<u>87,351</u>	<u>100,840</u>

Analysis of provision of charitable services:

	Staff costs	Other costs	2020 Total	2019 Total
	£	£	£	£
Mediation services	58,788	26,099	84,887	97,900
Governance costs (note 4)	-	2,464	2,464	2,940
	<u>58,788</u>	<u>28,563</u>	<u>87,351</u>	<u>100,840</u>

4. GOVERNANCE COSTS

	Restricted	Unrestricted	2020 Total	2019 Total
	£	£	£	£
Accountancy fees	-	1,350	1,350	1,326
Sundry expenses	-	1,114	1,114	1,614
	<u>-</u>	<u>2,464</u>	<u>2,464</u>	<u>2,940</u>

10
SMILE MEDIATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2020

5 TOTAL RESOURCES EXPENDED

	Staff costs	Other costs	2020 Total	2019 Total
	£	£	£	£
Direct charitable expenditure	58,788	26,099	84,887	97,900
Governance costs	-	2,464	2,464	2,940
	<u>58,788</u>	<u>28,563</u>	<u>87,351</u>	<u>100,840</u>

Other costs:

Cost of delivering services	6,005	4,600
Premises	1,505	2,995
Training and conference costs	7,229	15,781
Office costs	3,342	3,876
Legal and professional	5,583	6,574
Other	4,899	7,058
	<u>28,563</u>	<u>40,884</u>

The aggregate payroll costs were:

	2020 Total	2019 Total
	£	£
Salaries and wages	54,378	55,684
Social security costs	3,660	3,626
Pension	750	646
	<u>58,788</u>	<u>59,956</u>

The average number of staff employed by the charity (including directors) during the year was:

Management and administration	2	2
Provision of charitable services	2	2
	<u>4</u>	<u>4</u>

There were no trustees' remuneration or other benefits for the year ended 31st March 2020 nor for the year ended 31st March 2019.

No employee during the year received emoluments in excess of £60,000.

6. NET INCOME/EXPENDITURE FOR YEAR

The operating surplus/(deficit) is stated after charging:

	2020	2019
	£	£
Depreciation	718	959
Amortisation	-	640
	<u>718</u>	<u>1,599</u>

11
SMILE MEDIATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2020

7. INTANGIBLE FIXED ASSETS

	Website £	Total £
Cost		
As at 1 st April 2019	<u>1,920</u>	<u>1,920</u>
As at 31 st March 2020	<u><u>1,920</u></u>	<u><u>1,920</u></u>
Amortisation		
As at 1 st April 2019	1,920	1,920
Charges for the year	<u>-</u>	<u>-</u>
As at 31 st March 2020	<u><u>1,920</u></u>	<u><u>1,920</u></u>
Written Down Value		
As at 31 st March 2020	<u>-</u>	<u>-</u>
As at 31 st March 2019	<u>-</u>	<u>-</u>

8. TANGIBLE FIXED ASSETS

	Freehold Property £	Equipment £	Total £
Cost			
As at 1 st April 2019	<u>1</u>	<u>45,624</u>	<u>45,625</u>
As at 31 st March 2020	<u><u>1</u></u>	<u><u>45,624</u></u>	<u><u>45,625</u></u>
Depreciation			
As at 1 st April 2019	-	42,752	42,572
Charges for the year	<u>-</u>	<u>718</u>	<u>718</u>
As at 31 st March 2020	<u><u>-</u></u>	<u><u>43,470</u></u>	<u><u>43,470</u></u>
Written Down Value			
As at 31 st March 2020	<u><u>1</u></u>	<u><u>2,154</u></u>	<u><u>2,155</u></u>
As at 31 st March 2019	<u><u>1</u></u>	<u><u>2,872</u></u>	<u><u>2,873</u></u>

9. DEBTORS

	2020 £	2019 £
Debtors	<u>4,442</u>	<u>3,060</u>
	<u><u>4,442</u></u>	<u><u>3,060</u></u>

10. CREDITORS

	2020 £	2019 £
Creditors	1,288	4,208
Accruals	840	840
Other creditors	<u>-</u>	<u>4,580</u>
	<u><u>2,128</u></u>	<u><u>9,628</u></u>

12
SMILE MEDIATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2020

11. ANALYSIS OF CHARITABLE FUNDS

	Fixed assets £	Other net assets £	Total £
Restricted funds	-	-	-
Unrestricted funds	<u>2,155</u>	<u>31,947</u>	<u>34,102</u>
	<u>2,155</u>	<u>31,947</u>	<u>34,102</u>

12 COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee and does not have a share capital. The liability of each member by way of their guarantee to the company is to contribute a sum not exceeding £10 to the assets of the company if so required on the winding up of the company.

13
SMILE MEDIATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MARCH 2020

	2020		2019	
	£	£	£	£
INCOME				
Mediation Service Contracts	77,610		116,668	
Grant funding	-		-	
Travelling income	<u>1,999</u>		<u>2,335</u>	
		79,609		119,003
EXPENDITURE				
Costs of delivering services	6,005		4,600	
Rent and rates	(50)		382	
Salaries	58,788		59,956	
Travelling expenses	3,067		3,845	
Printing, postage and stationery	937		1,305	
Repairs and maintenance	318		462	
Training and conference expenses	7,229		15,781	
Accountancy	1,350		1,326	
Legal and professional	4,233		5,248	
Insurances	1,122		1,505	
Telephone and fax	1,387		1,350	
Subscriptions	700		759	
Heat, light and power	433		1,108	
Equipment depreciation	718		959	
Amortisation	-		640	
Sundry expenses	<u>1,114</u>	<u>87,351</u>	<u>1,614</u>	<u>100,840</u>
SURPLUS /(DEFICIT) FOR THE YEAR		<u><u>(7,742)</u></u>		<u><u>18,163</u></u>

