

COMPANY REGISTRATION NUMBER: 07411348

CHARITY REGISTRATION NUMBER: 1139279

Blue Smile Project
Company Limited by Guarantee
Unaudited financial statements
31 July 2020

Blue Smile Project

Company Limited by Guarantee

Financial statements

Year ended 31 July 2020

	Page
Trustees' annual report (incorporating the directors' report)	1
Independent examiner's report to the trustees	14
Statement of financial activities (including income and expenditure account)	15
Balance sheet	16
Notes to the financial statements	17

Blue Smile Project

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report)

Year ended 31 July 2020

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 July 2020.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Companies Act 2006 and 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 published in October 2019.

Blue Smile Project

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 July 2020

A letter from the chair of trustees

It is a pleasure to report on the 2019/20 year for Blue Smile.

Blue Smile has continued to deliver invaluable and much needed services to children across Cambridgeshire and neighbouring counties, despite the challenges presented by the pandemic. We receive consistently positive feedback from children, parents and school staff. 94% of parents/carers and 88% of teachers reported improvement because of Blue Smile and 81% of children with the most worrying problems improved.

We successfully completed our back office reorganisation and embarked on the implementation of our new two year Strategic Plan, which we will complete in 2021.

We continued into the final year of our Resilience Project, working with groups of parents alongside one to one work with children. This has been an important project to test and evaluate different ways of working and refine our understanding of what works.

We have continued to invest in and train the mental health workforce and are rightly proud of the expertise and rigorous standards of practice demonstrated by those who train and work with us.

The second half of the year was of course overshadowed by the coronavirus pandemic. The Blue Smile team, led by our Charity Director Jess Manley, deserve enormous credit for the huge amount of work they put in to set up new models for delivery and roll these out rapidly. They drafted and communicated new policies, liaised with partners across Cambridgeshire, purchased and packed personalised kits for children and undertook numerous other activities. Our 'Keeping in Touch' telephone service for children and parents and our online support for older children were extremely successful. Children also loved the home art kits which the team arranged to send out to each child; this helped them know that Blue Smile were holding them in mind.

As children returned to school in Autumn 2020, Blue Smile picked up work again, putting in place new safety protocols including individual hygiene kits for practitioners. As I write there is still much uncertainty but we plan to learn from and build on the experience of delivering through the pandemic.

Many fundraising plans and events had to be put on hold during the Covid period but the team have worked hard to find alternative sources of funding while maintaining tight control of overheads. This has resulted in a positive end of year financial position which gives us a good platform from which to develop. I want to record our immense gratitude to all our funders and supporters.

Jess Manley has provided fantastic leadership throughout this challenging year - my sincere thanks go to her. Our wonderful office team have worked exceptionally well together to deliver through difficult times, as have our excellent and dedicated practitioners and volunteers.

The Board said a fond farewell to Kate Morris this year after nearly six years with Blue Smile. We were pleased to welcome Sarah Nolasco to the Board - bringing a particular expertise in research and innovation in the healthcare sector.

I also want to thank the wider Blue Smile 'family' our Ambassadors Amanda Langford and Tim Bryson, our Friends group, chaired by Mary-Louisa Glynn, who are tireless on our behalf and our Launch Ambassadors, Annabel Brunner and Hilary Russell, who have been with us from the start and whose ongoing support is truly appreciated. Finally, I would like to pay tribute to John Lebus, a wonderful friend and generous benefactor to Blue Smile over many years, who sadly passed away in early 2021.

Naomi Mallick - Chair of the Board of Trustees

Blue Smile Project

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 July 2020

A letter from the Charity Director

2019-20 has been a year overshadowed for so many by the coronavirus pandemic and Blue Smile, like many other charities, keenly felt its impact on fundraising, service development and delivery.

When we were planning the charity's activities in late summer 2019 little did we know that Blue Smile would face challenges never seen before in its history. At that time we were continuing our journey towards a leaner, clinically led organisation, ensuring that the largest possible proportion of our funding was directed towards the provision of our frontline services. We started the new academic year with 8 partner schools and 24 Outreach schools across Cambridge, East Cambridgeshire and Fenland with 54 clinical workers providing expert therapeutic support to nearly 250 children.

However, when schools closed in March 2020 our face-to-face support stopped. But we continued to put children at the heart of what we do and our primary concern was the wellbeing of the children we support over what we knew would be a deeply unsettling time. Thanks to the dedication of our staff, trustees and volunteers and the support from local community groups, trusts, companies and individual donors we planned and executed a bold change of direction - moving to a successful, and much welcomed, online and telephone Keeping in Touch service for children and their parents/carers. We will take learning from this for the future.

While the pandemic influenced much of the charity's work there were several aims we had set for 2019-20 and I would like to report on these briefly.

Last year we said that we would continue to devote as much resources as possible to our frontline therapy services and expand our service offer where possible. While the pandemic forced a move into the realms of virtual support, prior to this we were able to expand our face-to-face work and delivered a pilot project involving children and their parents/carers in an 8 week group work programme. The project was specifically created to support families who had experienced family breakdown, loss, trauma and/or abuse. The feedback was so positive that we are planning to develop this further and deliver a programme of targeted work with parent/child dyads where communication, relationship or behavioural difficulties are causing significant distress.

Safeguarding is a priority for Blue Smile and last year we said that, following a period of significant growth, we would commission an external provider to undertake a safeguarding audit - and we did. SAFECic undertook a very thorough audit. They commended our safeguarding practice and ethos and made some helpful recommendations about streamlining our written policies and recording. We immediately attended to these recommendations. SAFECic said, *"There is great pride in the high standards of service delivery and great commitment at all levels to make the charity the best it can be... Everyone recognised that safeguarding is the priority for the charity at all levels"* (SAFECIC 2020).

We completed a two-year joint project with Relate Cambridge that delivered wellbeing groups to parents and carers alongside one-to-one therapeutic interventions to their children. As part of the Fullscope consortium we helped to develop a programme of creative workshops for children, young people and young adults across the county and in the latter part of the year we helped initiate a project that focuses on bringing charity partners together in order to map out our data collection practices. The overall aim of the project is to make the charities' services more coherent and transparent to enable timely and appropriate access for those in need of mental health support. We will actively contribute to the development of this project next year.

Next year, Blue Smile aims to implement a cloud-based system that will improve data flow and increase efficiency, allowing us more flexibility to develop our organisation and enable the secure and accurate sharing of information with local partner organisations, so that we can expand our reach and support more children, parents, carers and schools.

Blue Smile Project

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 July 2020

Blue Smile showed great agility in the face of the pandemic last year and I am deeply grateful to our many staff, trustees, volunteers and donors, without whom this would not have been possible. So many people worked creatively and tirelessly to move planned face-to-face fundraising events online. I would particularly like to thank Cambridge Assessment and the Brampton Golf club who both chose Blue Smile as their charity of the year, The Henry Smith Foundation for its significant confidence and investment in Blue Smile and many of our individual supporters who, despite cancellations to formal events, still ran full and half marathons, took up cycle challenges, held virtual coffee mornings, art exhibitions and so much more - all to ensure that we could direct our support to children who need it more than ever.

Jess Manley - Charity Director

Reference and administrative details

Registered charity name	Blue Smile Project
Charity registration number	1139279
Company registration number	07411348
Principal office and registered office	47-51 Norfolk Street Cambridge CB1 2LD

The trustees

The trustees who served during the year and at the date of approval were as follows:

Naomi Mallick (Chair)
Graeme Menzies (Deputy Chair)
Penelope Dryden (Treasurer until 06 July 2020)
Christopher O'Connor (Treasurer, Appointed 06 July 2020)
Anne Marie Kent-Taylor
Angela McKeown
Ellen Nowak
Kate Morris (Resigned 05 December 2019)
Carrie-Ann Black (Appointed 12 October 2020)
Sarah Nolasco (Appointed 20 January 2020)

Blue Smile Project

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 July 2020

The patron	Professor Sir Simon Baron-Cohen
Executive positions	Rebecca Wood (Chief Executive Officer until 01 September 2019) Jessamy Manley (Charity Director From 01 September 2019)
Company secretary	Penelope Dryden
Independent examiner	L Thurston FCCA Lovewell Blake LLP Chartered accountants First Floor Suite 2 Hillside Business Park Bury St Edmunds IP32 7EA
Bankers	The Co-operative Bank Plc PO Box 250, Skelmersdale WN8 6WT The Charity Bank Limited Fosse House 182 High Street Tonbridge TN9 1BE
Solicitors	Mills & Reeve LLP Botanic House 100 Hills Road Cambridge CB2 1PH
Website	www.bluesmile.org.uk

Blue Smile Project

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 July 2020

Objectives and activities

Objectives:

Blue Smile's charitable objectives as set out in the Memorandum of Association are:

- For the benefit of the public, to enhance the mental health of, in particular but not exclusively, disadvantaged children and young people, in particular in Cambridgeshire and surrounding areas, through counselling, support and therapeutic use of the arts; and
- For the benefit of the public, to support schools and other educational institutions, in particular in Cambridgeshire and surrounding areas, in addressing the mental health needs of, in particular but not exclusively, disadvantaged children and young people appropriately.

Vision:

A world where happier children have brighter futures.

Mission:

To improve the mental wellbeing and prospects of Cambridgeshire children through expert arts-based therapies.

Achievements and performance

Providing a clinical service in Partner Schools:

Blue Smile provides arts-based therapy and mentoring in Partner Schools in Cambridge to children aged 3-13. Partner Schools also act as our training, research and development hubs, giving clinical placements to trainee therapists. We provide intensive one-to-one, long-term therapy and mentoring for around 16 children per week per Partner School. In 2019-20 Blue Smile operated in Arbury Primary School, Cherry Hinton C of E Primary School, The Grove Primary School in Arbury, Histon and Impington Junior School, Orchard Park Community Primary School, Ridgefield Primary School on the Coleridge site, Shirley Community Primary School in Chesterton and St Andrew's C of E Primary School in Soham.

Providing an Outreach Service:

Blue Smile provides a flexible Outreach service to help children in any school in Cambridgeshire and surrounding areas. This enables schools who may not want to commit to the Partner School model to ask Blue Smile to work with individual or small numbers of children who need support. The Outreach service also offers a whole menu of services to support teachers, give peer support to children through group work, provide support for parents and provide bespoke solutions in areas of high need.

Blue Smile Project

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 July 2020

Achievements and performance *(continued)*

Impact

94% of parents said their child improved because of Blue Smile, 88% of teachers reported improvement because of Blue Smile and 81% of children with the most worrying problems improved.

Providing a service through the pandemic:

The effect of the Covid-19 pandemic created unprecedented challenges and adjustments to everyone's lives and children have been and remain in need of mental health support more than ever. Government guidance at the beginning of lockdown indicated that when appropriate and possible, existing mental health provision for children should continue to be delivered over the phone or online. The team at Blue Smile immediately started to develop new models of working in order to continue providing support to children and parents/carers. We started our new 'Keeping in Touch' phone service whereby our qualified therapists offered regular phone calls to parents and children to chat about how things were going, be a 'listening ear' and offer emotional support and advice as appropriate. We also developed online therapy provision for children above the age of 10. Our new services supported all our Partner Schools and 61% of our Outreach schools.

We received feedback about the 'Keeping in Touch' phone call service and children's online therapy provision from 61 parents/carers and 54 children. We asked parents/carers and children about how helpful they found the new services on a scale of "not very helpful", "quite helpful" and "very helpful."

100% of parents responded that they found the phone calls and/or children's online therapy provision to be 'helpful' or 'very helpful'.

94% of children found the phone calls and/or online therapy to be 'helpful' or 'very helpful' (6% of the children did not respond to the question).

Art packs - we put together, sanitised, packed and sent out via schools individual art packs to children with whom Blue Smile had been working with guides to art activities. These were hugely appreciated and helped children know that Blue Smile continued to hold them in mind.

Despite the limitations brought about by the pandemic during 2019-20, we were able to deliver clinical training sessions to 56 practitioners and support children, parents and staff across 32 schools.

Maintaining clinical standards:

Since it began, Blue Smile has trained over 180 clinical practitioners. Close relationships with the Faculty of Education and other trainings means that Blue Smile attracts excellent practitioners with the skills to work with a range of mental health needs including complex and challenging cases. The charity has comprehensive policies and procedures in place and a full set of Practice Standards, to which practitioners sign up annually. Safer recruiting methods are used for all persons working with children and they receive a full induction and regular supervision. A safeguarding audit carried out by SAFEcic in 2020 found that *"There is great pride in the high standards of service delivery and great commitment at all levels to make the charity the best it can be... Everyone recognised that safeguarding is the priority for the charity at all levels"*. Blue Smile has in 2020 (since the end of the reporting year) recruited a Lead Trustee for safeguarding, who is a senior mental health nurse at South London and Maudsley NHS Foundation Trust.

The Clinical, Ethics and Safeguarding Group also considers safeguarding requirements and regularly considers ethical issues and practice standards. A Clinical Panel, comprising a Clinical Supervisor, the Clinical Operations Manager and the Lead Trustee for Safeguarding, is in place should the Charity Director be absent and immediate discussion or advice on a clinical matter be required.

During the pandemic we reviewed policies such as our Online Safety Policy and wrote new policies, guidelines and risk assessment (e.g. Cyber Security Policy) to ensure appropriate standards for new ways of working.

Blue Smile Project

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 July 2020

Achievements and performance *(continued)*

Measuring our effectiveness:

To date, Blue Smile has directly supported 1115 children one-to-one and 1496 when group work is taken into account. We know we indirectly help countless others in the schools we operate in. Evaluation shows Blue Smile's service to be highly effective in this early intervention and prevention.

In 2015, a study by a researcher from the CORC/Anna Freud Centre at UCL benchmarked Blue Smile's outcomes against a study of CAMHS' (Child and Adolescent Mental Health Services) outcomes and found:

- 40% of all Blue Smile children (who had higher starting levels of difficulty than those in CAMHS) improved according to their parent/carers, versus 16% in CAMHS.
- 35% of the Blue Smile children with clinically diagnosable difficulties completely recovered, versus 21% for CAMHS.

In 2018 Cambridge Hub Impact Labs (University of Cambridge) undertook a research project with Blue Smile to measure short term versus long term therapy and provide evidence to validate and support an appropriate length of therapy. The report concluded, from Blue Smile data, that there is a statistically-significant positive association of treatment length on teacher-rated improvement with longer-term therapy leading to a higher likelihood of improvement compared with shorter therapy. There is similar directionality of results for parent-rated improvement, although the association is weaker and less consistent. The findings help to inform the basis for our therapeutic model so as to potentially optimise the most effective treatment length within the charity's school-based setting.

A survey in a partner school showed educational attainment improved best in those children supported by Blue Smile compared to other interventions, including interventions in literacy and numeracy. Blue Smile wants to do more research in this area. In addition to measuring academic progress we are starting to measure children's engagement in school life and also whether improvements made during therapy are sustained following the end of the work; early results suggest that improvements do seem to be sustained. We will report on this further in our next financial review following analysis of a larger dataset - this has been an analysis we have had to delay as a result of lockdowns during 2020.

Supporting continuing professional development:

With increasing complexity of cases coming our way, and the 'stretched' capacity of local Children and Adolescent Mental Health Services (CAMHS) to take up referrals, development of clinical workers is essential. Each year we offer a programme of training workshops, delivered by external professionals in the field. These are free to those working with Blue Smile.

In 2019/20 several of our trainings were moved online or changed to deliver trainings that would equip our practitioners to support children via phone calls or online platforms such as Zoom. We had six 'Skills in the Room' training sessions covering specialist areas of therapeutic practice. Additionally, the charity's Team Leaders were provided with a training bursary to spend as they chose to develop their clinical and team-leading skills. All of the charity's practitioners received regular clinical supervision at an appropriate level and had regular management reviews to monitor progress and provide support.

Blue Smile Project

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 July 2020

Financial review

Ensuring financial sustainability:

The financial year ending July 2020 resulted in a surplus of £122,391 (2018/19 deficit of £64,457). This surplus was as a result of increase trust income and a fall in costs as a result of the Covid-19 pandemic enforcing less face to face work.

Overall income in 2019/20 increased by 11.3% from £440,156 to £489,757. Partner and Outreach contributions were increased by around 4% and 10% respectively for the 19/20 school year; we considered increases carefully to ensure school contributions remained affordable, Blue Smile being mindful of stretched school budgets. The charity subsidises each Partner School service by covering well over half of the full costs through fundraising and subsidises Outreach work as well but to a lesser degree.

Voluntary income increased from £244,355 to £301,214 for 2019/20. The board has recognised that this key element of funding needs to grow, become more diversified and become more predictable over the medium term. To this end, more time and effort has been spent on fundraising and some professional resource has been added into this area. This is producing pleasing results with, for example, the recent award of £150,000 over a three year period from a charitable foundation. At the same time, it is fully recognised that costs must be controlled in line with income.

Over the year, we have been extremely fortunate to have been supported by some very generous partners. These cover trusts and funds, community fundraising efforts, individual donors many of whom give on a regular basis and corporates. We are extremely grateful to them all.

Overall income

Income from donations, grants, fundraising events and bank interest amounted to £304,585 (2018/19 £245,256).

Reserves policy:

Blue Smile continues to emphasise prudent management of its reserves and long-term financial planning. The Trustees reviewed the reserves policy in October 2019 and the actual level of reserves compared to this policy is reviewed on a regular basis. In setting Blue Smile's Reserves Policy, the Board took into account the charity's commitment to working long-term with children (for an average of two school terms), as well as the annual Service Level Agreements with schools. Having assessed potential threats and risks, the Trustees have agreed the need to maintain sufficient income reserves to:

- protect the continuity of the charity's work
- allow for fluctuations in fundraising income
- cover unexpected expenditure and contingencies
- fund the costs of growth and transformation

The charity aims to hold reserves equivalent to between 2 and 5 months' running costs. The trustees consider the optimal amount for reserves is 3 months' running costs. This equates (on the basis of the budget agreed by trustees for the 19/20 year) to be approximately £105,000.

As at 31 July 2020, the actual free reserves totalled £182,345 (2019: £47,465), above the required level. The trustees continue to review both the reserves policy and expenditure and income targets with a view to using reserves as effectively as possible. Reserves are monitored closely by the Remuneration and Finance subcommittee and Board.

Blue Smile Project

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 July 2020

Financial review *(continued)*

Investment Policy:

The charity does not have significant reserves to invest. Cash balances are held in current and deposit bank accounts with the Charity's bankers.

Plans for future periods

Plans for the future:

Blue Smile adopted a new two year strategy for 2020 to 2021. We successfully completed a significant reorganisation early in the 2019/20 year, streamlining our back office and reducing administration costs. We also implemented a fundraising strategy refresh. We plan to complete the implementation of our strategy in 2020/21 and to learn from the experience of delivering services in an adaptive and remote way. We plan to continue to ensure that we draw on the rich data we have collected over 10 years operation to learn and share what works best and to feed this learning back into our services.

Amanda Langford has led for Blue Smile for the second year of our Resilience Project. This has been made possible by funding from The Evelyn Trust and Cambridgeshire County Council's Innovate and Cultivate Fund. Blue Smile is undertaking this project with other lead partner Relate and some input from the Family Mediation Service. It included parent groups run by Relate alongside 1:1 therapy for children. This project will complete in 20/21 including evaluation and dissemination of learning.

Blue Smile continues to be active in The Fullscope Project, a consortium of seven leading organisations that support the mental wellbeing of children and/or young people in Cambridgeshire and Peterborough. Fullscope has a 3-year programme that will improve provision, establish clearer opportunity pathways, and have national significance in influencing the sector as a whole. The participating organisations are Arts and Minds, Blue Smile, Cambridge Curiosity & Imagination, Centre 33, The Kite Trust, CPSL Mind and YMCA Trinity Group.

Blue Smile Project

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 July 2020

Structure, governance and management

Governing documentation:

Blue Smile is the working name of Blue Smile Project with either name used throughout these accounts. It is a company limited by guarantee and as such has no share capital. It was incorporated on 18 October 2010 under company registration number 07411348, and is governed by its Memorandum and Articles of Association. It was registered as a charity on 8 December 2010 under charity number 1139279.

Patron:

Our Patron is Professor Sir Simon Baron-Cohen, Professor of Developmental Psychopathology at the University of Cambridge and Director of the Autism Research Centre.

Trustees

The trustees bring a variety of experience and skills. They meet bi-monthly and more often where necessary. The trustees oversee the work of the Charity Director, make major decisions, approve policy, review risks and determine strategy. The Trustees delegate day-to-day management of the charity to the Charity Director.

No trustee is an employee of the company nor has any beneficial interest but each is a member as well as a Director of the company and guarantees to contribute £1 in the event of a winding up.

Arrangements for trustee retirement were changed in April 2020 by resolution. Trustees must now retire after 5 years' service and may not be reappointed more than once. An exception was made for those trustees who had already been in post for 5 years at the time of the change who were permitted to serve until 20 Jan 2021. Trustees may be appointed again after they have served ten years but only with a 12 month break.

The Board abides by the principles underlying the ACEVO Code of Good Governance and also has a Blue Smile Trustees Code of Conduct. Our advisory groups and subcommittees, who report to the Board, are

- Clinical, Ethics and Safeguarding Group (Chair, Anne Kent-Taylor)
- Remuneration and Finance Subcommittee (Chair, Naomi Mallick)
- Research and Impact Advisory Group (Chair, Tim Bryson)

Risk Management is overseen by Penny Dryden, with the different groups/subcommittees nominated to regularly review and report back to the trustee board on the risks relevant to their remit.

All subcommittees and groups contain at least one trustee and at least one staff member, alongside expert volunteers.

As well as these formal groups, the charity benefits from a large number of other skilled volunteers. There are our clinical volunteers who chose us for their placement - a vital part of the Partner School system. Elica Limited (and specifically Elaine and Jason) continue to provide very valuable support with our clinical information system at no cost to us and the University of Cambridge Impact Labs help us with specific research projects. A data protection expert, Sarah Day, continues to be on call concerning GDPR and Linda Stewart has provided important support as our volunteer expert on child protection and safeguarding. We were fortunate to have the benefit of expert volunteer advisory support to assist us with our organisational restructure over the summer of 2019.

Blue Smile Project

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 July 2020

Structure, governance and management *(continued)*

Recruitment and appointment of trustees:

Trustees are recruited for their skills and experience, are appointed in accordance with the Memorandum and Articles of Association and consist of at least three and not more than nine individuals. They are appointed on the basis of recommendation, or through advertising,

Trustee induction and training:

New Trustees meet the Charity Director, Clinical Operations Manager and other office staff. They are given an induction pack, including the Memorandum and Articles of Association, the strategic plan, the most recent full accounts and Annual Review plus recent management accounts. Trustee meeting minutes from previous meetings as well as reports from advisory groups and sub-committees are also available to them. Those new to the role of Trustee are recommended to obtain and read the 'Good Trustee Guide' from the National Council for Voluntary Organisations. Training is available to trustees.

Risk Assessment:

The Trustees operate a formal risk management process. Trustees and Charity Director together identify and record in a Risk Register key risks, their probability, impact and mitigating actions. Risks are reviewed by sub-committees and at Board.

The key areas of potential risks the Board identified as ones to keep under review in 2020-21 were:

- 1.Fundraising/Income and cashflow to ensure charity is sustainable
- 2.Coronavirus pandemic
- 3.Over reliance on key individuals
- 4.Compliance with law and regulation regarding employment status
- 5.Compliance with Health & Safety legislation

Key measures that have been put in place to manage each of these risks are:

- Ongoing regular review of cashflow at RemCom and Board to ensure charity remains viable and where appropriate apply for and utilise of Covid related financial support.
- Review government guidance relating to Covid-19 pandemic and ensure compliance. Continue holding staff wellbeing sessions, ensure staff take leave where possible and ensure that staff have what they need for comfortable work at home environment. Reassure trainees and clinical teams by keeping them up to date with how Blue Smile is responding to the pandemic.
- Ensure professional development plans in place for key individuals. In addition look into mentoring options for Charity Director and buy in additional support for Charity Director.
- Review employment arrangements again in May 2021.
- Ensure office based staff have read Health and Safety Policy (signature on annual PDR forms to confirm). Health and Safety to be an agenda item on staff meetings.

Blue Smile Project

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 31 July 2020

Structure, governance and management *(continued)*

Public benefit statement

The Trustees have had due regard to the guidance issued by the Charity Commission on public benefit. The charity offers subsidised services to schools and works hard to ensure that the contribution it asks schools to make does not create an insurmountable barrier to potential beneficiaries. Of the children referred to the one-to-one service, 56% of cases are recorded as having more than one problem ("complex"). The most common problem reported is family breakdown and/or reconstituted family. 57% of the children referred to Blue Smile are eligible for Pupil Premium (previously Free School Meals) and 49% are on the Special Educational Needs register.

Small company provisions

This report has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

The trustees' annual report (incorporating the directors' report) was approved on and signed on behalf of the board of trustees by:

Naomi Mallick
Chair

Blue Smile Project

Company Limited by Guarantee

Independent examiner's report to the trustees of Blue Smile Project

Year ended 31 July 2020

I report to the charity trustees on my examination of the financial statements of the company for the year ended 31 July 2020 which comprise the statement of financial activities (including income and expenditure account), balance sheet and the related notes.

Responsibilities and basis of report

As the charity's trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the financial statements of the company 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 company's financial statements as carried out under section 145 of the Charities Act 2011 ('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 statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies.

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 that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements 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 financial statements 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.

L Thurston FCCA
Independent Examiner

Lovewell Blake LLP
Chartered accountants
First Floor Suite
2 Hillside Business Park
Bury St Edmunds
IP32 7EA

Blue Smile Project

Company Limited by Guarantee

Statement of financial activities (including income and expenditure account)

Year ended 31 July 2020

		Unrestricted funds £	2020 Restricted funds £	Total funds £	2019 Total funds £
Income and endowments	Note				
Donations and legacies	5	246,056	55,158	301,214	244,355
Charitable activities	6	180,820	–	180,820	194,900
Other trading activities		4,352	–	4,352	–
Investment income		3,371	–	3,371	901
Total income		<u>434,599</u>	<u>55,158</u>	<u>489,757</u>	<u>440,156</u>
Expenditure					
Expenditure on raising funds:					
Costs of fundraising	7	72,249	–	72,249	113,266
Charitable activities	8	227,470	67,647	295,117	391,347
Total expenditure		<u>299,719</u>	<u>67,647</u>	<u>367,366</u>	<u>504,613</u>
Net income/(expenditure) and net movement in funds		<u>134,880</u>	<u>(12,489)</u>	<u>122,391</u>	<u>(64,457)</u>
Reconciliation of funds					
Total funds brought forward		<u>47,465</u>	<u>18,881</u>	<u>66,346</u>	<u>130,803</u>
Total funds carried forward		<u>182,345</u>	<u>6,392</u>	<u>188,737</u>	<u>66,346</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 17 to 25 form part of these financial statements.

Blue Smile Project

Company Limited by Guarantee

Balance sheet

31 July 2020

	Note	2020 £	£	2019 £	£
Fixed assets					
Tangible fixed assets	12		2,445		6,583
Current assets					
Debtors	13	41,094		33,847	
Cash at bank and in hand		196,878		105,535	
		<u>237,972</u>		<u>139,382</u>	
Creditors: Amounts falling due within one year	14	<u>(51,680)</u>		<u>(79,619)</u>	
Net current assets			<u>186,292</u>		<u>59,763</u>
Total assets less current liabilities			<u>188,737</u>		<u>66,346</u>
Net assets			<u>188,737</u>		<u>66,346</u>
Funds of the charity					
Restricted funds			6,392		18,881
Unrestricted funds			182,345		47,465
Total charity funds	15		<u>188,737</u>		<u>66,346</u>

For the year ending 31 July 2020 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on, and are signed on behalf of the board by:

Naomi Mallick
Chair

Company registration number: 07411348

The notes on pages 17 to 25 form part of these financial statements.

Blue Smile Project

Company Limited by Guarantee

Notes to the financial statements

Year ended 31 July 2020

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 47-51 Norfolk Street, Cambridge, CB1 2LD.

2. Statement of compliance

The charity constitutes a public benefit entity as defined by FRS 102. 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

3. Accounting policies

(a) Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

(b) Going concern

The accounts have been prepared on the on going concern basis and the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected income and expenditure for the next 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Association to be able to continue as a going concern. The trustees have taken Covid-19 into consideration when reviewing going concern.

(c) Income tax

The charity is exempt from corporation tax on its charitable activities.

(d) Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees.

Designated funds are where necessary, unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Blue Smile Project

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 July 2020

3. Accounting policies *(continued)*

(e) Income

All income included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Income is recognised when it is due under terms of funding agreements.

(f) Expenditure

All expenditure is accounted for on an accruals basis as a liability is incurred. Expenditure includes any VAT that cannot be recovered and is reported as part of the expenditure to which it relates. Expenditure is allocated between:

- Expenditure incurred directly in the fulfillment of the charity's objectives (charitable expenditure)
- Expenditure incurred directly in the effort to raise voluntary contributions (costs of fundraising)

(g) Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other recognised gains and losses, except to the extent that it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

(h) Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Equipment - 33% straight line

(i) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as a basic financial instrument. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

4. Limited by guarantee

The company is limited by guarantee, not having a share capital, and is also a registered charity; it is not liable to corporation tax. In the event of the charity being wound up, the liability in respect of guarantee is limited to £1 per member of the limited liability company.

Blue Smile Project

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 July 2020

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Donations			
Corporate donations	6,529	5,000	11,529
Community and events	51,857	–	51,857
Individual donations	10,817	–	10,817
Trusts	169,014	50,158	219,172
Major donors	–	–	–
Gift aid	7,839	–	7,839
	<u>246,056</u>	<u>55,158</u>	<u>301,214</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Donations			
Corporate donations	32,949	–	32,949
Community and events	18,855	3,755	22,610
Individual donations	4,828	–	4,828
Trusts	48,439	82,108	130,547
Major donors	49,464	–	49,464
Gift aid	3,957	–	3,957
	<u>158,492</u>	<u>85,863</u>	<u>244,355</u>

6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Service fees	<u>180,820</u>	<u>–</u>	<u>180,820</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Service fees	<u>97,022</u>	<u>97,878</u>	<u>194,900</u>

7. Costs of fundraising

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Costs of fundraising	<u>72,249</u>	<u>72,249</u>	<u>113,266</u>	<u>113,266</u>

Blue Smile Project

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 July 2020

8. Expenditure on charitable activities

	Activities undertaken directly £	Total funds 2020 £	Total fund 2019 £
Salary and social security costs	156,206	156,206	159,317
Premises	10,560	10,560	10,152
Professional fees of clinical teams and consultants	89,003	89,003	184,761
Office costs	5,016	5,016	10,512
Postage and stationery	19,246	19,246	10,195
Legal and professional	1,853	1,853	1,993
Training and recruitment	4,915	4,915	4,405
Sundries	5,173	5,173	7,571
Depreciation	3,145	3,145	2,441
	<u>295,117</u>	<u>295,117</u>	<u>391,347</u>

9. Independent examination fees

	2020 £	2019 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>600</u>	<u>600</u>

Blue Smile Project

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 July 2020

10. Staff costs

	2020	2019
	£	£
Wages and salaries	139,099	213,713
Social security costs	4,946	12,189
Pension costs	2,203	2,888
	<u>146,248</u>	<u>228,790</u>

The average head count of employees during the year was 8 (2019 - 12). The average number of full-time equivalent employees during the year is analysed as follows:

	2020	2019
	No	No
Management	1	1
Clinical operations	3	3
Other	—	3
	<u>4</u>	<u>7</u>

No employee received employee benefits of more than £60,000 during the year (2019 - £Nil).

As a result of a reorganisation within the charity, termination and redundancy payments totalling £4,848 (2019: £Nil) are included within staff costs.

Key management personnel

Key management personnel include all personnel that have the authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £50,149 (2019 - £69,896).

11. Trustee remuneration and expenses

No trustee received remuneration in the current or prior year, directly or indirectly, from the charity. No expenses were reimbursed to the trustees during the year.

12. Tangible fixed assets

	Equipment
	£
Cost	
At 1 August 2019 and 31 July 2020	<u>12,414</u>
Depreciation	
At 1 August 2019	5,831
Charge for the year	<u>4,138</u>
At 31 July 2020	<u>9,969</u>
Carrying amount	
At 31 July 2020	<u>2,445</u>
At 31 July 2019	<u>6,583</u>

Blue Smile Project

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 July 2020

13. Debtors

	2020	2019
	£	£
Trade debtors	30,014	23,208
Prepayments and accrued income	10,440	9,999
Other debtors	640	640
	<u>41,094</u>	<u>33,847</u>

14. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	17,775	29,190
Accruals and deferred income	32,121	47,635
Social security and other taxes	1,742	2,669
Other creditors	42	125
	<u>51,680</u>	<u>79,619</u>

Blue Smile Project

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 July 2020

15. Analysis of charitable funds

Year ended 31 July 2020

	At 1 August 2019 £	Income £	Expenditure £	Transfers £	At 31 July 2020 £
Restricted Funds					
Outreach Funding and Partner Schools	17,381	–	(17,381)	–	–
Kelly Family Trust	1,500	–	(1,500)	–	–
Awards for All	–	9,912	(6,608)	–	3,304
CCF Coronavirus Emergency Fund	–	3,115	(3,115)	–	–
Chapman	–	1,000	(1,000)	–	–
ECET	–	9,263	(6,175)	–	3,088
Evelyn Trust	–	5,000	(5,000)	–	–
Hobson	–	2,000	(2,000)	–	–
Monica Rabagliati	–	5,000	(5,000)	–	–
Newby Trust	–	10,000	(10,000)	–	–
Pixel Fund	–	3,228	(3,228)	–	–
Red Hill	–	1,640	(1,640)	–	–
TimeSpace Technology	–	5,000	(5,000)	–	–
	<u>18,881</u>	<u>55,158</u>	<u>(67,647)</u>	<u>–</u>	<u>6,392</u>
Unrestricted Funds					
General Funds	47,465	434,599	(299,719)	–	182,345
	<u>47,465</u>	<u>434,599</u>	<u>(299,719)</u>	<u>–</u>	<u>182,345</u>

Year ended 31 July 2019

	At 1 August 2018 £	Income £	Expenditure £	Transfers £	At 31 July 2019 £
Restricted Funds					
Outreach Funding and Partner Schools	28,231	136,131	(146,981)	–	17,381
Resilience Group	–	38,610	(38,610)	–	–
Kelly Family Trust	–	5,000	(3,500)	–	1,500
Cambridgeshire Community Foundation	–	4,000	(4,000)	–	–
	<u>28,231</u>	<u>183,741</u>	<u>(193,091)</u>	<u>–</u>	<u>18,881</u>
Unrestricted Funds					
General Funds	97,572	256,415	(300,954)	(5,568)	47,465
Designated Fund - Website	5,000	–	(10,568)	5,568	–
	<u>102,572</u>	<u>256,415</u>	<u>(311,522)</u>	<u>–</u>	<u>47,465</u>

Purpose of restricted funds

Outreach Funding and Partner Schools - Income within this fund is restricted against the costs of the outreach work performed by the charity. This work includes therapists going into schools to provide counselling to students.

Blue Smile Project

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 July 2020

Resilience Group - The income received within this fund was restricted to the development and delivery of parent group work within Partner Schools.

Kelly Family Trust - The income received within this fund was restricted to the development and delivery of a pilot parent/child group work programme in one Outreach school.

Cambridgeshire Community Foundation - The income received within this funds was restricted towards the rent costs of the charity.

Awards for All - The income received within this fund is restricted to parent, school staff support and webpage for a three month period over the pandemic.

CCF Coronavirus Emergency Fund - The income received within this fund is restricted to art packs.

Chapman - The income received within this fund is restricted to mentor training.

ECET - The income received within this fund is restricted to Cherry Hinton (partner school).

Evelyn Trust - The income received within this fund is restricted to the Keeping in Touch project funded by the Evelyn Trust.

Hobson - The income received within this fund is restricted to outreach art materials and toys.

Monica Rabagliati - The income received within this fund is restricted to The Grove (partner school).

Newby Trust - The income received within this fund is restricted to Ridgefield (partner school).

Pixel Fund - The income received within this fund is restricted to the safeguarding audit.

Red Hill - The income received within this fund is restricted to The Grove for the summer term 2020.

TimeSpace Technology - The income received within this fund is restricted to Histon and Impington Junior School (Partner School).

Blue Smile Project

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 July 2020

16. Analysis of net assets between funds

Year ended 31 July 2020

	Fixed Assets £	Current Assets £	Creditors Less Than 1 Year £	Total £
Unrestricted Funds	2,445	231,580	51,680	182,345
Restricted Funds	–	6,392	–	6,392
	<u>2,445</u>	<u>237,972</u>	<u>51,680</u>	<u>188,737</u>

Year ended 31 July 2019

	Fixed Assets £	Current Assets £	Creditors Less Than 1 Year £	Total £
Unrestricted Funds	6,583	120,501	79,619	47,465
Restricted Funds	–	18,881	–	18,881
	<u>6,583</u>	<u>139,382</u>	<u>79,619</u>	<u>66,346</u>

17. Financial instruments

The carrying amount of financial instruments at 31 July were:

	2020 £	2019 £
Financial assets measured at amortised cost		
Trade debtors	30,014	23,208
Other debtor transactions	640	640
Cash at bank and in hand	196,878	105,535
	<u>227,532</u>	<u>129,383</u>
Financial liabilities measured at amortised cost		
Trade creditors	17,775	29,190
Other creditor transactions	42	125
	<u>17,817</u>	<u>29,315</u>

18. Related parties

There were no other related party transactions during the year (2019: £Nil).