

COMPANY REGISTRATION NUMBER: 07411348

CHARITY REGISTRATION NUMBER: 1139279

Blue Smile Project
Company Limited by Guarantee
Unaudited financial statements
31 July 2021

Blue Smile Project

Company Limited by Guarantee

Financial statements

Year ended 31 July 2021

	Page
Trustees' annual report	1
Independent examiner's report to the trustees	15
Statement of financial activities (including income and expenditure account)	16
Balance sheet	17
Notes to the financial statements	18

Blue Smile Project

Company Limited by Guarantee

Trustees' annual report

Year ended 31 July 2021

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 2021.

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 *(continued)*

Year ended 31 July 2021

A letter from the chair of trustees

I am very pleased to be reporting on the 2020/21 year for Blue Smile.

This has, as for many other charitable organisations, been a year dominated by the coronavirus pandemic and the radical changes that it has wrought in all our lives. I am very proud of the way in which Blue Smile has risen and adapted to the many challenges. The charity has throughout continued to deliver much needed and valued expert support to children who are struggling with their mental health and emotional wellbeing. The pandemic has taken a heavy toll on children and the services Blue Smile offers are needed more than ever.

At the end of the 2019/20 year the Blue Smile team worked tirelessly to set up services for children and their families which could be delivered remotely, alongside face-to-face work wherever that was possible and safe. During this year those services - telephone support, art packs posted to children and some online therapy - have been continued and evaluated. Feedback from children and parents has been extremely positive with 100% of parents and children who provided feedback responding that they found our remote support services helpful, with a parent commenting that "The calls have been very helpful because without the room to air our feelings and concerns, we would have been even more isolated." We are building on the learning from these innovations, while continuing to maintain face-to-face art and play therapy as our core service for the young children whom we support.

I would like to pay tribute to the headteachers and their teams at the schools with which we work for the dedication and commitment they have shown through these difficult times.

We have continued to focus on high quality data collection and evaluation during this year. Comparisons with data from before the pandemic show that Blue Smile's services are needed more than ever, with significant increases in children affected by problems such as stress/post-traumatic stress, family breakdown, and parent/carer mental illness. Long-term evaluation of our data has helped Blue Smile identify areas of need for our service development such as an increased emphasis on parent/carer and whole family support after identifying that family breakdown has consistently been the most common presenting issue in Blue Smile's referrals. Blue Smile has also continued to demonstrate the positive impact of our services on children's outcomes, with data showing that 74% of children were more willing to engage in school life after receiving Blue Smile support.

We completed our Strategic Plan at the end of the 2020/21 year and are now implementing a new Strategy, which has been developed collaboratively with Blue Smile staff. We have refreshed our fundraising strategy and reviewed and updated our service delivery and training. We successfully migrated our office systems to Outlook 365, an important project expertly managed by our Finance and Administration assistant Maria Harrison.

We also completed our Resilience Project, creating a handbook and training to enable this model and the learning from it to be used widely by other organisations. I would like to thank our Founder and Ambassador Amanda Langford for all the work she has done leading this project - it would not have been possible without her expertise and commitment.

As ever, we have maintained a strong emphasis on safeguarding. With support from the Pixel Fund, we were able to commission a full external safeguarding audit carried out by Safe CiC. The audit commended Blue Smile on its strong and supportive safeguarding culture and made various recommendations which we have subsequently worked through. As usual, we offered safeguarding training alongside other training, supervision and support to our Partner School teams and Outreach therapists. We have welcomed Carrie-Ann Black, a senior mental health nurse, as a new Trustee and Safeguarding lead for the Board

We have also strengthened our fundraising capacity this year, welcoming Cara Parker as our new Head of Fundraising and Development, though sadly saying goodbye to our Fundraising Consultant Zoe Bunter, who had been with us for several years.

Blue Smile Project

Company Limited by Guarantee

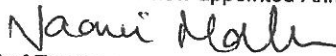
Trustees' annual report *(continued)*

Year ended 31 July 2021

I am truly grateful to all those who have given to Blue Smile this year. Our corporate sponsors have continued to support us through huge changes to their ways of working - I mention in particular Cambridge University Press & Assessment and Cambridge Design Partnership. We have been generously supported again with significant grants from The Henry Smith Charity and also by Garfield Weston and the Cambridge Coronavirus Recovery Fund alongside other trusts and foundations. And our community have raised funds through events, sporting challenges and many other activities. I want in particular to express gratitude to the captains and members of the Brompton Golf Club who raised a fantastic sum for us as their charity of the year. And our wonderful Friends group continue to be behind us all the way, raising funds and awareness of the work we do. To all of you, on behalf of everyone at Blue Smile and all the children and families we support, a huge thank you.

I also want to extend my thanks to two of our longstanding Trustees, Graeme Menzies and Penny Dryden who retired from the Board this year. I have been hugely grateful for their wise counsel over the years - the time and skills they have donated have been invaluable and much appreciated. We will miss them and wish them all the best in their next ventures.

At the end of the 20/21 year our brilliant Charity Director, Jess Manley, also retired. Anne Kent-Taylor took up this role on an interim basis (with the approval of the Charity Commission as she had been a Trustee formerly) and I am delighted that the Board have now appointed Anne permanently to this role, following an open competition.



Naomi Mallick - Chair of the Board of Trustees

A letter from the Charity Director

2020-21 continued to be a year in which the coronavirus pandemic impacted Blue Smile and many other charities. After the initial lockdown in March 2020, we began the new financial year full of hope for more normal operational delivery.

However, as our children returned to school for the first time in five months in September 2020, it was to a very different world. Although the first lockdown was over, the school that they returned to was not the same as the one they had left.

This past year has seen a continuance of delivery of Blue Smile's core therapeutic values across the charity in what has proved to be a contrasting environment; we have moved out of a series of lockdowns, each with slightly different rules and sometimes confusing and difficult consequences for schools, to a more familiar, freer and open situation but with the continuing shadow of the pandemic present in our minds.

In responding to this changing world, Blue Smile has listened to children, parents, and teachers. We have resolutely and consistently offered support to many children and to the wider school communities with flexible and tailored delivery.

Blue Smile's services provided directly through school means that families at our schools have more and quicker accessibility to much needed support. Our clinical recovery rates show that children's emotional functioning is significantly improved with Blue Smile's early intervention, which can prevent more serious difficulties later in life. Blue Smile's support has become especially important in the ongoing pandemic that has had a disproportionate impact on children's mental health and wellbeing. Children who have received Blue Smile support have better school engagement, improved attendance, and fewer exclusions.

Our flexible in-person and remote support has been delivered to over 300 children across 27 Cambridgeshire schools. We have continued to develop our clinical services, with groupwork on topics such as Managing and Understanding Emotions and Managing Transition. In response to the growing

Blue Smile Project

Company Limited by Guarantee

Trustees' annual report *(continued)*

Year ended 31 July 2021

mental health need amongst our children, we have developed and provided class wellbeing workshops to over 300 children, promoting and normalizing discussions around mental health and how we can all look after our emotional wellbeing.

Blue Smile also recognises the need for parent support, as highlighted by our own parent/carer survey. We were able to begin to pilot a family support service that offered joint parent-child therapy, developed in response to an increasing need for whole family support. Over the coming year, we hope to offer more support to parents and carers.

We also recognise the impact of the pandemic on the teaching staff that support our children and aim to work with them to ensure they are empowered around mental health and emotional wellbeing.

We have ensured the highest possible standards, with training of up to 65 Blue Smile workers, covering areas such as safeguarding, providing therapeutic support for young children online, LGBTQ+ awareness, and delivering different kinds of groupwork for parents and children.

We remain a clinically led organisation, ensuring that the largest possible proportion of our funding is directed towards the provision of our frontline services.

Next year, as the new Charity Director I will lead a refreshed two-year strategy which will focus on continued delivery of an excellent mental health service, underpinned by evidence and research; increased reach through additional services which impact the whole school community; and the growth of a strong, stable, and sustainable organisation.

Anne Kent-Taylor

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)
Christopher O'Connor (Treasurer)
Angela McKeown
Ellen Nowak
Sarah Nolasco
Carrie-Ann Black (Trustee Safeguarding Lead, appointed 12/10/2020)
Penelope Dryden (Resigned 31/07/2021)
Anne Marie Kent-Taylor (Resigned 31/07/2021)
Graeme Menzies (Resigned 18/01/2021)

Blue Smile Project

Company Limited by Guarantee

Trustees' annual report *(continued)*

Year ended 31 July 2021

Company secretary	Penelope Dryden (Resigned 31/07/2021)
The patron	Professor Sir Simon Baron-Cohen
Executive positions	Jessamy Manley (Resigned 31/07/2021) Anne Kent-Taylor (Appointed 16/08/2021)
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 *(continued)*

Year ended 31 July 2021

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.

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, 65% of cases are recorded as having more than one problem ("complex").

The most common problem reported is family breakdown and/or reconstituted family. 58% of the children referred to Blue Smile are eligible for Pupil Premium (previously Free School Meals) and 45% are on the Special Educational Needs register.

Blue Smile Project

Company Limited by Guarantee

Trustees' annual report *(continued)*

Year ended 31 July 2021

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. Volunteer mentors also form part of our Partner School teams. We provide intensive one-to-one, long-term therapy and mentoring for around 16 children per week per Partner School.

In 2020/21 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, Ridgfield Primary School on the Coleridge site, Shirley Community Primary School in Chesterton, St Andrew's C of E Primary School in Soham and Pendragon Community Primary School in Papworth Everard

Providing an Outreach Service:

Blue Smile provides a flexible Outreach service to help children in any school in Cambridgeshire and surrounding areas. In 2020/2021, Blue Smile provided services for 20 Outreach Schools. 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.

Impact

93% of parents said their child improved because of Blue Smile, 89% of teachers reported improvement because of Blue Smile and 80% of children with the most worrying problems improved. 74% of children were more willing to engage in school life after receiving Blue Smile support. 40% of children had attendance improved and 66% had fewer exclusions.

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. At the beginning of the pandemic, the team at Blue Smile pivoted to new models of working including a new 'Keeping in Touch' phone service whereby our qualified therapists offered regular phone calls to parents as well as children.

We also developed online therapy provision for children above the age of 10. When schools reopened in Autumn 2020, Blue Smile was able to resume most of our face-to-face services, working closely with schools and their new protocols to ensure the health and safety of the children, therapists, and staff in line with Government guidance. It was essential for Blue Smile to provide a flexible service that prioritised face-to-face support whenever possible but also had options for remote support in place whenever necessary.

The ongoing provision of our remote services through phone calls or online therapy since the first lockdown meant that Blue Smile was able to offer a smooth continuity of support for children, parents/carers, and school staff in all our schools over the whole school year, and we have continued to receive very positive feedback about our remote support services.

Maintaining clinical standards:

Since it began, Blue Smile has offered clinical placements to over 2000 trainee therapists. Close relationships with the Faculty of Education and other trainings means that Blue Smile attracts excellent

Blue Smile Project

Company Limited by Guarantee

Trustees' annual report *(continued)*

Year ended 31 July 2021

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 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. The Lead Trustee for Safeguarding is available for advice and support to the the Clinical Operations Manager, in particular in situations where the Charity Director may be absent and immediate discussion or advice on a clinical matter is 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.

Measuring our effectiveness:

To date, Blue Smile has directly supported 1,250 children one-to-one and 1,992 when group work and workshops are 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.

Blue Smile Project

Company Limited by Guarantee

Trustees' annual report *(continued)*

Year ended 31 July 2021

Achievements and performance *(continued)*

Supporting continuing professional development:

Development of clinical workers is essential and the contribution we make to this is important to Blue Smile. Blue Smile delivered 7 training sessions this year for a total of 163 attendees, which included mental health practitioners from and beyond Blue Smile, trainees, and other members of the community interested in mental health work. As always, our training was offered free of charge to Blue Smile practitioners. The sessions covered areas such as safeguarding, working therapeutically online with young children, LGBTQ+ awareness, delivering groupwork, and running parent groups.

As in previous years, the charity's Partner School Team Leaders were provided with a training bursary to spend as they chose to develop their clinical and team-leading skills. And all of the charity's practitioners received clinical supervision at an appropriate level and had regular management reviews to monitor progress and provide support.

Financial review

The financial year ending July 2021 resulted in a surplus of £113,547 (2019/20 £122,391). This surplus was as a result of increased trust income and a fall in costs as a result of the Covid-19 pandemic resulting in less face-to-face work.

Overall income in 2020/21 increased by 1% to £494,475 from £489,757 in 2019/20.

Voluntary income increased from £301,214 to £312,531.

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 £312,998 (2019/20 £301,465).

Blue Smile Project

Company Limited by Guarantee

Trustees' annual report *(continued)*

Year ended 31 July 2021

Financial review *(continued)*

Reserves policy:

Blue Smile continues to emphasise prudent management of its reserves and long-term financial planning. The Trustees reviewed the reserves policy as part of their approval of these accounts. The actual level of reserves compared to this policy is reviewed on a regular basis. In setting Blue Smile's Reserves Policy, the Board takes 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
- to enable the charity to wind up in an orderly and ethical fashion should a very significant change in the fundraising or operating landscape make it no longer viable for the charity to continue

The current policy is that the equivalent of four months of running costs are held as reserves. This equates (on the basis of the budget agreed by trustees for the 20/21 year) to be approximately £172,000. This policy reflects the recent uncertain past and the need to be prudent in the light of this uncertainty.

As at 31 July 2021, the actual free reserves totalled £241,702 (2020 £182,345). Reserves, and expenditure and income, are monitored closely by the Remuneration and Finance subcommittee and Board.

In 20/21 we designated £40,000 towards our cloud-based data system project.

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. This position is kept regularly under review by the Remuneration and Finance Committee.

Blue Smile Project

Company Limited by Guarantee

Trustees' annual report *(continued)*

Year ended 31 July 2021

Plans for future periods

Blue Smile completed its two-year strategy which ran to 2021. We have developed a new Fundraising Strategy and invested in Fundraising and Development resource, recruiting a new Head of Fundraising and Development. We have planned and started a project to move our data systems to a modern cloudbased system - this project is generously supported by Qualcomm.

We have developed a new set of clinical KPIs, evaluating referral data and clinical outcome for long-term trends and patterns that will help inform areas of improvement and development in Blue Smile's services. We have also further developed our research connections with Cambridge University's Faculty of Education and we currently have a Master's student from the Faculty conducting advanced statistical evaluations of Blue Smile's clinical data.

Amanda Langford has led the Resilience Project for Blue Smile, completing this in 2020/21. This has been made possible by funding from The Evelyn Trust and Cambridgeshire County Council's Innovate and Cultivate Fund. Blue Smile undertook this project with other lead partner Relate and some input from the Family Mediation Service.

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's Research and Impact Manager has contributed to several Fullscope projects this year, including an evaluation of rejected CAMHS referrals and the development of new referral pathways for primary care networks that harness the resources of the voluntary sector.

Blue Smile Project

Company Limited by Guarantee

Trustees' annual report *(continued)*

Year ended 31 July 2021

Structure, governance and management

Governing documentation:

Blue Smile is the working name of Blue Smile Project. It is a company limited by guarantee with no share capital. It was incorporated on 18 October 2010 under company registration number 7411348, and is governed by its Memorandum and Articles of Association. It was registered as a charity on 8 December 2010 under charity number 1139279. Its principal office and registered office are 47-51 Norfolk St, Cambridge, CB1 2LD.

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.

Our Charity Director was Jessamy Manley until 31 July 2021 and is now Anne Kent-Taylor.

Our advisory groups and committees, who report to the Board, are:

Clinical, Ethics and Safeguarding Group (Chair, Anne Kent-Taylor until July 2021 then Carrie-Ann Black)
Fundraising Advisory Group (Chair, Ellen Nowak)
Research and Impact Advisory Group (Chair, Amanda Langford)
Remuneration and Finance Committee (Chair, Naomi Mallick until November 2020 then Christopher O'Connor)

All committees 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, to whom we are very grateful.

Senior staff reporting to the Director are Cara Parker, Head of Fundraising and Development, Anita Gatt, Clinical Operations Manager, Vicki Osborne, Clinical Administration & Recruitment Manager, Nard Choi, Research and Impact Manager, and Maria Harrison, IT, Finance and Office Assistant.

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. Until July 2021 the Director was Jess Manley; Anne Kent-Taylor is the new Director who took up post on an interim basis in August 2021 and on a permanent basis in January 2022.

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.

Blue Smile Project

Company Limited by Guarantee

Trustees' annual report *(continued)*

Year ended 31 July 2021

Structure, governance and management *(continued)*

Recruitment and appointment of trustees:

Trustees are recruited for their skills and experience and generally following advertisement. They are appointed by the Board in accordance with the Memorandum and Articles of Association; there must be at least three and not more than nine Trustees. Prospective trustees are asked to provide two satisfactory references and undertake a DBS check.

Trustees must, according to the Articles of Association, retire after 5 years' service and may not be reappointed more than once. An exception was made for those trustees (numbering one) who had already been in post for 5 years in April 2020, when the Articles were changed as regards trustee retirement. That trustee, Graeme Menzies, was 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.

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 current strategy, 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. There is a Code of Conduct for trustees and training is available to them.

The Board abides by the principles underlying the ACEVO Code of Good Governance.

Blue Smile Project

Company Limited by Guarantee

Trustees' annual report *(continued)*

Year ended 31 July 2021

Structure, governance and management *(continued)*

Risk Assessment:

The Trustees operate a formal risk management process. Trustees and the Charity Director together identify and record key risks, their probability, impact and mitigating actions. Risks are reviewed by Board committees and at full Board. Risk Management was overseen by Penny Dryden in 2020/21 (for the 21/22 year by Sarah Nolasco), with the different groups/committees reporting to the Board on the risks relevant to their remit.

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

Coronavirus pandemic
Poor financial governance and control
Inadequate or undiverse fundraising
Overreliance on key individuals
Compliance in relation to employment
Health and Safety

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

- Close monitoring by the Board of the impact of coronavirus pandemic on delivery, finances and staff wellbeing. Regular discussion of these matters at Board meetings and agreement on actions as appropriate throughout the year.
- Trustee with accountancy qualification and expertise recruited to Board as Treasurer and reviewed financial documentation and arrangements; he has provided support and training to staff involved in financial management; employed services of a consultant bookkeeper; financial arrangements, cashflow and accounts kept under regular review by Remuneration and Finance Committee. Reviewed fundraising strategy and systems, employed new Head of Fundraising. Review employment arrangements (completed December 2021).
- Board review of professional development and mentoring for staff particularly Charity Director; review of expert volunteer capacity; Board consideration of matters important to staff retention in particular ensuring good wellbeing support in place; ensured office staff were familiar with policy; reviewed Government guidance relating to Covid pandemic; Health and Safety added to agenda for staff meetings.

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 was approved on 14 March 2022 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 2021

I report to the charity trustees on my examination of the financial statements of the company for the year ended 31 July 2021 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.

 6/4/22

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 2021

		Unrestricted funds £	2021 Restricted funds £	Total funds £	2020 Total funds £
	Note				
Income and endowments					
Donations and legacies	5	256,031	56,500	312,531	301,214
Charitable activities	6	181,477	—	181,477	183,940
Other trading activities		—	—	—	4,352
Investment income		467	—	467	251
Total income		<u>437,975</u>	<u>56,500</u>	<u>494,475</u>	<u>489,757</u>
Expenditure					
Expenditure on raising funds:					
Costs of fundraising	7	41,132	—	41,132	72,249
Charitable activities	8	297,486	42,310	339,796	295,117
Total expenditure		<u>338,618</u>	<u>42,310</u>	<u>380,928</u>	<u>367,366</u>
Net income and net movement in funds		<u>99,357</u>	<u>14,190</u>	<u>113,547</u>	<u>122,391</u>
Reconciliation of funds					
Total funds brought forward		182,345	6,392	188,737	66,346
Total funds carried forward		<u>281,702</u>	<u>20,582</u>	<u>302,284</u>	<u>188,737</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 18 to 28 form part of these financial statements.

Blue Smile Project

Company Limited by Guarantee

Balance sheet

31 July 2021

	Note	2021 £	£	2020 £	£
Fixed assets					
Tangible fixed assets	12		—		2,445
Current assets					
Debtors	13	46,686		41,094	
Cash at bank and in hand		314,300		196,878	
		360,986		237,972	
Creditors: Amounts falling due within one year	14	(58,702)		(51,680)	
Net current assets			302,284		186,292
Total assets less current liabilities			302,284		188,737
Net assets			302,284		188,737
Funds of the charity					
Restricted funds			20,582		6,392
Unrestricted funds			281,702		182,345
Total charity funds	16		302,284		188,737

For the year ending 31 July 2021 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 14 March 2022, and are signed on behalf of the board by:



Naomi Mallick
Chair

Company registration number: 07411348

The notes on pages 18 to 28 form part of these financial statements.

Blue Smile Project

Company Limited by Guarantee

Notes to the financial statements

Year ended 31 July 2021

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 2021

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) Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

(h) 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.

(i) 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 |
|-----------|---------------------|

(j) 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.

Blue Smile Project

Company Limited by Guarantee

Notes to the financial statements (continued)

Year ended 31 July 2021

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.

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Corporate donations	25,973	1,600	27,573
Community and events	51,224	–	51,224
Individual donations	13,156	5,746	18,902
Trusts	162,206	49,154	211,360
Gift aid	3,472	–	3,472
	<u>256,031</u>	<u>56,500</u>	<u>312,531</u>

	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
Gift aid	7,839	–	7,839
	<u>246,056</u>	<u>55,158</u>	<u>301,214</u>

6. Charitable activities

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Service fees	<u>181,477</u>	<u>181,477</u>	<u>183,940</u>	<u>183,940</u>

7. Costs of fundraising

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Costs of fundraising	<u>41,132</u>	<u>41,132</u>	<u>72,249</u>	<u>72,249</u>

Blue Smile Project

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 July 2021

8. Expenditure on charitable activities

	Activities undertaken directly £	Total funds 2021 £	Total fund 2020 £
Salary and social security costs	132,161	132,161	104,699
Premises	12,837	12,837	10,560
Professional fees of clinical teams and consultants	146,318	146,318	140,510
Office costs	6,898	6,898	10,607
Postage and stationery	20,193	20,193	13,655
Legal and professional	1,770	1,770	1,853
Training and recruitment	4,343	4,343	4,915
Sundries	13,027	13,027	5,173
Depreciation	2,249	2,249	3,145
	<u>339,796</u>	<u>339,796</u>	<u>295,117</u>

9. Independent examination fees

	2021 £	2020 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>300</u>	<u>600</u>

Blue Smile Project

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 July 2021

10. Staff costs

	2021	2020
	£	£
Wages and salaries	134,890	131,335
Social security costs	6,202	4,946
Pension costs	2,626	2,203
	<u>143,718</u>	<u>138,484</u>

The average head count of employees during the year was 5 (2020: 8). The average number of full-time equivalent employees during the year is analysed as follows:

	2021	2020
	No	No
Management	1	1
Clinical operations	2	3
Other	2	3
	<u>5</u>	<u>7</u>

No employee received employee benefits of more than £60,000 during the year (2020: £Nil).

As a result of a reorganisation within the charity, termination and redundancy payments totalling £Nil (2020: £4,848) 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 £44,030 (2020: £50,149).

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 2020 and 31 July 2021	<u>12,414</u>
Depreciation	
At 1 August 2020	9,969
Charge for the year	<u>2,445</u>
At 31 July 2021	<u>12,414</u>
Carrying amount	
At 31 July 2021	<u>—</u>
At 31 July 2020	<u>2,445</u>

Blue Smile Project

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 July 2021

13. Debtors

	2021	2020
	£	£
Trade debtors	44,575	30,014
Prepayments and accrued income	1,471	10,440
Other debtors	640	640
	<u>46,686</u>	<u>41,094</u>

14. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	19,765	17,775
Accruals and deferred income	35,070	32,121
Social security and other taxes	2,699	1,742
Other creditors	1,168	42
	<u>58,702</u>	<u>51,680</u>

15. Deferred income

During the year the charity received income amounting to £33,300 (2020: £28,800) where the service period or performance related conditions were met after the balance sheet date. This amount has been deferred into the following year.

Blue Smile Project

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 July 2021

16. Analysis of charitable funds

Year ended 31 July 2021

	At 1 August 2020 £	Income £	Expenditure £	Transfers £	At 31 July 2021 £
Restricted Funds					
Awards for All	3,304	—	(3,304)	—	—
ECET	3,308	10,268	(6,510)	—	6,845
Cambridge Community Foundation	—	5,000	(3,650)	—	1,350
Ewings	—	1,600	(1,600)	—	—
Kelly Family Foundation Trust	—	4,000	(3,564)	—	436
Ely Community Unit Trust	—	2,500	(2,500)	—	—
Timespace Technology	—	5,000	(5,000)	—	—
Local Giving Foundation	—	3,382	(3,382)	—	—
Groundworks	—	1,000	(716)	—	284
Masonic Charitable Foundation	—	250	(250)	—	—
Community Chest Application - SCDC	—	1,000	(1,000)	—	—
Openwork Foundation	—	10,000	(5,000)	—	5,000
Newby Trust	—	10,000	(3,333)	—	6,667
Red Hill	—	2,500	(2,500)	—	—
	<u>6,392</u>	<u>56,500</u>	<u>(42,310)</u>	<u>—</u>	<u>20,582</u>
Designated Funds					
Designated projects	—	—	—	40,000	40,000
	<u>—</u>	<u>—</u>	<u>—</u>	<u>40,000</u>	<u>40,000</u>
Unrestricted Funds					
General Funds	182,345	437,975	(338,618)	(40,000)	241,702
	<u>182,345</u>	<u>437,975</u>	<u>(338,618)</u>	<u>—</u>	<u>281,702</u>

Blue Smile Project

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 July 2021

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>

Blue Smile Project

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 July 2021

Purpose of restricted funds

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.

ECET - The income received within this fund is restricted to Cherry Hinton and Shirley Primary (partner schools).

Cambridge Community Foundation - The income received within this fund is restricted for LAC at St Andrews (partner schools).

Ewings - The income received within this fund is restricted for an 8 week pupil group work programme Wheatfields Primary School (partner school).

Kelly Family Foundation Trust - The income received within this fund is restricted for Parent and child work.

Ely Community Unit Trust - The income received within this fund is restricted for work at St Andrew's School (partner school).

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

Local Giving Foundation - The income received within this fund is restricted for Art therapy supplies and the Art Kit appeal.

Groundworks - The income received within this fund is restricted for individual therapy kits.

Masonic Charitable Foundation - The income received within this fund is restricted for art packs.

Community Chest Application - SCDC - The income received within this fund is restricted for art materials in art packs.

Openwork Foundation - The income received within this fund is restricted for therapists who provide arts based therapy and mentoring service at Orchard Park Primary School (partner school).

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

Red Hill - The income received within this fund is restricted to The Grove for the summer term 2021.

Blue Smile Project

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 July 2021

Outreach Funding and Partner School - 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.

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.

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.

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).

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

Purpose of designated funds

In 20/21 we designated £40,000 towards our cloud-based data system project.

17. Analysis of net assets between funds

Year ended 31 July 2021

	Fixed Assets £	Current Assets £	Creditors Less Than 1 Year £	Total £
General Funds	—	300,404	(58,702)	241,702
Designated Funds	—	40,000	—	40,000
Restricted Funds	—	20,582	—	20,582
	<u>—</u>	<u>360,986</u>	<u>(58,702)</u>	<u>302,284</u>

Year ended 31 July 2020

	Fixed Assets £	Current Assets £	Creditors Less Than 1 Year £	Total £
General 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>

Blue Smile Project

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 31 July 2021

18. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Not later than 1 year	<u>8,437</u>	<u>10,246</u>

19. Related parties

There are no related party transactions during the period (2020: £Nil).