

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

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
FOR
SMILE MEDIATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

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

SMILE MEDIATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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FOR THE YEAR ENDED 31ST MARCH 2023

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SMILE MEDIATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2023

The trustees (who are also directors of the charity for the purposes of the Companies Act 2006) present their report together with the unaudited financial statements of the charity for the year ended 31st March 2023. The company was incorporated under the Companies Act on 23rd November 1998 (Company number 03672399). The company obtained charitable status on 27th May 2002 under the provisions of the Charities Act 1992 and 1993 (Charity number 1092212). The company is governed by the Memorandum and Articles of Association as amended on 4th April 2023.

PRINCIPAL ACTIVITIES AND OBJECTIVES

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

TRUSTEES AND DIRECTORS

Mr P Kenyon

Miss C Pike

Ms C Dobson

Mr I Clark (appointed 23 November 2022)

Miss J Swift (appointed 23 November 2022)

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

Review of Developments, Activities and Achievements

2022/23 has been a momentous year for Smile. Following a successful informal partnership with Resolve ASB through a one year service level agreement the respective board members and trustees embarked upon a formal legal merger which resulted in Smile Mediation becoming a wholly owned subsidiary of the Resolve Group, effective from 4th April 2023.

Getting to this point has been a positive and at the same time challenging journey for Smile; in essence Smile trustees made the decision to forgo full independence in order to secure the future of community mediation and the wide range of community projects and skills-based training developed by Smile over many years. The trustees recognised that whilst Smile could have continued to operate independently as a small charity and social enterprise, access to contracts and paid services was becoming increasingly difficult making it impossible to plan more than one year ahead.

Smile & Resolve identified many common interests and synergy in our respective field of work and services. The informal partnership and strong working relationships provided the foundations for exploring a more formal and permanent arrangement. However, it must be said that both Smile trustees and Resolve board members took a cautious and pragmatic approach to the merger, ensuring that the decisions made would support both organisations positively and future-proof (as far as is possible) much needed community mediation services going forward. It is appropriate to say thank you to Liz Cross, The Connectives for facilitating a board and team away day which brought the people from two separate organisations together to explore common interests and any potential points of tension.

Smile trustees also recognised that the charity objects needed to be reviewed whether or not a merger took place. The new objects were accepted by the Charity Commission and included an expansion of mediation services from the North of England to UK-wide plus the addition of a new object which will enable Smile to bring the skills of mediation, communication and conflict resolution directly into socially disadvantaged communities by developing capacity:

To develop the capacity and skills of people who are members of socially disadvantaged communities through the provision of community initiatives relating to mediation, conflict prevention, management and resolution such that they are better able to identify, and help meet, their needs and to participate more fully in society.

SMILE MEDIATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES (continued)
FOR THE YEAR ENDED 31ST MARCH 2023

Review of Developments, Activities and Achievements (Cont.)

In addition the Articles of Association were also revised to reflect the newly merged status of Smile into the Resolve group. The legal work was carried out by Anthony Collins Solicitors and the advice and guidance provided throughout was timely, detailed and easy to understand which ensured trustees could make informed decisions as the merger negotiations progressed.

At the same time that the negotiations and legal requirements of the merger were taking place, Smile continued to deliver operations through mediation, conflict coaching and a wide range of existing and new training programmes. Smile's associates were supported to develop innovative programmes to respond to the training needs of multiple registered providers and local authorities; building confidence and resilience through improved communication skills was at the heart of these programmes. Working together with Resolve, Smile was able to reach a wider customer base and offer more people much needed training.

One example of innovation is the pilot project Smile delivered in partnership with the English Football League (EFL); this new restorative programme was delivered to representatives of six EFL clubs and is intended to be used as an alternative to sanctions such as banning orders when a fan behaves in an unacceptable way. The feedback was excellent and it was agreed that the programme fills a gap; we hope to roll this out more widely.

At the start of the year Smile trustees agreed that investment for growth was needed; the appointment of a new Head of Operations and Business Development in November 2022 saw the beginnings of this investment and the appointment was made in the context of the proposed merger with Resolve. Thrown in at the deep end, the Head of Operations & Business Development was able to support the submission of three tenders for mediation services and Smile was successful with two of the contracts. This guarantees a minimum of four years income associated with community mediation referrals. Preparing and submitting tenders is a labour intensive piece of work and can only be done with a team effort whilst at the same time ensuring that day to day delivery of services is not interrupted. Thank you to the Smile team for keeping all the plates spinning!

As always thanks to our mediators who give freely of their time and skills to support people in conflict, mediating increasing challenging and complex disputes. Smile provides ongoing supervision and continuous professional development in line with the requirements of the College of Mediators to ensure competency to practice and it is one way to demonstrate the high value that Smile puts on our volunteers.

Finally, the trustees would like to thank Karen Ainsworth, Chief Executive of Smile since October 2010. She has successfully navigated and negotiated a complex business merger to ensure the best possible future for Smile. Stepping down at the end of March 2023, as the merger took place, and leaves behind a stronger more resilient organisation in the safe hands of the Smile team and our new partners at Resolve.

Policy for Holding Reserves

Reserves are held for the sole purpose of enabling the charity to continue to deliver the services offered. Such reserves total £25,151 (2022: £79,199) and are unrestricted.

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

**REPORT OF THE TRUSTEES (continued)
FOR THE YEAR ENDED 31ST MARCH 2023**

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also directors of Smile Mediation Limited for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 (United Kingdom Generally Accepted Accounting Practice).

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

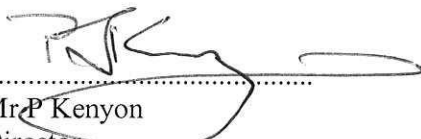
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

SMALL COMPANY PROVISIONS

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

ON BEHALF OF THE BOARD:


.....
Mr P Kenyon
Director

Date: 21st September 2023.

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

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2023**

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2023, which are set out on pages 5 to 13.

RESPONSIBILITIES AND BASIS OF REPORT

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

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

INDEPENDENT EXAMINER'S REPORT

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

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

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


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

Date: 21st September 2023.

SMILE MEDIATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MARCH 2023

	Note	Restricted £	Unrestricted £	2023 Total £	2022 Total £
INCOMING RESOURCES					
<i>Charitable activities:</i>					
Mediation service contracts	2	-	94,637	94,637	117,539
Other funding	3	-	12	12	15,000
TOTAL INCOMING RESOURCES		<u>-</u>	<u>94,649</u>	<u>94,649</u>	<u>132,539</u>
RESOURCES EXPENDED:					
Charitable activities	4	-	148,697	148,697	110,213
TOTAL RESOURCES EXPENDED	6	<u>-</u>	<u>148,697</u>	<u>148,697</u>	<u>110,213</u>
NET MOVEMENT IN FUNDS		-	(54,048)	(54,048)	22,326
Transfer between funds		-	-	-	-
RECONCILIATION OF FUNDS					
TOTAL FUNDS B/FWD		<u>-</u>	<u>79,199</u>	<u>79,199</u>	<u>56,873</u>
TOTAL FUNDS C/FWD		<u>-</u>	<u>25,151</u>	<u>25,151</u>	<u>79,199</u>

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

SMILE MEDIATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

SUMMARY STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MARCH 2023

	2023 £	2022 £
Income	94,649	127,539
Expenditure	<u>148,697</u>	<u>110,213</u>
OPERATING PROFIT	(54,048)	17,326
OTHER INCOME		
Business interruption receipt received	<u>-</u>	<u>5,000</u>
NET SURPLUS (DEFICIT) FOR THE FINANCIAL YEAR	<u>(54,048)</u>	<u>22,326</u>

SMILE MEDIATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

BALANCE SHEET
AS AT 31ST MARCH 2023

		2023	2022
	Note	£	£
FIXED ASSETS			
Intangible fixed assets	8	-	-
Tangible fixed assets	9	<u>2,707</u>	<u>3,609</u>
		2,707	3,609
CURRENT ASSETS			
Debtors and prepayments	10	5,811	18,607
Cash at bank and in hand		<u>28,000</u>	<u>65,008</u>
		33,811	83,615
CREDITORS: amounts falling due within one year	11	<u>11,367</u>	<u>8,025</u>
NET CURRENT ASSETS		<u>24,444</u>	<u>75,590</u>
NET ASSETS		<u>25,151</u>	<u>79,199</u>
FUNDS			
Restricted funds		-	-
Unrestricted funds		<u>25,151</u>	<u>79,199</u>
TOTAL FUNDS	12	<u>25,151</u>	<u>79,199</u>

The trustees are satisfied that the charity is entitled to the exemptions from the provisions of the Companies Act 2006 (the Act) relating to the audit of the accounts for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for:

- (i) ensuring that the charity keeps proper accounting records which comply with sections 386 and 387 of the Companies Act 2006, and
- (ii) preparing accounts which give a true and fair view of the state of the affairs of the charity as at the end of the financial year and of its surplus or deficit for the financial year in accordance with the requirements of sections 394 and 395, and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charity.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the trustees on 21st September 2023 and signed on their behalf by:

Mr P Kenyon.....
 Director

SMILE MEDIATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2023

1. ACCOUNTING POLICIES

a) Statutory information

Smile Mediation Limited is a charitable company, limited by guarantee, registered in England and Wales. The charity and company registered numbers can be found on the front cover of the accounts. The registered office address is Centenary Court, Croft Street, Burnley, BB11 2ED.

b) Basis of preparation

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

c) Grants

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

d) Incoming resources

Incoming resources are included when receivable.

e) Resources expended

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

f) Tangible fixed assets

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

Equipment	25% reducing balance
Freehold property	0% reducing balance

g) Intangible fixed assets

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

Website	33.33% straight line
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SMILE MEDIATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2023

2. CHARITABLE ACTIVITIES

	Restricted funds	Unrestricted funds	Total Funds 2023	Total Funds 2022
	£	£	£	£
Mediation Services				
Blackburn Diocese	-	-	-	-
Blackburn with Darwen Borough Council	-	-	-	2,250
Burnley Borough Council	-	2,000	2,000	7,200
Bury Children Services	-	240	240	-
Calico Housing	-	15,900	15,900	11,850
Centrica Plc	-	13,200	13,200	26,150
Caritas	-	850	850	-
Chorley Council	-	650	650	1,950
Colchester Borough Homes	-	-	-	3,375
CSPT	-	500	500	-
Dallam School	-	-	-	932
East Kilbride	-	1,125	1,125	-
EFL House	-	3,500	3,500	-
Greatwell Homes	-	1,250	1,250	-
HMP Manchester	-	3,613	3,613	-
Hexagon Housing Association	-	1,300	1,300	-
Self-referral	-	-	-	240
Keswick Enterprises	-	600	600	-
Lancashire County Council	-	500	500	2,280
LCC Family Safeguarding	-	240	240	-
Manchester City Council	-	28,215	28,215	30,130
NHS Foundation Trust	-	1,700	1,700	3,612
Ongo Homes	-	-	-	2,527
Paradigm Housing Group	-	-	-	1,125
Pendle Borough Council	-	2,000	2,000	4,000
Pleydell Smithyman Limited	-	-	-	2,025
Resolve ASB	-	11,765	11,765	7,645
Rossendale Borough Council	-	904	904	-
Stoops & Hargher Clough Community Center	-	500	500	-
Susie Hill	-	360	360	-
SGL Co-Packaging	-	-	-	400
Sutton Housing Partnership	-	1,950	1,950	-
Southern Housing Group	-	-	-	4,500
Spring North	-	-	-	4,438
St Christopher's CE High School	-	-	-	910
Trafford Housing Trust	-	650	650	-
Trust House Lancashire	-	1,125	1,125	-
	-	94,637	94,637	117,539

3. OTHER FUNDING

	Restricted funds	Unrestricted funds	Total Funds 2023	Total Funds 2022
	£	£	£	£
Grant Funding				
The National Lottery Community Funding	-	-	-	10,000
	-	-	-	10,000
Other Income				
Business Interruption Insurance Receipt	-	-	-	5,000
Total Other Funding	-	-	-	15,000

SMILE MEDIATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2023

4. CHARITABLE ACTIVITIES

	Restricted	Unrestricted	2023 Total	2022 Total
	£	£	£	£
Provision of charitable services:				
Mediation services	-	146,975	146,975	107,867
Governance costs	-	1,722	1,722	2,346
	<u>-</u>	<u>148,697</u>	<u>148,697</u>	<u>110,213</u>

Analysis of provision of charitable services:

	Staff costs	Other costs	2023 Total	2022 Total
	£	£	£	£
Mediation services	84,632	62,343	146,975	107,867
Governance costs (note 4)	-	1,722	1,722	2,346
	<u>84,632</u>	<u>64,065</u>	<u>148,697</u>	<u>110,213</u>

5. GOVERNANCE COSTS

	Restricted	Unrestricted	2023 Total	2022 Total
	£	£	£	£
Accountancy fees	-	1,254	1,254	1,253
Sundry expenses	-	468	468	1,093
	<u>-</u>	<u>1,722</u>	<u>1,722</u>	<u>2,346</u>

SMILE MEDIATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2023

6. TOTAL RESOURCES EXPENDED

	Staff costs	Other costs	2023 Total	2022 Total
	£	£	£	£
Direct charitable expenditure	84,632	62,343	146,975	107,867
Governance costs	-	1,722	1,722	2,346
	<u>84,632</u>	<u>64,065</u>	<u>148,697</u>	<u>110,213</u>
Other costs:				
Cost of delivering services			5,692	2,703
Recruitment			12,870	-
Premises			2,871	1,856
Training and conference costs			15,997	28,780
Office costs			16,865	4,281
Legal and professional			8,708	6,241
Other			1,062	9,222
			<u>64,065</u>	<u>53,083</u>

The aggregate payroll costs were:

	2023 Total	2022 Total
	£	£
Salaries and wages	77,401	53,232
Social security costs	6,041	3,461
Pension	1,190	437
	<u>84,632</u>	<u>57,130</u>

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

Management and administration	1	1
Provision of charitable services	3	2
	<u>4</u>	<u>3</u>

There were no trustees' remuneration or other benefits for the year ended 31st March 2023 nor for the year ended 31st March 2022.

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

7. NET INCOME/EXPENDITURE FOR YEAR

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

	2023	2022
	£	£
Depreciation	<u>902</u>	<u>1,203</u>

SMILE MEDIATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2023

8. INTANGIBLE FIXED ASSETS

	Website £	Total £
Cost		
As at 1 st April 2022	1,920	1,920
As at 31 st March 2023	<u>1,920</u>	<u>1,920</u>
Amortisation		
As at 1 st April 2022	1,920	1,920
Charges for the year	-	-
As at 31 st March 2023	<u>1,920</u>	<u>1,920</u>
Written Down Value		
As at 31 st March 2023	<u>-</u>	<u>-</u>
As at 31 st March 2022	<u>-</u>	<u>-</u>

9. TANGIBLE FIXED ASSETS

	Freehold Property £	Equipment £	Total £
Cost			
As at 1 st April 2022	1	48,820	48,821
As at 31 st March 2023	<u>1</u>	<u>48,820</u>	<u>48,821</u>
Depreciation			
As at 1 st April 2022	-	45,212	45,212
Charges for the year	-	902	902
As at 31 st March 2023	<u>-</u>	<u>46,114</u>	<u>46,114</u>
Written Down Value			
As at 31 st March 2023	<u>1</u>	<u>2,706</u>	<u>2,707</u>
As at 31 st March 2022	<u>1</u>	<u>3,608</u>	<u>3,609</u>

10. DEBTORS

	2023 £	2022 £
Debtors	2,211	15,007
Prepayments and accrued income	<u>3,600</u>	<u>3,600</u>
	<u>5,811</u>	<u>18,607</u>

11. CREDITORS

	2023 £	2022 £
Creditors	10,527	7,185
Accruals	<u>840</u>	<u>840</u>
	<u>11,367</u>	<u>8,025</u>

SMILE MEDIATION LIMITED
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DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MARCH 2023

12. ANALYSIS OF CHARITABLE FUNDS

	Fixed Assets £	Other Net assets £	Total £
Restricted funds	-	-	-
Unrestricted funds	<u>2,707</u>	<u>22,444</u>	<u>25,151</u>
	<u>2,707</u>	<u>22,444</u>	<u>25,151</u>

13. COMPANY LIMITED BY GUARANTEE

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

SMILE MEDIATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MARCH 2023

	2023		2022	
	£	£	£	£
INCOME				
Mediation Service Contracts	94,637		117,539	
Grant funding	-		10,000	
Other income	12		5,000	
	<u> </u>	94,649	<u> </u>	132,539
 EXPENDITURE				
Costs of delivering services	5,692		2,703	
Rent and rates	1,672		669	
Salaries and subcontractors	84,632		62,742	
Travelling expenses	344		789	
Work from home expenses	-		525	
Printing, postage and stationery	966		1,467	
Training and conference expenses	15,392		28,780	
Recruitment	12,870		-	
Accountancy	1,254		1,253	
Legal and professional	7,454		4,988	
Insurances	1,199		1,187	
Telephone and fax	2,277		1,693	
Subscriptions	8,175		1,121	
Equipment depreciation	902		1,203	
Office Expenses	1,432		-	
Computer costs	3,122		-	
Other	846		-	
Sundry expenses	468		1,093	
	<u> </u>	148,697	<u> </u>	110,213
SURPLUS /(DEFICIT) FOR THE YEAR		<u><u>(54,048)</u></u>		<u><u>22,326</u></u>