

Company registration number: 08950773

Charity registration number: 1157111

# AO Smile Foundation

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2021

Gortons  
Chartered Accountants  
Stanmore House  
64-68 Blackburn Street  
Radcliffe  
Manchester  
M26 2JS

# **AO Smile Foundation**

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# **AO Smile Foundation**

## **Trustees' Report**

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 March 2021. The trustees have adopted the provisions of the Accounting and Reporting for 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).

### **OBJECTIVES AND ACTIVITIES**

The charity's objects are restricted to charitable activities and donations. The primary objective of the foundation is:

- To help children be the best they can be and to create opportunities for those who would otherwise be deprived of such chances.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

### **ACHIEVEMENTS AND PERFORMANCE**

During the year, the charity made a major donation totalling £25,000 to Manchester Youth Zone East.

AO Smile has also created opportunities and inspired the employees of AO World plc to support their community through Movember and many more. The charity also boosted the fundraising efforts of a number of employees of AO World plc to raise monies for charities close to their hearts, this included donations totalling £11,880 (2020 - £21,062)

### **FINANCIAL REVIEW**

At the year end, there are total unrestricted funds of £295,962 (2020 - £301,111) which have primarily arisen from monies provided by trustees to fund ongoing and future charitable donations. The trustees' policy is to hold reserves in order to continue to fund ongoing and future charitable donations. The charity will continue to undertake projects to increase funds and continue in its primary objective to 'help children be the best they can be and create opportunities for those who would otherwise be deprived of such chances.'

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Nature of governing document**

AO Smile Foundation was registered as a non-profit making company on 20 March 2014 (ref no. 08950773) and was registered as a UK charity (reg no. 1157111) by the Charity Commissioners with effect from 19 May 2014. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up trustees are required to contribute an amount not exceeding £1.

The charity is a limited company, limited by guarantee, as defined by the Companies Act 2006.

#### **Organisational structure**

AO Smile Foundation does not have any paid employees or any unpaid voluntary workers; all activities and management are currently carried out by the trustees, or the staff of AO World plc. Trustees are elected in accordance with the Memorandum of Association. The trustees have the power to appoint any person who is able and willing to do so to be a trustee. A trustee shall hold office for three years from the date of appointment at the end of which they shall be eligible for re-appointment for one or more further terms of three years each.

# AO Smile Foundation

## Trustees' Report

### REFERENCE AND ADMINISTRATIVE DETAIL

Directors and Trustees: J C Roberts  
V A Rodgers  
D Wilkinson

Principal and Registered Office: Unit 5a  
The Parklands  
Lostock  
Bolton  
BL6 4SD

Company Registration Number: 08950773

Charity Registration Number: 1157111

Independent Examiner: Gortons  
Chartered Accountants  
Stanmore House  
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### Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

### Statement of Trustees' Responsibilities

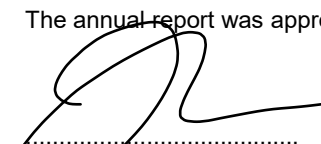
The trustees (who are also the directors of AO Smile Foundation for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and 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 are sufficient to show and explain the charitable company's transactions and 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.

The annual report was approved by the trustees of the charity on 10 December 2021 and signed on its behalf by:



.....  
J C Roberts  
Trustee

## AO Smile Foundation

### Independent Examiner's Report to the trustees of AO Smile Foundation

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 March 2021 which are set out on pages 4 to 8.

#### Responsibilities and basis of report

As the charity's trustees of AO Smile Foundation (and also its directors for the purposes of company law) you 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 AO Smile Foundation 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 ('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

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 AO Smile Foundation as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those 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.



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10 December 2021

# AO Smile Foundation

## Statement of Financial Activities for the Year Ended 31 March 2021 (Including Income and Expenditure Account)

	Note	Unrestricted £	Total Funds Year ended 31 March 2021 £	Total Funds Year ended 31 March 2020 £
<b>Income and Endowments from:</b>				
Donations and legacies	4	<u>41,909</u>	<u>41,909</u>	<u>53,205</u>
Total Income		<u>41,909</u>	<u>41,909</u>	<u>53,205</u>
<b>Expenditure on:</b>				
Charitable activities	5	<u>(47,058)</u>	<u>(47,058)</u>	<u>(157,540)</u>
Total Expenditure		<u>(47,058)</u>	<u>(47,058)</u>	<u>(157,540)</u>
Net expenditure		<u>(5,149)</u>	<u>(5,149)</u>	<u>(104,335)</u>
Net movement in funds		(5,149)	(5,149)	(104,335)
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>301,111</u>	<u>301,111</u>	<u>405,446</u>
Total funds carried forward	12	<u><u>295,962</u></u>	<u><u>295,962</u></u>	<u><u>301,111</u></u>

**AO Smile Foundation**  
**(Registration number: 08950773)**  
**Balance Sheet as at 31 March 2021**

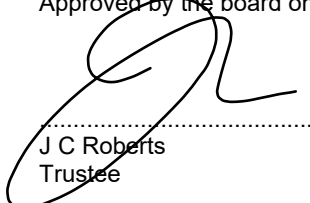
	Note	2021 £	2020 £
<b>Current assets</b>			
Debtors	10	6,700	7,250
Cash at bank and in hand		<u>294,762</u>	<u>299,461</u>
		301,462	306,711
<b>Creditors: Amounts falling due within one year</b>	11	<u>(5,500)</u>	<u>(5,600)</u>
<b>Net assets</b>		<u>295,962</u>	<u>301,111</u>
<b>Funds of the charity:</b>			
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>295,962</u>	<u>301,111</u>
<b>Total funds</b>	12	<u>295,962</u>	<u>301,111</u>

For the financial year ending 31 March 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

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

Approved by the board on 10 December 2021 and signed on its behalf by:

  
 .....  
 J C Roberts  
 Trustee

# AO Smile Foundation

## Notes to the Financial Statements for the Year Ended 31 March 2021

### 1 Charity status

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

### 2 General information

The charity was incorporated as a company in the United Kingdom and the registered office is Unit 5a, The Parklands, Lostock, Bolton, BL6 4SD.

### 3 Accounting policies

#### Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### Statement of compliance

The financial statements have been prepared in accordance with the appropriate Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), the Companies Act 2006, and the relevant Statement of Recommended Practice relating to charity accounting – "Charities SORP (FRS 102)". The SORP's full title is: 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).

#### Basis of preparation

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

#### Income and endowments

All income, including donations and legacies, is recognised once the charity has entitlement to the income, certainty of receipt and the amount can be measured with sufficient reliability.

Incoming resources from tax reclaims are included in the statement of financial activities at the same time as the gift to which they relate.

#### Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including the preparation and examination of the statutory accounts and the costs of trustees' meetings.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and cash at bank, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### Fund structure

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Further details of each fund are disclosed in note 12.



# AO Smile Foundation

## Notes to the Financial Statements for the Year Ended 31 March 2021

### Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

### 4 Income from donations and legacies

	<b>Total 2021 £</b>	<b>Total 2020 £</b>
Donations from third parties	350	7,584
Donations from AO World plc group staff (from salaries)	41,559	45,621
	<u>41,909</u>	<u>53,205</u>

### 5 Expenditure on charitable activities

	<b>Note</b>	<b>Total 2021 £</b>	<b>Total 2020 £</b>
Charitable donations made		42,978	153,100
Governance costs	6	4,080	4,440
		<u>47,058</u>	<u>157,540</u>

### 6 Analysis of governance costs

	<b>Total 2021 £</b>	<b>Total 2020 £</b>
Independent examination	1,400	1,200
Accounts preparation and tax compliance	2,000	2,500
VAT on professional costs	680	740
	<u>4,080</u>	<u>4,440</u>

### 7 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

### 8 Independent Examiner's remuneration

	<b>2021 £</b>	<b>2020 £</b>
Independent examination, accountancy and tax compliance services	3,400	3,700
VAT element	680	740
	<u>4,080</u>	<u>4,440</u>

### 9 Taxation

As a registered charity, the company is generally exempt from tax on its income or gains, in accordance with the provisions of Part 11 Corporation Tax Act 2010.

### 10 Debtors

	<b>2021 £</b>	<b>2020 £</b>
Accrued income	<u>6,700</u>	<u>7,250</u>

# AO Smile Foundation

## Notes to the Financial Statements for the Year Ended 31 March 2021

### 11 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	-	600
Due to AO Retail Limited	500	-
Accruals	5,000	5,000
	<u>5,500</u>	<u>5,600</u>

### 12 Funds

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Balance at 31 March 2021 £
<b>Unrestricted</b>				
General funds	<u>301,111</u>	<u>41,909</u>	<u>(47,058)</u>	<u>295,962</u>
	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Balance at 31 March 2020 £
<b>Unrestricted</b>				
General funds	<u>405,446</u>	<u>53,205</u>	<u>(157,540)</u>	<u>301,111</u>

### 13 Related party transactions

The company directors and charity trustees are currently Mr Roberts, Mr Wilkinson and Miss Rodgers.

Mr Roberts is a director of AO World plc, the supporting company, and of other group companies and Miss Rodgers is the Chief People Officer for all group companies.

The AO World plc group (including its subsidiaries) has supported the company this year, as:

- The group has provided staff resources at no cost to the charity. There was broadly the equivalent of one full-time member of staff working on the charity's behalf throughout the period.
- Staff in group companies have supported the charity significantly by direct donations from their salaries.
- A subsidiary of the group, AO Retail Limited, made various charity donation and governance expense payments on behalf of the company (as a result of the impact of COVID19 preventing the normal process of cheque payment processing). Total charity donations made on their behalf during the year amounted to £45,428 and governance expense payments of £4,680. The company reimbursed AO Retail Limited £49,608 during the year. There was a balance owing to AO Retail Limited of £500 at the year end, which relates to a single charity donation made by AO Retail Limited in March 2021. This was reimbursed after the year end.

## **Gortons**

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Jim Gorton FCA John Gorton FCA (Consultant)