

Registered number: 09626673
Charity number: 1163423

SMILE INTERNATIONAL
(A company limited by guarantee)

UNAUDITED

TRUSTEES REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

HEDLEY DUNK LIMITED

Chartered Accountants
Trinity House
3 Bullace Lane
Dartford
Kent
DA1 1BB

SMILE INTERNATIONAL
(A Company Limited by Guarantee)

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SMILE INTERNATIONAL
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021**

Trustees Jane Whitfield, Chair
Clive Doubleday
Paul Ramsey

Chief executive officer Tim Doubleday

Company secretary Ruth Doubleday

**Company registered
number** 09626673

**Charity registered
number** 1163423

Registered office PO Box 1414
Peterborough
PE1 9WG

SMILE INTERNATIONAL
(A Company Limited by Guarantee)

CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

The chairperson presents their statement for the year.

I am delighted to introduce the Trustees Report with the Financial Statements for 2020/21.

Our main areas of activity are represented by the acronym FEED:

F eeding
E ducating
E mpowering
D eveloping

Smile International is passionate about helping to relieve suffering and poverty around the world through our FEED programmes – Feeding, Educating, Empowering and Developing, as well as our Child and Widow Sponsorship programmes. We are dedicated to giving hope to those in need and providing people with an opportunity to develop emotionally, physically, socially and spiritually.

In KOSOVO, we support war widows and their families and provide palliative care to cancer patients. We provide free medical assistance as well as medicines for pain relief. We have our own purpose-built Smile Centre, which accommodates guests and hosts conferences.

In UGANDA, we provide children with an education to help them escape the cycle of poverty through our Child Sponsorship programme. We also focus on empowering individuals and help them to become self-sufficient through our Empowering programme via vocational training courses, so they can earn a living and support their families.

In ZIMBABWE, through our Feeding programme, we provide a nutritious meal for many children each school day. As well as feeding children, we also provide food parcels for widows and pastors every month. Through our Developing programme, we are able to build new classrooms, toilet blocks, kitchen shelters and church buildings, as well as safe water supplies to provide fresh water.

In INDIA, we fund a ministry and evangelism training course for men and women, called to serve God and share the Gospel in the local towns and villages. We have also been able to support a preschool every school day which enabled them to be more prepared for when they reach school.

We thank God for the privilege it is to serve Him and His people and for the wonderful way He has continued to help us care for many struggling children and families across the world during this challenging year of the COVID pandemic. We are so grateful for the generosity and encouragement of our supporters, which has enabled us to maintain and develop our core activities.



Jane Whitfield
Chair of Trustees

Date: 04/08/2021

SMILE INTERNATIONAL
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their annual report together with the financial statements of the Smile International for the 1 April 2020 to 31 March 2021. The Annual Report serves the purposes of both a Trustees' report and a Directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) as amended by Update Bulletin 1 (effective January 2019).

Since the Company qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

• **Policies and objectives**

- To transform whole lives; body and soul, of the most vulnerable people who have been damaged by war, poverty, illness and natural disaster
- To work in effective partnerships to make a real difference to those in need
- To be an organisation where every person and gift of time, money or goods is used to best effect and which exercises good stewardship of resources
- To keep our supporters informed about activities
- To train and develop our staff and volunteers to be effective in their work and ministry

• **OUR APPROACH**

Our work is characterised by the prayer and giving of people throughout the UK and worldwide.

Pray

Prayer is a valuable part of our ministry and it has a powerful impact on all we do.

Give

We are dependent on voluntary income and through general donations we are able to respond quickly whenever a need arises, as well as continue our work helping to tackle the underlying causes of poverty.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

• **Activities undertaken to achieve objectives**

Income

Overall income was £224,291 in 2020/21.

Expenditure

Expenditure was £188,605

We endeavoured to maintain the proportion of expenditure going to charitable activities at more than 75% of our total expenditure. This year the percentage was 92.9% (2020 - 94.3%).

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Objectives and activities (continued)

Child Sponsorship

Our Child Sponsorship programme has continued to grow with more children benefiting from receiving an education to help them escape the cycle of poverty. When a person sponsors a child, it changes their life but what we often forget, is that it changes ours too. Child sponsorship actively turns tears into smiles and helps give a child the support they need to grow and change their lives. Each child is the future of their country, and we are passionate in serving these children so that they can reach their God-given potential.

Widow Sponsorship

It has always been at the heart of what Smile International has done, to care for and look after widows in their time of need. We truly believe that God holds widows close to His heart and this is what drives us to help support, care for and turn their tears into smiles. We feel so passionate about being their support that we have a Sponsor a Widow programme, where people can regularly sponsor a widow for just 66p a day, £20 a month, and become their friend from afar. The widows we help are in desperate situations; they are destitute, alone and need our help. In cultures where women are not encouraged to be independent, the death of their husband is not just life shattering but can be incapacitating. They become vulnerable, exposed, and marginalised. The help they receive from Smile International means they know that someone cares for them, cares about their challenging situation and cares enough to help them through it.

Our work overseas

KOSOVO

Our Smile Centre is our headquarters for our palliative care team, who have so far made over 20,000 home visits since we started the work over a decade ago and many families have received the help and support they so desperately needed that they otherwise would not have had through general medical care. This free service has been essential due to the COVID pandemic as the patients have been highly vulnerable and needed extra care. Our dedicated team support and care for seriously ill and dying patients in their home, bringing comfort and dignity to people and help them live life to the full, for whatever time they have left. We have continued to support our sponsored widows and children, with much-needed food parcels.

ZIMBABWE

We are passionate about feeding the hungry in Zimbabwe each school day. These children are from very deprived families who struggle to survive, which means many children often arrive at school extremely hungry. Some of the children we work with are child-headed families and so do not have any parents or older family members to look after them. We provide food and practical support to these children to ensure that they do not go hungry and that they are kept safe and away from harm. As well as feeding children, we also provide food parcels for widows and pastors regularly. As a result of Smile's help, local communities have been considerably transformed, through our development work of building a cookhouse and feeding shelter, as well as classrooms, which empowers the local community.

This year we have also started our Face Mask Project which has been very successful in Zimbabwe. We made free reusable masks for school pupils so they could return to school and take their exams. This project is proving to be a lifeline for so many, as it not only helps to empower our tailors through our Empowering programme by providing them with much-needed work and income but means people do not have to choose between food, in order to survive, or buying a mask. To be able to use our tailors that have been trained up over the years through our Smile Empowering programmes is so wonderful too and they are really enjoying the responsibility that what they are making is so important.

SMILE INTERNATIONAL
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Objectives and activities (continued)

UGANDA

Many children would love to attend school and learn in order to make a difference to their lives, but very often they are faced with the debilitating despair of progressing into the cycle of poverty. It is such a privilege to have the opportunity of an education and we do not want children to miss out on that privilege just because they are poor. In Uganda we have a Child Sponsorship programme where we provide school fees, and other necessities for children, in order that they can attend school and stand a real chance in achieving their dreams.

We are also passionate about empowering those who dream to become self-sufficient, and we provide this opportunity through our micro-financing programmes. It is all about how to make a small business sustainable which will therefore generate income for the future. Our teams have spent quality time with each person on the programme, having meetings one on one and group discussions and helped them to work out what they can actively do to help to provide for their families.

INDIA

Our work in India continues to fund a weekly ministry and evangelism training course for men and women who feel called to learn more about God and who love evangelising. During these meetings we provide the students with study books and a meal, so that they can be more focused and be more effective in their learning. We also help to cover their transport costs.

This year we also started our Face Mask Project, which has been very successful in India. Instead of giving money to a supplier at a higher cost, and usually a lower quality mask using poor material, we thought we would cut out the 'middle' person and use this opportunity to further empower people by making reusable masks ourselves. This way we continue to empower, give local support by helping to provide an income to those making them and use it as a way of further helping to educate people on COVID and hygiene factors.

• Main activities undertaken to further the Company's purposes for the public benefit

The Trustees are mindful of the Charity Commission's guidance on reporting on public benefit when reviewing our aims and objectives and planning our activities. Smile International work with some of the poorest people around the world providing food, education, spiritual and medical care to those in need, irrespective of their race, faith or nationality, and have ensured that the activities undertaken contribute to the aims and objectives of the charity. In addition, by putting to good use items that would otherwise go to waste, the charity has a positive impact on the environment. The Trustees are therefore confident that Smile International meets the public benefit requirements.

Achievements and performance

Financial review

• Company Status

In 2017, Smile International upgraded its status to that of a limited company and keeping its registered charitable status.

Smile International is a company limited by guarantee, registered in England and Wales. Company registered number 9626673. Registered Charity Number 1163423. Smile International is also registered with the Fundraising Regulator.

As a limited company and registered charity, our accounts are independently reviewed and the accounts will be submitted to Companies House.

We also report to the Charity Commission, an independent body that regulates activities of charities in the UK.

SMILE INTERNATIONAL
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

● **Going Concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

● **Reserves Policy**

The Trustees continued to review the appropriate level of reserves required annually. The main purpose of our reserves is:

- To meet our statutory and contractual liabilities.
- To enable us to react quickly to new challenges when faced with extreme need requiring crisis relief in times of war, natural disaster, political instability or disease.

In practice this means aiming to have at least 3 months of running costs together with a crisis contingency of £10,000. Reserves of the charity fall into two types:

Restricted funds

These are funds where a donor has stipulated how their donation is to be spent. In most cases there will be a time difference between when such funds are received and when they are spent. In particular, there may be a need for immediate relief work, followed by longer-term rehabilitation and development projects, resulting in part of the restricted appeal monies being expended over a number of years.

Sometimes it takes time to raise sufficient funds to be able to start a project so there may also be a delay in making expenditure.

Unrestricted funds

These are funds where there is no stipulation from the donor as to how the donation may be spent.

Within certain operating needs, the Trustees' policy is to ensure that all funds are expended as soon as possible, in order to fulfil the purpose of the donations, while guaranteeing these resources are used effectively. Not only does this achieve the goals of the charity to help those in need, but this also means that we can give speedy feedback to donors, which helps inspire confidence in our work and motivates donors to continue their support.

Structure, governance and management

● **Constitution**

Smile International is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 06/06/15.

● **Methods of appointment or election of Trustees**

The management of the Company is the responsibility of the Trustees who are elected and co-opted under the terms of Articles of Association.

SMILE INTERNATIONAL
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management (continued)

• **Financial risk management**

The Trustees acknowledge their responsibility to undertake a risk assessment of the Charity's work and regularly review all aspects of Smile International's work. Risk management plans are implemented. The Trustees keep this process under regular review. The main risks are financial, and in particular:

- The shortage of unrestricted income to maintain expenditure and our reserves policy.
- The uncertainty of foreign exchange rate fluctuations and inflation abroad on the cost of projects.
- Fraud, through assets being abused or misdirected through poor financial controls or dishonesty in countries where we operate.

We regularly monitor and, where necessary, address these risks.

Plans for future periods

As can be seen in these set of accounts, progress has been made in this financial year on placing Smile on a firmer financial footing and various measures have been taken, such as refining our operational activities, so that we continue to keep focused on our core objectives and activities. The ongoing main objective for 2021/22 is to continue working towards placing Smile on a firmer financial footing by establishing prudent reserves and taking forward and expanding existing projects. The Trustees would like to express their gratitude to all our supporters and donors, big or small, and their deep appreciation to all our staff, volunteers, supporters and partner organisations for their commitment and contribution to the vision and values of Smile International. We continue to trust the Lord as we move forward in faith.

COVID-19 Update

We continue to remain operational and fully compliant with the government guidance on managing the risk of COVID-19, which has enabled our office to become COVID-19 secure. We have taken a number of steps here in the UK to ensure we are compliant in all areas; we have carried out a COVID-19 risk assessment and shared the results with our staff, we have done everything practical to manage transmission risk, we have provided cleaning, handwashing, and hygiene procedures in line with government guidance and we have taken all reasonable steps to help as many of our staff to work from home as possible and we are still working hard to support the UK office and our beneficiaries overseas.

All our teams overseas have been provided with extra training on COVID-19, how it is transmitted, good hygiene and safety controls, deep cleaning methods, enough PPE to protect all our staff who are on the front line, the use of required PPE and how to follow safe distancing rules, as outlined by their respective government authorities, as well as training on what to do with a suspected case of COVID-19. This will continue to remain accessible for all our teams and training has also been shared with the local communities, in the countries where we work.

We have remained in regular contact with our teams overseas and have continued to work remotely with them during this crisis, by providing support as they follow their own country's guidance. Some of the countries have been in lockdowns at different times to each other, according to their case rates, and rules and approaches have understandably varied according to each country.

Although we are still in a global pandemic and daily face constantly changing situations, we have managed the demands confidently and professionally. We appreciate that COVID-19 will remain with us for some time, if not forever, and it is another variable that we have included in our framework for the life and work of Smile International moving forward. Systems are in place and plans have been drawn up to manage situations of this nature, both now, and in the future. From the Trustees to our teams, to our beneficiaries, we have all adapted to this new way of life and work and we continue to remain as flexible as possible. Given the nature of this line of work, it is necessary for us all to adapt to all situations as they arise, and this is what we have learnt the most this past year. Whilst there have been challenges, and it has been necessary to change the way we do things, we have met these changes positively and we are confident and capable in continuing to work through this global pandemic and beyond.

We move forward holding onto the hope, given to us by our Lord Jesus Christ, that He is with us whatever we go through.

SMILE INTERNATIONAL
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company 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 (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . 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 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 then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on their behalf by:



Jane Whitfield
Chair of Trustees
Date: 04/08/2021

SMILE INTERNATIONAL
(A Company Limited by Guarantee)

INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2021

Independent Examiner's Report to the Trustees of Smile International ('the Company')

I report to the charity Trustees on my examination of the accounts of the Company for the year ended 31 March 2021.

Responsibilities and Basis of Report

As the Trustees of the Company (and 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 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 the Company's accounts 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 the Company 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.

Signed: 

Dated: 04/08/2021

Jack Fryer

ACA

Hedley Dunk Limited
Chartered Accountants

SMILE INTERNATIONAL
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	3	198,422	25,869	224,291	182,076
Other income		-	-	-	-
Total income		<u>198,422</u>	<u>25,869</u>	<u>224,291</u>	<u>182,076</u>
Expenditure on:					
Raising funds		13,269	-	13,269	11,414
Charitable activities	4	149,467	25,869	175,336	187,171
Total expenditure		<u>162,736</u>	<u>25,869</u>	<u>188,605</u>	<u>198,585</u>
Reconciliation of funds:					
Total funds brought forward		153,900	-	153,900	170,409
Net movement in funds		35,686	-	35,686	(16,509)
Total funds carried forward		<u><u>189,586</u></u>	<u><u>-</u></u>	<u><u>189,586</u></u>	<u><u>153,900</u></u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 12 to 21 form part of these financial statements.

SMILE INTERNATIONAL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 09626673

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	9	271,259	277,675
		<u>271,259</u>	<u>277,675</u>
Current assets			
Debtors	10	3,017	8,003
Cash at bank and in hand		21,383	13,080
		<u>24,400</u>	<u>21,083</u>
Creditors: amounts falling due within one year	11	(106,073)	(144,858)
Net current liabilities		<u>(81,673)</u>	<u>(123,775)</u>
Total assets less current liabilities		<u>189,586</u>	<u>153,900</u>
Net assets excluding pension asset		<u>189,586</u>	<u>153,900</u>
Total net assets		<u><u>189,586</u></u>	<u><u>153,900</u></u>
Charity funds			
Restricted funds	12	-	-
Unrestricted funds	12	189,586	153,900
Total funds		<u><u>189,586</u></u>	<u><u>153,900</u></u>

The Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Jane Whitfield
Chair of Trustees
Date: 04/08/2021

The notes on pages 12 to 21 form part of these financial statements.

SMILE INTERNATIONAL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. General information

Smile International is a private limited company by guarantee registered in the UK. It is also a registered charity in the UK, with its operations and principal activities disclosed in the Trustees' Report. The principal place of business is the same as the registered address.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Smile International 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.

2.2 Going concern

The financial statements are prepared on a going concern basis. After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate current reserves and future sources of income to continue in operational existence for at least twelve months following the approval of these financial statements.

2.3 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Company, can be reliably measured.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

SMILE INTERNATIONAL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.4 Expenditure (continued)

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Freehold property	-	2% straight line
Fixtures and fittings	-	25% reducing balance
Office equipment	-	25% reducing balance

2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

SMILE INTERNATIONAL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.10 Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.11 Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

2.12 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	163,523	869	164,392	182,076
Legacies	34,899	25,000	59,899	-
	<u>198,422</u>	<u>25,869</u>	<u>224,291</u>	<u>182,076</u>
Total 2020	<u>174,277</u>	<u>7,799</u>	<u>182,076</u>	

SMILE INTERNATIONAL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

4. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Projects	149,467	25,869	175,336	187,171
Total 2020	179,360	7,811	187,171	

5. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Projects	46,668	128,668	175,336	187,171
Total 2020	59,845	127,326	187,171	

Analysis of direct costs

	Projects 2021 £	Total funds 2021 £	Total funds 2020 £
Projects	29,558	29,558	40,098
Sponsorship	17,110	17,110	19,747
	46,668	46,668	59,845
Total 2020	59,845	59,845	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

5. Analysis of expenditure by activities (continued)

Analysis of support costs

	Projects 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	39,701	39,701	43,211
Depreciation	6,416	6,416	6,641
Travel	3,560	3,560	3,042
Advertising	3,168	3,168	5,997
Rent & Rates	2,862	2,862	1,880
Insurance	1,809	1,809	3,484
Printing, postage & stationery	8,649	8,649	9,844
Computer costs	15,024	15,024	10,159
Legal & Professional	12,836	12,836	11,613
General expenses	6,644	6,644	4,104
Bank charges	5,070	5,070	10,503
Telephone	19,988	19,988	14,448
Accountancy costs	2,940	2,940	2,400
	<u>128,668</u>	<u>128,668</u>	<u>127,326</u>

6. Independent examiner's remuneration

	2021 £	2020 £
Fees payable to the Company's independent examiner for the independent examination of the Company's annual accounts	1,740	1,320
Fees payable to the Company's independent examiner in respect of:		
All other services not included above	<u>1,200</u>	<u>1,080</u>

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7. Staff costs

	2021 £	2020 £
Wages and salaries	47,717	48,844
Social security costs	732	934
Contribution to defined contribution pension schemes	1,178	1,058
	<u>49,627</u>	<u>50,836</u>

The average number of persons employed by the Company during the year was as follows:

	2021 No.	2020 No.
Staff	<u>4</u>	<u>5</u>

No employee received remuneration amounting to more than £60,000 in either year.

8. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, expenses were reimbursed or paid directly to 1 Trustee (2020 - to 1 Trustee) broken down as follows:

	2021 £	2020 £
Travel	2,249	1,133
Subsistence	225	-
	<u>2,474</u>	<u>1,133</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

9. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation				
At 1 April 2020	287,100	420	4,374	291,894
At 31 March 2021	287,100	420	4,374	291,894
Depreciation				
At 1 April 2020	12,122	184	1,913	14,219
Charge for the year	5,742	59	615	6,416
At 31 March 2021	17,864	243	2,528	20,635
Net book value				
At 31 March 2021	269,236	177	1,846	271,259
At 31 March 2020	274,978	236	2,461	277,675

10. Debtors

	2021 £	2020 £
Due within one year		
Other debtors	1,511	6,492
Prepayments and accrued income	1,506	1,511
	3,017	8,003

11. Creditors: Amounts falling due within one year

	2021 £	2020 £
Other loans	10,000	28,000
Other taxation and social security	1,983	376
Pension fund loan payable	280	190
Other creditors	90,870	113,892
Accruals and deferred income	2,940	2,400
	106,073	144,858

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

12. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Balance at 31 March 2021 £
Unrestricted funds				
General Funds - all funds	153,900	198,422	(162,736)	189,586
Restricted funds				
Feeding	-	269	(269)	-
Educating	-	240	(240)	-
Empowering	-	360	(360)	-
Children and Young People Legacy	-	25,000	(25,000)	-
	-	25,869	(25,869)	-
Total of funds	153,900	224,291	(188,605)	189,586

Statement of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2020 £
Unrestricted funds					
General Funds - all funds	170,409	174,277	(190,774)	(12)	153,900
Restricted funds					
Feeding	-	3,441	(3,441)	-	-
Educating	-	4,158	(4,158)	-	-
Empowering	-	200	(212)	12	-
	-	7,799	(7,811)	12	-
Total of funds	170,409	182,076	(198,585)	-	153,900

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

13. Summary of funds

Summary of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Balance at 31 March 2021 £
General funds	153,900	198,422	(162,736)	189,586
Restricted funds	-	25,869	(25,869)	-
	<u>153,900</u>	<u>224,291</u>	<u>(188,605)</u>	<u>189,586</u>

Summary of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2020 £
General funds	170,409	174,277	(190,774)	(12)	153,900
Restricted funds	-	7,799	(7,811)	12	-
	<u>170,409</u>	<u>182,076</u>	<u>(198,585)</u>	<u>-</u>	<u>153,900</u>

14. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	271,259	271,259
Current assets	24,400	24,400
Creditors due within one year	(106,073)	(106,073)
Total	<u>189,586</u>	<u>189,586</u>

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NOTES TO THE FINANCIAL STATEMENTS
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14. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	277,675	277,675
Current assets	21,083	21,083
Creditors due within one year	(144,858)	(144,858)
Total	<u>153,900</u>	<u>153,900</u>

15. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £1,178 (2020 - £1,058). Contributions totalling £280 (2020 - £190) were payable to the fund at the balance sheet date and are included in creditors.

16. Operating lease commitments

At 31 March 2021 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	-	3,561
Later than 1 year and not later than 5 years	-	2,637
	<u>-</u>	<u>6,198</u>

17. Related party transactions

There were no related party transactions during the year (2019 - £ NIL).