

SMILE TRAIN UK  
**ANNUAL  
REPORT**  
2021-2022

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## OUR VISION

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A world where everyone has access to safe, high-quality comprehensive cleft care and is able to live a full and healthy life.



## REFLECTIONS FROM OUR CEO

**W**hat a year it has been. At this time last year, I noted how, in a time of great uncertainty and hardship, your continued investment in our model truly inspired me. Thanks to your steadfast support, Smile Train was able to provide our dedicated healthcare partners in 70+ countries the resources they needed to continue safely treating children with clefts through some of the darkest days of the pandemic.

One year later, I have the great honour of reporting back to you on the real global impact of your generosity: The children whose lives you helped to save in a year defined by COVID-19.

While other, mission-trip-based cleft organisations were sidelined by the pandemic, your donations, fundraisers, volunteering, advocacy, and passion for smiles helped us sponsor:

- 89,000+ life-changing cleft surgeries in 75 countries, many times more than the next leading cleft organisation
- More than 93,000 essential, non-surgical cleft treatments, including growing our lifesaving nutritional support programmes (a growth of 429 % year over year)
- Seven Cleft Leadership Centers (CLCs), which serve as regional hubs for cleft treatment, education, training, and research that present a holistic, team-centred model of offering comprehensive cleft care (CCC) services such as nutrition, surgery, speech therapy, orthodontics, and more
- £1.75million in personal protective equipment (PPE), hand-washing facilities, masks for partners and patients, COVID tests, and essential medical equipment such as pulse oximeters and non-contact thermometers for our partners

...and this is just a fraction of what you helped us achieve in 2021.

While no one knows what the coming year will bring, I am certain that children with clefts and their families will always have something to smile about as long as you are by their sides.

This annual report is dedicated to Smile Train's heroic medical partners—including healthcare workers, hospitals, nonprofits, and so many others—for the selfless care they provide their communities each and every day.



**Susannah Schaefer**  
President and CEO





## DIVERSITY, EQUITY, INCLUSION, BELONGING, AND ACCESSIBILITY (DEIBA)

**A**s a global organisation, Smile Train understands that our responsibility to embody diversity, equity, inclusivity, belonging, and accessibility requires concrete, proactive, and long-term action at our partner centres in 70+ countries and in our offices around the world.

Inclusion is the essence of our model. Unlike mission-based organisations that undermine healthcare workers in low- and middle-income countries (LMICs) by flying in Western doctors to provide cleft care, Smile Train sees health professionals in these regions as equal to any other—because they are. Our “teach a man to fish” model means we proudly support the unique needs of dedicated local partners who speak dozens—if not hundreds—of languages and represent nearly every race, religion, and ethnicity imaginable.

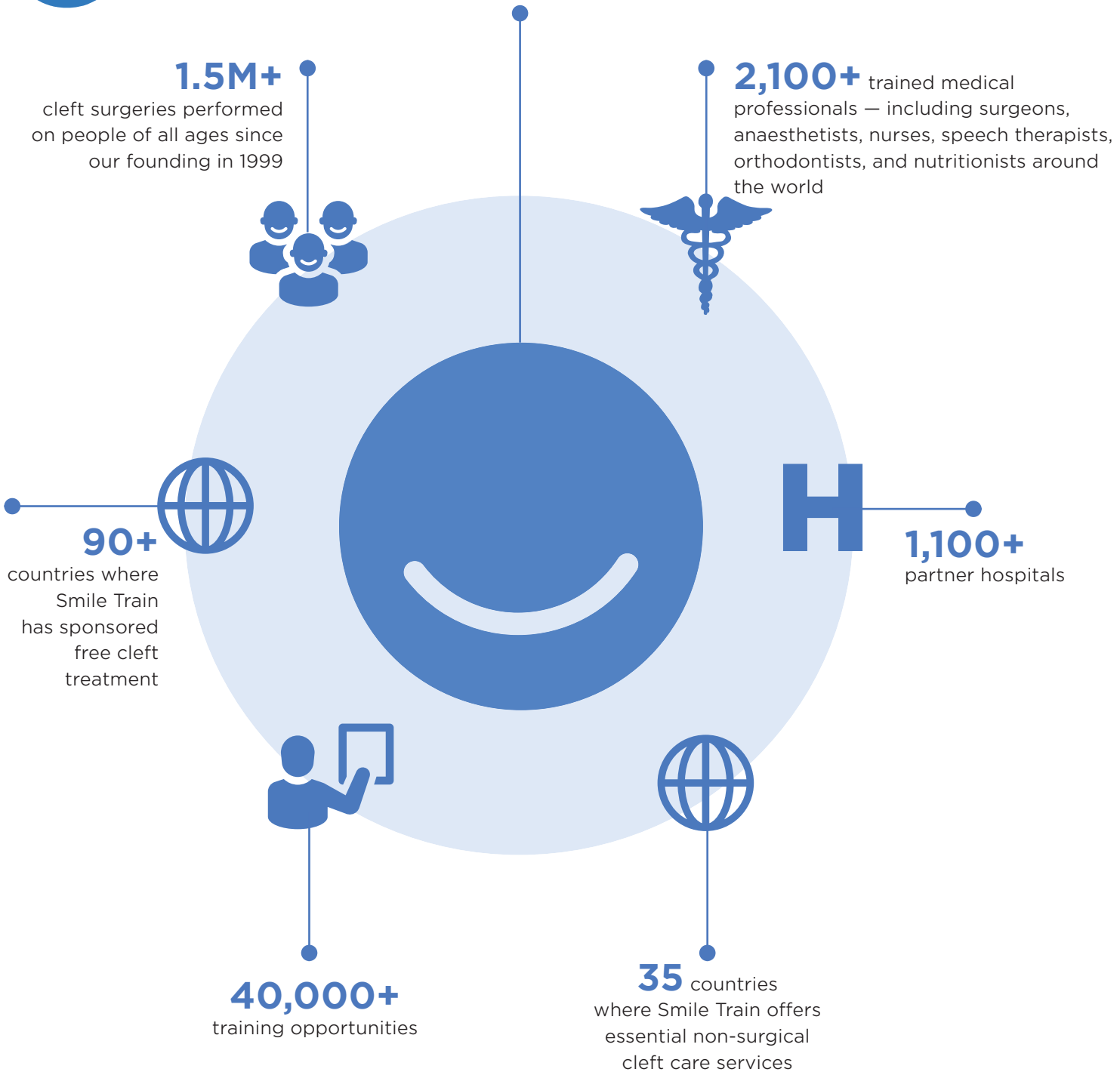
Internally, Smile Train is working with an independent consulting firm to help develop and implement a comprehensive diversity, equity, inclusion, belonging, and accessibility plan that will ensure everything from our hiring practices to how we hold meetings to our communications strategies reflect our values as an anti-racist, inclusive organisation.

Smiles are contagious. We all smile brighter when we can all smile together, and this is yet another way Smile Train is changing the world one smile at a time.



## OUR IMPACT

**ONE GOAL:** To give every child with a cleft a brighter future.



“

In the midst of a crisis like COVID-19, our communities know they can count on us because we know Smile Train can count on dedicated allies like you.

Thanks to you, my team has had the medical equipment and PPE we've needed to keep ourselves, our patients, and our families safe from the earliest days of the pandemic. Thanks to you, we were able to quickly pivot to offering remote care where possible. **Thanks to you, we are safely navigating lockdowns and saving the lives of hundreds of children with clefts in uncertain times.**

On behalf of everyone here at Philippine Band of Mercy and our fellow Smile Train partners around the world, I hope that you may be blessed in the new year as you have been a blessing to all of our patients and their families.

”

**- Ms Percy Benedictos**

Executive Director, Philippine Band of Mercy, Manila



## COMPREHENSIVE CLEFT CARE (CCC)

**S**mile Train knows that truly healing from a cleft requires a holistic care process that is as unique as each patient, but the promise we make to each and everyone is universal: We will be there for you, come what may. We will provide you with the nutritional support you need to reach a healthy weight and thrive. Once you reach it, a local, well-equipped team will perform the cleft surgery—or surgeries—that will change your life forever as soon as it is safe in your area. After surgery, we will provide you with speech therapy, dental treatment, and orthodontics for as long as you need to communicate clearly and smile your brightest. **Our model is ultimately a promise that, whatever the need, Smile Train will be there to meet it with the safest, highest-quality care possible because our donors know that children with clefts deserve no less.**

### Focus on: Nutrition

While all aspects of cleft care are important, if a baby does not have access to adequate feeding and nutrition programmes, nothing else matters. Malnutrition is a persistent public health crisis in the areas where our partners work and disproportionately affects our patients because clefts often make breastfeeding and bottle-feeding difficult or even impossible. A lack of early medical attention and feeding support threatens the lives of babies with clefts, delays surgery, and prevents them from reaching their potential to thrive.

### Urgent need necessitates bold action. That's why, over the next five years, Smile Train has committed to:

- Providing 1,000,000+ mothers and babies lifesaving cleft feeding counselling
- Preventing 55,000+ malnutrition cases in children with clefts
- Providing 40,000+ educational opportunities for cleft feeding and nutrition
- Empowering 1,000+ partner hospitals across 70+ countries to offer cleft nutrition services
- Organising a partner network of 250 partner hospitals offering advanced nutritional services to severely malnourished babies with clefts

**Your continued support for our model makes it possible. Unlike mission-trip-based charities, Smile Train empowers, trains, and funds local healthcare workers, encouraging long-term relationships between families and cleft teams. That means brighter futures for our patients and stronger regional healthcare systems for everybody.**





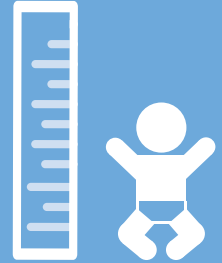


## NUTRITION: OUR FIVE-YEAR COMMITMENT

1M



mothers and children **benefiting** from **cleft-specific** feeding **counselling**



55k+

child malnutrition cases averted



1,000+

partner hospitals **across** **70+ countries** empowered to offer nutrition services to every mother and child pair affected by cleft



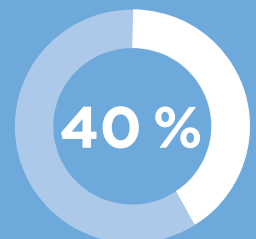
40k+

**educational opportunities** on cleft feeding and nutrition



250+

partner hospitals in an organised network **offering advanced nutritional care** for malnourished children affected by clefts



**reduction** of the number of stunted children **undergoing cleft surgery**



## RESEARCH & INNOVATION: CLEFT CARE AS CATALYST



Smile Train believes that making world-class cleft care possible in low- and middle-income countries creates a high tide that lifts all regional healthcare. But **the change cleft patients need won't happen on its own.** That's why we established **Smile Train's Research and Innovation Advisory Council (STRIAC)**, a truly global "Cleft Think Tank" that brings healthcare research and innovation capacity together to collaborate on the challenges facing the international cleft community and innovate new solutions. STRIAC's ultimate goal? Nothing less than **decolonising medical research and development and putting the tools for change where they belong — in the hands of local experts.**

## VICENTE'S STORY

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**P**aola, of Rengo, Chile, learned her baby would have a cleft when she was 36 weeks pregnant. She immediately went online to learn more and found that the path to treatment would likely be long and arduous.

Two weeks later, Vicente was born. When Paola saw him, she cried with joy. After reading so much about the problems clefts can cause, it was a relief to just have her son healthy in her arms.

At first, Vicente's cleft made nursing a struggle, and he constantly cried with hunger. Paola looked everywhere for the specialised cleft bottles she discovered online with no luck. Eventually, she figured out a way to feed him, but it wasn't enough—after 15 days of struggle, her milk dried up.

Desperate, she searched again and found Smile Train partner Fundación Gantz, two hours away in Santiago. They left that minute.

“When we arrived at Fundación Gantz, we felt we were home,” Paola said. The staff immediately gave Vicente the nutritional support he needed—including a specialised bottle—and scheduled his first cleft surgery for five months later, when they expected he would weigh enough to qualify.

Then they walked Paola through the treatment Vicente would need from that day until he turned 18 and how, thanks to Smile Train's dedicated donors around the world, all of it—including transportation to and from Santiago—would be 100 % free.

The plan worked. Five months later, Vicente was healthy and ready. Paola will never forget “The moment they show him to you after surgery... It's wonderful to see him like that!”

Now that Vicente could eat, it was time to help him speak. He went to speech therapy at Fundación Gantz each week for the next eight years.

As his journey continued, he received further specialised care, including braces, thanks to Smile Train's partnership with GSK Consumer Healthcare.

Vicente was bullied as a child, but now at age 16, he is proud of the young man he sees in the mirror smiling back at him.

“In my house, Fundación Gantz is everything,” Paola said.

“I thank Smile Train and GSK Consumer Healthcare very much because they have been a fundamental part of all this. Thanks to them, we have been able to have all the treatment my son needs.”

Vicente says it best: “I think people with clefts shouldn't feel bad about themselves because maybe there are many who feel bad and ask themselves why they were born that way, but things happen for a reason. You just have to keep going, because we are all strong and we are all going to make it.”

“Our patients benefit immeasurably from having consistent support from birth through adulthood, and the staff benefits from the opportunity to work together within an interdisciplinary team providing comprehensive care. Working with Smile Train, that team actually extends beyond our centre to include an international support network where professionals are constantly being trained and where the focus is on providing the best treatment for our patients.”

**- Dr Carolina Gutierrez**  
Orthodontist, Fundación Gantz





Vicente, Chile





## EDUCATION & TRAINING

### LOCAL TRAINING; GLOBAL IMPACT

**A**t its core, “teach a man to fish” means investing strategically in self-obliteration. By educating and training healthcare leaders in historically marginalized communities, Smile Train is doing so much more than strengthening local cleft teams; we’re helping them secure the future of global health. Those we train go on to train others, creating a self-sustaining, global ecosystem of empowerment that will not only save and improve countless lives, but someday also make us no longer needed anywhere we work.

Thanks to you, we were able to teach healthcare workers to “fish” like never before in 2021. Here are just three of the **more than 2,600** revolutionary education and training program sessions—both in-person and virtual—you made possible around the world this year:

- **Paediatric Surgical Scholarships in Africa:** In collaboration with KidsOR, we’re providing 40 talented surgeons from sub-Saharan Africa the opportunity to study paediatric surgery—including an eight-month training in cleft treatment—through training programmes run by the West Africa College of Surgeons (WACS) and the College of Surgeons of East, Central and Southern Africa (COSECSA). After completing their three-to-six-year course, graduates are obligated to provide this essential care to children throughout these historically underserved regions for the equivalent number of years that they were enrolled in the training programme.

- **Safe Surgery and Anaesthesia Initiative:** We’ve teamed up with Lifebox on a groundbreaking initiative to develop cost-effective technical surgical innovations, invest in critical education and training for healthcare workers—and so much more—in low-resource settings. Ultimately, this partnership will reach more than 1,100 hospitals in 70 countries, elevating the standard of care for all children in need of surgery around the globe.

- **Pilot Speech and Capacity-Building Project:** Prior to July 2020, there was only one speech therapist in Ethiopia qualified to work with cleft patients. In a country with such great need, this was unacceptable. So, we partnered with Addis Ababa University on a pilot programme that trained two cohorts of speech therapy students in cleft speech care. By January 2022, 16 students had provided critical speech therapy to 86 children with clefts—a success by any measure. Our local staff is now working to expand this project by launching pilots in other Ethiopian universities and securing graduates jobs across the country. Thanks to our model, our learnings here will soon serve as a template for similar programmes around the world.





Dr. Bethel with Rahmo



## CORPORATE PARTNERSHIPS

Smile Train is proud to partner with businesses in industries from cosmetics to tea, from sushi to chocolate, and every field in between, who share our commitment to building sustainable healthcare systems the world over. With their global HQ based in Weybridge, England, our long-term partnership with GSK Consumer Healthcare is a sterling example of what's possible when two organisations with common values team up to do good together.

Since our corporate partnership began in 2018, GSK has joined their global reach and commitment to making holistic oral healthcare available to consumers around the world with Smile Train's unparalleled expertise in local cleft care.

The results speak for themselves. In 2021 alone, we:

- Sponsored **2,400+** life-changing cleft surgeries in 23 countries
- Identified **679** new patients in India thanks to our toll-free Cleft Helpline
- Trained **667** local cleft professionals—an 86 % increase from 2020
- Distributed comprehensive cleft care grants to **25** countries, expanding these lifesaving services to new areas, especially in the Middle East and Europe



**WORKING TOGETHER TO TRANSFORM LIVES**





## COMMUNITY

**T**he care that saved Vicente's life and allowed Paola to sleep at night; the training and cutting-edge equipment that empowered their cleft team—and the cleft teams of every other family we've ever supported—was only possible because of people like you. From primary school classes celebrating World Smile Day with us to our fundraisers going the extra mile to support us, **our supporters' and cleft community members' passion, creativity, and generosity is the beating, loving heart that makes each life-changing smile possible.**

### CLEFT CON

There are certain experiences that unite nearly every person with a cleft. Most know what it's like to spend their childhood undergoing constant rounds of nutritional support, surgeries, speech therapy, orthodontics, and so much else.

While also facing bullying, stigma, and unwanted stares.

While also feeling like you are in this alone.

That's why, spurred by the members of our Cleft Community Advisory Council (CCAC)—our board of cleft-affected individuals and their families who advise Smile Train's communications strategies and advocate for the global cleft community—Smile Train virtually held the first Cleft Con in 2020 to send the message loud and clear to everyone with a cleft: You are not alone.

**At Cleft Con, for the first time ever, the cleft community saw their screens fill up with other faces that looked like theirs, people who intimately knew their joys and their pains. Whose advice (and jokes) rang true because they truly understood.**

It was a revelation. After only one Saturday, **adults who had grown up embarrassed by how they were born started social media accounts to share their cleft journeys with the world. Children came away shouting that their cleft is their superpower.**

Building on this success, we planned Cleft Con 2021 with one goal in mind: Go bigger. Word spread fast through the community, and thanks to the tireless advocacy of the CCAC and other cleft advocates, this year's Cleft Con surpassed even the loftiest of expectations.

Cleft Con 2021 was the largest gathering of cleft-affected people in history. On one Saturday in November, nearly 350 members of the #CleftProud community came together virtually to attend sessions on everything from insurance and the arts to political advocacy and dating.



*Yacxara from the United States*



*Smile Train UK's CCAC member, Katie Manning*



## SPOTLIGHT ON: SMILE TRAIN UK'S CLEFT COMMUNITY ADVISORY COUNCIL

**D**espite the difficulties in meeting face-to-face throughout the year, Smile Train UK bought together a group of highly-valued supporters and cleft affected individuals to form the UK's Cleft Community Advisory Council (CCAC). Working on improving engagement with the UK cleft community and developing potential engagement and fundraising opportunities, the CCAC will play a pivotal role in helping us achieve future goals.

**“I was delighted to be asked to join the CCAC and to join others in being able to input our own experience and knowledge of fundraising and engagement to the Smile Train team. Each member of the council is travelling their own cleft journey whether that be as a parent of a child with cleft or being an adult born with cleft so we can add different perspectives on ideas and campaigns that are being suggested. This ensures each one is well thought through before launch and comprehensively reviewed after completion.”—Sue Maughan, UK CCAC member**



**Left to Right; Susannah Schaefer, Sue Maughan, Beth Angella, and Matilda Lansdown**



**Matilda Lansdown, *Edinburgh***

## MATILDA LANSDOWN A REMARKABLE WOMAN: MATILDA'S JOURNEY WASN'T ALWAYS PLAIN SAILING

**M**atilda Lansdown, 31, from Edinburgh, was born with a cleft lip and palate and had her first surgery at just eight weeks old.

Matilda is a remarkable woman. The Scot endured 21 years of surgeries and is now sharing her strength and smile with cleft-affected families around the world.

She now serves as a Smile Train UK Ambassador and member of Smile Train UK's Cleft Community Advisory Council.

Matilda, the General Manager of exclusive London salon Josh Wood Colour, was born with a cleft lip and palate.

She had her first surgery at just eight weeks old, followed by her first palate surgery when she was nine months old.

Matilda's first memory is "sitting in a doctor's room being looked at" when she was about three - not surprising as her life has been dominated by surgery. Matilda would continue having procedures and treatments until she was 21.

"I'm told my cleft was quite severe, as it went all the way back and my nose had completely collapsed into my mouth.

"I had to grow up faster than my twin sister, but I'm very grateful and thankful for my postcode lottery of being in the UK with

the National Health Service (NHS). I know my parents felt like the support was always there and they couldn't have done it without charity and hospital support."

As with any journey, Matilda's experience wasn't plain sailing.

"I had a feeling when I was younger that I wanted to distance myself from the cleft community and the cleft label because I just so desperately wanted to be in the 'normal' world of my peers. I didn't trust people as easily and I didn't like myself until later in life, so it was hard to make serious connections with others."

As Matilda started to feel more comfortable in her own skin, she decided to use her personal experience to empower others with clefts, fundraise money for Smile Train UK, and become an advocate and champion for cleft-affected individuals in the UK and around the world.

In 2018, Matilda and her father, Adam, embarked on a 34-mile Italian trek through Verona, Vento, and Lake Garda, raising over £1,300 for Smile Train UK.

"For me the hardest part was physical endurance. I'm not really an outdoorsy person so this was definitely outside my comfort zone," she said.

In February 2019, Matilda travelled to Ethiopia on her very own Journey of Smiles, alongside

her mum, Sarah, to see first-hand the impact Smile Train has on patients.

With a background in make-up artistry, Matilda put her skills to good use and organised an empowering make-up session for cleft-affected women at Smile Train partner Yekatit 12 Hospital so that they could feel confident applying make-up.

As well as using her social media platforms (@barbieinthecity\_ on Instagram) to promote her make-up artistry, she uses her platform to encourage others with clefts to reach out to her and to embrace their appearance.

She said: "I have felt inspired to make a change any way I can. I want to help improve the lives of every child born with a cleft - opening the door to opportunities that the confidence of a smile can bring.

"Smiling is a medicine in itself. In my experience, smiling hasn't always been a given, so it is something special. This was such a big part of why I wanted to get involved with Smile Train - giving others a smile that they could be proud of."



## STAFF SPOTLIGHT: CHRISTIAN HENRY

**A**s our Associate for Research & Innovation, Christian Henry is at the forefront of Smile Train's work to build a brighter future for everyone with a cleft. We recently caught up with her to learn more.

### **Please describe your role and how you got into data and public health.**

On the research end, I help our global medical partners get their work published and presented at conferences. On the innovation end, I help foster new ideas. So that could be our Virtual Surgery Simulator or this really cool app we're working on to help patients with their psychosocial health that I'm super excited about.

I came to Smile Train from a nonprofit that looks at the mental health side of human services for people who are unhoused. I was looking for an organisation that would look more at the medical side of human services, and Smile Train was the perfect fit.

### **How would you describe your work to a patient?**

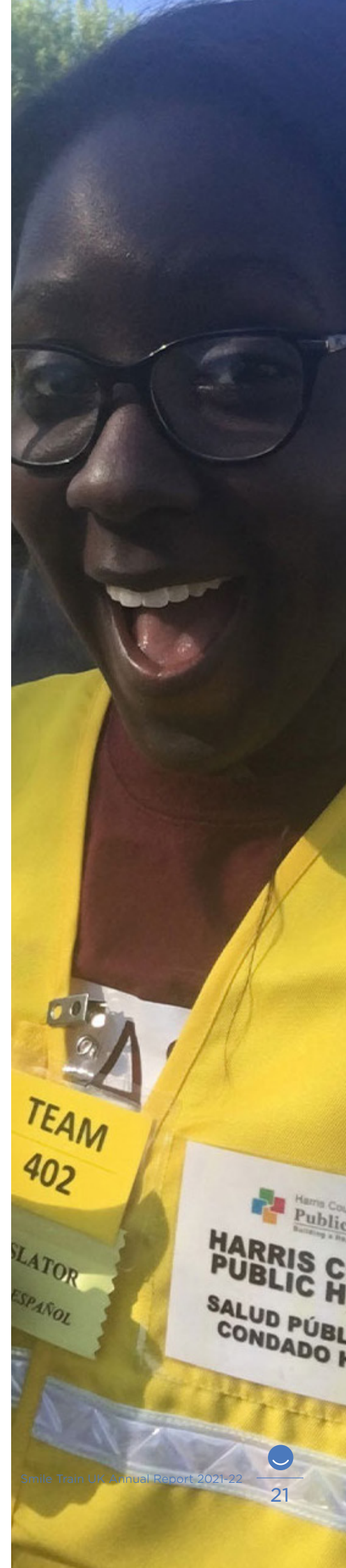
My role is to help the people who are helping you—the doctors, the nurses, all those people—learn about how to treat you better.

### **Why is Smile Train's cause and model meaningful to you?**

Our model is about helping train people to build better healthcare systems for themselves. That even extends to research; I'm teaching other researchers how to produce better research, and how to teach others those methods, too, so we can get the best innovations out there. That's so important because I think it's how we're going to keep advancing and improving the treatment we're giving to our patients.

### **Why is doing this work for cleft treatment, specifically, so important?**

Having a cleft can affect someone's nutrition, their physical health, their mental health, their dentistry for their whole lives. It's not just a temporary thing. So if you can help someone get good care and an early start, you can change their whole trajectory.





## STAFF SPOTLIGHT: CHRISTIAN HENRY

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### **What's something you're working on now that excites you?**

We've had 27 partners submit their abstracts for the American Cleft Palate Association Conference, and 21 have been accepted. That's the most that have ever been accepted from Smile Train so far and a high number of international acceptances. We're super excited about this because it means there's going to be a historically large presence for our global partners—and therefore cleft specialists from historically marginalised areas—at America's most prestigious cleft conference.

### **Where do you see your work in five years? What's your highest priority?**

Right now, research is mostly dominated by high-income countries. I'm hopeful that within five years that's not as much the case, that it's more diversified and the standard isn't just to have a high-income-country person on your paper and then maybe you can get published or into a conference. I'm hoping that barrier will get broken down.

### **What is your message to the global cleft community?**

Thank you. Especially to all the professionals who do the hard work that doesn't get highlighted as much as it should, and to those working in low- and middle-income countries. I have seen so many researchers do such good work and really make incredible innovations and strides. Thank you all for thinking outside the box.

And to our patients, thank you for being willing to be a part of that.





Elsie, Kenya





## JOURNEY AHEAD

**J**oy. Second chances. Education. Good health. Hope.

Are these what you think of when you think of 2021? They should be, at least in part, because they are what you made possible for more than 89,000 children with clefts in need this year. And their families. And, in many cases, their entire communities.

Already in 2022, we've seen your support bring so much good into the world. This year has seen us making major strides towards bringing comprehensive cleft care to every patient, supporting cutting-edge research into clefts, mustering the might of the US cleft community in support of vital legislation that touches our lives, and so, so much more.



On behalf of our patients, our unstoppable medical partners around the world to whom this report is dedicated, and our Smile Train family around the globe, **thank you.**

Thank you for helping us spread light in scary times. Thank you for supporting the universal right to quality healthcare and being a champion for those who make it possible. Thank you for upholding the dignity of every human face.

Thank you for once again helping us change the world one smile at a time.





# **THE SMILE TRAIN UK TRUSTEES' REPORT AND ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2022**

Charity Registration No. 1114748  
Company Registration No. 05738962 (England and Wales)

# THE SMILE TRAIN UK LEGAL AND ADMINISTRATIVE INFORMATION

## TRUSTEES

S Schaefer  
E F Monopoli  
R Reichbach  
T Poliakova  
S Dransfield  
K Spinder                      Appointed - 27 April 2022  
M Wenham                      Appointed - 27 April 2022  
M Wood-Williams              Appointed - 27 April 2022

In April 2022, Smile Train UK welcomed Michael Wood-Williams as the new Chair of Smile Train UK.

A Durham based corporate finance lawyer by profession, Michael brings a wealth of experience to Smile Train UK. His career spans a range of sectors and geographies including enterprise, governance, legal and charity.

## KEY MANAGEMENT PERSONNEL

Director, Senior Manager Direct Marketing and Smile Train's CEO and CFO

Michael is a Board Member of the Ectopic Pregnancy Trust, Riders Minds and Vice Chair of Governors and Chair of the Audit Committee for Gateshead College.

## SECRETARY

BWB Secretarial Limited  
10 Queen Street Place  
London  
EC4R 1BE

Michael is a co-founder and director of FYLO, a start-up digital data management enterprise.

## CHARITY NUMBER

1114748

## COMPANY NUMBER

05738962

## PRINCIPAL ADDRESS

30 Stamford Street  
London  
SE1 9LQ

## REGISTERED OFFICE

C/O Bates Wells & Braithwaite London LLP  
10 Queen Street Place  
London  
EC4R 1BE

## AUDITOR

Crowe U.K. LLP  
55 Ludgate Hill  
London, EC4M 7JW

## BANKERS

HSBC Plc  
60 Queen Victoria Street  
London  
EC4N 4TR

## SOLICITORS

Bates Wells & Braithwaite London LLP  
10 Queen Street Place  
London  
EC4R 1BE

# THE SMILE TRAIN UK TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2022

The Trustees, who are also the directors of The Smile Train UK (“the Charity”) for the purposes of company law, submit their annual report and the audited consolidated financial statements for the year ended 30 June 2022. Its subsidiary undertaking, The Smile Train UK Trading Company Limited, was incorporated on 20 June 2014. The company is wholly owned and the Trustees’ report and accounts have been prepared for the Group.

The Trustees confirm that the annual report and consolidated financial statements and consolidated financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity’s Memorandum and Articles of Association, the Companies Act 2006 and Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

The Trustees’ report is also the directors’ report required by s417 of the Companies Act 2006.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### MANAGEMENT OF THE CHARITY

The Board of Trustees (which has a minimum of three) is the body responsible for the management of the Charity. The Board meets periodically as needed and aims to meet quarterly each year. Implementation of the day to day activities of the Charity during the fiscal year was undertaken by I Vallance (Director), S Selby (Senior Manager Direct Marketing), S Schaefer (CEO) and B Gonzalez (CFO). S Schaefer and B Gonzalez are employees of Smile Train, Inc. (‘Smile Train’) and neither of these two receive any remuneration from the Charity for this work. S Schaefer and R Reichbach, directors of Smile Train, Inc., were also Trustees of the Charity and receive no remuneration from the Charity. In addition, during the year there were six Trustees who are not on the Board of Smile Train, Inc. nor are they paid employees or consultants of Smile Train, Inc. This governance arrangement is in accordance with the Articles of Association of the Charity. All major and strategic decisions regarding the Charity are approved by the Charity’s Board of Trustees.

Smile Train, Inc. is a US-based non-profit organisation headquartered in New York City. Its offices are located at 633 Third Avenue, New York, NY 10017. Smile Train, Inc. and the Charity are dedicated to helping children worldwide who are born with cleft lips and palates. This is stated in the Charity’s objects. Smile Train, Inc. has charitable affiliates operating in Brazil, Canada, Germany, India, Indonesia, Mexico and Philippines. Smile Train, Inc. and the Charity share common goals, objectives and a management team. The Charity benefits from a number of donated services from Smile Train, Inc., including the time of Smile Train, Inc. employees, for which the Charity is not charged. Further details of these donated services are provided in Note 5 of the financial statements.

Smile Train, Inc. is the sole company law member of the Charity. The Charity is therefore a subsidiary of Smile Train, Inc. although the Board of Trustees of the Charity are responsible for its day to day management and ensuring it furthers its charitable purposes. Smile Train, Inc. is controlled by a Board of Directors who has nominated R Reichbach, a Director of Smile Train, Inc., as their authorised representative for all dealings with the Charity as sole member.

### GOVERNING DOCUMENT

The Charity is a charitable company limited by guarantee and is governed by its Memorandum and Articles of Association, as amended by special resolutions dated 23 March 2006, 29 August 2012, and 11 October 2013.

Smile Train agrees to contribute £1 in the event of the Charity winding up.

The Charity is a registered charity with the Charity Commission (Charity registration no. 1114748).

Since the issuance of the updated Charity Governance Code in July 2017, the Charity has utilised the Code as a support tool for the Trustees to reflect upon its current governance structures and consider the ways in which the Charity and its Trustees currently apply the Charity Governance Code's seven principles and recommended practice.

The Charity already applies a considerable number of the recommended practices, where applicable, relating to each of the Charity Governance Code's seven principles and is committed to further improvement of the Charity's governance standards to increase its overall effectiveness as an organisation. With our Trustees, we have ensured we are substantially compliant with the code. The following are areas where we have not applied the code's provisions, and deemed unnecessary, considering the small size of its board of trustees:

- The code recommends that the board have a vice-chair or similar who provides a sounding board for the chair and serves as an intermediary for the other trustees.
- The code recommends that the Charity consider using a nominations committee to lead the board appointment process and to make recommendations to the board.

## **APPOINTMENT AND ELECTION OF TRUSTEES**

Trustees shall be appointed by resolution of the sole member for a renewable term of three years.

None of the Trustees has any beneficial interest in the Charity and none is a member of the Charity.

The Trustees, who are also the directors for the purpose of company law, and who served during the year were:

S Schaefer	
E F Monopoli	
R Reichbach	
T Poliakova	
S Dransfield	
K Spinder	Appointed - 27 April 2022
M Wenham	Appointed - 27 April 2022
M Wood-Williams	Appointed - 27 April 2022

## **INDUCTION AND TRAINING OF TRUSTEES**

Once appointed, Trustees are briefed on their legal obligations under charity and company law, provided with a copy of the Memorandum and Articles of Association of the Charity and the current budget and updated on the business plan and recent financial performance of the Charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

## **RISK MANAGEMENT**

We are committed to identifying, monitoring and managing the risks that might adversely affect the activities in which we are involved. In this context, risk is defined as the potential to fail to achieve the Charity's objectives and for loss, financial and reputational, inherent in the environment in which we operate and in the nature of the transactions undertaken.

There has been in place throughout the year an on-going process for identifying, evaluating and managing the significant risks faced by the Charity, which has been regularly reviewed by the Trustees. Appropriate actions have been put in place to mitigate the exposure to and the consequences of these risks.

The principal risks facing the Group are threats to income in the form of internal or external factors affecting fundraising efforts. The Charity considers internal operational risks such as its ability to accurately capture Gift Aid declarations, reliance on external vendors to deliver on contracted services, and the consistent functioning of its donor database. These risks are considered regularly at meetings by Management and the Trustees so internal controls and assurances can be established and monitored. For example, to ensure timely and proper Gift Aid declarations, the Charity has developed a capture, reporting and claims process that is reviewed annually by the Trustees, the auditors and an external Gift Aid vendor. Additionally, the Charity performs periodic due diligence on its critical vendors to ensure they are delivering on their services and that their business continuity plans are sound in the event of a service failure.

Some of the external risk factors considered by the Charity are the effects of changing privacy laws on its ability to maintain fundraising levels as well as the ongoing impact of the COVID-19 crisis on its fundraising plans. The Charity mitigates these risks by continuing to monitor new developments and diversify its fundraising. For example, when in-person events were being postponed and/or cancelled due to COVID-19, the Charity was able to develop virtual events to minimize the effect on donations.

## **SAFEGUARDING**

We recognize that, in the course of our charitable activities, Smile Train and its partner's may come into contact with people who may be at increased risk of abuse and/or exploitation, particularly children and those living in poverty. We are committed to safeguarding children and vulnerable adults and ensuring that their rights to protection are realized. We believe that it is always unacceptable for a child or vulnerable adult to experience abuse of any kind and we recognize our duties of care to all children and vulnerable adults where our operations necessitate contact with them and/or have an impact on them.

To this end, Smile Train has implemented a global safeguarding policy that details out individuals' responsibilities to safeguard children and vulnerable adults and the proper reporting and investigation procedures. The policy provides guidance on how Smile Train's staff and partners should interact with children and vulnerable adults and how to recognize signs of abuse. Smile Train's commitment to safeguarding begins with the safe recruitment, selection and vetting of staff and trustees which is also detailed in its policy.

## **OBJECTIVES AND ACTIVITIES**

As stated in the Memorandum and Articles of Association, the objects of the Charity are:

1. to relieve the suffering of children with cleft lips or palates or both;
2. to advance the education and training of the public, including doctors, nurses and medical support staff in all matters relating to cleft lip and palate surgery and treatment and the support of those with this condition; and
3. to promote research into and the knowledge and study of the cause, improvement and application of treatments, cures and other medicinal agents, methods and processes that may relieve the suffering of those with cleft lips and palates.

The Trustees have paid due regard to guidance on public benefit issued by the Charity Commission in deciding what activities the Charity should undertake and believe that in reading the Trustees' report in totality, any reader would be satisfied the objects of the Charity have been achieved through the performance of the various worthwhile causes.

These objectives are achieved through on-going direct mail and advertising campaigns used to advance the education of the public and raise awareness of cleft lips and palates. These campaigns are also targeted at raising donations within the UK. The Charity uses the income received from these donations and other sources, net of related expenses, to fund cleft lip and palate treatment in countries around the world, by granting funds to Smile Train who has the infrastructure in place to directly carry out the Charity's objectives. Smile Train supports free cleft surgery and comprehensive cleft care to children in developing countries. Through training local doctors and empowering partner hospitals around the world, Smile Train advances a sustainable solution and scalable model to treat clefts, drastically improving children's lives, including their ability to eat, breathe, and speak over time. There are many children living with untreated clefts who do not have access to proper treatment.

To support our important work, the Charity will focus on three strategic goals over the next few years. The priority will be to grow and diversify fundraising in the areas of individual giving, trusts and legacies, corporate giving and events. In order to support this fundraising growth, the Charity will maintain and evolve effective governance and focus efforts on increasing brand awareness for the Charity as well as around cleft.

Throughout the year staff employed by Smile Train provide management and operational services to the Charity, along with various marketing and administrative services. These services are not paid for by the Charity. The value of these donated services is £467,282 (2021: £435,357) and this has been included within the Group Statement of Financial Activities.

## ACHIEVEMENTS AND PERFORMANCE

During the year the Charity paid £6,500,000 (2021: £5,200,000) in programme activities cost (see Note 5). The Charity granted these funds to Smile Train to fund cleft lip and palate treatment in countries in need around the world.

Through its public education and awareness initiatives the Charity believes it has reached millions of households in the UK and has successfully brought attention to the cause of cleft lip and palate, help to prevent clefts, how to repair clefts and the prevalence of this birth defect in developing countries. The Charity benefits from its relationship with Smile Train by leveraging management, operational support and administration as well as its contractual relationships with Smile Train partner hospitals. The Charity grants funds to Smile Train for cleft treatment primarily in Bangladesh, China and Pakistan.

We have referred to Smile Train's treatment programmes in Bangladesh, China and Pakistan but Smile Train undertakes a number of other activities. Below are examples of some of the work undertaken by Smile Train around the world, which is in part funded by grants received from the Charity. More information along with the Smile Train, Inc. and Affiliates Combined Audited Financial Statements and the annual report can be found on Smile Train's website [www.smiletrain.org](http://www.smiletrain.org).

## SURGERIES PERFORMED

The Charity funded approximately 17,911 (2021: 15,892) free cleft surgeries through Smile Train partner hospitals for children primarily in Bangladesh, China and Pakistan. Smile Train, its affiliates and the Charity continue to lead the way in free, high-quality cleft surgery for poor children around the world. In 2022, Smile Train's cleft care spanned 5 continents through partnerships with more than 2,100 health professionals and 1,100 hospitals. Since its founding in 1999, Smile Train has now supported more than 1,500,000 free cleft surgeries and comprehensive cleft care for patients in 90+ countries.

Smile Train, Inc. and its affiliates also performed the following charitable activities, among other initiatives, during the fiscal year. In the future, in addition to funding cleft surgeries, the Charity may choose to fund similar activities.

## PARTNERSHIPS

The key to helping more children is investing in partnerships with local medical professionals and collaborative organisations that can provide free cleft surgeries and the related cleft care that these children need. Smile Train is always searching for new partners in the developing world who have the experience, passion, human resources and infrastructure to provide safe and high-quality cleft lip and palate treatment.

At the end of fiscal year 2022, there were more than 1,100 Smile Train partner hospitals around the world, serving children in need of cleft care in their communities. Through partnerships and programmes with Smile Train, these hospitals and local medical teams were able to provide safe, free, high-quality cleft treatment to children with clefts in their communities.

## GRANTS AWARDED

In addition to the partner programmes that deliver the free cleft surgeries that Smile Train provides, the following grants are also awarded to help strengthen the cleft programmes of hundreds of doctors, hospitals, charities and organisations who help poor children suffering with clefts.

## EDUCATION AND TRAINING GRANTS

Smile Train supported educational and training opportunities in fiscal year 2022, including:

### *August 2021 – Nursing Care Saves Lives*

A 3-day training was held in Bohicon, Benin from August 11-13, 2021 for 10 nurses from Togo and Benin. This essential skills-building course aims to increase the competency and confidence of nurses providing perioperative care for children undergoing cleft lip and palate surgery.

### *September 2021 – March 2022 – Online Speech Training – Evaluation and Speech Therapy of Patients with Cleft Lip and Palate*

Smile Train supported the development and implementation of a 130-hour online training from September 14, 2021 – March 15, 2022, for 25 speech and language therapists from Spain, Paraguay,

and Chile. The training provided attendees with additional learning and skills in the areas of food, language, speech and velopharyngeal function, to better support optimal care for cleft lip and palate patients.

### *January 2022 – Parent Training Course*

Smile Train supported the development and delivery of a training course for 20 members of a Spanish cleft parent group, Asociacion Ficat. The in-person course had been delayed since 2019 due to COVID, but was held in person in Barcelona, Spain on January 15, 2022. In the course parents were empowered to support other parents of children with cleft, to understand how they can support their own children during difficulties that may be encountered during the school years; and how to develop their own resilience in dealing with issues that can arise being parents of a child born with a cleft.

### *March 2022 – Pediatric Surgeon Training*

Smile Train supported surgical training for 40 pediatric surgeons in 22 underserved countries. This was the 2nd of 5 annual installments towards their education in pediatric surgery with a cleft lip and palate specialty at various schools across the Africa region. These scholarships will address existing pediatric surgical capacity challenges within these countries and increase the number of newly trained surgeons qualified to treat cleft patients across the continent.

### *April 2022 – Supporting Comprehensive Cleft Care Through Nutrition and Feeding*

Smile Train supported 20 Malawian trainees from April 19-22, 2022 in a comprehensive cleft feeding course that provided training on weight and measurement techniques, cleft nutrition guidelines, and how to share cleft feeding recommendations with parents and caregivers to avoid complications related to cleft-related malnutrition.

## **AWARENESS GRANTS**

Awareness funding supports communication messages and publicity to educate people about clefts and the free cleft surgery programs available to them, reducing the stigma and driving thousands of patients to our partner hospitals.

## **PATIENT LOGISTICS**

While Smile Train grants predominantly focus on medical treatment, this grant programme targets the poorest of the poor who would never make it to the hospital for treatment without additional financial support to help the family with expenses such as food and shelter during their stay, money to cover the cost of traveling to and from the hospital, or money to help offset a parent's lost wages during a hospital stay. While the amount of support a family needs in this regard is often relatively small, it can mean the difference between a child receiving surgery or living their life with an unrepaired cleft.

## **COMPREHENSIVE CARE GRANTS**

Smile Train's vision is to ensure every child born with a cleft can lead a full and productive life. A key to this is the critical pre-operative and follow-up care such as nutritional support, speech therapy and orthodontics that many patients require along with cleft surgery. Comprehensive Cleft Care Grants augment and enhance the free cleft surgery programmes to help ensure children in Smile Train's programs have the opportunity for a full, healthy and productive life ahead.

## **EQUIPMENT GRANTS**

These grants assist hospitals in purchasing essential equipment such as surgical instruments, pulse oximeters, and anesthesia machines for the operating room to help increase the number of children who can be treated and to ensure safe surgery and cleft care for all Smile Train patients.

## **OUTREACH GRANTS**

This funding supports cleft teams with travel, food, and lodging during outreach trips outside their main surgical centers, either within their own country or in neighboring countries.

## **FINANCIAL REVIEW**

We have set out the full details of our consolidated income and expenditure in the group statement of financial activities (SOFA) on page 38. The income for the year, principally representing income from donors was £10.33m (2021: £8.91m). The group total expenditure, principally representing programme and fundraising costs, were £11.3m (2021: £9.02m). As a result, recorded net



expenditure resources was £970k (2021 net expenditure: £110k). Unrestricted funds at the end of fiscal year 2022 stood at £330k (2021: £1.3m).

The summarized results for the year's trading of The Smile Train UK Trading Company Limited is given on pages 43-44 of the notes to the financial statements. The Smile Train UK Trading Company Limited directors consider the company's state of affairs to be satisfactory. The directors are not anticipating any major changes to the activities of the company.

## FUNDS

The Charity holds two types of funds - Restricted Funds and Unrestricted Funds.

Restricted Funds are those funds for which the original donors specified, directly or indirectly, the purposes for which they wanted the money to be used. The Trustees manage these funds but are governed by the donors' wishes as to how the funds are utilised. During the year ended 30 June 2022, £23,388 (2021: £24,580) of such restricted donations were spent in accordance with the donors' directions and £1,000 (2021: £1,692) were remaining to be spent.

Unrestricted Funds are those funds for which the original donors did not give any particular instructions as to how they wished the funds spent. These funds are allocated by the Trustees at their discretion. At the end of the year, the value of these funds stood at £330k (2021: £1.3m).

## RESERVES POLICY

The reserves policy is reviewed annually by the Trustees. In reviewing the risks faced by the Charity and its operational plans for the forthcoming period, the Trustees have decided that it is appropriate that the Charity holds cash reserves between £800k - £1.3m. This level of cash reserves has been maintained throughout the year.

## FUNDRAISING

As a registered member of the Fundraising Regulator, Smile Train UK is committed to fundraising in a transparent and accountable way in accordance with our Pledge to Donors which can be found at <https://smiletrain.org.uk/about/our-pledge-to-donors>. We are happy to receive feedback from our donors and members of the public. Details on how to reach out to us with a question or concern can be found at: <https://smiletrain.org.uk/about/faq#n8485>. Through the period July 1st 2021-June 30th 2022 we received 18 new complaints, all of which were resolved in accordance with Smile Train UK's Complaints Procedure.

We understand the importance of keeping our donors' personal data safe and secure in accordance with our <https://smiletrain.org.uk/about/privacy-policy-uk> designed to ensure continued compliance with the General Data Protection Regulation (GDPR). Our Fulfilment and Supporter Care agency is on hand to respond to supporter requests, including updating donor details and contact preferences, responding to questions and queries about Smile Train's work, our finances and our fundraising.

Along with our in-house fundraising team, we rely on trusted partners to fundraise on our behalf. All third-party fundraising organisations go through a robust procurement process. Formal, regular training is undertaken to ensure that the Smile Train is represented in a way that reflects our values and mission at all times. Fundraising activities are monitored through regular call recordings and performance is evaluated on an on-going basis by the campaign manager and partner agencies.

We are committed to ensuring that all donors are treated fairly. Our fundraisers and fundraising partners are trained on the Code of Fundraising Practice and Smile Train UK's Socially Responsible Fundraising Policy which can be found at: <https://smiletrain.org.uk/about/smile-train-uks-socially-responsible-fundraising-policy>. Our Policy is consistent with both the Institute of Fundraising's Guidance "Treating Donors Fairly" and the Direct Marketing Association's White paper "Guidelines for call centers dealing with vulnerable consumers. We aim to ensure every one of our supporters feels inspired and in control of their experience with us, and we encourage and welcome their feedback and involvement to help us improve. Without them, we couldn't continue to make a difference to children's lives.

## KEY MANAGEMENT PERSONNEL COMPENSATION

As part of the annual budgeting process the Trustees review and approve, as appropriate, recommended compensation and changes to positions based on market analysis process. Trustees determine that compensation is reasonable based upon information sufficient to determine whether the value of services is the amount that would ordinarily be paid for like services by similar organisations; the availability of similar services in the geographic area of the Charity and current compensation surveys compiled by independent firms.

## PLANS FOR THE FUTURE

Thanks to the generosity of our donors, Smile Train, its affiliates and the Charity, during fiscal year 2022, were able to support safe, free cleft surgeries (17,911 for the Charity) for children born with clefts in resource-poor countries, launch programmes in new sites, train a record number of cleft care providers and grow our programmes all over the world.

In the 2022 fiscal year, the Charity continued with its approach of increasing sustainable income, underpinned by a strategy to attract loyal, long-term supporters across a diverse portfolio of fundraising activity. Mass acquisition of new donors through a further increase of investment in Direct Response Television continued to be highly effective, as did digital fundraising initiatives through social media and other online opportunities.

Strategic assessments of the Trusts and Foundations fundraising channels were completed, and which offered additional insight into future opportunities for growth and development. The Charity continues to monitor additional fundraising through Major Givers, Schools, Community, Sporting and Challenge Event fundraising activities.

Despite the logistical challenges of Covid-19, the pandemic also enabled the charity to identify several successful new initiatives to engage new and existing donors, and which are reflected in the positive end of year results. This year, the current fundraising performance ratio was 44%, when comparing costs of £4.34m against the income raised of £9.87m.

In fiscal year 2023, grants from the Charity to Smile Train will continue to be made under a grant agreement, which outlines Smile Train's reporting obligations to the Charity.

While Smile Train and the Charity were busy doing all of these things this past year, an estimated 170,000 children were born with clefts in the developing world. Without intervention, these children have little prospect of ever receiving the cleft care they so desperately need. Their families, often living on less than £1 a day are too poor to ever afford surgery. Without Smile Train support, their local doctors and hospitals are too overburdened to provide free cleft care programmes. And their governments may not consider the problem of clefts a high priority when compared to other life threatening afflictions.

The Charity cares about these children and with the continued support of our donors, and working with Smile Train, will keep working hard to grow cleft lip and palate treatment programmes, train more medical specialists, raise awareness, find more partners and, ultimately, help more children in need.

In addition to providing much needed surgery, the Charity will fund programmes to address comprehensive cleft care, including nutrition, speech therapy, orthodontics and psychological support.

The Charity will continue to work with Smile Train to meet its objectives for the future.

## GOING CONCERN

The trustees monitor the reserves and cash flow of the charity to ensure the day to day needs are being met, taking into consideration challenges of the current economic conditions as well as the ongoing COVID-19 crisis. The trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of The Smile Train UK for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 (FRS 102);
- make judgments and accounting 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 group 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 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 trustees confirm that:

- so far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report is prepared in accordance with the provisions of the Companies Act applicable to small entities.

By order of the board of trustees



Michael Wood-Williams  
Trustee  
7 December 2022

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SMILE TRAIN UK

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## OPINION

We have audited the financial statements of the Smile Train UK ('the charitable company') and its subsidiary ('the group') for the year ended 30 June 2022 which comprise the group statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 30 June 2022 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## OTHER INFORMATION

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

## **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' directors' report and from the requirement to prepare a strategic report.

## **RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the trustees' responsibilities statement [set out on page 26], the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were anti-fraud, bribery and corruption legislation, taxation legislation and health and safety legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Board of Trustees about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

## USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Dipesh Chhatralia  
Senior Statutory Auditor  
For and on behalf of  
Crowe U.K. LLP  
Statutory Auditor  
London  
1 February 2023

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

# THE SMILE TRAIN UK GROUP STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2022

	Note	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
<b>Income from:</b>					
Donations and legacies	2	10,312,072	22,696	10,334,768	8,911,751
Investments		3,018	-	3,018	33
<b>Total</b>		<b>10,315,090</b>	<b>22,696</b>	<b>10,337,786</b>	<b>8,911,784</b>
<b>Expenditure on:</b>					
Raising funds	5	4,341,892	-	4,341,892	3,359,301
Charitable activities	5	6,476,612	23,388	6,500,000	5,200,000
Other	5	462,407	-	462,407	463,647
<b>Total</b>		<b>11,280,911</b>	<b>23,388</b>	<b>11,304,299</b>	<b>9,022,948</b>
<b>Net income/ (expenditure)</b>		<b>(965,821)</b>	<b>(692)</b>	<b>(966,513)</b>	<b>(111,164)</b>
Fund balances at 1 July 2021		1,298,529	1,692	1,300,221	1,411,385
<b>Fund balances at 30 June 2022</b>		<b>332,708</b>	<b>1,000</b>	<b>333,708</b>	<b>1,300,221</b>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# THE SMILE TRAIN UK GROUP & PARENT CHARITABLE COMPANY BALANCE SHEETS AS AT 30 JUNE 2022

	Note	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
<b>Fixed assets</b>					
Tangible assets	8	72	357	72	357
Investments		-	-	1	1
<b>Total Fixed Assets</b>		<b>72</b>	<b>357</b>	<b>73</b>	<b>358</b>
<b>Current assets</b>					
Debtors	9	374,430	782,581	388,341	795,594
Cash at bank and in hand		1,197,972	995,992	1,185,812	983,777
<b>Total Current Assets</b>		<b>1,572,402</b>	<b>1,778,573</b>	<b>1,574,153</b>	<b>1,779,371</b>
<b>Liabilities</b>					
Creditors falling due within one year	10	(1,238,766)	(478,709)	(1,235,166)	(476,909)
<b>Current assets less current liabilities</b>		<b>333,636</b>	<b>1,299,864</b>	<b>338,987</b>	<b>1,302,462</b>
<b>Net Assets</b>		<b>333,708</b>	<b>1,300,221</b>	<b>339,060</b>	<b>1,302,820</b>
<b>The funds of the charity and group</b>					
Restricted funds	11	1,000	1,692	1,000	1,692
<b>Unrestricted funds</b>					
Designated Funds	11	-	150,000	-	150,000
General funds for distribution		332,708	1,148,529	338,060	1,151,128
<b>Total charity and group funds</b>		<b>333,708</b>	<b>1,300,221</b>	<b>339,060</b>	<b>1,302,820</b>

The net expenditure for the charity only for the year ended 30 June 2022 was £963,760 (2021 net expenditure: £86,141)

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies.

Approved and authorised for issue by the Board of Trustees on 7 December 2022 and signed on their behalf



**Michael Wood-Williams**  
Trustee  
7 December 2022

Charity Registration No. 114748  
Company Registration No. 05738962



# THE SMILE TRAIN UK CONSOLIDATED STATEMENT OF CASH FLOWS AS AT 30 JUNE 2022

	2022	2021
Note	£	£
<b>Cash flows from operating activities:</b>		
Net cash provided by (used in) operating activities	(a) 201,980	(579,511)
<b>Change in cash at bank and in hand in the reporting period</b>	201,980	(579,511)
<b>Cash at bank and in hand at the beginning of the reporting period</b>	995,992	1,575,503
<b>Cash at bank and in hand at the end of the reporting period</b>	<b>1,197,972</b>	<b>995,992</b>

## Notes to the statement of cash flows

(a) Reconciliation of net cash used in operating activities

Net income (expenditure) for the reporting period	(966,513)	111,164
Adjustments for:		
Depreciation	286	286
Increase in debtors	408,150	(516,017)
Increase (decrease) in creditors	760,057	47,384
Net cash provided by operating activities	201,980	(579,511)

# THE SMILE TRAIN UK NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2022

## **1 Accounting policies**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

### **1.1 Basis of preparation**

The Smile Train UK was incorporated in England and Wales as a charitable company limited by guarantee and governed by its Memorandum of Association.

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.

The Smile Train UK 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 note(s).

The financial statements are presented in sterling (£).

### **1.2 Preparation of the accounts on a going concern basis**

The trustees monitor the reserves and cash flow of the charity to ensure the day to day needs are being met, taking into consideration challenges of the current economic conditions as well as the ongoing COVID-19 crisis. The trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

### **1.3 Group financial statements**

The financial statements consolidate the results of the charity The Smile Train UK and its wholly owned subsidiary, The Smile Train UK Trading Company Limited (the 'Group) on a line-by-line basis.

The Charity has taken the exemption under section 408 of Companies Act 2006 from presenting an individual company Statement of Financial Activities.

### **1.4 Income**

Donations and other forms of voluntary income are recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

For legacies, entitlement is taken once the charity is aware that probate has been granted and either final estate accounts have been approved, notification has been made by the executor(s) that a distribution will be made, or a distribution has been received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material (see note 3).

### **1.5 Donated services**

The Group benefits from services donated to it by Smile Train, Inc. These donated services are recognised within the Group Statement of Financial Activities and are valued at the cost incurred by Smile Train, Inc being the value to the Group.

### **1.6 Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category.

Expenditure on raising funds is that incurred in attracting voluntary income.

Other costs are those incurred in connection with administration of the charity and compliance with statutory requirements.

Charitable activity costs reflect the costs associated with funding surgeries and grants through Smile Train, Inc. and the production of printed public educational material and services to raise awareness, both of which are considered to further the Group's objectives. When educational material is distributed as part of a joint-purpose mailing, the costs are allocated across the expenditure categories on the basis of word count.

### **1.7 Foreign currency translation**

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in net outgoing resources.

### **1.8 Funds**

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Designated funds comprise funds which have been set aside at the discretion of the Trustees, for specific purposes.

### **1.9 Tangible fixed assets and depreciation**

The Group capitalises expenditures for fixtures, fittings and equipment in excess of £1,000 which are stated at cost less accumulated depreciation.

Depreciation of fixtures, fittings and equipment is provided using the straight-line method over the following estimated useful lives:

Fixtures and fittings	5 years
Equipment	3 years

### **1.10 Debtors**

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

### **1.11 Creditors and provisions**

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

### **1.12 Accounting judgements and sources of estimation uncertainty**

In the application of the charity's accounting policies, trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The items in the accounts that are considered to involve significant judgements and sources of uncertainty through estimation, when applying Smile Train UK's accounting policies include:

Revenue recognition where judgement is required to appropriately apply the income accounting policies explained in accounting policy note (1.4) above most notably in respect of the judgement as to whether a legacy meets the criteria for recognition in the financial statements and gift aid

where income is only recognised to the extent that trustees are satisfied that the charity has the appropriate documentation in place to demonstrate entitlement to this income.

Gifts in kind and donated services where an estimate of the time spent on Smile Train UK activities by Smile Train Inc staff is recognised in both income and expenditure in the financial statements.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date, are likely to result in a material adjustment to their carrying amounts in the next financial year.

There are no items in the financial statements where management were required to make significant judgements and estimates that would have a significant risk of causing a material adjustment to the financial statements.

### **1.13 Retirement benefits**

The Group offers its employees the opportunity to participate in a defined contribution scheme. The amounts charged to the Statement of Financial Activities represent the contributions payable to the scheme during the period.

### **1.14 Financial instruments**

The Group 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 amortised cost using the effective interest method.

## **2 Donations and legacies**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2022</b>	Total 2021
	<b>£</b>	<b>£</b>	<b>£</b>	£
Donations	<b>6,538,449</b>	<b>22,696</b>	<b>6,561,145</b>	6,575,578
Legacies	<b>3,306,341</b>	-	<b>3,306,341</b>	1,900,816
Donated Services	<b>467,282</b>	-	<b>467,282</b>	435,357
<b>Total</b>	<b>10,312,072</b>	<b>22,696</b>	<b>10,334,768</b>	8,911,751

Donated services are represented by management, operational, administrative, marketing and fundraising services provided by Smile Train, Inc. staff to the Group at no cost, of £467,282 (2021: £435,357).

Income from donations and legacies in 2021 was £8,911,751 of which £8,885,479 was unrestricted and £26,272 was restricted.

### **3 Legacy Notifications**

At 30 June 2022, in addition to legacy income that has been included in voluntary income, the Group is expected to benefit from a number of legacies from estates for which the administration had yet to be finalised. The Group's future income from these legacies is estimated at approximately £2.53m (2021: £2.46m).

### **4 Investment in Subsidiary**

The Smile Train UK Trading Company Limited - Registration No. 09094982

The company acts as a trading subsidiary for its parent company, The Smile Train UK, which is a charity registered with the Charity Commission in England and Wales. The principal activity of the company in the year under review was to conduct the trading activities of its parent company. The profits of The Smile Train UK Trading Company Limited are paid to the charity. The Smile Train UK Trading Company Limited's directors during 2022 were R Bell, A McCarthy and S Schaefer.

## Profit and Loss Account of the Smile Train UK Trading Company Limited

	2022	2021
	£	£
Turnover	-	-
Expenditure	(2,753)	(2,599)
Profit (loss) for the year	<u>(2,753)</u>	<u>(2,599)</u>

## Balance Sheet of The Smile Train UK Trading Company Limited

	2022	2021
	£	£
<b>Current Assets</b>		
Cash at bank and in hand	12,160	12,215
Accounts receivable	-	-
Creditors: amounts falling due within one year	(17,511)	(14,813)
<b>Net assets</b>	<u><b>(5,351)</b></u>	<u><b>(2,598)</b></u>
<b>Capital and reserves</b>		
Called up share capital	1	1
Profit and loss account	(5,352)	(2,599)
Equity shareholders' funds	<u><b>(5,351)</b></u>	<u><b>(2,598)</b></u>

## 5 Expenditure

	Staff costs	Other costs	Total 2022	Total 2021
	£	£	£	£
<b>Raising funds</b>				
Advertising and fundraising costs	242,899	3,799,914	4,042,813	3,071,249
Smile Train Inc. staff	299,079	-	299,079	288,052
	<u>541,978</u>	<u>3,799,914</u>	<u>4,341,892</u>	<u>3,359,301</u>
<b>Charitable activities</b>				
Programme costs	-	6,500,000	6,500,000	5,200,000
<b>Support costs and governance</b>				
Staff costs	121,449	-	121,449	87,989
Audit fees	-	25,200	25,200	24,800
Other accounting fees	-	1,800	1,800	1,800
Legal fees	-	44,192	44,192	59,923
Smile Train Inc. staff	168,203	-	168,203	147,305
Other administrative expenses	-	101,563	101,563	141,830
	<u>289,652</u>	<u>172,755</u>	<u>462,407</u>	<u>463,647</u>
Total	<u><b>831,630</b></u>	<u><b>10,472,669</b></u>	<u><b>11,304,299</b></u>	<u><b>9,022,948</b></u>

The Group staff costs relate to work carried out on the marketing and fundraising strategies, the cultivation of major donors and the management of the donation processing, direct marketing and media placement suppliers. Two thirds of staff compensation have been allocated to advertising and fundraising costs while one third is allocated to support staff costs.

Grants made to Smile Train Inc. of £6,500,000 (2021: £5,200,000) are included in programme costs for direct inclusion in their programme expenses.

Donated services are management, operational, administrative, marketing and fundraising services provided by Smile Train staff or other third parties to the Charity at no cost.

## 6 **Trustees**

During the year ended 30 June 2022, none of the trustees received compensation for his or her services or were reimbursed expenses by the Group.

## 7 **Employees**

### Number of employees

There were 7 employees throughout the year (2021: 6).

<b>Employee Costs</b>	<b>2022</b>	2021
	<b>£</b>	£
Wages and salaries	<b>312,913</b>	230,042
Social security costs	<b>28,413</b>	15,982
Other pension costs	<b>8,542</b>	2,480
	<b><u>349,868</u></b>	<u>248,504</u>

One employee earned between £80,000 and £90,000 during the year (2021: One employee earned between £80,000 and £90,000 during the year)

Of these employees, retirement benefits are accruing under pension schemes funded by the group to 1 employee (2021: 1).

The key management personnel of the group are comprised of the Charity's trustees, Director, Senior Manager Direct Marketing and Smile Train's CEO and CFO. Only the Director and the Senior Manager Direct Marketing are paid through the Charity. The employee benefits of these two Charity's key management personnel amounted to £150,700 (2021: £135,543).

## 8 *Tangible fixed assets*

### Group and Charity

	<b>Fixtures, fittings and equipment</b>
<b>Cost</b>	<b>£</b>
At 1 July 2021	1,937
Additions	-
At 30 June 2022	<b>1,937</b>
<b>Depreciation</b>	
At 1 July 2021	1,579
Charge for the year	286
At 30 June 2022	<b>1,865</b>
<b>Net book value</b>	
At 1 July 2021	357
At 30 June 2022	<b>72</b>

## 9 *Debtors*

	<b>Group 2022</b>	<b>Charity 2022</b>	Group 2021	Charity 2021
	<b>£</b>	<b>£</b>	£	£
Prepayments and accrued income	<b>374,430</b>	<b>374,430</b>	782,581	782,581
Amounts due from subsidiary	-	<b>13,911</b>	-	13,013
Total	<b>374,430</b>	<b>388,341</b>	782,581	795,594

## 10 *Creditors: amounts falling due within one year*

	<b>Group 2022</b>	<b>Charity 2022</b>	Group 2021	Charity 2021
	<b>£</b>	<b>£</b>	£	£
Trade creditors	<b>394,952</b>	<b>394,952</b>	162,483	160,683
Amounts owed to group undertakings	<b>549,986</b>	<b>549,986</b>	159,368	159,368
Accruals	<b>293,828</b>	<b>290,228</b>	156,858	156,858
Total	<b>1,238,766</b>	<b>1,235,166</b>	478,709	476,909

## 11 Funds of the Charity

### Restricted Funds

The income funds of the Group include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

Group and Charity

	<b>Balance at 1 July 2021</b>	<b>Income</b>	<b>Expenditure</b>	<b>Balance at 30 June 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Restricted donations	1,692	22,696	(23,388)	1,000
	<u>1,692</u>	<u>22,696</u>	<u>(23,388)</u>	<u>1,000</u>
	<b>Balance at 1 July 2020</b>	<b>Income</b>	<b>Expenditure</b>	<b>Balance at 30 June 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Restricted donations	-	26,272	(24,580)	1,692
	<u>-</u>	<u>26,272</u>	<u>(24,580)</u>	<u>1,692</u>

Donations received are recorded as unrestricted or restricted, depending on the nature of the donor's restriction. All donor-restricted donations are recorded as restricted income if the donation is received with donor conditions that restrict its use. Of the £22,696 of restricted funds received in 2022, approximately £5,000 was restricted to support our programmes in Democratic Republic of the Congo.

### Unrestricted Funds

Group and Charity

	<b>Balance at 1 July 2021</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>Balance at 30 June 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Designated Fund	150,000	-	-	(150,000)	-
General Reserve	1,148,529	10,315,090	(11,280,911)	150,000	332,708
	<u>1,298,529</u>	<u>10,315,090</u>	<u>(11,280,911)</u>	<u>-</u>	<u>332,708</u>

The designated funds represent a historic amount set aside for reserves. Upon review, it has been determined that such designated funds are no longer required and therefore transferred back to the general reserve.

Group and Charity

	<b>Balance at 1 July 2020</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>Balance at 30 June 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Designated Fund	150,000	-	-	-	150,000
General Reserve	1,261,385	8,885,512	(8,998,368)	-	1,148,529
	<u>1,411,385</u>	<u>8,885,512</u>	<u>(8,998,368)</u>	<u>-</u>	<u>1,298,529</u>



## 12 Analysis of net assets between funds

Group

	Unrestricted funds	Restricted funds	Total
Fund balances at 30 June 2022 are represented by:	£	£	£
Fixed assets	72	-	72
Current assets	1,571,402	1,000	1,572,402
Creditors: amounts falling due within one year	(1,238,766)	-	(1,238,766)
<b>Total</b>	<b>332,708</b>	<b>1,000</b>	<b>333,708</b>

	Unrestricted funds	Restricted funds	Total
Fund balances at 30 June 2021 are represented by:	£	£	£
Fixed assets	357	-	357
Current assets	1,776,881	1,692	1,778,573
Creditors: amounts falling due within one year	(478,709)	-	(478,709)
<b>Total</b>	<b>1,298,529</b>	<b>1,692</b>	<b>1,300,221</b>

## 13 Related parties

Smile Train Inc. paid expenses totaling £390,618 (2021: £149,343) on behalf of the Group during the year and the Group paid £nil (2021: £ nil) on behalf of Smile Train Inc. during the year. Smile Train Inc. received donations on behalf of the Group of £nil (2021: £50,714). £549,986 (2021: £159,368) was owed to Smile Train Inc. as at 30 June 2022.

In addition, the Group granted £6,500,000 (2021: £5,200,000) to Smile Train Inc. to fund their jointly-stated charitable activities. In addition, the time of Smile Train Inc. staff provided at no cost has been recognised as a Gift in Kind (in income and expenditure) as stated in Note 2.

Smile Train Inc. is the sole company law member of the Group. The Group is therefore a subsidiary of Smile Train Inc. although the Board of Trustees of the Group are responsible for its day to day management.

The Senior Manager Direct Marketing attended a training course at a cost of £266.40. The course was facilitated by Adaptaa, Ltd., which is the employer of a trustee, Tatiana Poliakova. (2021: The Director and Smile Train's CEO, who is also a trustee, attended a training course at a cost of £266.40 each. The course was also facilitated by Adaptaa, Ltd.)

## 14 Parent undertaking

The company's ultimate parent undertaking is Smile Train Inc., a US-based non-profit organisation headquartered in New York City. Its offices are located at 633 Third Avenue, New York, NY 10017. Smile Train Inc. and Affiliates accounts are available on [www.smiletrain.org](http://www.smiletrain.org).



A charity registered with the Charity Commission for England and Wales No. 1114748

The Smile Train UK is a company limited by guarantee, registered in England and Wales  
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