

The Smiles Foundation
Charity



Reg. Charity No. 1087961

Report and Financial Statements

For the year ended

31st December 2024

Registered Charity No. 1087961

The Smiles Foundation

For the year ended 31st December 2024

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The Smiles Foundation

Legal and Administrative Information **For the year ending 31 December 2024**

Charity Name	The Smiles Foundation
Charity Number	1087961
Trustees	K. D. Hoy (Chairman) B. McKee M. Wildsmith N. Adams G. Cowan I. Steenson
Registered Office	153 Beeston Road Leeds LS11 6AW
Independent Examiner's	Samantha Sutcliffe F.C.C.A. Torevell Dent Limited Chartered Certified Accountants Centre of Excellence Hope Park Trevor Foster Way Bradford BD5 8HH
Solicitor	Clarion Solicitors Britannia Chambers 4 Oxford Place Leeds LS1 3AX England
Bankers	Lloyds Bank plc 65-68 Briggate Leeds LS1 6LH

The Smiles Foundation

Report of the Trustees

For the year ended 31st December 2024

The Trustees present their Report and Financial Statements for the year ended 31st December 2024.

Status

The Smiles Foundation was constituted by a Declaration of Trust dated 8th May 2001 and registered as a charity on 10th August 2001 under charity number 1087961.

Objectives

The objectives of the Charity are:-

- a) To promote the Gospel of Jesus Christ through word and deed, as taught in the New Testament of the Holy Bible.
- b) To relief of the implications of war, famine and natural disaster.
- c) To provide food, housing and living assistance to men, women and children.
- d) To instigate projects that provide self-help and employment opportunities for the unemployed, refugees and those with educational deficiencies who find employment difficult.
- e) To support educational and cultural developments through the provision of facilities, staff and materials
- f) To encourage the young and old to Smile and know they are not forgotten but loved and cared for to ensure them a better life.

The Trustees served in a voluntary capacity receiving no direct remuneration for their efforts, nor have claimed any expenses to which they would not be entitled by way of reimbursement for 'out of pocket' expenses.

Trustees must have a heart for the charity and are recommended and appointed by existing trustees. Training is given within the guidelines of the Charities Commission.

Trustees

The trustees who served during the year were:-

K. D. Hoy (Chairman)
B. McKee
M. Wildsmith
N. Adams
G. Cowan
I. Steenson

The Smiles Foundation

Report of the Trustees

For the year ended 31st December 2024

2024 - Review of Activities

2024 was a productive and successful year with great achievements despite some major challenges. Most encouraging was the continued interest in the Foundation's Work from all areas of support.

Once again, considerable travel was arranged for visiting Support Bases across the UK with the CEO visiting Scotland and Northern Ireland in February and America from March 13th through April 8th. UK Ambassador, Luke Wathen announced his intention to resign from the voluntary position with an anticipated final date on the field as October 31st, 2024. Local Ambassadors continued their great work in their region. Adrian Pogue in Northern Ireland, Jean Barclay in Scotland and Annette Charles in England.

Mission Trips organised in 2024 were very encouraging and beneficial, totalling 144 visiting guests for Regular Trips and 100 for the Celebrations held in October for the Completion of Construction on Sunset House, Cihei. 244 guests throughout the year was a remarkable achievement. Dawn Wilson continued to provide excellent support from the Leeds office for visiting guests.

It was believed the Sunset House construction project in Romania, attracted a high number of visitors, to both see, and in many cases work voluntarily on the building. Sunset House was proving to be an exciting project and clearly established as the biggest and most costly project the Foundation had ever undertaken. Interest and Support was very positive indeed.

With the main construction process completed by March 2024, we allocated 6 months to complete the internal finishing and furnishing. This was possible through so many volunteers coming to help and as a result, everything was ready for the Celebration Weekend of October 12th & 13th, 2024. A memorable occasion was organised and enjoyed by the 100 international guests plus many from Romania who celebrated the occasion.

Fund-Raising required for such a start-of-the-art facility, ultimately around £3million, the Foundation was overwhelmed by the generosity of supporters and the finished result of everyone's efforts.

Delays in final finishing of Construction, also caused us to delay operational opening for Staff and Residents. It was therefore decided to delay Operational Opening until April 2025.

Whilst Sunset House was the major project of the year, we still had the regular operating projects to support and maintain, so another demanding year for sure.

The Outreach Team in Romania continued to be well supported by donors and was able to maintain the service to many families in Bihor County experiencing extreme difficulties for a variety of reasons, including general poverty, health difficulties, housing and employment limitations.

Our hope to see Rapa and Corbesti Communities better served was dependant on hopes to increase the Staff Team, especially for the children in Rapa. This proved difficult and our main staff member for Rapa was forced to take Medical leave from August 2024 so the activities in Rapa was significantly reduced. We will monitor the situation for options going forward.

Dezna Outreach Project had a major disappointment with a Fire Department inspection that highlighted various Needs to Upgrade due to changes in the Law. Our programme of Youth Camps, Conferences and Retreats had to stop until the work was done and reinspected. With an estimated capital cost of up to £200,000 some serious discussion was needed on how to approach the challenge, but nothing was going to be possible until next year.

The Smiles Foundation

Report of the Trustees

For the year ended 31st December 2024

The Outreach Team, led by Adi Matis, did a fine job meeting the needs to the best of their ability.

Tileagd Nursery continued to progress well with a strong registration of 40+ children. The continued State Subsidies received for operating the Nursery continued to help significantly providing a positive contribution to the operating budget. There was some serious thought given to moving the Nursery to the Tileagd Community Complex where we had more space and nicer facilities with the potential to increase capacity of registered children. This was thought to be a project for 2025.

The Emergency Housing Unit in Mierlau continued to be used by Ukrainian Refugees which is anticipated to be needed for maximum, one more year.

Smiles Residential Facilities continued to function well, and number of residents continued to stay strong in ECO (46) and TAL (42). Salonta continued to be much slower and seemed somewhat stuck at about 28 residents.

This adds pressure to JFL Salonta as lack of residents makes budgets difficult as most of the costs remain the same. Smiles continue to keep Phase Two in Salonta closed, so all residents accommodated in the Phase One Building – keeping the main facility fully operational with a maximum of 30 residents.

The Glasshouse in Arpasel was functioning well and the established team there remained consistent which helps greatly in ensuring a smooth operation.

We were delighted to see the Glasshouse sales for 2024, remain strong and shows positive indication for the year ahead.

The administrative and financial staff in Romania continued to do an excellent job. Maria Hava (Director of Missions), Adi Matis (Director of Outreach) and Simona Tosity (Director of Enterprise) continued under the leadership of Kevin Hoy (CEO), to maintain the management and control of the organisation's projects. The 4-person team operates as the Executive Management in Romania. As planned, Simona took a greater role in Residential Care and with the opening of Sunset House in 2025 we will see that transition increased, with Dani Faur continuing his greater responsibility at the Glasshouse.

Management staff were rising to the needs in various projects, with Carmen Pop at ECO and JFL and Delia Mezea in TAL. These both proved a great support for day-to-day duties that Simona Tosity was getting more involved with.

In finance and administration, Dawn Wilson continued to manage the Leeds Office with administrative and accounting support from Nina Florea and Corina Nemtut in Romania, who all do a truly excellent job. The tremendous service that each person gives to the Foundation is part of the secret to the success. Dawn 37 years, Corina 20 years and Nina 18 years.

2024 was a memorable year for sure, with activities, landmarks and celebrations being remembered for a long time to come.

The Smiles Foundation

Report of the Trustees

For the year ended 31st December 2024

Results

Full details of the financial transactions are contained in the attached accounts.

Total incoming resources were £725,072 (2023: £730,762) total resources expended were £752,822 (2023: £600,868) leaving a decrease in resources of £27,750 (2023 increase of: £129,894).

Kevin Hoy
Chief Executive
The Smiles Foundation
September 10th, 2024

Future Developments

The Charity's intention is to have **Sunset House Cihei**, fully staffed and operational by April 2025.

Tileagd Assisted Living needed considerable upgrades for Fire Code Authorisation which were successfully worked on during 2024 and the renewed Fire Authorisation Certificate was approved and received in September 2024.

Likewise, Dezna Outreach Centre will need similar Fire Code upgrades which will be worked on during the coming year. Once updated Authorisations are obtained, we will look to market and promote the facility in Dezna and we anticipate we will require additional personnel to manage the increased programme, by 2026.

These future development plans suggest exciting times ahead for the Smiles Foundation.

Reserves Policy

The Trustees, are working towards a policy to whereby the unrestricted funds, not committed or invested in tangible assets ('the free reserves') held by the charity should be between 1 and 3 months of the resources expended, which equates to £50,000 to £150,000 in general funds. At the proposed reserves level, the Trustees recognise the need to continue to attract major funding in order to maintain activities.

Investment Policy

The Trustees have considered the most appropriate policy for investing funds. Short term reserves will be held in the Trustees' interest-bearing bank account. Future long-term reserves will be held in accounts designed for the charity sector, with the requirement to generate income and/or capital growth.

The Smiles Foundation

Report of the Trustees

For the year ended 31st December 2024

Risk Review

The Trustees have conducted their own review of the major risks to which the charity is exposed, and systems have been established to mitigate those risks. Significant external risks to funding have led to the development of a strategic plan which will allow for the diversification of funding and activities. Internal risks are minimised using professional consultants, and the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charitable company. The procedures are periodically reviewed to ensure they still meet the needs of the charity.

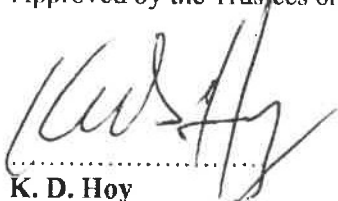
Responsibilities of the Trustees

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent; and
- State whether applicable accounting standards and statements of Recommended Practice have been followed, subject to any departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue on that basis.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011. The Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention of fraud and other irregularities.

Approved by the Trustees on the ^{29th}.....September 2025 and signed on their behalf by:



K. D. Hoy
Chair of Trustees

The Smiles Foundation

Statement of Financial Activities
For the year ended 31st December 2024

	Notes	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
Income and Endowments from					
Donations and legacies		281,368	-	281,368	298,677
Activities for generating funds		925	-	925	3,421
Charitable activities		442,779	-	442,779	428,664
		-----	-----	-----	-----
Total income		725,072	-	725,072	730,762
		=====	=====	=====	=====
Expenditure on					
Raising funds		1,397	-	1,397	3,830
Charitable activities	2	749,181	-	749,181	594,998
Other		2,244	-	2,244	2,040
		-----	-----	-----	-----
Total expenditure		752,822	-	752,822	600,868
		=====	=====	=====	=====
Net movement of funds		(27,750)	-	(27,750)	129,849
Total funds brought forward		160,564	-	160,564	30,670
		-----	-----	-----	-----
Total funds carried forward		132,814	-	132,814	160,564
		=====	=====	=====	=====

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

The notes on page 11 to 13 form part of these financial statements.

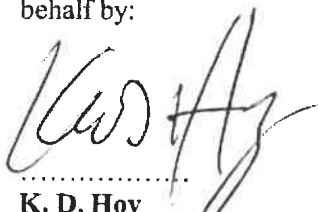
The Smiles Foundation

Balance Sheet

As at 31st December 2024

	Notes	2024	2023
		£	£
Fixed Assets	3	500,000	500,000
		-----	-----
Current Assets			
Debtors	5	23,744	16,905
Bank		34,915	29,600
		-----	-----
		58,659	46,505
 Creditors: amount falling due within one year			
	6	(2,244)	(2,040)
		-----	-----
Net Current Assets/(Liabilities)		56,415	44,465
		-----	-----
 Creditors: amounts falling due over more than one year			
	7	(423,601)	(383,901)
		-----	-----
Total Net Liabilities			
Unrestricted – General fund		132,814	160,564
		=====	=====
 Funds of the Charity			
Unrestricted – General fund		132,814	160,564
Restricted – Income funds		-	-
		-----	-----
Total Charity Funds		132,814	160,564
		=====	=====

The financial statements were approved by the Trustees on the 29th September 2025 and signed on their behalf by:


.....
K. D. Hoy
Chair of Trustees

The notes on page 11 to 13 form part of these financial statements.

The Smiles Foundation

Statement of Cash flows

For the year ended 31st December 2024

	2024 £	2023 £
Cash flows from operating activities:		
<i>Net cash provided by (used in) operating activities as below</i>	(34,385)	127,962
	=====	=====
Cash flows from investing activities:		
Purchase of property, plant & equipment	-	-
Proceeds from sale of property, plant & equipment	-	-
	-----	-----
<i>Net cash provided by (used in) investing activities</i>	-	-
	=====	=====
Cash flows from financing activities:		
Repayments of borrowing	(45,300)	(134,300)
Cash inflows from new borrowing	85,000	-
	-----	-----
<i>Net cash provided by (used in) financing activities</i>	39,700	(134,300)
	=====	=====
<i>Change in cash and cash equivalents in the reporting period</i>	5,315	(6,338)
Cash and cash equivalents at the beginning of the reporting period	29,600	35,938
	-----	-----
Cash and cash equivalents at the end of the reporting period	34,915	29,600
	=====	=====
Reconciliation of net income/(expenditure) to net cash flow from operating activities:		
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(27,750)	129,894
Adjustments for:		
Depreciation charges	-	-
Loss on sale of fixed assets	-	-
(Increase) in debtors	(6,839)	(2,076)
Increase in creditors	204	144
	-----	-----
	(34,385)	127,962
	=====	=====

The Smiles Foundation

Notes of the Financial Statements

For the year ended 31st December 2024

1. Accounting policies

a) Basis of preparation

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice. Accounting and Reporting by Charities 2005. The accounts are prepared under the historical cost convention and are in accordance with Charities SORP (FRS 102).

b) Going concern

As stated on page 7, the accounts have been prepared on a going concern basis. This is dependent on the continued support of the loan creditors shown in Note 7 to the accounts.

c) Fund accounting

Unrestricted funds are corporate funds, which as such are available for use or retention at the discretion of the trustees in accordance with the Trust's objects.

Restricted funds are trust funds subject to specific restrictive conditions imposed by the donor or by the declared purpose in appeals literature.

d) Incoming Resources

All income is accounted for on a receivable basis. Any general purpose grants whose use is restricted by the grant or to some future accounting periods are accounted for as deferred income until the restriction has been satisfied.

e) Resources expended

All expenditure is accounted for on an accrual's basis and, where incurred directly to further the Trust's charitable objects, is shown as project direct costs under the heading of charitable expenditure.

f) Taxation

The charity is registered with the Charities Commission and is not subject to taxation on its normal activities.

2. Resources expended on charitable activities

	2024	2023
	£	£
Project support costs	681,831	535,394
Travelling expenses	1,667	1,359
Office administration	64,617	55,769
Bank charges and interest	1,066	2,476
	-----	-----
	749,181	594,998
	=====	=====

The Smiles Foundation

Notes to the Financial Statements
For the year ended 31st December 2024

	2024	2023
3. Investments	£	£
Loans to Sminro SRL	500,000	500,000
	=====	=====

Sminro SRL is a wholly owned subsidiary of (Asociatia Smiles) a Charity registered in Romania.

	2024	2023
4. Net incoming resources for the year	£	£
this is stated after charging: -		
Independent examiner's fees	2,244	2,040
	=====	=====

	2024	2023
5. Debtors	£	£
Gift Aid	23,744	16,905
	=====	=====

	2024	2023
6. Creditors: amounts falling due with one year	£	£
Accruals	2,244	2,040
	-----	-----
	2,244	2,040
	=====	=====

The Smiles Foundation

Notes to the Financial Statements
For the year ended 31st December 2024

	2024	2023
	£	£
7. Creditors: amounts falling due over more than one year		
Loans	423,601	383,901
	-----	-----
	<u>423,601</u>	<u>383,901</u>

8. Security

The bank loan is guaranteed personally by K.D. Hoy. Loans are not secured. As at 31st December 2024 interest free loans totalling £NIL were outstanding to K. D. Hoy (2023: £NIL)

The Smiles Foundation

Independent Examiner's Report to the Trustees of the Smiles Foundation **For the year ended 31st December 2024**

I report to the Trustees on my examination of the accounts of The Smiles Foundation for the year ended 31st December 2024 which are set out on pages 8 to 13.

Responsibilities and basis of report

The Charity's Trustees are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act')

I report in respect of my examination of the accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent Examiner's Statement

I confirm that I am qualified to undertake the examination because I am a member of The Association of Chartered Certified Accountants, which is one of the listed bodies.

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

In connection with my examination, no matter has come to my attention:

1. Accounting records were not kept in respect of the Charity as required by section 130 of the Act; or
2. The accounts do not accord with those records; or
3. The accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination'

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



Samantha J Sutcliffe F.C.C.A.
Torevell Dent Limited
Chartered Certified Accountant
Centre of Excellence
Hope Park
Trevor Foster Way
Bradford
BD5 8HH

Date29/09/2025