



Pedro, Colombia

WE ARE FOREVER COMMITTED TO CHANGING
THE WORLD, ONE SMILE AT A TIME

Operation  Smile
United Kingdom



Jocelyn before surgery, Ghana



GIVING SMILES, SAVING LIVES

Operation Smile revolutionised cleft surgery globally in 1982. With nearly four decades of experience as one of the largest volunteer-based surgical organisations. Operation Smile's staff, its private-public partnerships and thousands of volunteers have improved the health and dignity of patients with cleft conditions, all over the world.

While one cleft surgery can transform a child's life in as little as 45 minutes, Operation Smile is committed to providing patients with health that lasts by being there to offer additional surgeries, dentistry, psychological services, speech therapy and other essential care. Our training and education programmes elevate local surgical standards and entire health systems, aid safe surgery and enable a global network to reach more people earlier in their lives.



Jocelyn after
surgery, Ghana

TABLE OF CONTENTS

Giving smiles, saving lives	2
Table of contents	4
Chair's welcome	6
Where we work	8
The lives we touch, the people we heal	10
About Operation Smile	12
Delivering safe surgery and care	14
Saving lives through strategic partnerships	16
Health that lasts	18
Our nutrition programmes are saving lives	20
OSUK funded programme focus	22
Key global achievements	32
Thank you	34
Fundraising statement	36
Looking ahead	38
Board of Trustees	40
OSUK Medical subcommittee	42
Reference and administration	44
Subcommittees, ambassadors, bankers and principal advisors	45
Financial overview	46
Governance and statements of Trustees Responsibilities	48
Independent auditors report	52
Statement of financial activities	56
Balance sheet	58
Cash flow	59
Notes to account	60
Photo credits	67

CHAIR'S WELCOME

Dear Supporters and Friends,

I never thought that a year after my last report, we would still be very much in the midst of a global pandemic. The team at Operation Smile have faced so many challenges to continue our work and support those who need us most, and we have found that these obstacles have forced us to become more creative and innovative in our approach. Despite everything, Operation Smile has accomplished many remarkable things in this past year because, like so many others during this difficult time, our challenges became our opportunities.

The immense need for safe surgical care for people living with cleft conditions kept us focused. We mobilised quickly and rallied our resources to continue our commitment to the children and the families that we serve. Our teams have also continued to work hard to support the fight against the pandemic, supporting the communities with which we have long historic ties. The challenges we faced drew upon all our resources and skills and revealed our strengths.

This display of commitment has strengthened our relationships with many governments and their ministries of health. In their hour of need they reached out to us and Operation Smile was there for them, engendering trust and cooperation. We have listened to the countries we serve and supported their needs by funding food programmes for families in need, sending millions of pieces of personal protective equipment to health care workers, and providing patients with essential virtual speech therapy and psychosocial counselling. All of this allowed our patients to be healthy and ready for surgery when we were able to safely restore some of our programmes.

Continuing to strengthen our relationships around the world is so important as we look forward to our 20th anniversary in the UK and our 40th anniversary globally with a goal to greatly expand our impact.

Our dream is to create an opportunity for every child who needs it to receive extraordinary cleft care, irrespective of their geography, economic status, race, or faith.

To reach more children and families we will bring our expertise closer to their homes and into their communities. By working hand-in-glove with local health professionals in their hospitals, we can help bring world-class cleft surgery and comprehensive care to places where it hasn't been before. This expansion is only possible with the support of our donors, volunteers, students, foundations, partners and staff by our side. We profoundly thank every one of you as we continue to provide direct care while innovating and establishing new ways to reach the children and families to whom we are so committed.

As Operation Smile UK chair, I have always believed in the power of children to unite people. Their radiance and energy transcends the reality of economic and health disparities beyond their control, opens countless doors and ensures the progress of Operation Smile. As we look ahead, we are excited to move forwards together on this extraordinary journey, providing a renewed opportunity for so many beautiful families around our world.

We hope that this report will show you how much your support has enabled us to achieve. For that, we say a heartfelt thank you for remaining by our side. On behalf of the board of trustees and those whose lives have been changed this year, thank you again.



A handwritten signature in black ink, appearing to read 'Maria Moore'.

Dr Maria Moore, BDS (Hons)
Chair OSUK Board of Trustees



“

‘Every 3 minutes, a child is born somewhere in the world with a cleft lip or cleft palate. That statistic doesn’t change – even in a global pandemic.’

Kathy Magee
Operation Smile Co-Founder & President

WHERE WE WORK

Our mission to create solutions that deliver safe surgery to people where it's needed most drives us to expand our global reach and make a difference in the lives of more children and their families.





Operation Smile programmes are currently active in 35 countries. We have been a global leader in the delivery of high-quality surgical services in these low-and middle-income countries for almost 40 years.





Mohamed, Morocco

THE LIVES WE TOUCH, THE PEOPLE WE HEAL

Millions of children living with untreated cleft conditions have difficulties eating, breathing, speaking and being accepted by many of their peers and communities.

In the UK cleft conditions are operated on within the first three to six months of a child being born. However, in many countries medical resources are scarce and, even when available, the cost of surgery and after-care is out of reach for many children and their families. That's where Operation Smile comes in. We make it possible for children with cleft to smile again.

Children suffer around the world

It is estimated that every three minutes a child is born with a cleft lip or cleft palate. They may be unable to eat, speak or socialise. In many cases, their parents cannot afford to give them the medical care they need.

Health that lasts

While one cleft surgery can transform a child's life in as little as 45 minutes, Operation Smile is committed to providing patients with health that lasts by being there to offer them additional surgeries, dentistry, psychological services, speech therapy and other essential care.

Our global family

With more than 6,000 active medical volunteers from all around the world, Operation Smile is one of the world's largest volunteer-based non-profit organisations. Our global movement is made up of people from all walks of life who believe that anyone born with a cleft condition deserves safe, effective, timely surgery and comprehensive care, regardless of where they live.

A vision towards sustainable health services

We believe that safe, effective, well-timed surgery is a fundamental human right that should be accessible to all families. In many countries where we work, there are not enough trained medical professionals to meet the growing need and backlog of cleft cases. Training doctors, providing medical equipment and educating local medical professionals on the best surgical practices are high organisational priorities.



“

‘People ran away when they saw us coming. You, Operation Smile, embraced us and you gave us a new life, a new future for Magdalene and our family’

Magdalene’s mother

ABOUT OPERATION SMILE

Operation Smile is an international medical charity, founded in 1982. We have provided free surgery and comprehensive care to children and young adults born with cleft conditions across the world for almost four decades.



The Operation Smile global alliance

Operation Smile UK is part of the worldwide alliance of Operation Smile Inc (OSI) based in Virginia Beach, US. With 42 partners and foundations, we collaborate and fund raise to enable the implementation of global strategies designed to address the issues of cleft and safe surgery throughout the world.

Our volunteer network is managed through this alliance with a robust process of credentialing our global pool of surgeons, anaesthetists, paediatricians, nurses, speech therapists, nutritionists and other non-medical volunteers. Alongside our international volunteers, we have a portfolio of credentialed resident volunteers within the countries where we work who organise local missions for Operation Smile in addition to their everyday case-loads.

OSI manage our cleft care programmes globally through the programme and finance departments who work directly with our country partners. Our medical standards are managed by the Medical Oversight Committee, based in the US, and its team of Regional Medical Officers based in Africa, Latin America and Asia.

Operation Smile UK

Operation Smile UK (OSUK) is a registered UK charity with objectives which include fundraising within the UK for our global cleft care and surgical teaching programmes. With an independent board and medical subcommittee, we adhere to the UK legal framework which includes company and charity specific laws and regulations.

Our Board of Trustees meets quarterly to review our finances, operations, medical programmes and our risk register.

With the utmost respect for our donor interests, we select programmes to support and disburse funds for their execution through OSI. Our impact and programme reports are compiled with in-country staff and OSI programme and finance teams. These are then reviewed by OSUK as part of our accountability process. We contribute to the global organisational direction by meeting with global colleagues on a regular basis.

With guidance from the OSUK Medical Subcommittee, we support the recruitment of medical volunteers by attracting a wide range of UK medical professionals, placing them on medical missions and programmes around the world. At the end of FY2021, we have over 100 active medical volunteers within the UK.

Measuring our impact

Our reporting incorporates both quantitative and qualitative impact measurements to allow us to measure direct surgical and social impact.

We always report on direct mission outcomes for patient numbers, screening and surgical outputs, number of surgical procedures performed by case, age and gender and the number of volunteers attending the mission.

As results go beyond surgery, these outputs are also supported by qualitative reports around patients' lives. We do not have the resources to track every patient, but we follow selected individuals who will have been operated upon during a mission.

We also report on other components such as our local partner's participation, how the medical programme has positively contributed to the country strategy and note challenges and successes of the mission.

Our Medical Oversight Committee reviews all surgical outcomes and evaluates the quality of the surgeries performed. This is a key evaluation for us as we pride ourselves on following and improving our comprehensive Medical Global Standards and will not compromise on this aspect of our work.

DELIVERING SAFE SURGERY AND CARE

Our priority is performing safe surgery and ensuring patients receive exceptional care. Often, that means holding medical programmes and establishing care centres in resource-limited settings.

Through an integrated, patient-centred approach, we use our experience and expertise to bring surgical and preventive treatment to those with cleft conditions who need our care. We work to alleviate the bottlenecks and barriers such as educational, financial, social and geographic obstacles that block families from accessing healthcare.

We believe that where you live shouldn't determine if you live. This commitment can present challenges, but they are challenges we overcome every day.

We focus on

Safe, sterile surgical environments: When parents arrive with their children at one of our medical programmes, they receive care at a facility where the highest standards of surgical safety are practiced.

A team approach: We provide the highest quality, multidisciplinary cleft care, with generous doses of love and empathy from our certified nurses, anaesthetists, paediatricians, surgeons, speech therapists, dentists and other specialists.

Setting the stage for future success: During health screenings, we sometimes find that children require nutritional assistance or additional medical care. We provide this treatment so they can become healthy enough to receive surgery.

Centres of ongoing care: The comprehensive care that children with cleft conditions need is provided year-round by a team of trained, dedicated, compassionate local volunteers and staff at our 27 care centres in 18 countries. We help patients live more fulfilling lives by providing speech therapy, dentistry, psychosocial care and more.

OUR COVID-19 RESPONSE

During the past year, our teams around the world have fought the COVID-19 pandemic in their communities while remaining committed to caring for our patients' and their families' health and well-being.

From Vietnam to Guatemala, we provided immediate relief through redirecting supplies and equipment to support health workers who were on the frontline. By redirecting crucially needed supplies and equipment such as gloves, masks, gowns and ventilators where they were most needed, our teams worldwide provided immediate relief to hospitals and supply chains that were stretched beyond capacity.

Our foundations around the world have developed new ways to support our patients and their families through this uncertain time.

In Managua, Operation Smile Nicaragua conducted speech therapy and psychosocial consultations using Facebook Live with patients who had internet access and by phone for those without it.

We also ramped up nutritional support for our patients who were suffering from malnutrition. In countries such as Ghana, Malawi and Madagascar hundreds of cases of ready-to-use therapeutic food (RUTF), a nutritious peanut paste, were safely distributed to the patients and families who needed them.

Finally, many of our local teams worked hard to resume surgery as soon as it was safe to do so. Last April we celebrated the first international mission since the pandemic, when international volunteers joined local medical professionals in Guatemala City, where they provided free, safe and effective cleft surgeries to our patients.





“

‘By investing in bringing in the full cadre of specialties, local health systems take notice and will aspire toward exceptional patient care. We believe that anything less than excellence is unacceptable.’

Dr Bill Magee
Co-Founder and CEO, Operation Smile

SAVING LIVES THROUGH STRATEGIC PARTNERSHIPS

Training & Education

We're proud that over 80% of our medical volunteers are healthcare professionals from the low-and middle-income countries we serve. A majority have received education and training from Operation Smile.

We're investing in strengthening healthcare systems and partnering with universities, non-profits and governments with one mission in mind: delivering safe surgery to people where it's needed most.

We have a long-standing partnership with the American Heart Association (AHA) through which we have provided training to thousands of healthcare providers globally. This includes: Basic Life Support, Paediatric Advanced Life Support, Advanced Cardiac Life Support and Paediatric Emergency Assessment, Recognition and Stabilisation.

A combination of these training programmes is carried out in all of the countries we work in to refresh or teach life-saving techniques and practises to our colleagues all over the world. AHA training is part of a safe surgery package of training interventions.

Last year 1,015 trainees participated in an AHA course, of which 126 were fully credentialed Operation Smile volunteers.

Cleft Research

We are currently conducting medical research to determine the causes of and find cures for cleft conditions. This project, known as the International Family Study, is led by our academic partners at the University of Southern California and Children's Hospital Los Angeles. The research uses genetic analysis, maternal and paternal questionnaires on environmental exposures and lifestyle habits. More than 15,000 individual saliva samples from a vast

array of ethnicities and more than 7,000 families have been collected.

We believe this study grants us the opportunity to promote scientific research in heavily understudied populations to ultimately promote scientific discovery and methods for global health improvement.

Year-Round Comprehensive Cleft Care Centres

Our patients' need for care does not stop when a medical mission ends. That's why we partnered with local medical institutions, Ministries of Health and local organisations to establish 27 centres in 18 countries that provide year-round solutions for those who require more complex treatment than a single medical mission can provide. At these centres, patients receive free services including dentistry, orthodontics, speech therapy, nutritional counselling, psychosocial care, and cleft and orthognathic surgeries from our dedicated staff and volunteers.

Our long-term goal is to establish year-round centres in every country we work in. The multidisciplinary care we provide at our centres in Colombia and Morocco represents the standard of services we are working to make available to every patient.

G4 Global Alliance

Operation Smile is a member of The Global Alliance for Surgical, Obstetric, Trauma and Anaesthesia Care (The G4 Alliance). The G4 Alliance exists to increase global political priority for surgical and anaesthesia care and to mobilise resources to help provide access to safe surgical care for patients in need. It is composed of more than 70 organisations working in over 160 countries, united in advocating for the neglected surgical patient.





“

‘Training and education isn’t just something we do - it’s at the heart of everything we do. Through the exchange of ideas among our medical specialists regardless of their background or level of expertise. Together we have the same goal: improve how surgical care is delivered while empowering local communities.’

Ruben Ayala
Chief Medical Officer, Operation Smile

HEALTH THAT LASTS

While a cleft surgery can transform a child's life in as little as 45 minutes, Operation Smile is committed to addressing our patients' cleft care needs throughout their childhood and adolescence so that they can realise happier and healthier futures. A patient may need the care of many specialists who work as a team to ensure the best long-term outcomes.



Our volunteers around the world conduct programmes, partner with hospitals, and operate care centres to deliver the ongoing care our patients need and deserve.

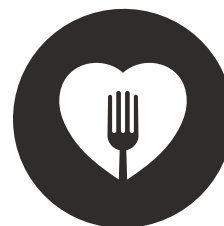
Children born with cleft conditions often require multiple surgical procedures, dentistry, orthodontics, speech therapy and psychosocial care throughout their youth. Our teams encompass a wide range of medical specialists, all professionally certified and committed to providing excellent care for our patients at every stage of their treatment.

We provide the families every aspect of cleft care that is needed at no cost to families we serve.



SURGERY

Timely cleft surgery is essential to a patient's long-term health and well-being.



NUTRITION

A cleft condition can cause malnutrition. Our nutritional support helps patients grow healthy for surgery.



“

‘Our goal is that the children live each stage the same as children without a cleft condition. If they come at our centre, they achieve that.’

Olga Sarmiento

Volunteer phonoaudiologist, Operation Smile Colombia



SPEECH

Speech therapists help patients speak more clearly and teach parents feeding techniques for their babies.



DENTISTRY

Dentists provide specialised procedures and create devices that improve patients' surgical results and overall health.



ORTHODONTICS

Orthodontic care is also crucial to a patient's healthy oral development and personal confidence.



PSYCHOSOCIAL CARE

Certified psychosocial care providers help patients and families throughout the course of their treatment.

OUR NUTRITION PROGRAMMES ARE SAVING LIVES

Children born with a cleft condition are susceptible to malnutrition due to the difficulties they face when feeding. Malnutrition remains one of the most significant obstacles to receiving care for Operation Smile's young patients. Malnutrition affects children with cleft conditions, especially babies with cleft palate, in the early developmental stages of their lives.

Without timely medical intervention patients face challenges with breastfeeding and struggle to receive proper nourishment when it's most critical, making them more susceptible to infections and diseases.

If a child is malnourished, it is not safe to operate on them. This means that many families arriving at Operation Smile medical missions leave disappointed. However, we try to help every child that comes to our screening sessions and will therefore support malnourished children through our nutrition programme, until they are ready for surgery.

Operation Smile nutrition programmes

Operation Smile plans to extend our nutrition programmes to all the countries we serve. We currently offer nutrition programmes in 24 countries including Guatemala, Nicaragua, Peru, the Democratic Republic of the Congo, Ethiopia, Ghana, Kenya, Madagascar, Malawi, Mozambique, Rwanda, Morocco, India, and the Philippines. The delivery of Operation Smile's nutritional interventions is tailored to the specific nutritional and cultural needs of our countries.

Operation Smile's global nutrition programmes primarily focus on malnourished children under the age of five. Patients receive foods high in energy and vitamins and their parents or guardians are provided with feeding techniques specific to their child's needs.

Patients remain on the programme until they are ready to undergo surgery and for one month post-operatively.

As part of our commitment to removing malnutrition as a barrier to care, Operation Smile is conducting research and evaluation of all nutrition programmes to maximise the impact of our work.





“

‘We were turning away patients suffering from malnutrition. I was waiting to see these kids show up at the next mission, but they just weren’t coming back. They were dying, and it broke my heart.’

Charlotte Steppling
Director of Nutrition, Operation Smile





OSUK FOCUS

Our focus at Operation Smile UK is to fundraise to support our programmes globally. Within the global alliance network, OSUK focuses on certain countries, many where we have had significant grants on a multi-year basis. This allows us to plan ahead and manage complex and large projects.



GLOBAL ESSENTIAL SURGERY PROJECT

Operation Smile and the UBS Optimus Foundation have partnered on a project designed to improve access to safe surgery in three very different communities. Working with partner hospitals and the ministries of health in Nicaragua, Madagascar and Vietnam, Global Essential Surgery strengthens health systems through investment in infrastructure, equipment, education, training and human resources.

In Nicaragua we are working with three hospitals in the Las Minas region, a rural area far from the capital which has suffered from a lack of trained healthcare workers. Antsirabe is the third largest city in Madagascar, but poor resources and infrastructural issues have consistently plagued the city's Centre Hospitalier de Référence Régionale (CHRR). The Vietnam Cuba Friendship Hospital (VCFH) is found in the capital, Hanoi, where the sheer number of people reliant on surgical services puts the health system under an altogether different strain. These three regions have very different health systems, and Global Essential Surgery is designed to address the varying barriers to care found at each site.

The project has continued amidst the COVID-19 pandemic, and despite challenging circumstances good progress has been made in each country.

Nicaragua

Completion of a remodelled operating theatre block in Bonanza, Las Minas, increasing hospital capacity twofold.

First aid training provided to first responders in remote communities throughout Las Minas.

Development of a training manual designed to educate Las Minas' community leaders and health workers in the seven most common essential surgical procedures within the region.



‘In places like Siuna and Bonanza, only about 20 percent of the people in the region are getting the surgery they need. Many of them are referred to the capital city hospitals, and that is a tough trip to make and many aren’t going to make it.

Now, how do we get to the rest of those patients? Part is education, part is equipment and supplies, and part is thinking through how we can connect to the patients and the community and then how to follow up on the outcomes.’

Dr. Jordan Swanson

Director of Surgical Innovation and Special Programmes, Operation Smile Nicaragua

Madagascar

14 CHRR leaders, from a variety of clinical and administrative positions continue a six-month leadership development series.

The Lifebox Clean Cut programme, designed to help surgical teams address the causes of surgical site infections, has been implemented at CHRR where 100 patients have been observed.

A thorough site assessment has been concluded, with areas such as biomedical engineering identified as areas for future support.

Vietnam

In Vietnam phase one of hospital renovation has been completed, with significant improvements made to the pre-and post-op wards, recovery room and patient areas. Phase two will see two new operating theatres built and improvements made to two existing theatres.

WHO safe surgery checklist

targets have been exceeded at VCFH across the last six months.

Training has been provided to biomedical engineers and the equipment safety management team.

As we move into year three of this project the aim is to build on these achievements to ensure that those living in each of these regions have access to safe, timely surgical care.

CLEFT FREE MALAWI

Operation Smile seeks to create a 'Cleft Free Malawi' by providing surgical care to all children and adults living with untreated cleft conditions in the country. Through this work, Operation Smile Malawi will increase Malawi's overall surgical capacity to benefit all future children born with a cleft condition in the country and work towards year-round comprehensive cleft care services.

Together with the Kentown Wizard Foundation, the Malawi Ministry of Health, Operation Smile staff and volunteer medical professionals in Malawi, Operation Smile will be a catalyst of change for the children of Malawi who often live in social isolation, daily pain, suffer from difficulty eating and speaking, are malnourished and have other serious health issues.

In spite of the challenges posed by COVID-19 our local Operation Smile Malawi team has remained proactive, seeking ways to provide care and support, and were able to conduct several local activities during the past year. The local team have diligently ensured that our patients and partner hospitals have been supported throughout the pandemic and resumed service delivery at scale as soon as it was safe to do so.

OUR APPROACH

Patient centred care

At the core of our work remain our patients, their needs and their ability to integrate into society and thrive. The patient management team has remained in close communication with families to ensure they have adequate support, information and can access services when needed.

Operation Smile Malawi conducts patient outreach across the country through various means including visits to communities and health facilities, use of media, posters and phone calls. Our network of community volunteers and partner organisations have been key to reaching out to our patients. To increase the coverage of our outreach the team organised a major campaign which brought together all patient coordinators, including the national coordinator, to reach remote areas and other rarely visited communities.

Operation Smile Malawi have now reached 99% of all health facilities in Malawi. 181 patients were added to the register between December and

June, bringing the total on the active register to 531. Between January and June 127 children received surgery through hospital sequencing, the highest six-month total since the pandemic began. In total 178 surgeries were performed in this fiscal year.

Address malnutrition

To deliver surgery in Malawi, we have to overcome many challenges. Malawi has one of the highest rates of malnutrition in sub-Saharan Africa, resulting in many children not being strong enough to undergo surgery. To remove malnutrition as a barrier to care, we have implemented a nutrition programme that identifies patients in need of nutritional support and gives them ready-to-use therapeutic food. We also teach their guardians alternative feeding techniques.

The nutrition programme continued at 11 regional centres, minimising the need for our patients to travel during the pandemic. During fiscal year 2021, 240 patients were enrolled in the nutrition programme. In January 60% of patients on the nutrition programme were nutritionally healthy, but this rose to 75% by the end of June.

Educate human resources for health

We strive to build local capacity and self-sustainability through training medical professionals and the procurement of equipment. This is essential to run frequent surgical programmes across the country to achieve our goal of eradicating cleft in Malawi, alongside having the necessary monitoring system in place to promote early and accurate identification of birth defects.

11 training sessions have been conducted since January involving 181 participants from various medical specialties, with a significant focus on nutrition and speech therapy.

A young boy with dark skin and short, curly hair is smiling at the camera. He is wearing a yellow t-shirt under a light-colored jacket. He is holding a small photograph of himself, showing his face before surgery, with a visible cleft lip. The background is a plain, light color.

“

***‘I am very happy
and thankful to
Operation Smile,
and I hope they will
keep helping others’***

Cosmas

**After his surgery from
Operation Smile Malawi**

GHANA

With a population of over 28 million people, the Ghanaian government spends less than 5 percent of its gross domestic product on health. This has resulted in a chronic shortage of human resources for health and a dearth of equipment needed to provide safe and effective surgery. In Ghana the estimated backlog of untreated cleft cases is around 2,500, with an additional 1,000 added each year.

For the past nine years, it has been Operation Smile's duty to step forward and deliver high quality surgical care to Ghanaian children and adults suffering from cleft conditions. Since 2011, Operation Smile has coordinated 18 medical programmes in Ghana, delivering surgical treatment to more than 1,700 patients and free health evaluations to more than 3,600 children and adults. Through an integrated, patient-centred approach, Operation Smile offers a scalable solution for equitably increasing access to surgical care in Ghana. Our experience and expertise uniquely position us to bring exceptional surgical care to those suffering from cleft lip and cleft palate and to extend education and training opportunities to health care professionals throughout the country.

OUR APPROACH

Patient centred care

To ensure the safety of our staff, patients and volunteers in the era of the coronavirus pandemic, Operation Smile has had to dramatically reduce the scale of its medical programmes. In the absence of international medical missions, which have not taken place since March 2020, our in-country staff and volunteers have worked hard to ensure we remain by our patients' side during this very difficult time.

The team has also worked hard to safely resume surgeries. They secured a partnership with Korle Bu hospital, so that ten Operation Smile patients can receive cleft surgery each month. Operation Smile's close relationship with the hospital has helped facilitate this partnership.

Address malnutrition

In Ghana, malnutrition rates remain unacceptably high — 19% of Ghanaian children under the age of five are stunted, or moderately to severely undernourished. Malnutrition is a significant barrier to receiving surgery safely as it increases

the risks for surgical complications. To mitigate this barrier, Operation Smile Ghana has implemented a nutrition programme to help patients reach a healthy weight for surgery.

Because we supported families during lockdown, when we were finally able to resume clinics in September 2020, 97% of children were deemed to be well nourished. The Operation Smile Ghana team provided the families of patients on the nutrition programme with supplies of nutritional supplements, including ready-to-use therapeutic food, throughout the lockdown which contributed to this high figure. Nutritional assessments now continue on a bi-monthly basis, with support in the form of supplements and feeding technique training available to all patients and families.

Educate human resources for health

Training human resources for health in low-and middle-income countries is at the heart of our strategy for building local capacity to deliver care.

Throughout the financial year Operation Smile provided numerous education and training opportunities to healthcare staff across Ghana, working alongside other NGOs to further the impact of these programmes. Life support training was delivered in conjunction with The American Heart Association, anaesthesia training was delivered in conjunction with The World Federation of Societies of Anaesthesiologists, and biomedical engineer training was delivered alongside Medical Aid International. By training biomedical engineers, we ensure that lifesaving equipment is properly maintained and can be relied upon when needed. By training anaesthetists, we improve surgical safety across the board. By providing nurses with life support training, we support emergency services as they respond to the most challenging of scenarios. These programmes will not only improve the quality of cleft care in Ghana but will sustainably improve the country's healthcare system.





“

‘There are places that when I go, cars don’t go there. So if I have to walk, I will walk. If I have to crawl, I will crawl. If I have to swim to that place, I will swim. My mission is to go as far as I can go to spread the message wide, so that we will be able to help patients with cleft lip and cleft palate.’

Clement Ofosuhemeng
Patient Coordinator, Operation Smile Ghana

MOROCCO

Operation Smile first provided care in Morocco in 1998 and Operation Smile Morocco was officially founded a year later. Since then the Foundation has established care centres in Casablanca, El Jadida and Oujda that provide the following services daily to patients: dentistry, speech therapy, orthodontia and psychology.

Operation Smile's global volunteer network includes more than 400 Moroccan medical professionals and dozens of non-medical volunteers who donate their time to care for patients in Morocco and around the world.

OUR APPROACH:

Patient centred care

Patient numbers continue to increase in Morocco due to ongoing centre support and cleft awareness campaigns. Throughout their three centres, Operation Smile Morocco hosts various weekly nutritional programmes, daily dental and psychosocial visits, and monthly virtual trainings. These consultations, provided at our centres, prepare those patients waiting for surgery who need additional care, and follow them from medical missions onwards to ensure they are receiving a full spectrum of care.

During the year, Operation Smile Morocco organised 16 medical missions, providing full health evaluations to 304 patients and 319 surgical procedures, finding a secure solution to provide care for patients in the midst of the pandemic.

Cleft centres

In the years following its inception, Operation Smile Morocco discovered that cleft surgery is one of many steps along the path of a patient's journey toward healing. Operation Smile Morocco established its first care centre in 2008 in Casablanca, which supplied the organization with the infrastructure and innovative equipment needed to provide patients with year-round multidisciplinary care services.

In 2014, Operation Smile Morocco opened its second centre in El Jadida, followed closely by the third in 2019 which is located in Oujda.

Educate human resources for health

Community engagement and volunteer training were also a large part of the activities in this fiscal year. American Heart Association (AHA) trainings were provided not only to our volunteers, but to staff in hospitals who may not have access to such lifesaving training. More than 200 volunteers and hospital staff were trained and certified.





“

‘I’m so happy that we’ve helped over 12,000 kids who I thought weren’t there just because they were hidden. They were hidden in their own homes. They were prisoners. And we’ve been able to dig further, find them and help them.’

Fouzia Mahmoudi

Co-Founder and Vice President, Operation Smile Morocco

OUR GLOBAL ACHIEVEMENTS



Joseph, Philippines



12,800+

Patients healed



35

Countries visited



5,600+

Surgeries



116,000+

Medical consultations



27

Care centres in
18 countries



7,200+

Patients who received
dental care



1,200

Volunteers in our
training programmes



97

Surgical & dental
medical missions



THANK YOU

Our life-changing work is made possible by our partners, supporters and volunteers. Operation Smile is extremely grateful that, despite the disruption of COVID-19, our valued corporate partners have continued to provide essential support to our patients and their families. Many thanks to each of our partners and to their employees for this inspiring commitment.

Generous individuals, charitable trusts and foundations

Biss Davies Charitable Trust
The Chelsea Square 1994 Trust
The Cornos Trust
The Duncan Bannatyne Charitable Trust
Gisela Graham Foundation
The Grace Charitable Trust
The Grace Trust
The Imago Trust
Jon Wood
The Kentown Wizard Foundation
The Linden Charitable Trust
Rockcliffe Charitable Trust
R U B White Charitable Trust
Souter Charitable Trust
The Traynor Foundation
UBS Optimus Foundation
Veta Bailey Charitable Trust
The Waterloo Foundation
Wootton Grange Charitable Trust
The Zochonis Charitable Trust

Corporate partners

Acquisition Aesthetics
Align Tech
AS Watson Group
The Bannatyne Group
Galderma
EMEA Recruitment
Expert Recruits
FMC
The Harley Medical Group
ICI Paris XL
Johnson & Johnson
Mediterranean Shipping Company
MiSmile Network
Molnlycke Healthcare
The Perfume Shop
Savers
Stryker
Superdrug
STEP Private Client Awards

Smile Ambassadors

Anthony Andrews
Duncan Bannatyne
Saira Khan



“

‘We profoundly thank every one of you as we innovate and establish new ways to reach the children and families to whom we are so committed.’

Dr Bill Magee
Co-Founder and CEO,
Operation Smile

Lungile, South Africa

FUNDRAISING STATEMENT

Thanks to the kindness and generosity of our diverse supporters, we have achieved an income of £6.2M (2020: £3.8M); our expenditure was £1.9M (2020: £1.7M) on raising funds and £3.3M (£1.5M) on charitable activities giving us a net position £883K (2020: £473K) an increase in surplus to reserves of 87% on the previous year after accounting for unrealised gains of £5.8K (2020: loss (£9.1K)) on donated shares.

At Operation Smile, we hold ourselves accountable to the trust our supporters place in our work to improve the health and dignity of those suffering from cleft.

Committed to being the best steward of the gifts we receive, we direct funds to programmes that bring the highest standards of care to people living with cleft and other facial and dental conditions. Our stringent medical standards require the purchase of high-quality medical supplies, which are then shipped worldwide to our programme sites.

Most importantly, we pride ourselves on following the highest standards of accountability, effectiveness and efficiency. Our codes of conduct set out a global standard for all Operation Smile offices to comply with and are bolstered by our adherence to local regulations and best practices.

When connecting with our patients to understand the impact of the care they received, we use their authentic voices to portray their stories, preserving their dignity. These stories are used for fundraising and marketing purposes, to connect our supporters in the UK with the children they help. With almost 40 years of experience, we have strict guidelines and policies, including a global policy for child protection, that is implemented across all our offices. This policy is reviewed annually.

OSUK's fundraising approach is primarily through consented and/or legitimate interest or solicitations.

OSUK has voluntarily signed up to the Fundraising Regulator and Information Commissioner's Office (ICO) code of conduct which covers fundraising practices and the use of donor's data respectively.

As a member of the Fundraising Regulator, we hold ourselves accountable to our donors and have the utmost respect for our donor base.

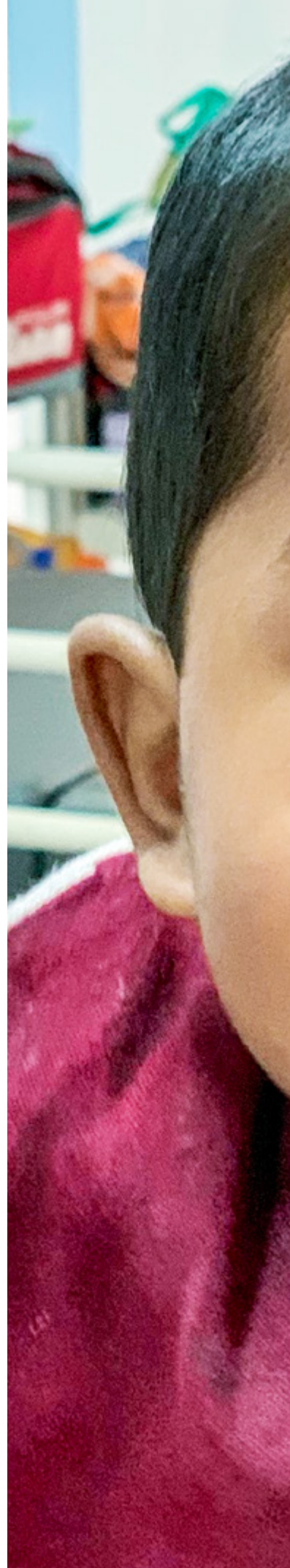
We work to remain compliant to the General Data Protection Regulations (GDPR) and Data Protection Act 2018.

The head of data, technology & supporter care is the first point of contact for any queries or complaints made via the above regulators and the Chief Operating Officer is notified of any queries or complaints made. Any complaints will be communicated to the Executive Director who will then update the Board of Trustees regarding the current status of the complaint with the complainant and/or regulator.

People carrying out fundraising activities on our behalf are provided with a fundraising pack, which stipulates their responsibilities and liabilities. There is an ongoing stewardship and reporting process in place for accountability.

Agents working on our behalf are contracted and provided with guidance through training for reporting complaints to Operation Smile. Some subscribe to the Institute of Fundraising, DM Associations and Telephone Preference Service Assured. With regards to PCI compliance our agents are requested to submit on an annual basis confirmation of their security status/vulnerability reports if any.

For the last financial year, Operation Smile has received one official complaint in January 2021 which was referred to the Fundraising Regulator. The complaint was reported as Operation Smile having no legal basis for contacting a donor via cold direct mailing using third party sources. Operation Smile has fully cooperated with the Fundraising Regulator over the past six months and a final decision has been reached. The Fundraising Regulator confirmed that the charity did not breach the sections of the code related to personal data and that it responded and acted promptly. We remain committed to the care of our donors, supporting their requests for contact and privacy and communicating with them only as appropriate.





Fundraising activity

Throughout the year we raised funds through our generous donor base, which includes donations and bequests from individuals, corporates, students, community fund-raisers, trusts and foundations.

Our diversified direct marketing fundraising activities included:

- Appeals
- Newsletters
- Email solicitations
- Regular monthly giving
- Digital campaigns (pay-per-click)
- Facebook fundraising
- Facebook ads
- Programmatic advertising
- Virtual gifts

We also partnered with third party agencies to recruit new supporters, and communicate with current supporters through the following activities:

- Press ads and press inserts – recruitment of single gift donors.
- Cold direct mail – recruitment of single gift donors.
- Warm direct mail – postal communication and fundraising from database of supporters.
- Telemarketing – recruitment of regular donors.
- DRTV – recruitment of single gift and regular donors.
- Digital acquisition – recruitment of single gift, regular donors and legacy pledgers.

Communications

As the fundraising landscape continues to change, in 2020-21 we increased our activity within the digital space with a goal of growing our online fundraising and awareness.

During the year we worked with the Direct Marketing team to make sure that our digital campaigns were branded and were maximising our brand messages. We also supported the DM press insert campaign with three rounds of advertorials which help raise awareness of our organisations to specific audiences.

To build awareness about our work and the needs of those with cleft, we executed a PR awareness campaign that covers some of our key activities, including how we adapted our services to our patients during the pandemic.



LOOKING AHEAD

We're immensely proud of the adaptations we've made to continue our mission of caring for patients during the COVID-19 pandemic. Our focus for 2021-2022 therefore remains consistent, to provide the best quality comprehensive care to our patients where it's needed most.

To support

Operation Smile's global cleft and safe surgery programme initiatives

To maintain and expand

our programme support in Africa, Asia & Central America

To grow

both our unrestricted and restricted income to support our programmes



To provide

excellent care and service delivery through our medical and non-medical volunteers

To raise

our national profile through use of mixed communication channels and donor-centric communications

BOARD OF TRUSTEES

DR MARIA MOORE BDS Hons, Chair



'It's extraordinary to witness the impact of Operation Smile. Not just on the children themselves, but their family members and all those around them. It's amazing.'

Maria has been involved with Operation Smile since 1999, first as a donor and then as a dental volunteer in Guwahati, India. Maria has attended international missions to India, Panama, Colombia and The Philippines and is an active and dedicated fundraiser. She became chair of Operation Smile United Kingdom in December 2015. Having graduated with honours in dentistry from Birmingham University in 1988, Maria's 32 year career spanned both the NHS and the private sector. After 22 years, Maria has recently sold her dental practice in Virginia Water and gives her time to Operation Smile UK in her capacity as chair of the board.

Dr William P Magee Jr co-founded Operation Smile in 1982 with his wife Kathy in Norfolk, Virginia, USA. He is a plastic and craniofacial surgeon and serves as Operation Smile Inc.'s Chief Executive Officer at our global headquarters. For nearly forty years, Dr Magee has not only trained and mentored physicians worldwide, but has taken Operation Smile into over 60 countries. Relying on the skill, passion, and dedication of over 6,000 medical volunteers, Operation Smile has become a highly-respected and leading organisation in cleft care provision for infants, children and young adults all over the world.

DR WILLIAM P MAGEE JR D.D.S., M.D.



'Love by definition is self-sacrifice. Love is a decision to make someone else's problem your problem.'

ANDREW BRUCE BSc, MBA



'As the world changes, Operation Smile adapts. We have recently focused on safe surgery and health systems strengthening, especially in countries where access to surgery is a privilege. We work hard to change it.'



Andrew is a successful and experienced international investor. He is the chief investment officer of Caledonian Advisory with global industry experience in organisations including Société Générale, Macquarie Bank and D.B. Zwirn. He joined Operation Smile UK in September 2018 and brings operational, fundraising and leadership skills and his knowledge of the investment and asset management industries.

CATHERINE DE MAID LLB

“

‘I lived and worked in South Africa for almost 13 years, which is how I first got involved with Operation Smile, initially as a volunteer and then as a director. It was a life-changing experience, and I formed friendships which are still going strong today. When I took the decision to return to the UK four years ago, I was delighted to be asked to join the Board in the UK. It allows me to stay connected to the global family which is Operation Smile, and to Africa in particular, which will always hold a special place in my heart.’



Catherine is a UK qualified solicitor, specialising in private client work, philanthropy advice and charity law. She works for independent law firm Burges Salmon LLP. Her expertise in the area of governance contributes significantly to the Operation Smile board. Whilst working in South Africa, Catherine helped establish Operation Smile South Africa, our regional hub for sub-Saharan programmes, and was an active member of their board for eight years until October 2017. Catherine has attended a mission to the Democratic Republic of Congo, has assisted World Care patients in Cape Town and attended a Cape Town mission which took place on a US navy ship. On her return to England, Catherine became a member of the Board of trustees of Operation Smile UK in February 2018. In addition to her legal expertise, Catherine brings her knowledge of Africa to our board.

Christopher has spent his career managing global communications agencies, specialising in advertising, digital, PR, media and direct marketing. He worked for 32 years at Havas, most recently as global chief operating officer. He is now a non-executive director, investor and adviser helping companies to realise their true potential. He joined Operation Smile UK's board of trustees in February 2018. Christopher brings a wealth of communication expertise to Operation Smile and works with us to ensure an appropriate and relevant mix of communications across diverse channels.

CHRISTOPHER PINNINGTON BA



“

‘At Operation Smile, we take nothing for granted and we appreciate all donors and partners, whose support helps us to provide life-changing surgeries without cost to our patients. We cannot work alone and help those children and adults without our caring supporter base.’

DR PHIL MCDONALD MB ChB, FRCA

“

‘Whenever we go to a site we keep going back again to treat everyone with a cleft. We also train the local medical professionals, so they can provide surgeries to their people in the future.’



Phil graduated from Liverpool University in Medicine.

He is a consultant in anaesthetics and intensive care at St Richard's Hospital, Chichester. Phil has been medical director and a trustee on the board of Operation Smile UK since it was registered in 2002. He was featured in the BBC1 documentary about Operation Smile, 'The Facemakers', in June 2000 and in the 2009/10 Blue Peter Charity Appeal, 'Send a Smile', which also supported the charity. He has been an anaesthesia volunteer with Operation Smile since 1995 and has been on numerous medical projects in Colombia, the West Bank, Romania, India, China, the Philippines, Kenya and Ethiopia. Phil is committed to the provision of sustainable healthcare solutions in developing countries and has worked tirelessly to develop the anaesthesia capacity of Jimma University Medical Centre, Jimma, Ethiopia through the establishment of their Anaesthesia Residency Programme.

OSUK MEDICAL SUBCOMMITTEE

Operation Smile's Medical Subcommittee sets the standards for recruiting and credentialing medical volunteers within the UK. They provide oversight and guidance for Operation Smile UK supported programmes to the board and to the senior leadership.

MEMBERS

The Medical Subcommittee is comprised of experts in their fields, who attend medical projects regularly and are in contact with fellow Operation Smile volunteers.

Dr Phil McDonald Chair – Consultant Anaesthetist, St. Richard's Hospital, Chichester



Phil graduated from Liverpool University in Medicine. He is a consultant in anaesthetics and intensive care at St Richard's Hospital, Chichester.

Phil has been medical director and a trustee on the board of Operation Smile UK since it was registered in 2002. He has been an anaesthesia volunteer with Operation Smile since 1995 and has been on numerous medical projects in Colombia, the West Bank, Romania, India, China, the Philippines, Kenya and Ethiopia. Phil is committed to the provision of sustainable healthcare solutions in developing countries and has worked tirelessly to develop the anaesthesia capacity of Jimma University Medical Centre, Jimma, Ethiopia through the establishment of their Anaesthesia Residency Programme.

Per has been a consultant plastic surgeon working at Addenbrooke's University Hospital in Cambridge UK since 1996. He set up the Cleft Service in Cambridge but has now handed over the management of the East Anglian Cleft Lip and Palate service so he can concentrate more on working with Operation Smile.

Per became a volunteer surgeon with Operation Smile in 2009 – his first mission was in Jimma, Ethiopia. He has been to 15 medical missions. However, since 2012 Per has focussed his energy on Jimma, Ethiopia where he has returned on many occasions. There he has been helping the skilled local surgeons to develop their own plastic and reconstructive surgery service and a curriculum for training the next generation of plastic surgeons. Jimma is becoming established as a reconstructive and cleft centre for the south of Ethiopia serving a population of approximately 20 million people who have until now lived without any access to reconstructive surgery.

Mr Per Hall FRCS (Plast) – Consultant Plastic Surgeon, Lead Clinician Cleft Network East Addenbrookes, Cambridge



Qualifications: MBBS, MS, MCh, Dip.Nat.Board(Gen)(Plast), FRCS(Ed), FRCS(Glas) Eur.Dip.Hand Surg, FRCS (Plast), DMCC, OStJ., RAF.

Ankur is a consultant plastic, hand & reconstructive surgeon, working both within the NHS and a full time Officer in the Royal Air Force Medical Services.

He has been a volunteer with Operation Smile since 2006 and has completed 43 international medical missions all over the world. He was the regional medical officer for Operation Smile in the Central Region (2008-2010), the deputy chief medical officer worldwide in charge of Governance and Quality Assurance (2010-2015) and has concentrated on volunteering and teaching on Operation Smile missions in cleft and post burn conditions.

Wg Cdr Ankur Pandya Consultant Plastic & Reconstructive Surgeon Portsmouth Hospitals NHS Trust and Royal Air Force Medical Services



Dr Annemieke Miedema Consultant Paediatrician and Paediatric Intensivist



Annemieke graduated from Maastricht University Medical School in the Netherlands and went on to train as a paediatric intensive care doctor. Having spent time in Australia and Canada she came to the United Kingdom in 2012 to work as a consultant in the paediatric intensive care department at Birmingham Women's and Children's Hospital, where she focussed on education and improving patient pathways.

Since 2009 Annemieke has volunteered as an intensivist and team leader for Operation Smile, joining numerous surgical programmes around the world, including Cambodia, Vietnam, Philippines, China, Jordan, India, Ethiopia, Kenya, South Africa, Namibia, Madagascar, Malawi, and Paraguay.

In 2020 Annemieke returned to work in the Netherlands where she continues to support Operation Smile as a consultant, medical volunteer and member of the UK Medical Subcommittee.

Jackie Matthews works as a cleft clinical nurse specialist (CNS) for South Thames cleft service, at St Thomas's Hospital. She is an outreach CNS, covering Kent, East and West Sussex; she assesses new-borns, establishes feeding and supports patients through the cleft pathway to surgery, and beyond, as part of the wider multidisciplinary team. Her experience is as a surgical nurse, theatre recovery and health visitor (public health).

Jackie has volunteered with Operation Smile since 2011 and is part of the UK Medical Subcommittee. She attended five medical missions in Mexico, Dominican Republic, Ghana and Malawi. She is involved with teaching and representing the charity at fundraising events. She is passionate about giving everyone the healthcare and support they deserve to live their life to the full.

Jackie Matthews RN-Cleft Clinical Nurse Specialist South Thames Cleft Team, Guy's and St Thomas' NHS Foundation Trust





REFERENCE AND ADMINISTRATION

Registered Charity Name:
Operation Smile United Kingdom

Charity Registration Number: 1091316

Company Registration Number: 04317039

Registered Address: Unit A, Genoa House,
Juniper Drive, London SW18 1FY

For more information about the charity,
please visit: www.operationsmile.org.uk

BOARD OF TRUSTEES:

Dr Maria Moore, BDS (Hons)

Chair – Board of Trustees

Dr William Magee, Jr, DDS, MD

Co Founder and CEO
of Operation Smile Inc

Andrew John Bruce, BSc, MBA

Chair – Finance & Audit
Subcommittee, Board Member

Catherine de Maid, LLB

Board Member
(Resigned 04 June 2021)

Dr Philip McDonald, MBChb, FRCA

Chair – Medical Subcommittee
and UK Medical Director

Christopher Pinnington, BA

Board Member

CEO & COMPANY SECRETARY:

Karen Jaques, BA, MA, RN



Jane Rose, Philippines

SUBCOMMITTEES, AMBASSADORS, BANKERS, AND PRINCIPAL ADVISORS

KEY MANAGEMENT PERSONNEL:

Karen Jaques, BA, MA, RN
Chief Executive Officer

Jean Leigh FCIS (FCG)
Chief Finance & Operating Officer

SMILE AMBASSADORS:

Anthony Andrews
Saira Khan
Duncan Bannatyne, OBE

BANKERS AND ADVISERS:

CAF Bank Limited
25 Kings Hill Avenue, Kings Hill,
West Malling, Kent, ME19 4JQ

Barclays Bank Plc
Leicester, LE7 2BB

Virgin Money
Jubilee House, Gosforth,
Newcastle upon Tyne, NE3 4PL

AUDITORS:

Moore Kingston Smith LLP
Chartered Accountants,
Devonshire House,
60 Goswell Road,
London, EC1M 7AD

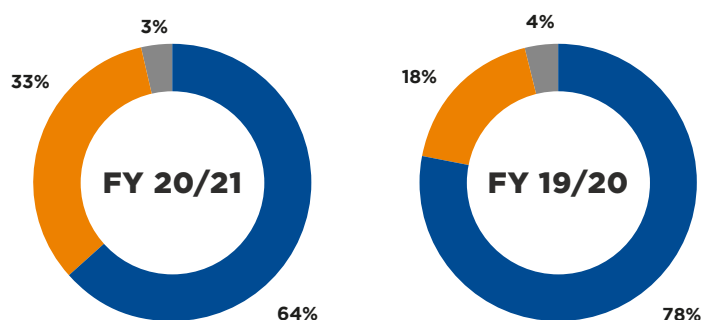
SOLICITORS:

Russell Cooke Solicitors
2 Putney Hill, London, SW15 6AB

FINANCIAL OVERVIEW

FINANCIAL YEAR 2020- 2021

In 2021 Operation Smile UK generated a total income of £6.2M (2020: £3.8M) including gifts in kind of £66K (2020: £224K) and investment income of £1K (2020: £30K).



SOURCES OF INCOME

- Individual Donations
- Grants
- Corporate Donations

Income for the year to 30 June 2021 increased by 64% when compared to the same period in the previous financial year. Although a decrease was anticipated because of the ensuing COVID-19 pandemic, it was surprising and truly appreciated when our donors and indeed the wider public responded to our fundraising campaigns.

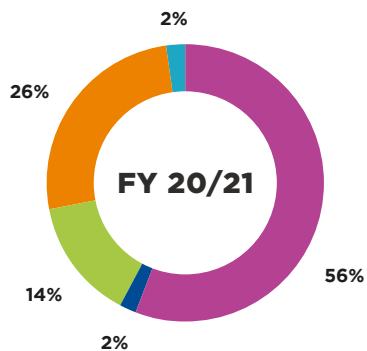
Their generosity was immense and would definitely increase the number of smiles saved within our beneficiaries. Our generous major multi-year funders, Kentown Wizard Foundation and UBS Optimus Foundation stuck with and by us and made possible the dreams of many; the activities within our multi-year projects in Africa, Asia and South America slowly resumed as little by little confidence was regained in delivering some of our missions and programmes. Legacy

income continues to be a major part of sources of income although this was reduced by a quarter in the year. Community and events and corporate income took the brunt of the effects and impacts of COVID-19 with cancellations/postponement of mass participation events and companies withdrew support in the light of their overall projections. Investment income was lower than it has ever been with bank rates being offered to savers reflecting the state of the economic forecasts.



EXPENDITURE AS % OF INCOME

- Programmatic Expenses
- Support Costs
- Surplus to Reserves
- Other Charitable Activities - Resource Country Aims
- Property and Property Management



Our total expenditure for the year was £5.3M (2020: £3.3M) a 61% increase year on year. £3.3M (2020: £1.5M) was spent on programmatic expenditure in line with our charitable goals - to educate about and treat cleft lip and cleft palate where it is needed the most across the developing world simultaneously improving the general surgical capacity within these countries. £2M (2020: £1.7M) was expended on raising funds – a 12% increase. This increase was a calculated risk in an evolving fundraising environment and our donor base responded to our call to action. We were also able to increase our donor base at the same time.

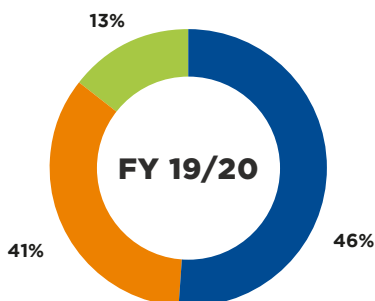
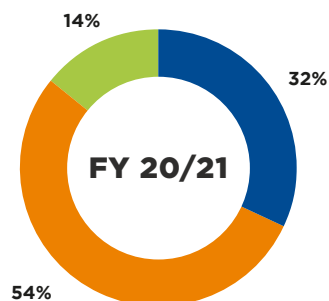
Expenditure as stated included gifts in kind of £66K (2020: £224K) with medical volunteers making their contribution this year through delivering public speaking to bring about greater awareness of the need for our services instead of their usual contribution of delivering medical services.

We remain very conscious of the need to wisely spend funds entrusted to us by our supporters always with the goal of achieving our charitable goals. This is balanced with continued investment across our fundraising portfolio to safeguard income generation as the fundraising climate changes over time. Reflecting on this, in FY20/21 for every £1 raised £0.82 is spent on our charitable aims and £0.18 on property, administration and retained surplus.

Surplus to Reserves

In FY20/21 14% (2020: 13%) of income received was transferred to reserves increasing our net assets held at year end to £2.9M.

USE OF FUNDS 2020 & 2021



INCOME APPLICATION

- Raising Funds
- Charitable Activities
- Surplus to Reserves

Balance Sheet

At 30 June 2021, total net assets were £2.9M (2020: £2.1M). Cash held was £2.6M (2020: £1.9M). The increase in net assets and cash held was a result of curtailment in surgical activities because of the Covid-19 pandemic during the year and the increased income from our direct marketing and digital fundraising campaigns. Furthermore, OSUK seeks to minimise its risks to commitments funded by conditional multi-year grants by retaining sufficient fund for unforeseen events thus guaranteeing delivery. Investments at the balance sheet date represents donated shares brought forward which remain unsold at year end.

Reserves Policy

The trustees have determined an appropriate level of reserves to be six months of projected operating costs – which in FY21/22 is budgeted to be £590K. This liquidity-based approach allows the charity to maintain sufficient funds to enable it to continue its work during any adverse fundraising periods. At 30th June 2021, the free reserves of the charity amounted to £2.6M (2020: £1.7M). Free reserves represent the total assets available for use to the charity less restricted and designated funds, and fixed assets. The trustees acknowledge the increase in cash liquidity over and above its six-month liquidity level and have decided not to revise the level at this point in time as the pandemic continues. It approves the holding of such funds to minimize volatility in funding programmes in the medium term in our determination to provide health that lasts in a holistic way.

GOVERNANCE AND STATEMENT OF TRUSTEES RESPONSIBILITIES



Sandra, Madagascar

Governance

Operation Smile UK is a registered charity with the Charity Commission and Companies House in England and Wales; charity registration no: 1091316 and company registration no: 4317039. It is a charitable company limited by guarantee.

Under charity law, trustees have legal duties and responsibilities and under company law the Board act as company directors of the charity.

Operation Smile UK works collaboratively and in partnership with Operation Smile Inc in the United States. They are separately registered organisations with different management teams and Boards of Trustees.

The Board reviewed its organisation and workings in the year with regard to the Charity Code of Governance and its Terms of Reference (ToR). This makes clear the responsibilities of the Board and where there are clearly delegated authorities to act on behalf of the Board. The delegated authorities are discharged through the subcommittees, the Chief Executive Officer (CEO)/Executive Director (ED) and the Chief Finance & Operating Officer. The Charity Code of Governance and the ToR are reviewed periodically regarding fit for purpose and changing circumstances.

Governing Document

OSUK is governed by its Memorandum and Articles of Association. The Memorandum and Articles of Association restrict the liability of members on winding up to £1. In the case of a winding up, none of the accumulated funds is distributable to the members but shall be given or transferred to Operation Smile Inc for its charitable purposes or charities with similar objects as OSUK. Under the powers within its Articles of Association, the trustees delegate the day to day management responsibilities of the charity to the Chief Executive Officer/Executive Director. She is accountable to the Trustees and is guided by approved business plans, budgets, policies and supporting procedures.

Appointment and Retirement of Trustees

Potential OSUK trustee candidates are nominated at a trustee's meeting by a serving member of the Board. If the trustees present agree to pursue the proposed nomination, the candidate is asked to meet with at least two active trustees to discuss the activities and goals of the charity. Following these meetings, the serving trustees report

back to the Board. If the consensus is to move forward with the nomination, the nominee is invited to attend the next trustee's meeting where he/she would be formally appointed as an active trustee on the Board. Relevant checks are made and supporting documentations to the appointment are requested and filed. Trustees are appointed for a rolling three-year term; re-appointed is possible and should be proposed at the first board meeting of the year in which the term expires.

Trustee Induction and Training

New trustees undergo an induction at their first quarterly meeting where they are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the decision-making process, the business plan and financial performance of the charity, and the charity's programmatic goals and strategy. Following this meeting, new trustees get the opportunity to meet OSUK staff members. The new trustee's induction concludes with a meeting with the Chief Executive Officer/Executive director to discuss feedback and any other queries/questions.

Ongoing development and training is addressed through making available opportunities for external training. Trustees can request to attend any of these training courses at any time.

Subcommittees

The Medical Subcommittee meets annually with ad hoc communication as required throughout the year, reporting to the Board as required. Minutes are circulated to the Board.

The Finance and Audit (F&A) Subcommittee meets at least three times a year but primarily before any scheduled board meeting to review the finances and related policies and make recommendations to the Board for approval. Minutes are circulated to the Board.

Remuneration of all Staff

The governing principles of Operation Smile UK's remuneration policy is to ensure the delivery of OSUK's objectives by attracting and retaining a motivated workforce with the skills and expertise necessary for organisational effectiveness.

OSUK takes every step possible to ensure that remuneration should be equitable and coherent across the organisation. It

accepts the need to balance pay levels and pay increases appropriately within the context of our charitable purposes but also believe salaries must be realistic when set in the London work context.

In relation to deciding remuneration for OSUK's senior executives, Operation Smile UK considers the potential impact of remuneration levels and structures of senior executives on the wider OSUK workforce. The employment offer made to senior employees considers pay as one part of a package that also includes personal development, personal fulfilment and association with the public benefit delivered. It also recognises that it is, on occasion, possible to attract senior executives at a discount to public sector or private sector market rates.

Remuneration for the year ended 30th June 2021 was comprised of salary and pension contributions. There are no other pecuniary benefits for senior or other staff at Operation Smile UK.

Risk Management

A record of all risks is maintained in the risk register.

The Finance and Audit Subcommittee reviews the risk register at least once a year and takes appropriate action to mitigate or reduce the risk to OSUK. It is not deemed necessary at the present time for more frequent reviews as there are adequate policies and procedures in place to minimise adverse effect of risks envisaged. The CEO/ED has the responsibility to bring any new or increased risk to the attention of the Board at any time. Any threats are reported to the chair and/or the responsible Board member based on materiality as defined by the Board from time to time and to the wider Board at Board meetings.

As part of its annual review, the Board discusses recommendations from the F&A Subcommittee and ratifies recommendations as they see fit, noting any major risks to the organisation. The Board is satisfied that OSUK's current systems and procedures are sufficient to manage the likelihood and impact of assessed risks.

Charity & financial regulatory compliance and law remain a priority for the charity with required policies and procedures regularly under review. In line with this, data protection and cyber security are reviewed with staff regularly and staff are reminded of the need for confidentiality and compliance with general data protection regulation and data security.

GOVERNANCE AND STATEMENT OF TRUSTEES RESPONSIBILITIES...

Code of Practice and Vulnerable Persons Policy

OSUK has in place a code of practice and vulnerable persons policy to oversee its interactions with the public whilst fundraising and during service delivery. There is a reporting procedure in place and operationally OSUK has noted the Charity Commission whistle-blowing hotline.

Trustees Responsibility in Relation to the Financial Statements

The trustees who are also directors of OSUK for the purposes of company law are responsible for preparing the Trustees Annual Report, and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice/UK GAAP).

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

- Select suitable accounting policies and apply them consistently.
- Observe the methods and principles in the Charities Statement of Recommended Practice on Accounting and Reporting (SORP).
- Make judgments and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the charitable company and enable them to ensure that the financial statements comply with Companies Act 2006. They are also

responsible for safeguarding the assets of the charitable company and hence take reasonable steps for the prevention and detection of fraud and other irregularities.

None of the trustees have any beneficial interest in any contract to which the charity was party during the year.

Trustees Indemnity Insurance

As permitted by the Memorandum and Articles of Association, the Trustees have the benefit at a cost of £705 (2020: £618) of trustees liability insurance which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006.

The indemnity was in force throughout the last financial year and continues into the current financial year. All of the trustees shown on page 44-45 of the Trustees Annual Report, even those who have retired, are covered by this policy.

Statement as to Disclosure to Auditors

Insofar as the trustees are aware at the time of approving the Trustees Annual Report there is no relevant audit information of which the charitable company's auditor is unaware.

The trustees have taken all steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of any such information.

The maintenance and integrity of OSUK's website is the responsibility of the trustees. The work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Public Benefit

The trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. Resources expended seek

to prevent poverty in the countries in which they are spent by transforming the lives of children with cleft conditions and other facial deformities. Cleft and facial deformities can inhibit food intake and cause malnutrition; each successful treatment increases the advancement of health for these children and increases their chances of being socially accepted.

We are also required to describe how significant activities undertaken by the organisation further our charitable purpose for the public benefit. In response, the trustees hereby clarify that the benefits that we have provided and will continue to provide directly relates to our aims and objectives of improving healthcare in developing countries.

Furthermore, we can confirm that:

- Feedback from beneficiaries and 'partner countries' affirms that we are reaching our intended beneficiaries with life-changing results.
- Feedback from our partners and our country offices indicates safe surgical practises and up-skilling of healthcare workers and their care of cleft patients.
- Our volunteers from across the UK and the world feedback to us that they benefit from the exposure to different operating environments and cross practice contact.
- Any private benefit gained from the work of the charity (in particular salaries of its employees, and fees paid to consultants) is a necessary part of its cost of operations.

Auditors

Moore Kingston Smith LLP were re-appointed auditors on an ongoing basis and service delivery is reviewed annually. They have indicated their willingness to continue in office as such. They are deemed to be re-appointed in accordance with Section 487(2) of the Companies Act 2006.

Approved by the board of trustees

Signed on their behalf by:

Dr Maria Moore
Chair

Date: 18 November 2021

Sandra, Madagascar





INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF OPERATION SMILE UK

Opinion

We have audited the financial statements of Operation Smile UK ('the company') for the year ended 30 June 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 30 June 2021 and of its incoming resources and application of resources, including its 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 financial statements section of our report. We are independent of the Corporation 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 company'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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our

auditor's report thereon. The trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 the audit:

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; 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 exemption in preparing the Trustees' Annual Report and from preparing a Strategic Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 50, 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with

governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, UK financial reporting standards as issued by the Financial Reporting Council and UK taxation legislation.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and

the reasonableness of accounting estimates and related disclosures made by the trustees.

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Neil Finlayson (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith
LLP, Statutory Auditor

Devonshire House, 60 Goswell Road,
London, EC1M 7AD

Date: 14 December 2021

Florine, Madagascar



STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2021

		Unrestricted Funds (£)	Designated Funds (£)	Restricted Funds (£)	2021 Total Funds (£)	Unrestricted Funds (£)	Designated Funds (£)	Restricted Funds (£)	2020 Total Funds (£)
INCOME AND ENDOWMENTS:	Note								
Donations and Legacies	2	4,046,241	-	2,015,800	6,062,041	2,716,301	-	921,181	3,637,482
Charitable Activities	2a	109,821	-	-	109,821	96,833	-	1,156	97,989
Interest/Investments		800	-	-	800	30,298	-	-	30,298
Total Income and Endowments		4,156,862	-	2,015,800	6,172,662	2,843,432	-	922,337	3,765,769
EXPENDITURE:									
Raising Funds	3	1,715,431	-	234,485	1,949,916	1,692,183	51,593	-	1,743,776
Charitable Activities	3a	1,549,490	-	1,797,328	3,346,818	893,529	9,941	636,515	1,539,985
Total Expenditure		3,264,921	-	2,031,813	5,296,734	2,585,712	61,534	636,515	3,283,761
Net unrealised gains / (losses) on Investments		5,785	-	-	5,785	(9,104)	-	-	(9,104)
Net Income for the Year		898,912	-	(16,013)	881,713	248,616	(61,534)	285,822	472,904
Transfer Between Funds	11	-	-	-	-	88,466	(88,466)	-	-
Net Movement in Funds		897,726	-	(16,013)	881,713	337,082	(150,000)	285,822	472,904
Reconciliation of Funds									
Total Funds Brought Forward		1,765,334	-	289,022	2,054,356	1,428,252	150,000	3,200	1,581,452
Total Funds Carried Forward	11	2,663,060	-	273,009	2,936,069	1,765,334	-	289,022	2,054,356

There are no recognised gains or losses other than those disclosed above. All results derive from continuing operations.



Aljay, Philippines

BALANCE SHEET AS AT 30 JUNE 2021

			2021 (£)	2020 (£)
	Note	£	£	£
INVESTMENTS	7		22,724	16,939
FIXED ASSETS	6		17,958	31,122
CURRENT ASSETS				
Debtors	8	495,235		327,660
Cash at bank and in hand		2,581,170		1,921,742
Total Current Assets		3,076,405		2,249,402
CURRENT LIABILITIES				
Creditors:				
Amounts Falling Due Within One Year	9	138,838		(237,376)
Net Current Assets			2,937,567	2,012,026
LONG TERM LIABILITIES				
Amounts Falling Due After One Year	10		42,180	(5,731)
NET ASSETS		-	2,936,069	2,054,356
REPRESENTED BY:				
Restricted Funds			273,009	289,022
Designated Funds			-	-
General (Unrestricted) Funds	11		2,663,060	1,765,334
		-	2,936,069	2,054,356

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 and with Financial Reporting Standard 102. The notes on pages 60-67 form an integral part of these financial statements.

Approved by the Board of Trustees on 18 November and authorised on their behalf by:



Dr Maria Moore
Chair

Company Registration No: 04317039

CASH FLOW STATEMENT FOR THE YEAR TO 30 JUNE 2021

		2021 (£)	2020 (£)
Net Cash Provided by Operating Activities	Note A	662,223	496,708
Cash-flows from Investing in Activities:			
Cost of Purchasing Tangible Fixed Assets		(2,795)	(35,575)
Change in Cash and Cash Equivalents at 30 June		659,428	461,133
Cash and Cash Equivalents at the Beginning 01 July		1,921,742	1,460,609
Total Cash Held on 30th June		2,581,170	1,921,742

Note A

Reconciliation of Net Expenditure to Net Cash Provided by Operating Activities

	2021 (£)	2020 (£)
Net Income/(Expenditure) for the Year	882,899	472,904
Depreciation of Tangible Assets	15,959	19,720
Increase/(Decrease) in Investment	(5,785)	(16,939)
Increase/(Decrease) in Debtors	(167,575)	(66,118)
Increase/(Decrease) in Creditors	(63,274)	87,141
Net Cash Inflow from Operating Activities	662,223	496,708

ANALYSIS OF CASH AND CASH EQUIVALENTS AND NET DEBT:

	2021 (£)	2020 (£)
Cash at bank and in hand:		
Opening balance	1,921,742	1,460,609
Cash-flows	659,428	461,133
Closing balance	2,581,170	1,921,742



NOTES TO THE ACCOUNTS

Accounting Policies

BASIS OF PREPARATION

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) including update bulletin 2, the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice (UK GAAP).

GOING CONCERN

The trustees have assessed whether the use of going concern is appropriate and have considered events or conditions that may cast significant doubt on the ability of OSUK to continue as a going concern.

The Trustees have given due consideration for the effects of the Covid-19 outbreak in FY2019/20, and which continues to date. This assessment has also included a probable loss of income as a consequence of this.

The trustees have made this assessment in respect of a period of at least a year from the date of approval of the financial statements. The trustees have considered the charitable company's forecasts and projections and are cautiously optimistic following the results of this financial year.

The charity is largely sheltered from the expected effects of Covid-19 due to its loyal donor base and a significant legacy pipeline. Projects have been curtailed significantly as a result of the restrictions on travel because of the continuing impact of Covid-19 and emerging variants. However, as vaccinations help with dampening down the impact worldwide there is hope that local missions would be delivered and international programmes resume in earnest. The charity continues to hold significant reserves to meet downturns in income and has liquid assets in the form of cash held in short term deposits.

The Trustees have concluded that with the reserves policy and cash liquidity requirements of the charity, there is a reasonable expectation that the charity has adequate resources to continue in

operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

The principal accounting policies adopted in the preparation of the financial statements are set out below:

a) Income and expenditure

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to (or has physically received) the income and the amount can be quantified with reasonable accuracy.

Gift Aid income is accrued when there is a valid declaration from the donor or HMRC small donations rule is applicable.

Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and OSUK has been notified of the executor's intent to make a distribution. Where legacies have been notified to the charity, or where OSUK 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.

For event income, entitlement is counted at the date of the event. Where income is received in advance, recognition is deferred and included in creditors and where entitlement arises before income is received, the income is accrued. Expenditure is accounted for on an accrual basis.

Raising funds relating to direct marketing has been allocated between charitable activities and fundraising costs based on an allocation process which analyses the cost between direct fundraising, raising awareness of the need and educating on cleft conditions. Currently this analysis allocates 24% (2020: 29%) of costs towards charitable activities as content relating to education and raising awareness of cleft and 74% (2019: 71%) towards cost of raising funds. The increase in allocation to raising funds is primarily related to increased fundraising activity in the digital space as OSUK evolved during the COVID-19 pandemic. PR and Communications expenses are accounted for within raising funds though they may have add value in the provision of other services.

Charitable activities

All cost relating to medical mission programmes are recognised in the year in which they are agreed upon and a commitment made. Total cost of charitable activities also include a proportion of direct marketing costs relating to charitable activities as above.

b) Critical accounting estimates and areas of judgement

In view of the trustees applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

c) Tax Status

Operation Smile UK is a registered charity in England and Wales with the Charity Commission and Companies House. It is a charitable company limited by guarantee. It is not registered for value added tax (VAT) and this position is reviewed on an annual basis for any possible change in status.

It is therefore not liable for income tax or corporation tax on income or gains derived from its charitable activities as it falls within the various exemptions available to registered charities; costs are recorded gross of VAT.

d) Fund accounting

The general unrestricted reserve comprises net accumulated unrestricted surpluses. Restricted funds are subject to restrictions imposed by the donor stipulating the way donation should be used. Interest earned on such donations are not subject to the same restrictions. Designated funds represent amounts which the trustees have allocated to specific 'projects' from general unrestricted reserves. Designated funds may at the discretion of the trustees be brought back into general reserves.



e) Fixed assets

Tangible assets are stated at cost which includes its purchase price and the cost attributable to bringing it to its working condition for its intended use. Depreciation is calculated using a straight-line method for both office equipment and fixture and fittings. The cost of an asset, less its estimated residual value if appropriate, will be written off over the estimated economic life of that asset.

- Office equipment – over 3 years
- Furniture, fixtures and fittings (including IT hardware) – over 3 years

The charity currently adopts a minimum capitalisation limit of £1,000. However, where complements of furniture and equipment are acquired with individual unit costs below the stated capitalisation threshold but collectively costs £1,000, then complements are capitalised at the time of purchase. Costs related to maintenance and repairs are treated as expenses as incurred.

f) Investments

OSUK has a policy of selling donated shares upon receipt of donation. However, where for any reason donated shares are not sold at balance sheet date these are listed as investments, at their market value at date. Realised and unrealised gains or losses for the period are accounted for through the Statement of Financial Activities as net of investment value

g) Gifts in kind

Gifts in kind may include donated equipment, goods, or services. The charity records these at fair market value.

h) Pensions

The charity operates a contributory group personal pension scheme and therefore has no pension liability. The amount charged to the Statement of Financial Activities in respect of pension costs is the total of contributions payable in the year.

i) Leases

Rentals under operating leases are charged as per agreement; any benefit received/receivable as an incentive to sign an operating lease is spread over the lease term on a straight-line basis. However, where the period to review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term then the shorter period is used.

j) Foreign currencies

Assets and liabilities in foreign currencies are translated into the appropriate sterling equivalent as at the balance sheet date. Exchange gains/ (losses) are reviewed periodically and accounted for if deemed material.

k) Other financial instruments

i. Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short-term deposits with a maturity date of three months or less. Deposits are made into reputable financial institutions and risk exposure is kept to a minimum.



2. DONATIONS AND LEGACY INCOME

	Unrestricted Funds (£)	Restricted Funds (£)	2021 Total (£)	Unrestricted Funds (£)	Restricted Funds (£)	2020 Total (£)
Donations	3,569,033	9,262	3,578,295	2,224,655	4,931	2,229,586
Legacies	367,937	170	368,107	447,075	50,000	497,075
Grants	109,271	1,940,840	2,050,111	44,571	643,580	688,151
Sub-total	4,046,241	1,950,272	5,996,513	2,716,301	698,511	3,414,812
Gifts in Kind	-	65,528	65,528	-	222,670	222,670
	4,046,241	2,015,800	6,062,041	2,716,301	921,181	3,637,482

2(A). CHARITABLE ACTIVITIES

	Unrestricted Funds (£)	Restricted Funds (£)	2021 Total (£)	Unrestricted Funds (£)	Restricted Funds (£)	2020 Total (£)
Community Events	109,821	-	109,821	84,162	-	84,162
Special Events & Merchandise		-	-	12,671	-	12,671
Sub-total	109,821	-	109,821	96,833	-	96,833
Gifts in Kind	-	-	-	-	1,156	1,156
	109,821	-	109,821	96,833	1,156	97,989

3. RAISING FUNDS

	Unrestricted Funds (£)	Designated Funds (£)	Restricted Funds (£)	Total Unrestricted Funds 2021	Unrestricted Funds (£)	Designated Funds (£)	Restricted Funds (£)	Total Unrestricted Funds 2020
Direct Expenses	1,308,775	-	234,485	1,542,074	1,394,278	-	-	1,394,278
Staff Recruitment Cost	14,135	-	-	14,135	28,080	-	-	28,080
Property and Management Cost	90,821	-	-	90,821	67,496	51,593	-	119,089
Administration Cost	301,700	-	-	301,700	202,329	-	-	202,329
	1,715,431	-	234,485	1,949,916	1,692,183	51,593	-	1,743,776

3(A). CHARITABLE ACTIVITIES

	Unrestricted Funds (£)	Designated Funds (£)	Restricted Funds (£)	2021 Total (£)	Unrestricted Funds (£)	Designated Funds (£)	Restricted Funds (£)	2020 Total (£)
Programme / Mission Expenses	1,308,775	-	1,797,328	3,105,864	792,565	-	636,515	1,429,080
Support Costs:								
Property & Management	20,518	-	-	20,518	1,588	8,758	-	10,346
Office Administration	27,613	-	-	27,613	33,651	-	-	33,651
Other Support Costs	137,152	-	-	137,152	19,860	-	-	19,860
Governance Costs:								
Audit and Accounting	11,700	-	-	11,700	12,595	-	-	12,595
Legal/Filing & Consulting Fees	2,019	-	-	2,019	6,085	-	-	6,085
Trustees Liability Insurance	706	-	-	706	618	-	-	618
Allocated Support Costs	41,246	-	-	41,246	26,567	1,183	-	27,749
	1,549,490	-	1,797,328	3,346,818	893,529	9,941	636,515	1,539,985

Cost allocation/recovery

Support costs including governance costs which are not directly attributable to raising funds or charitable activities are allocated to the programmes/services benefiting from them based on staff time and department headcount.

Currently there are no cost recovery on restricted funds by OSUK; costs are monitored and covered by general unrestricted funds.

4. STAFF NUMBER AND COSTS

	2021 (£)	2020 (£)
Staff Salaries	720,288	654,209
Employer's NIC	72,356	64,510
Employer's Pension Contribution	38,213	32,340
Other Staff Cost - Volunteers	-	-
	830,857	751,059
Staff Recruitment	22,775	28,080
Training and Development	1,188	1,401
Total	23,963	29,481

Included within the above are redundancy payments totalling £1,004 (2020 £Nil).

Trustees And Key Management Personnel

During the year no trustee received reimbursement for expenses (2020: NIL). £706 (2020: £618) was paid out in respect of trustees liability insurance as permitted by the Charity's Memorandum & Association. Key management personnel (SMT) as listed on page 45, and Trustees received remuneration £162K; (2020: £160K).

Total average number of staff on a full-time basis employed in the year was:

	2021	2020
	17.68	16.40
Employees Earning:		
£60K - £70K	-	-
£70K - £80K	1	1
£80K - £90K	1	1
The Employer's pension contribution in respect of the above amounted to £9.2K (2020: 9.2K)		

5. NET INCOME FOR THE YEAR IS STATED AFTER CHARGING

	2021 (£)	2020 (£)
Auditor's Remuneration in Respect of Current Year	8,500	8,350
Other	1,700	1,670
Depreciation of Tangible Assets	15,959	19,719
Operation Lease Rentals - Building	106,168	57,787

6. TANGIBLE FIXED ASSETS (Office Equipment and Furniture & Fixtures)

	Office Equipment (£)	Furniture & Fittings (£)	Total 2021 (£)
Cost at 1st July 2020	55,113	14,752	69,865
Prior Year Adjustment			
Additions	2,796	-	2,796
Cost on 30th June 2021	57,909	14,752	72,661
Depreciation on 1st July 2020	28,178	10,566	38,744
Depreciation Charge for the Year	14,131	1,828	15,959
Depreciation on 30th June 2021	42,309	12,394	54,703
Net Book Values:			
30th June 2020	26,935	4,186	31,122
30th June 2021	15,600	2,358	17,958

7. LISTED INVESTMENTS

	2021 (£)	2020 (£)
Donated Shares / Investment Assets	16,939	26,042
Disposal/Sales Proceeds	-	-
Realised Gains	-	-
Unrealised Loss	5,785	(9,103)
Total Investment at 30th June	22,724	16,939

Operation Smile UK received NIL (2020: one) donation of shares. These continue to remain unsold as at balance sheet date.

8. DEBTORS

	2021 (£)	2020 (£)
Due from Operation Smile Inc	-	-
HMRC - Gift Aid Reclaims	55,897	29,107
Prepayments	98,094	146,246
Pledges	80,640	-
Lease Deposit	25,000	25,000
Other Debtors	235,604	127,307
	495,235	327,660

9. CREDITORS

	2021 (£)	2020 (£)
Trade Creditors	51,308	95,280
Due to Operation Smile Inc	-	5,460
HMRC - Tax and NIC Due	20,482	17,728
Deferred Income	30,161	74,175
Accrued Expenses	31,887	39,733
Other Creditors	5,000	5,000
	138,838	237,376

Deferred Income

(Deferred income comprises donations received in advance of community events taking place in the financial year FY20/21).

	2021 (£)	2020 (£)
Balance as of 1st July	74,175	4,623
Amount Released to Income Earned from Charitable Activities	(73,555)	(4,623)
Amount Received and Deferred after One Year	30,161	74,175
Balance as of 30th June	30,161	74,175

10. CREDITORS (Amounts falling due after 1 year)

	2021 (£)	2020 (£)
Amounts Falling Due After One Year	42,180	5,731

11. STATEMENT OF FUNDS

	Balance at 1st July 2020 (£)	Income (£)	Expenditure (£)	Transfers between Funds (£)	Balance at 30th June 2021 (£)	Balance at 1st July 2019 (£)	Income (£)	Expenditure (£)	Transfers between Funds (£)	Balance at 30th June 2020 (£)
General Funds	1,765,334	4,162,647	(3,264,921)	-	2,663,060	1,428,252	2,843,432	(2,594,816)	88,466	1,765,334
Designated Funds	-	-	-	-	-	150,000	-	(61,534)	(88,466)	-
Restricted Funds	289,022	2,015,800	(2,031,813)	-	273,009	3,200	922,337	(636,515)	-	289,022
	2,054,336	6,178,447	(5,296,836)	-	2,936,068	1,581,452	3,765,769	(3,292,865)	-	2,054,356

Restricted Funds

These are donations and grants received for specific purposes as requested by the donors. The funds have been grouped into geographic area's to better represent the regions where the organisation conducts its charitable activities, as described on page 13 of the Trustee Report.

	Balance at 1st July 2020 (£)	Income (£)	Expenditure (£)	Transfers in/out (£)	Balance at 30th June 2021 (£)	Balance at 1st July 2019 (£)	Income (£)	Expenditure (£)	Transfers in/out (£)	Balance at 30th June 2020 (£)
Africa	4,541	296,519	(300,473)	-	587	2,700	546,758	(544,917)	-	4,541
South Central America	-	1,410	-	-	1,410	500	32,207	(32,707)	-	-
North America	-	-	-	-	-	-	4,783	(4,783)	-	-
Asia	50,001	8,022	-	-	58,023	-	82,075	(32,074)	-	50,001
Europe	6,694	-	(6,694)	-	-	-	16,260	(9,566)	-	6,694
OSI Global Surgery	-	1,431,327	(1,431,327)	-	-	-	-	-	-	-
Other	227,786	278,522	(293,319)	-	212,989	-	240,254	(12,468)	-	227,786
	289,022	2,015,800	(2,031,813)	-	273,009	3,200	922,337	(636,515)	-	289,022

Designated Funds

	Balance at 1st July 2020 (£)	Income (£)	Expenditure (£)	Transfers in/out (£)	Balance at 30th June 2021 (£)	Balance at 1st July 2019 (£)	Income (£)	Expenditure (£)	Transfers in/out (£)	Balance on 30th June 2020 (£)
Office Relocation	-	-	-	-	-	150,000	-	(61,534)	(88,466)	-
	-	-	-	-	-	150,000	-	(61,534)	(88,466)	-

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General / Unrestricted Funds (£)	Designated Funds (£)	Restricted Funds (£)	2021 Total (£)	General / Unrestricted Funds (£)	Designated Funds (£)	Restricted Funds (£)	2020 Total (£)
Fixed Asset & Investment	40,682	-	-	40,682	48,061	-	-	48,061
Current Assets	2,803,396	-	273,009	3,076,405	1,960,380	-	289,022	2,249,402
Current Liabilities	(103,677)	-	-	(103,677)	(168,201)	-	-	(168,201)
Deferred Income	(30,161)	-	-	(30,161)	(74,175)	-	-	(74,175)
Other / Long Term Creditor	(47,180)	-	-	(47,180)	(5,731)	-	-	(5,731)
At 30th June	2,663,060	-	273,009	2,936,069	1,760,334	-	289,022	2,054,356

13. OPERATING LEASES

The company entered into a new lease for its office premises from 21 August 2019 for a lease term of 3 years. In March 2021 it renegotiated the lease for the full 5 year term revoking the break-clause in year three for a rent reduction to the end of term.

Amounts payable to end of lease:	2021 (£)	2020 (£)
Within 1 Year	58,323	58,334
Between 2 - 5 Years	128,548	66,485
	186,871	124,819

14. CAPITAL COMMITMENTS

There were no capital commitments and thus not provided for in the financial statements (2020: None).

15. RELATED PARTIES

During the year: OSUK's chair is a close friend of a major donor who is closely connected to UBS Foundation which gave OSUK a grant of £1.4m (2020:Nil) to wards a Operation Smile's global surgery projects in Nicaragua, Vietnam and Madagascar. These projects are being funded over a three (3) year period as per agreement.

At Balance Sheet date OSUK had Nil liability (2020: £5,460) to Operation Smile Inc. in respect of missions/ cleft surgery expenses.

16. COMPANY LIMITED BY GUARANTEE

OSUK is a company limited by guarantee and has no share capital. By virtue of Section 30 of Companies Act 1958 (revised 2006) under which the company is incorporated, the company is not required to use the word 'Limited' in its name.

In the event of winding up, the members are liable to contribute towards any deficiency up to a maximum value of £1 each. At 30 June there were five (2020: Six registered members.



Mosiah, Guatemala

We work with an incredible group of visual artists who connect global audiences to the heart of each story we tell.

Their approach to portraying the beauty and dignity of patients, the passion of volunteers and supporters, and the orchestration of our medical programmes allows us to experience an indelible memory in the moment that the photo is captured, no matter where we are in the world.

Marc Ascher
Jörgen Hildebrandt
Zute Lightfoot
Erin Lubin
Rohanna Mertens
Margherita Mirabella
Will Moffit
Lorenzo Monacelli
Carlos Rueda
Jasmin Shah
Peter Stuckings



Pedro, Colombia

TRUSTEES' ANNUAL REPORT & ACCOUNTS 2021

