



ANNUAL REPORT

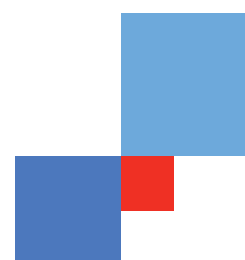
2023-2024



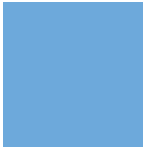
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OUR VISION



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



LETTER FROM THE CEO

It is said that a journey of a thousand miles begins with a single step. Our journey to more than two million smiles has been long and deliberate, with many steps along the way.

Financial year 2024 (1 July 2023 - 30 June 2024) was a critical moment in this journey. In January of 2024, we ushered in our global 25th anniversary. Over the years, we have grown as an organisation, extended our reach and impact around the world, expanded the breadth of care and services we support, and pioneered a range of groundbreaking innovations.

Our main founding principle — our “teach a person to fish” model — has been at the heart of all of this. Our approach has always centred around empowerment and sustainability, and the results speak for themselves — from a small charity founded on a belief that things could be done differently and more effectively, we have grown into the world’s largest cleft organisation. None of this would have been possible without your support.

To name just a few highlights of our global impact, in our 2024 financial year, we:

- **Transformed the lives of 100,000 children** through Smile Train-enabled surgeries across **78 countries**.
- **Sponsored our 2 millionth life-changing cleft surgery** since our founding – more than every other charity combined.
- **Published a groundbreaking economic impact report** showing that our work has yielded **£54 billion for the global economy** by removing barriers to gainful employment and education that often confront people with untreated clefts – meaning the **average return on investment for a Smile Train-sponsored surgery is 150x**.
- **Partnered with Scottish charity Kids Operating Room** to present “Healthier Together: A path to a better world,” a video produced by BBC StoryWorks Commercial Productions and the World Health Organization (WHO) Foundation highlighting our work installing solar panels in partner operating rooms across Africa, where hospital blackouts are a major issue.

These are just a handful of the many things we have to celebrate from our 2024 financial year. But the reality is that another baby is born with a cleft every three minutes.

So, our work is not done. You have helped us transform the lives of innumerable children, but we still need your support to ensure that every person in need has access to safe, high-quality, comprehensive, free cleft care and is able to live a full and healthy life.

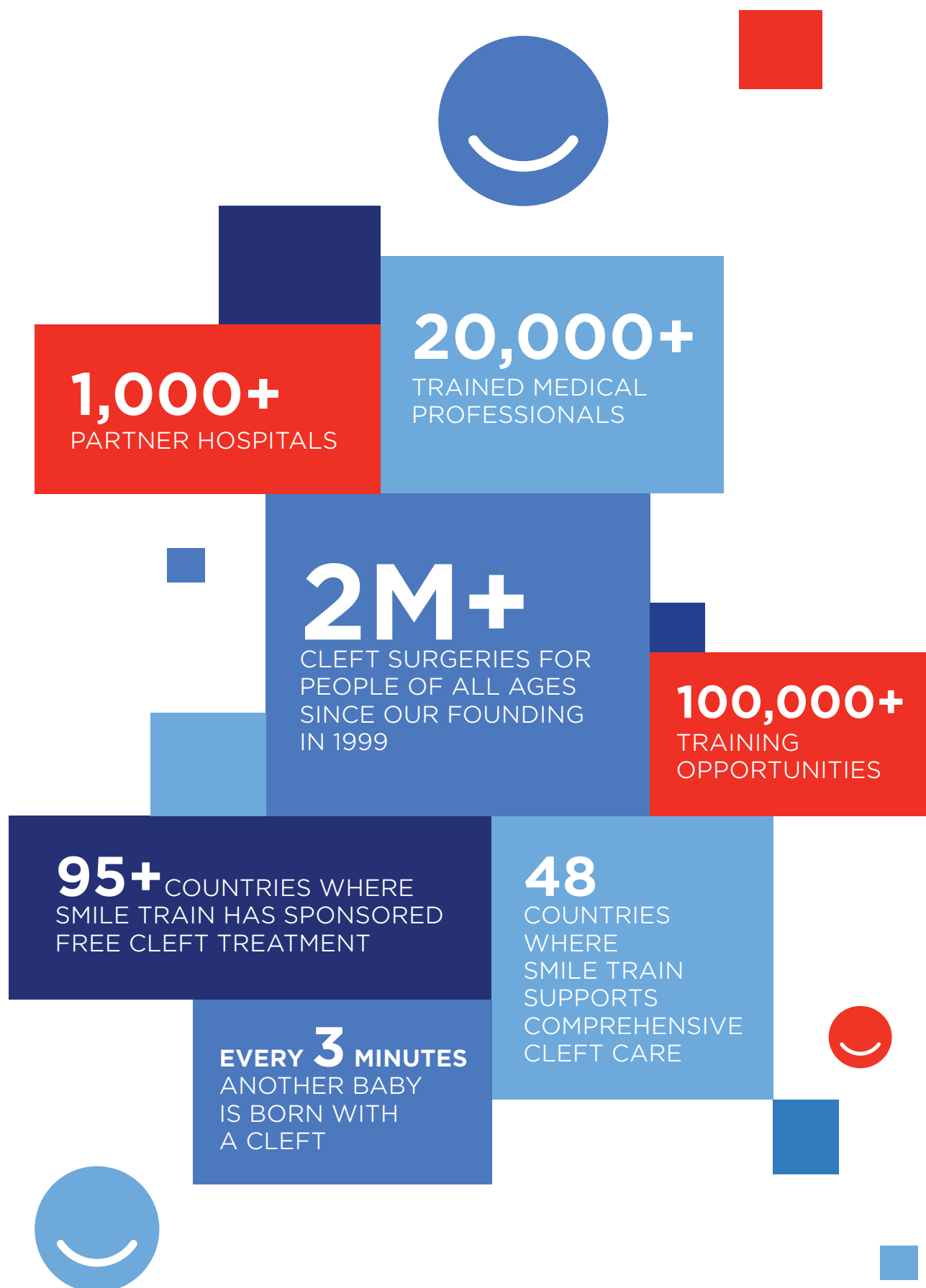
From the bottom of my heart, thank you for what you’ve helped us achieve this year, and every year.



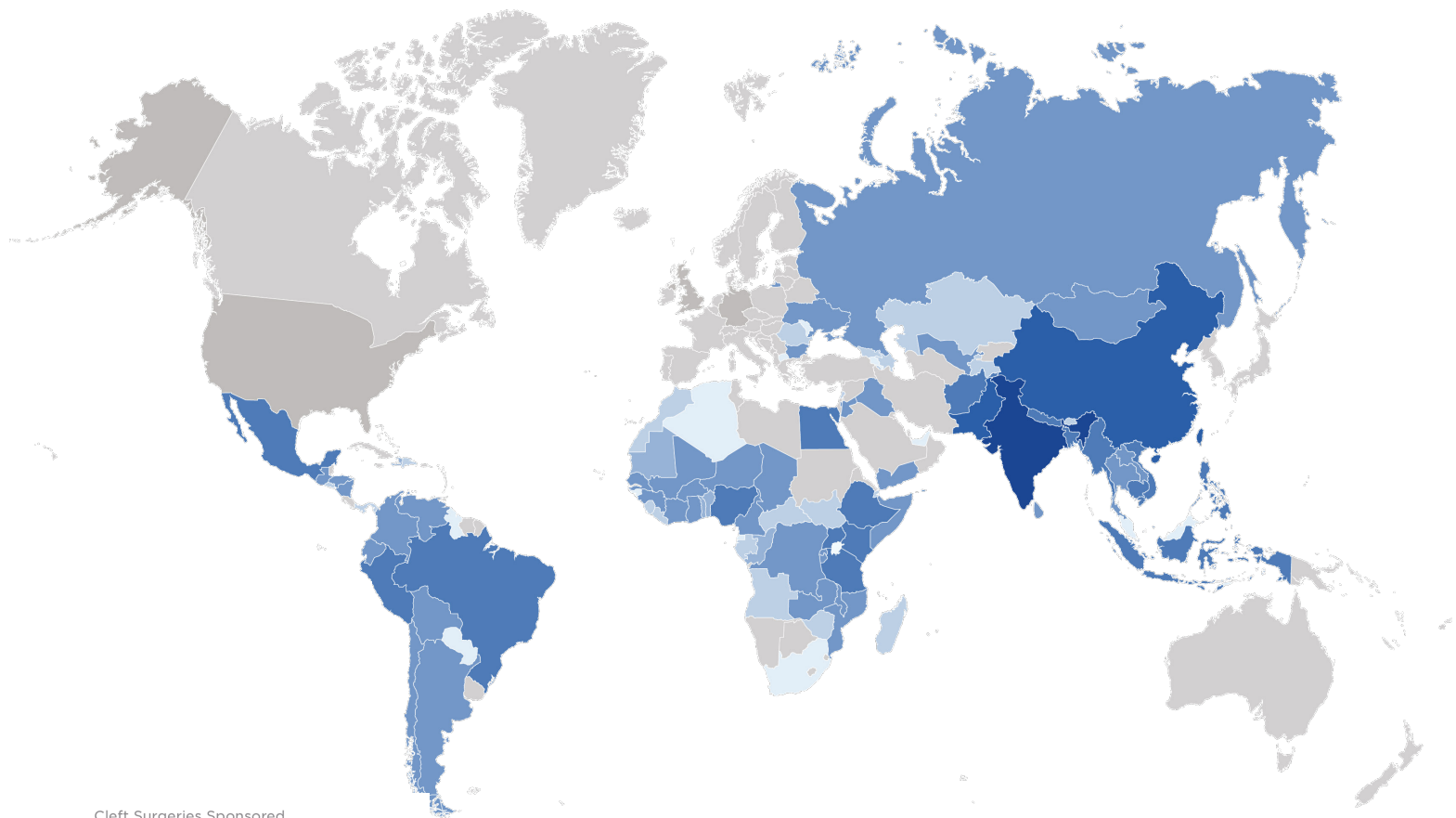
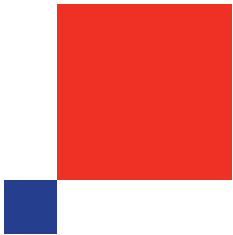
Susannah Schaefer
President & CEO, Smile Train



OUR IMPACT



WHERE WE WORK



Map as of January 2023 (does not reflect financial year 2024).
*Smile Train has provided support for cleft organisations in the U.S. and U.K.
Smile Train, Inc. can accept donations worldwide and has fundraising programmes in Brazil, Germany, India, Indonesia, Mexico, Philippines, U.A.E., U.K. and U.S.



COMPREHENSIVE CLEFT CARE



Truly healing from a cleft requires a holistic process that is as unique as each patient. At the core of our model's success is our focus on the whole patient. Surgery is a critical component of cleft care but is just one piece of a much bigger puzzle — and is often only the beginning of a cleft journey. Many patients need nutritional support to reach a healthy weight and thrive, as a cleft can prevent an infant from breastfeeding. After surgery, patients often need long-term and coordinated speech therapy, dental treatments, and orthodontics to position them for a healthy future. And psychosocial support is critical in helping many children heal from the stigma, bullying, and ostracisation they have endured for having a facial or speech difference. Our model is ultimately a promise that, whatever the need, Smile Train will be there to meet it with the safest, highest-quality care possible. Every child deserves no less, and babies born with clefts are no different.



CLEFT SURGERY CHANGED EVERYTHING FOR SHEEMA

📍 PAKISTAN

“I lost my senses”. Jann describes the moment she first saw her baby, Sheema. It was about 12 hours after she had given birth to her.

Sheema’s cleft was a surprise to everyone. Jann’s doctors and family kept the child from her for as long as they could, worried what would happen when she saw that she had a cleft.

The moment she finally did was indeed a shock to her senses and expectations... but she felt nothing but love.

Jann’s next shock came when she tried to breastfeed Sheema — the milk went into her baby’s nose, choking her, instead of down her throat.

This is a common issue — babies with clefts often struggle to feed and can become severely malnourished without special support. It is not safe to operate on a malnourished baby, but even if surgery does become possible, the effects of malnutrition can last for a lifetime.

When Sheema turned 10 months old, her family had managed to put enough money aside to pay for her cleft surgery. But the operation was not successful. Sheema did not recover physically, and, having to grow up and go to school with an improperly treated cleft, she faced bullying and isolation.

“Because of my lips, I felt devastated for myself”, she said. The teasing got so bad that she couldn’t bear even to look in the mirror without crying.

“When I saw other girls, I used to get sad. I used to think, ‘How beautiful they all are, and I am so imperfect.’”

When Sheema was 14 years old, her family discovered their local Smile Train partner, Arif Memorial Teaching Hospital.



Sheema's last cleft surgery was etched permanently into Jann's memory. She didn't think about anything other than the hugs and kisses she would give her baby when they brought her out, regardless of how it went.

When she saw her again a few hours later, Jann gasped. "I was very happy because it went very well. It was great".

Now, Sheema loves putting on lipstick and wears it with confidence. She applies it even before she goes out to play cricket in the dusty lot with her many friends.

But even as she stands at her mirror to put it on, her eyes well up. She still hardly recognises herself without tears in her eyes.

"I am very happy now when I see myself in the mirror", she said. "Tears flow from my eyes from happiness, and I feel very grateful".



EDUCATION & TRAINING

EMPOWERED. EMBOLDENED. EDUCATED.

Thanks to Smile Train, talented, passionate health professionals from low-resource settings are bringing cutting-edge medical techniques to their communities and training their peers. This self-sustaining, global ecosystem of empowerment is saving countless lives each day thanks to supporters like you.

Expanding Lifesaving Nutrition Programmes in Central America: Smile Train's first SPOON training in Spanish took place from February 11-16 at our treatment partner TESS Unlimited in Guatemala.

Led by Adriana Zavalaga, Smile Train's nutrition advisor for South America, the training taught health workers and nutritionists both how to deliver improved food and nutrition care to children with clefts and how to educate their colleagues back home in these techniques. Participants came from Guatemala, El Salvador, Honduras, Nicaragua, Dominican Republic, and Mexico, further expanding comprehensive cleft care capacity and expertise throughout Central America and the Caribbean.

Surgical Fellowships Train the Next Generation of Indian Cleft Surgeons: An estimated 35,000 babies are born with a cleft in India each year. Making world-class cleft care available to all of them is essential. Smile Train India's surgical fellowship programme provides talented young surgeons from every corner of the country hands-on training in cleft surgery, comprehensive cleft treatment plan management, and patient and family counselling. After completing the fellowship, graduates go on to offer their services at their local Smile Train partner centre — and teach their peers what they've learnt.

In our 2024 financial year alone, six surgeons graduated from the programme.



OUR COMMUNITY

WHEN ANYA WAS BORN, HER PARENTS LEARNED THE IMPORTANCE OF CLEFT CARE

Patrick and Rachael never thought something like a cleft could happen in their family. Neither had a family history of clefts. Yet there it was, clear as anything else on the ultrasound. “It was a huge shock to us”, Patrick said.

Coming to terms with how a cleft would affect little Anya’s life was difficult without prior knowledge of the condition. The couple learnt that their third child’s cleft could affect not only her speech and hearing, but also her ability to nurse and eat and even breathe properly. Thankfully, they received help from the NHS and Evelina Hospital. Knowing that their daughter would be in such capable hands helped them relax.

It also made them keenly aware of all the children with clefts who don’t have access to healthcare at all. They searched for ways to help, and found Smile Train.

Patrick and Rachael were so inspired by our local, sustainable model that they were eager to lend their support even before Anya was born. But how? A lightbulb went off in Patrick’s head. He would climb Mount Everest — kind of.

The Everesting Challenge calls for participants to run 8,850m – the full distance of ascending and descending Mount Everest – by running up and down a hill. He set a deadline: his daughter’s birth. With a goal and a timeframe, Patrick got to work.

He hit the ground running every day for six weeks, sometimes twice a day! In the beginning, he wasn’t sure how he would finish the challenge. The August sun was merciless as he completed his daily climbs, but he persisted by reminding himself with every step that he was doing this for children like Anya. That extra boost propelled him past the finish line — before the deadline.

He raised £1,500 for Smile Train UK! And a few weeks later, Anya was born.





*"We wouldn't change
Anya for the world."*

Patrick and Rachael had planned so diligently for her birth only to discover that the first year of their daughter's life was beyond anything they could have prepared for. Initially, her cleft made feeding a struggle; she also got frequent ear infections. Treatment worked wonders, but it was intense. She underwent three different surgeries requiring general anaesthetic before she turned one. The family knew she was in good hands, but every surgery was another emotional rollercoaster. It was hard to keep their anxiety at bay.

Thankfully, they had support all around.

Anya's birth officially welcomed the family into the UK cleft community, where they met people who had been through it all and were more than willing to help others through their own journeys. Wherever you live, Patrick can't recommend reaching out to your local cleft community enough. "It helped so much to understand the process of cleft treatment, and sharing experiences made us feel that we were not alone", he said.

Now, Rachael uses her job as a teacher to raise awareness of clefts by sharing Anya's story and promoting Smile Train in the classroom. Patrick hasn't stopped, either. His company, DHA Planning, named Smile Train UK their Charity of the Year. They undertook the Medway Medley, a gruelling 16½ hour, 70+ mile, walking, canoeing, and cycling challenge, to raise money for Smile Train.

Anya still has a long way to go along her cleft journey, but her family is ready for whatever is next and grateful for every step of the journey so far.



PARTNERING FOR GOOD



Power outages are a serious issue confronting operating rooms (ORs) and surgery teams in parts of Africa.

Another major issue related to ORs is their impact on the climate: ORs are responsible for a significant portion of hospital greenhouse gas emissions, waste, and energy usage.

In recent years, we joined with our longtime partner Kids Operating Room, a Scottish global health charity working to provide every child with access to safe surgery, to devise an innovative solution to both issues:

Equipping hospitals across the continent with solar batteries that power ORs for up to eight hours after charging.

These batteries help ensure safe and continuous care if the power goes out during a surgery, and each one saves roughly 1.5 tons of carbon dioxide each year.

After announcing the groundbreaking initiative at the UN General Assembly in 2022, we immediately got to work to make surgery safer and greener for our patients and for all Africans.

As of July 2024, we had already substantially mitigated power outages and reduced CO2 emissions in 41 partner ORs across 27 countries.

Green paediatric ORs are a win-win, offering the chance for a better tomorrow to our children and our planet.







THE SMILE TRAIN UK TRUSTEES' REPORT AND ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2024

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

THE SMILE TRAIN UK

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

S Schaefer
E F Monopoli
R Reichbach
T Poliakova
S Dransfield
K Spindler
M Wenham
M Williams

Key Management personnel

Director, Head of Individual Giving
and Smile Train's CEO and CFO

Secretary

BWB Secretarial Limited
10 Queen Street Place
London
EC4R 1BE

Charity number

1114748

Company number

05738962

Principal address

126 Fairlie Road
Slough
SL1 4PY

Registered office

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

Auditor

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

Bankers

HSBC Plc
60 Queen Victoria Street
London
EC4N 4TR

Solicitors

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

THE SMILE TRAIN UK TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2024

The Trustees, who are also the directors of The Smile Train UK (“the Charity”) for the purposes of company law, submit their annual report and the audited consolidated financial statements for the year ended 30 June 2024. Its subsidiary undertaking, The Smile Train UK Trading Company Limited, was incorporated on 20 June 2014. The company is wholly owned and the Trustees’ report and accounts have been prepared for the Group.

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

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

Structure, governance and management

Management of the Charity

The Board of Trustees (which has a minimum of three) is the body responsible for the management of the Charity. The Board meets periodically as needed and aims to meet quarterly each year. Implementation of the day to day activities of the Charity during the financial year was undertaken by I Vallance (Director through 2 April 2024), S Selby (Head of Individual Giving, Development), S Schaefer (CEO) and P Shah (CFO from 6 November 2023). S Schaefer and P Shah are employees of Smile Train, Inc (‘Smile Train’) and neither of these two receive any remuneration from the Charity for this work. S Schaefer and R Reichbach, directors of Smile Train, Inc., were also Trustees of the Charity and receive no remuneration from the Charity. In addition, during the year there were six Trustees who are not on the Board of Smile Train, Inc. nor are they paid employees or consultants of Smile Train, Inc. This governance arrangement is in accordance with the Articles of Association of the Charity. All major and strategic decisions regarding the Charity are approved by the Charity’s Board of Trustees.

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

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

Governing document

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

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

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

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

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

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

Appointment and election of Trustees

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

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

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

S Schaefer
E F Monopoli
R Reichbach
T Poliakova
S Dransfield
K Spindler
M Wenham
M Williams

Induction and training of Trustees

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

Risk management

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

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

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

External risk factors considered by the Charity are the effects of changing privacy laws on its ability to maintain fundraising levels. The Charity mitigates these risks by continuing to monitor new developments and diversify its fundraising.

Safeguarding

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

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

Objectives and activities

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

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

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

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

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

Throughout the year staff employed by Smile Train provide management and operational services to the Charity, along with various marketing and administrative services. These services are not paid for by the Charity. The value of these donated services is £183,473 (2023: £473,509) and this has been included within the Group Statement of Financial Activities.

Achievements and performance

During the year the Charity paid £5,600,000 (2023: £4,100,000) in programme activities cost (see Note 5). The Charity granted these funds to Smile Train to fund cleft lip and palate treatment in countries in need around the world.

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

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

Surgeries performed

The Charity funded approximately 12,333 (2023: 10,200) free cleft surgeries through Smile Train partner hospitals for children primarily in Egypt, Nigeria, Pakistan and Vietnam. Smile Train, its affiliates and the Charity continue to lead the way in free, high-quality cleft surgery for children around the world. In 2024, Smile Train's cleft care spanned 5 continents through partnerships with more than 20,000 trained medical professionals and 1,000 hospitals. Since its founding in 1999, Smile Train has now supported more than 2,000,000 free cleft surgeries and comprehensive cleft care for patients in 95+ countries.

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

Partnerships

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

At the end of financial year 2024, there were more than 1,000 Smile Train partner hospitals around the world, serving children in need of cleft care in their communities. Through partnerships and programmes with Smile Train, these hospitals and local medical teams were able to provide safe, free, high-quality cleft treatment to children with clefts in their communities.

Grants awarded

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

Awareness grants

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

Program Awareness

Program Awareness funding supports Smile Train-led projects that generate awareness about Smile Train's free cleft treatment programmes and remove the stigma related to cleft lip and palate. Funding focuses on raising awareness across a country or broad geographical area.

Patient logistics

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

Comprehensive Cleft Care

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

Capacity building

Capacity building funding supports significant and strategic investments at select partner centres for facility, infrastructure, and/or resource development by funding construction, large amounts of equipment, and/or programme coordinators (partner employees) at CLCs or key high-volume Smile Train partners.

Financial review

We have set out the full details of our consolidated income and expenditure in the group statement of financial activities (SOFA) on page 27. The income for the year, principally representing income from donors was £12.31m (2023: £11.14m). The group total expenditure, principally representing programme and fundraising costs, were £11.76m (2023: £10.37). As a result, recorded net income resources was £553k (2023 net income resources: £764k). Unrestricted funds at the end of financial year 2024 stood at £1.65m (2023: £1.08m).

The summarised results for the year's trading of The Smile Train UK Trading Company Limited is given on page 33 of the notes to the financial statements. The Smile Train UK Trading Company Limited directors consider the company's state of affairs to be satisfactory. The directors are not anticipating any major changes to the activities of the company.

Funds

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

Restricted Funds are those funds for which the original donors specified, directly or indirectly, the purposes for which they wanted the money to be used. The Trustees manage these funds but are governed by the donors' wishes as to how the funds are utilised. During the year ended 30 June 2024, £25,723 (2023: £143,056) of such restricted donations were spent in accordance with the donors' directions and £2,916 (2023: £14,119) were remaining to be spent.

Unrestricted Funds are those funds for which the original donors did not give any particular instructions as to how they wished the funds spent. These funds are allocated by the Trustees at their discretion. At the end of the year, the value of these funds stood at £1.65m (2023: £1.09m).

Reserves policy

The reserves policy is reviewed annually by the Trustees. Furthermore, the Trustees review the quarterly funds raised and periodically transfer funds to Smile Train Inc. to fund charitable activities. In reviewing the risks faced by the Charity and its operational plans for the forthcoming period, the Trustees have determined that it is appropriate that the Charity holds cash reserves between £800k - £1.3m to fund approximately 90 days of operational expenses. This level of cash reserves has been maintained throughout the year. Our closing cash balance as of 30 June 2024 was approximately £1.9m.

Fundraising

As a registered member of the Fundraising Regulator, Smile Train UK is committed to fundraising in a transparent and accountable way in accordance with our Pledge to Donors which can be found at <https://smiletrain.org.uk/about/our-pledge-to-donors>. We are happy to receive feedback from our

donors and members of the public. Details on how to reach out to us with a question or concern can be found at: <https://smiletrain.org.uk/about/faq#n8485>. Through the period July 1st 2023-June 30th 2024 we received 53 new complaints, all of which were resolved in accordance with Smile Train UK's Complaints Procedure.

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

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

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

Key management personnel compensation

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

Plans for the future

Thanks to the generosity of our donors, Smile Train, its affiliates and the Charity, during financial year 2024, were able to support safe, free cleft surgeries (12,333 for the Charity) for children born with clefts in resource-poor countries, launch programmes in new sites, train a record number of cleft care providers and grow our programmes all over the world.

In contribution to Smile Train's Global Fundraising Strategy Goal to increase gross income from our international fundraising entities to \$20m by end FY'26 (which includes but is not limited to Smile Train UK's contribution), the Charity continued with its approach of increasing sustainable income, growing gross income to £12.3m in FY'24. This growth is underpinned by our continued strategy of attracting loyal, long-term supporters across a diverse portfolio of fundraising activity, with an increased emphasis on identifying, stewarding, and cultivating relationships with Legators, Major Donors, Trusts, Foundations and Corporate partners to support future growth.

Mass acquisition of new donors through a further investment in Direct Response Television, in line with Smile Train's Global Fundraising Strategy Goal One of growing prioritised Individual Giving streams to deliver 10% growth annually continued to be highly effective, as did print media through package inserts, and digital fundraising initiatives through social media and other online opportunities. The Charity grew income from the Sustainer base by 15% across FY24 to £4.17m.

The Charity continues to monitor additional fundraising through Major Givers, Legacies, In-Memory, Schools, Community, Sporting and Challenge Event fundraising activities. Our Gift Aid processes are running smoothly and continue to generate steady income, generating £1.42m in FY24.

Despite the challenging economic environment, new initiatives to engage new and existing donors performed well and are reflected in the positive end of year results. This year, the current fundraising performance ratio was 2.2:1, when comparing costs of £5.71m against the income raised of £12.31m.

In financial year 2025, grants from the Charity to Smile Train will continue to be made under a grant agreement, which outlines Smile Train's reporting obligations to the Charity.

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

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

Going concern

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

Statement of Trustees' responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company group will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that:

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

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

other jurisdictions.

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

By order of the board of trustees

A handwritten signature in black ink, appearing to read 'Michael Williams', with a stylized flourish at the end.

Michael Andrew Williams
Trustee
Date: 12 February 2025

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

Opinion

We have audited the financial statements of the Smile Train UK ('the charitable company') and its subsidiary ('the group') for the year ended 30 June 2024 which comprise the group statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 30 June 2024 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement [set out on pages 22-23], the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

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

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

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

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

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

Use of our report

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



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

11 March 2025

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

THE SMILE TRAIN UK

GROUP STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30 JUNE 2024

		Unrestricted funds	Restricted funds	Total 2024	Total 2023
	Note	£	£	£	£
<u>Income from:</u>					
Donations and legacies	2	12,263,443	14,520	12,277,963	11,131,815
Investments		33,016	-	33,016	3,665
Total		12,296,459	14,520	12,310,979	11,135,480
<u>Expenditure on:</u>					
Raising funds	5	5,714,364	-	5,714,364	5,762,142
Charitable activities	5	5,574,277	25,723	5,600,000	4,100,000
Other	5	443,394	-	443,394	509,114
Total		11,732,035	25,723	11,757,758	10,371,256
Net income/ (expenditure)		564,424	(11,203)	553,221	764,224
Fund balances at 1 July 2023		1,083,813	14,119	1,097,932	333,708
Fund balances at 30 June 2024		1,648,237	2,916	1,651,153	1,097,932

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

THE SMILE TRAIN UK GROUP & PARENT CHARITABLE COMPANY BALANCE SHEETS AS AT 30 JUNE 2024

	Note	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Fixed assets					
Investments		-	-	1	1
Total Fixed Assets		-	-	1	1
Current assets					
Debtors	8	277,275	266,885	295,244	283,719
Cash at bank and in hand		1,919,599	1,729,967	1,909,851	1,719,673
Total Current Assets		2,196,874	1,996,852	2,205,095	2,003,392
Liabilities					
Creditors falling due within one year	9	(545,721)	(898,920)	(543,729)	(898,044)
Total assets less current liabilities		1,651,153	1,097,932	1,661,366	1,105,348
Net Assets		1,651,153	1,097,932	1,661,367	1,105,349
The funds of the Charity					
Restricted funds	10	2,916	14,119	2,916	14,119
Unrestricted funds					
General funds		1,648,237	1,083,813	1,658,451	1,091,230
Total charity funds		1,651,153	1,097,932	1,661,367	1,105,349

The net income for the Charity only for the year ended 30 June 2024 was £556,018 (2023: £766,289)

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

Approved and authorised for issue by the Board of Trustees on 12 February 2025 and signed on their behalf



Michael Andrew Williams
Trustee
Date: 12 February 2025

Charity Registration No. 114748
Company Registration No. 05738962

THE SMILE TRAIN UK

CONSOLIDATED STATEMENT OF CASH FLOWS

AS AT 30 JUNE 2024

		2024	2023
	Note	£	£
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	(a)	189,632	531,995
Change in cash at bank and in hand in the reporting period		189,632	531,995
Cash at bank and in hand at the beginning of the reporting period		1,729,967	1,197,972
Cash at bank and in hand at the end of the reporting period		1,919,599	1,729,967

Notes to the statement of cash flows

(a) Reconciliation of net cash used in operating activities

Net income for the reporting period	553,221	764,224
Adjustments for:		
Depreciation	-	72
(Increase) Decrease in debtors	(10,390)	107,545
Decrease in creditors	(353,199)	(339,846)
Net cash provided by operating activities	189,632	531,995

THE SMILE TRAIN UK

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2024

1 Accounting policies

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

1.1 Basis of preparation

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

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Smile Train UK meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are presented in sterling (£).

1.2 Preparation of the accounts on a going concern basis

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

1.3 Group financial statements

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

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

1.4 Income

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

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

1.5 Donated services

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

1.6 Expenditure

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

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

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

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

1.7 Foreign currency translation

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

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

1.8 Funds

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

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

1.9 Tangible fixed assets and depreciation

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

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

Fixtures and fittings	5 years
Equipment	3 years

1.10 Debtors

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

1.11 Creditors and provisions

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

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

1.12 Accounting judgements and sources of estimation uncertainty

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

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

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

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

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

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

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

1.13 Retirement benefits

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

1.14 Financial instruments

The Group has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method.

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2024	Total 2023
	£	£	£	£
Donations	9,144,956	14,520	9,159,476	7,914,735
Legacies	2,935,014	-	2,935,014	2,743,571
Donated Services	183,473	-	183,473	473,509
Total	12,263,443	14,520	12,277,963	11,131,815

Donated services are represented by management, operational, administrative, marketing and fundraising services provided by Smile Train, Inc. staff to the Group at no cost, of £183,473 (2023: £473,509).

Income from donations and legacies in 2023 was £10,658,306 of which £10,502,131 was unrestricted and £156,175 was restricted.

3 Legacy notifications

At 30 June 2024, in addition to legacy income that has been included in voluntary income, the Group is expected to benefit from a number of legacies from estates for which the administration had yet to be finalised. These legacies do not meet the criteria for income recognition and have not been included in voluntary income. The Group's future income from these legacies is estimated at approximately £5.3m (2023: £3.5m).

4 Investment in subsidiary

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

The company acts as a trading subsidiary for its parent company, The Smile Train UK, which is a charity registered with the Charity Commission in England and Wales. The principal activity of the company in the year under review was to conduct the trading activities of its parent company. The profits of The Smile Train UK Trading Company Limited are paid to the Charity. The Smile Train UK Trading Company Limited's directors during 2024 were R Bell, A McCarthy and S Schaefer.

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

	2024 £	2023 £
Turnover	-	-
Expenditure	(2,797)	(2,065)
Profit (loss) for the year	(2,797)	(2,065)

Balance Sheet of The Smile Train UK Trading Company Limited

	2024 £	2023 £
Current Assets		
Cash at bank and in hand	9,748	10,294
Accounts receivable	-	-
Creditors: amounts falling due within one year	(19,961)	(17,710)
Net assets	(10,213)	(7,416)
Capital and reserves		
Called up share capital	1	1
Profit and loss account	(10,214)	(7,417)
Equity shareholders' funds	(10,213)	(7,416)

5 Expenditure

	Staff costs £	Other costs £	Total 2024 £	Total 2023 £
Raising funds				
Advertising and fundraising costs	319,165	5,300,400	5,619,565	5,471,200
Smile Train Inc. staff	94,799	-	94,799	290,942
	413,964	5,300,400	5,714,364	5,762,142
Charitable activities				
Programme costs	-	5,600,000	5,600,000	4,100,000
Support costs and governance				
Staff costs	159,583	-	159,583	154,981
Audit fees	-	30,870	30,870	29,400
Other accounting fees	-	2,316	2,316	3,396
Legal fees	-	29,597	29,597	33,613
Smile Train Inc. staff	88,674	-	88,674	182,567
Other administrative expenses	-	132,354	132,354	105,157
	248,257	195,137	443,394	509,114
Total	662,221	11,095,537	11,757,758	10,371,256

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

Grants made to Smile Train Inc. of £5,600,000 (2023: £4,100,000) are included in programme costs for direct inclusion in their programme expenses.

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

6 **Trustees**

During the year ended 30 June 2024, none of the trustees received compensation for his or her services or were reimbursed expenses by the Group.

7 **Employees**

Number of employees

There were 8 employees throughout the year (2023: 8).

Employee Costs	2024	2023
	£	£
Wages and salaries	402,749	395,371
Social security costs	41,536	38,349
Other pension costs	12,283	11,632
	456,568	445,352

One employee earned between £90,000 and £100,000 and one employee earned between £60,000 and £70,000 during the year (2023: One employee earned between £90,000 and £100,000 and one employee earned between £60,000 and £70,000 during the year.)

Of these employees, retirement benefits are accruing under pension schemes funded by the group to 2 employees (2023: 2).

The key management personnel of the group are comprised of the Charity's trustees, Director, Head of Individual Giving Development and Smile Train's CEO and CFO. Only the Director and the Head of Individual Giving, Development are paid through the Charity. The employee benefits of these two Charity's key management personnel amounted to £163,670 (2023: £169,315).

Total redundancy and terminations in the year amounted to £9.8k, all of which was settled in the year.

8 **Debtors**

	Group	Charity	Group	Charity
	2024	2024	2023	2023
	£	£	£	£
Prepayments and accrued income	277,275	277,275	266,885	266,885
Amounts due from subsidiary	-	17,969	-	16,834
Total	277,275	295,244	266,885	283,719

9 Creditors: amounts falling due within one year

	Group 2024 £	Charity 2024 £	Group 2023 £	Charity 2023 £
Trade creditors	239,643	239,403	562,331	562,331
Amounts owed to group undertakings	-	-	44,448	44,448
Accruals	306,078	304,326	292,141	291,265
Total	545,721	543,729	898,920	898,044

10 Funds of the Charity

Restricted Funds

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

Group and Charity

	Balance at 1 July 2023 £	Income £	Expenditure £	Balance at 30 June 2024 £
Restricted donations	14,119	14,520	(25,723)	2,916
	14,119	14,520	(25,723)	2,916
	Balance at 1 July 2022 £	Income £	Expenditure £	Balance at 30 June 2023 £
Restricted donations	1,000	156,175	(143,056)	14,119
	1,000	156,175	(143,056)	14,119

Donations received are recorded as unrestricted or restricted, depending on the nature of the donor's restriction. All donor-restricted donations are recorded as restricted income if the donation is received with donor conditions that restrict its use. Of the £156,175 of restricted funds received in 2023, approximately £70,000 was restricted to support our programmes in Africa.

Unrestricted Funds

Group and Charity

	Balance at 1 July 2023 £	Income £	Expenditure £	Transfers £	Balance at 30 June 2024 £
General Reserve	1,083,813	12,296,459	(11,732,035)	-	1,648,237
	1,083,813	12,296,459	(11,732,035)	-	1,648,237

Group and Charity

	Balance at 1 July 2022 £	Income £	Expenditure £	Transfers £	Balance at 30 June 2023 £
General Reserve	332,708	10,979,305	(10,228,200)	-	1,083,813
	332,708	10,979,305	(10,228,200)	-	1,083,813

11 *Analysis of net assets between funds*

Group

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 30 June 2024 are represented by:			
Current assets	2,193,958	2,916	2,196,874
Creditors: amounts falling due within one year	(545,721)	-	(545,721)
Total	1,648,237	2,916	1,651,153

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 30 June 2023 are represented by:			
Current assets	1,982,733	14,119	1,996,852
Creditors: amounts falling due within one year	(898,920)	-	(898,920)
Total	1,083,813	14,119	1,097,932

12 *Related parties*

During the year, Smile Train Inc., the sole member of the Group, was repaid the sum of £45,472 (2023: £550,000) owed by the Group to Smile Train Inc. in relation to expenses paid by Smile Train Inc. on behalf of the Group. Smile Train Inc. paid expenses totaling £1,024 (2023: £44,463) on behalf of the Group during the year and the Group paid £nil (2023: £ nil) on behalf of Smile Train Inc. during the year. £nil (2023: £44,448) was owed to Smile Train Inc. as at 30 June 2024 related to expenses paid by Smile Train Inc. on behalf of the Group.

In addition, the Group granted £5,600,000 (2023: £4,100,000) to Smile Train Inc. to fund their jointly-stated charitable activities. In addition, the time of Smile Train Inc. staff provided at no cost has been recognised as a Gift in Kind (in income and expenditure) as stated in Note 2.

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

13 *Parent undertaking*

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



In our 2024 financial year, **you** transformed the lives of 100,000 children through safe, high-quality, free cleft surgery and other comprehensive care. **You** advanced critical new data and insights into the profound global economic impact of our work. **You** provided talented young cleft specialists around the world with previously unheard-of educational opportunities. **You** made **all** surgeries safer at 1,000+ healthcare centres around the world.

Thank you for helping us to make the world a healthier, safer, and happier place.

Here's to another year of life-giving smiles, those we give and those we receive.





Registered with
**FUNDRAISING
REGULATOR**

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

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

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SmileTrain

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