

Operation Smile Ireland
Annual Report and Financial Statements
for the financial year ended 30 June 2022

FM Auditors Tax & Business Advisors
Certified Public Accountants and Registered Auditors
Carrick House
49 Fitzwilliam square
Dublin 2
Ireland

Company Number: 380841

Operation Smile Ireland

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Operation Smile Ireland

DIRECTORS AND OTHER INFORMATION

Directors	Teresa Cosgrove Jack O'Keeffe David Orr Mary Martin Rory Sheridan Patrick Millar Lucy Nugent
Company Secretary	Teresa Cosgrove
Company Number	380841
Charity Number	CHY15661
Registered Office	31 Pembroke Road Dublin 4 D04V8N9 Ireland
Business Address	31 Pembroke Road Dublin 4
Auditors	FM Auditors Tax & Business Advisors Certified Public Accountants and Registered Auditors Carrick House 49 Fitzwilliam square Dublin 2 Ireland
Bankers	Allied Irish Bank 52 Upper Baggot Street Dublin 4

Operation Smile Ireland

DIRECTORS' REPORT

for the financial year ended 30 June 2022

The directors present their report and the audited financial statements for the financial year ended 30 June 2022.

Principal Activity and Review of the Business

The principal activity of the company is to raise awareness, funds and recruits to support its global medical programmes.

The Company is limited by guarantee not having a share capital.

Love is at the heart of everything we do. This year Operation Smile celebrates 40 years of leading with love, to care for children born with clefts and operating surgical programmes across our world.

The reality remains that millions of children are still living with untreated cleft conditions and have difficulties eating, breathing, speaking and being accepted by many of their peers and communities. Solving the lack of access at its root cause means addressing the more systemic problems that strain the hospitals and the medical professionals in their communities, which in many of our countries the global pandemic made only worse. As Operation Smile continues to grow and evolve, we remain committed to our mission: to create solutions that deliver safe surgery to people where it is needed most.

We are a global leader in the delivery of high-quality cleft surgical services in these low and middle-income countries, we continue to save children's lives. Together, Operation Smile and our Irish donors, choose to lead with love to help make sure children with clefts and their families do not have to live with the stigma and suffering.

Operation Smile programmes are currently active in 35 countries, with 35 Care Centres in 20 of these countries. Operation Smile Ireland continues to support our local medical teams in Ethiopia and Rwanda who are elevating their countries' standards of cleft surgery and comprehensive care for the long term. This past year, our programmatic activities continue to be conducted by local teams who led 151 surgical and dental medical missions, with over 150,000 medical consultations, with 20,776 patients who received care.

Operation Smile Ireland is part of the global alliance of Operation Smile Inc (OSI) based in Virginia Beach, US. With 42 partners and foundations, we collaborate and fundraise 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. OSI manages our cleft care programmes globally through the programme and finance departments who work directly with our country partners. Our medical standards are implemented by the medical Oversight Committee, based in the US and its team of Regional Medical officers based in Africa, Latin America and Asia.

Financial Results

The surplus for the financial year amounted to €209,667 (2021 - €226,952).

At the end of the financial year, the company has assets of €640,423 (2021 - €421,812) and liabilities of €26,835 (2021 - €17,891). The net assets of the company have increased by €209,667.

Directors and Secretary

The directors who served throughout the financial year were as follows:

Teresa Cosgrove
Jack O'Keefe
David Orr
Mary Martin
Rory Sheridan
Patrick Millar
Lucy Nugent

The secretary who served throughout the financial year was Teresa Cosgrove.

In accordance with the Constitution, the directors retire by rotation and, being eligible, offer themselves for re-election.

Future Developments

The company plans to continue its present activities and current trading levels. Employees are kept as fully informed as practicable about developments within the business.

Operation Smile Ireland

DIRECTORS' REPORT

for the financial year ended 30 June 2022

Post Balance Sheet Events

There have been no significant events affecting the company since the financial year-end.

Auditors

FM Auditors Tax & Business Advisors, (Certified Public Accountants), were appointed auditors by the directors to fill the casual vacancy and they have expressed their willingness to continue in office in accordance with the provisions of section 383(2) of the Companies Act 2014.

BDO resigned as auditors during the financial year and the directors appointed FM Auditors Tax & Business Advisors, (Certified Public Accountants), to fill the vacancy.

Accounting Records

To ensure that adequate accounting records are kept in accordance with sections 281 to 285 of the Companies Act 2014, the directors have employed appropriately qualified accounting personnel and have maintained appropriate computerised accounting systems. The accounting records are located at the company's office at 31 Pembroke Road, Dublin 4, D04V8N9.

Signed on behalf of the board

Teresa Cosgrove
Director

10 May 2023

Jack O'Keeffe
Director

10 May 2023

Operation Smile Ireland

DIRECTORS' RESPONSIBILITIES STATEMENT

for the financial year ended 30 June 2022

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable Irish law and regulations.

Irish company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the surplus or deficit of the company for the financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and surplus or deficit of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be readily and properly audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the board

Teresa Cosgrove
Director

10 May 2023

Jack O'Keeffe
Director

10 May 2023

INDEPENDENT AUDITOR'S REPORT

to the Members of Operation Smile Ireland

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Operation Smile Ireland ('the company') for the financial year ended 30 June 2022 which comprise the Income and Expenditure Account, the Balance Sheet, the Reconciliation of Members' Funds, the Statement of Cash Flows and notes to the financial statements, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued in the United Kingdom by the Financial Reporting Council.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 30 June 2022 and of its surplus for the financial year then ended;
- have been properly prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), 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 directors' 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 the date 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 directors are responsible for the other information. 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 course of 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 2014

In our opinion, based on the work undertaken in the course of the audit, we report that:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

INDEPENDENT AUDITOR'S REPORT

to the Members of Operation Smile Ireland

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the requirements of any of sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company. We have nothing to report in this regard.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they 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 directors are responsible for assessing the company's ability to continue as a going concern, disclosing, if applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operation, or has 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 (Ireland) 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.

A further description of our responsibilities for the audit of the financial statements is contained in the appendix to this report, located at page 9, which is to be read as an integral part of our report.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. 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 any responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Cormac Mohan

for and on behalf of

FM AUDITORS TAX & BUSINESS ADVISORS

Certified Public Accountants and Registered Auditors

Carrick House

49 Fitzwilliam square

Dublin 2

Ireland

10 May 2023

Operation Smile Ireland

APPENDIX TO THE INDEPENDENT AUDITOR'S REPORT

Further information regarding the scope of our responsibilities as auditor

As part of an audit in accordance with ISAs (Ireland), 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 purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 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 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.

Operation Smile Ireland

INCOME AND EXPENDITURE ACCOUNT

for the financial year ended 30 June 2022

	Notes	2022 €	2021 €
Income	4	616,126	521,032
Expenditure		<u>(406,459)</u>	<u>(294,080)</u>
Surplus for the financial year		<u>209,667</u>	<u>226,952</u>
Total comprehensive income		<u><u>209,667</u></u>	<u><u>226,952</u></u>

Approved by the board on 10 May 2023 and signed on its behalf by:

Teresa Cosgrove
Director

Jack O'Keeffe
Director

Operation Smile Ireland

BALANCE SHEET

as at 30 June 2022

	Notes	2022 €	2021 €
Current Assets			
Debtors	7	708	6,341
Cash and cash equivalents		639,715	415,471
		<u>640,423</u>	<u>421,812</u>
Creditors: amounts falling due within one year	8	(26,835)	(17,891)
		<u>613,588</u>	<u>403,921</u>
Net Current Assets		613,588	403,921
Total Assets less Current Liabilities		613,588	403,921
Reserves			
Income and expenditure account		613,588	403,921
Members' Funds		613,588	403,921

Approved by the board on 10 May 2023 and signed on its behalf by:

Teresa Cosgrove
Director

Jack O'Keeffe
Director

Operation Smile Ireland

RECONCILIATION OF MEMBERS' FUNDS

as at 30 June 2022

	Retained surplus	Total
	€	€
At 1 July 2020	176,969	176,969
Surplus for the financial year	226,952	226,952
At 30 June 2021	403,921	403,921
Surplus for the financial year	209,667	209,667
At 30 June 2022	613,588	613,588

Operation Smile Ireland

STATEMENT OF CASH FLOWS

for the financial year ended 30 June 2022

	Notes	2022 €	2021 €
Cash flows from operating activities			
Surplus for the financial year		209,667	226,952
		<u>209,667</u>	<u>226,952</u>
Movements in working capital:			
Movement in debtors		5,633	(4,779)
Movement in creditors		8,944	1,445
		<u>224,244</u>	<u>223,618</u>
Cash generated from operations		224,244	223,618
Net increase in cash and cash equivalents		224,244	223,618
Cash and cash equivalents at beginning of financial year		415,471	191,853
Cash and cash equivalents at end of financial year	13	<u>639,715</u>	<u>415,471</u>

Operation Smile Ireland

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2022

1. General Information

Operation Smile Ireland is a company limited by guarantee incorporated and registered in the Republic of Ireland. The registered number of the company is 380841. The registered office of the company is 31 Pembroke Road, Dublin 4, D04V8N9, Ireland. The nature of the company's operations and its principal activities are set out in the Directors' Report. The financial statements have been presented in Euro (€) which is also the functional currency of the company.

2. Summary of Significant Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Statement of compliance

The financial statements of the company for the financial year ended 30 June 2022 have been prepared on the going concern basis and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102).

Basis of preparation

The financial statements have been prepared on the going concern basis and in accordance with the historical cost convention except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council.

The company qualifies as a medium company as defined by section 280F of the Companies Act 2014 in respect of the financial year.

Income

Income is credited to the Income and Expenditure Account in the year to which it relates. The income includes donations and fundraising funds over which control is exercised when received by the company.

Tangible assets and depreciation

Tangible assets are stated at cost or at valuation, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost or valuation of tangible assets, less their estimated residual value, over their expected useful lives as follows:

Fixtures, fittings and equipment	- Fully depreciated
----------------------------------	---------------------

The carrying values of tangible fixed assets are reviewed annually for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases the receivables are stated at cost less impairment losses for bad and doubtful debts.

Trade and other creditors

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

Employee benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

Taxation

The company is a registered charity and does not incur a corporation tax charge.

Operation Smile Ireland

NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 30 June 2022

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the Balance Sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the rates of exchange ruling at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The resulting exchange differences are dealt with in the Income and Expenditure Account.

3. Departure from Companies Act 2014 Presentation

The directors have elected to present an Income and Expenditure Account instead of a Profit and Loss Account in these financial statements as this company is a not-for-profit entity.

4. Income

The income for the financial year is analysed as follows:

	2022 €	2021 €
By Category:		
Activities for generating funds	524,997	484,238
Operation Smile International	-	852
Restricted donation	50,000	-
Miscellaneous income	333	-
Other operating income	40,796	35,942
	<u>616,126</u>	<u>521,032</u>

Other operating income relates to tax refunds received under the Charitable Donations Scheme. The restricted donation was not distributed at the year end.

The whole of the company's income is attributable to its market in the Republic of Ireland and is derived from the principal activity of raising funds for medical programmes.

5. Employees and remuneration

Number of employees

The average number of persons employed (including executive directors) during the financial year was as follows:

	2022 Number	2021 Number
Directors	7	7
Administration staff	3	2
	<u>10</u>	<u>9</u>

The staff costs comprise:

	2022 €	2021 €
Wages and salaries	63,928	49,933
Social welfare costs	7,448	5,018
	<u>71,376</u>	<u>54,951</u>

Operation Smile Ireland
NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 30 June 2022

6. Tangible assets	Fixtures, fittings and equipment €	Total €
Cost		
At 1 July 2021	21,812	21,812
At 30 June 2022	21,812	21,812
Depreciation		
At 1 July 2021	21,812	21,812
At 30 June 2022	21,812	21,812
Net book value		
At 30 June 2022	-	-
7. Debtors	2022	2021
	€	€
Prepayments	708	6,341
8. Creditors	2022	2021
Amounts falling due within one year	€	€
Taxation (Note 9)	1,442	1,775
Other creditors	7,116	1,529
Accruals	18,277	14,587
	26,835	17,891
9. Taxation	2022	2021
	€	€
Creditors:		
PAYE	1,442	1,775

10. Status

The liability of the members is limited.

Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up while they are members, or within one financial year thereafter, for the payment of the debts and liabilities of the company contracted before they ceased to be members, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves, such amount as may be required, not exceeding € 1.

11. Capital commitments

The company had no material capital commitments at the financial year-ended 30 June 2022.

12. Post-Balance Sheet Events

There have been no significant events affecting the company since the financial year-end.

Operation Smile Ireland
NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 30 June 2022

13. Cash and cash equivalents	2022	2021
	€	€
Cash and bank balances	162,460	49,292
Cash equivalents	477,255	366,179
	639,715	415,471
14. Cost of generating voluntary income	2022	2021
	€	€
Fundraising and publicity	196,127	160,023
15. Administration	2022	2021
	€	€
Staff costs	71,376	54,951
Rent	15,750	15,750
Insurance	1,871	996
Printing, postage and stationery	57,263	15,296
Advertising	23,400	20,755
Telephone, light and heat	5,368	5,164
Website and IT	19,676	9,609
Bank and card charges	6,185	2,719
Audit	3,690	-
Governance and other expenses	5,753	8,817
	210,332	134,057

16. Approval of financial statements

The financial statements were approved and authorised for issue by the board of directors on 10 May 2023.