

## **The Peru Children's Trust (No. 1063976) Annual Report** **July 2021 - June 2022**

### **History**

The Peru Children's Trust (PCT) was formed in 1997 to support the work of the charitable organisation, El Shaddai, in the city of Huancayo, Peru. El Shaddai was set up by Gay and Manuel Reynaga who witnessed the poverty of children and adolescents living in the shanty towns in and around Huancayo (a city in the Andes mountains). The charity initially assisted children and families affected by the 'Sendero Luminoso' terrorism of the 1980s and has helped over 2,000 children to date.

In 2012 a new charitable organisation, 'Peru Children's Trust - Huancayo' (PCT-H), was established and assumed responsibility of the work done by El Shaddai.

### **Mission Statement**

The focus of the Peru Children's Trust is the long term relief of poverty and sickness, and the advancement of education and Christian faith amongst poor, orphaned or abandoned children and adolescents. It operates in the shanty towns and deprived areas of Huancayo and surrounding villages in the Andes – an area with a population of over 600,000 people. The charity employs family support workers who build and maintain close personal relationships with the children and families.

### **Structure & Governance**

The Peru Children's Trust is governed by a Board of Trustees in the UK. The Trustees oversee fund raising and transference of funds to its partner charity Peru Children's Trust-Huancayo, who provide local governance and complete audit checks. Regular reports and accounts are reviewed to ensure that the money is appropriately spent. The transfer of funds to Peru is dependent on a review of the prior month's expenses and forward looking forecasts. The Trustees make the occasional visit to Peru to see first-hand the work carried out by the charity.

### **Objectives and Activities**

- 1. To support holistically the education of poor children and adolescents, enabling them to reach their full potential.** Although education in Peru is officially 'free' the government covers the cost of the teachers' salaries only; everything else such as desks, books, stationery, and uniforms must be purchased by the parents. Families struggling with poverty cannot, therefore, afford to send their children to school.

2. **To improve the living standards of children and adolescents in impoverished families.** With care and love we can improve living conditions such as sanitation, bedding, roofing, nourishment, medical care and earning prospects, with self-help advice and small business start-up schemes.
3. **To promote Christian teaching, family guidance and counselling.** To enhance the life of the community by running Sunday school, children's holiday weeks, pastoral visits, women's welfare groups and Bible studies.

The objective of PCT is to encourage people to sponsor children by committing a regular sum per month towards the education and wellbeing of the child. The Trust endeavors to keep sponsors informed of their child or students' progress by regular reports and updates.

Over the last 20 years, many children have completed primary and secondary education, some have gone on to university and gained good degrees, whilst others have been coached to be entrepreneurs setting up small businesses. They could not have done this without the help of the PCT and its supporters. As well as encouraging individuals to sponsor a child, the PCT raises awareness of the work through talks and activities at church, community groups and other interested bodies. It is also active on several social media platforms. In addition to its main sponsorship model, the PCT is developing a range of funding mechanisms to empower ongoing support, such as hosting handicraft and food sales, raffles, and sporting events. The PCT in the UK works very closely with its sister charity in Peru, PCT-Huancayo.

The PCT-Huancayo employs family support workers who are responsible for visiting the children and families supported by the charity. The workers assess on a case by case basis what is required in order to enable the child to attend school and ensure they are equipped with the necessary tools. As well as school supplies, this will include roof repairs, solar panels (to provide light where there is no electricity), furniture and bedding. Not only does this drastically improve living conditions but financial and employment opportunities too, benefitting the family as a whole. Family guidance, counselling and Christian teaching are all important parts of the work that the Trust does.

The families helped by the Trust live in run down areas of Huancayo, in the shanty towns around the edge of the city, or in the villages along the valley. The housing is basic, cramped, with no proper sanitation or cooking facilities, and sometimes without doors or windows.

The children who live in these terrible conditions often cannot afford to attend school. Although education in Peru is free, children have to pay a registration fee and must wear a uniform. They also have to provide their own stationery, equipment and books, including all textbooks.

Through a sponsorship scheme the Trust provides the means for the children in each family to be educated to the end of their secondary schooling. It also often fund their housing

needs by providing roofing, doors and windows, furniture, and bedding. Often the Trust workers have to work to obtain birth certificates for the children as many have not been registered at birth due to the cost and therefore are unable to access an education without identity.

In addition to the sponsorship scheme, we ensure the children can have fun. Most of the children have never celebrated their birthdays. The Trust organises bi-monthly birthday parties for the children. Christmas parties are also held each year, when the children can enjoy games, festive food and presents, with a reminder of the true meaning of Christmas. Family guidance, counselling and Christian teaching to parents are an important part of our work.

## **Fundraising**

The primary source of income for Peru Children's Trust is through the sponsorship scheme, the funds of which go towards providing urgent relief to the children and families severely affected by poverty, and wages for the Family Support Workers. Sponsorship is driven by word of mouth and events hosted volunteers to churches and schools. Increasingly we are seeing more funds being raised via other means for example donations via visitors to our website and special fundraising events.

Sponsors are also asked to make an extra contribution around Christmas time to enable the children to have a Christmas gift and a party. Funds raised through gift aid, along with general gifts to the Trust, go towards any shortfall caused by declining sponsorship, medical emergencies, and general administration. We ensure that most of the sponsorship money is spent on the children using very little for administration.

The principal expenses are bank charges and costs associated with running the website, however over last couple of years we have seen a net increase in year-on-year expenditure due to a number of contributing factors:

- (a) Weakening Sterling has meant that funds transferred in US Dollars has cost more. A decline in currency exchange equivalent to 14-20% have seen GBP expenses increase proportionally even if costs on the ground stayed the same.
- (b) Cost living increase, as in the UK, Peru has, over last couple of years, seen a significant rise to cost of goods and materials. This price inflation has meant that costs on the ground have also gone up to meet equivalent levels of support.

In order for us to meet these increased costs the trustees have, through a range of initiatives managed to increase the yearly income for the trust by approximately 40%. These initiatives vary from increased personal sponsorship rates to range of corporate donations, without which we would not have been able to meet the needs of children and

their families. Combined effect of weakening GBP Stirling and increasing cost of living have made this a challenging year. The team on the ground have been controlling costs and some initiatives have had to be delayed.

### **Achievements and Performance**

As COVID and its impact started to subside, the focus was to re-establish some of our most beneficial initiatives.

Three of our Trustees, Mr A. Reynaga, Mr D. Reynaga and Ms C.Hennessy, visited Huancayo to meet with the PCT-H and social workers. Site visits were also carried out to homes of 3 of the sponsored families and an in-person event was held with the children, giving out winter blankets and providing a hot meal.

Planning resumed for the annual residential summer camp, which brings together all 120 children over three consecutive days at La Perla Centre in the neighboring town of Chupaca. Split into two cohorts to tailor the activities to the younger and older age groups, the camp provides a safe environment for the children, where they can play and take part in activities designed to develop their soft skills such as active listening, assertive communication, and practicing empathy, teamwork and solidarity. This important initiative will continue to run annually.

We installed solar panels in three homes belonging to the sponsored families – providing light to help cook and study after dark.

Our social workers introduced new education workshops for parents addressing important issues such as domestic abuse in the home, demonstrating love and empathy, communicating without violence.

Throughout the year, we continued to provide core necessities to the children and families:

- Over 425 food packages
- 120 winter blankets
- 100 school supply kits
- 200 pairs of shoes
- 100 toiletries kits
- 12 psychological tests

### **Future developments**

As mentioned in previous reports, sponsorship model is of fundraising is changing with a reluctance, especially amongst the younger demographic, to commit to long term. As such, the Trustees have been exploring new ways to raise funds, activities have included business engagement which has resulted in large one-off donations, sponsored events & collaborating

with other charities doing work in Peru and increasing our profile amongst new channels of communication to encourage donations.

Post COVID engagement on the ground is now returning and highlighting again the dire conditions some of the children live in. The need for the work is still extremely needed.

### **Public Benefit Requirement**

The Trustees have complied with the duty in Section 17(5) of the Charities Act 2011 to have regard to the guidance published by the Charity Commission concerning the public benefit requirement. Approval: Due to the coronavirus outbreak all approvals have been given remotely via email or internet.

### **PCT Trustees and Personnel**

The PCT Trustees are as follows:

Mr. David Reynaga (acting Chair)

Mr. Andres Reynaga

Mrs. Gillian Coe

Mr. Carlos Troncoso

Miss. Catherine Hennessy

Mr. Jeremy Nordbert (resigned December 2022)

The PCT Treasurer is Mrs. Janet Booker.

The PCT Auditor/Examiner is Mr. Robert Warren.

David Reynaga

April 2023

**THE PERU CHILDREN'S TRUST**  
Registered Charity No. 0163976

**RECEIPTS AND PAYMENTS ACCOUNT**  
Year Ended 30th June 2022  
UK

	30.6.22		30.6.21
	£	£	£
<b>RECEIPTS</b>			
<u>Donations:</u>			
Sponsorship of Children	37,985		39,686
General Gifts	4,751		6,354
Salaries	2,472		2,720
Special project	638		
<b>Total Receipts</b>		45,846	48,760
<b>PAYMENTS</b>			
Funds transferred to Peru	57,567		42,717
Bank Charges	200		140
Expenses	16		4
<b>Total Payments</b>		57,783	42,861
<b>Net Deficit/ Receipts for period</b>	-	11,937	5,899
<b>Bank Accounts</b>			
Bank current account balance b/f		25,150	19,191
Bank savings account balance b/f		7,028	7,008
		32,178	26,199
Bank current account balance c/f		13,214	25,150
Bank savings account balance c/f		7,037	7,028
<b>Total Assets</b>		20,251	32,178

**STATEMENT OF ASSETS AND LIABILITIES at 30TH JUNE 2022**

	30.6.22	30.6.21
	£	£
<b>ASSETS</b>		32,178
	20,251	32,178

THE PERU CHILDREN'S TRUST

RECEIPTS AND PAYMENTS ACCOUNT  
Year ended 30th June 2022  
PERU

	30.6.22		30.6.21	
	£	£	£	£
<b>RECEIPTS</b>				
Funds transferred to Peru by the Trust	57,567		42,717	
Less difference due to exchange (estimated)	<u>2,500</u>		<u>2,000</u>	
		55,067		40,717
 <b>PAYMENTS</b>				
Child Support	28,556		18,876	
General projects	10,244		8,951	
Salaries	<u>12,936</u>		<u>12,705</u>	
		<u>51,736</u>		<u>40,532</u>
 <b>Deficit/Surplus for year</b>		<b>3,331</b>		<b>185</b>
 <b>Funds held in Peru (01/07/22)</b>		468		4,563
 Surplus for year (as above)		3,331		<u>185</u>
 <b>Deficit/Surplus for year</b>		<u><b>3,799</b></u>		<u><b>4,748</b></u>



**Financial Accounts**  
**Independent Examiner's Report to the Trustees of the Peru Childrens Trust**

I report on the accounts of the Trust for the year ended 30 June 2022, which are set out on attached page.

**Respective duties of trustees and examiner**

As the charity's trustees you are responsible for the preparation of the accounts; you consider that the audit requirement section 43(2) of the Charities Act 1933 (the Act) does not apply. It is my responsibility to state, on the basis of procedures specified in the General Disclosures given by the Charity commissioners under section 43(7)(b) of the Act, whether particular matters have come to my attention.

**Basis of independent examiner's report**


My examination was carried out in accordance with the General Directions given by the Charity commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently I do not express an audit opinion on the view given by the accounts.

**Independent examiner's report**

In connection with my examination of the UK statement no matter has come to my attention:

- 1) which gives me reasonable cause that in any material respect the requirements to keep accounting records in accordance with section 41 of the Act; and to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the Act have not been met; or
- 2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of those accounts to be reached.
- 3) but in respect to the Peruvian statement I have been unable to see the accounting records.

**R Warren**  
**Chartered Accountant**  
**Willow Croft**  
**Thicket Grove**  
**Newlands Drive**  
**Maidenhead**  
**Berks**  
**SL6 4LW**



Robert Warren  
23/7/2023