

HAPPY CHILD INTERNATIONAL

England & Wales · Charity number 1116809

Details

Status Registered

Legal form Charitable company

Company number [05935028](#)

Registered 2006-11-15

Register [View on the Charity Commission register](#)

Contact

Address Happy Child International
Leatherhead Institute
67 High Street
Leatherhead
KT22 8AH

Phone 01372375848

Email caroline.taylor@happychild.org

Website www.happychild.org

Activities

Objects: 1 THE ADVANCEMENT OF THE CHRISTIAN FAITH BY ALL EXCLUSIVELY CHARITABLE MEANS THROUGHOUT THE WORLD.2 THE RELIEF OF POVERTY - TO BE ADVANCED IN VARIOUS WAYS INCLUDING BUT NOT LIMITED TO:A PROVIDING HELP, CARE AND ASSISTANCE FOR STREET CHILDREN, HOMELESS CHILDREN, ORPHANS, AND CHILDREN IN NEED THROUGHOUT THE WORLD AND ESPECIALLY IN LATIN AMERICA.B PROVIDING ALL NECESSARY SUPPORT AND FINANCIAL SUPPORT AND HELP TO THOSE WORKING WITH AND HELPING STREET CHILDREN, HOMELESS CHILDREN, ORPHANS AND CHILDREN IN NEED.3 THE ADVANCEMENT OF EDUCATION THROUGHOUT THE WORLD - TO BE ADVANCED IN VARIOUS WAYS INCLUDING BUT NOT LIMITED TO:A PROVIDING EDUCATION AND PRIMARY HEALTH CARE TO STREET CHILDREN, HOMELESS CHILDREN, ORPHANS AND CHILDREN IN NEED, AND SIMILAR PERSONS IN NEED OF IT.B UNDERTAKING ASSISTING OR FINANCING RESEARCH INTO THE PROBLEMS OF STREET CHILDREN, HOMELESS CHILDREN, ORPHANS AND THOSE LIVING IN POVERTY OR NEED, AND HOW APPROPRIATE HELP CAN BE PROVIDED OR IMPROVED.C PROVIDING EDUCATION TO THE PUBLIC ABOUT THE PROBLEMS OF STREET CHILDREN, HOMELESS CHILDREN, ORPHANS AND THOSE LIVING IN POVERTY OR NEED.D SEEKING TO RESTRICT THE GROWTH AND INCREASE IN PROBLEMS ASSOCIATED WITH STREET CHILDREN, HOMELESS CHILDREN, ORPHANS AND SIMILAR PERSONS IN NEED BY EDUCATIONAL AND OTHER APPROPRIATE MEANS AND BY ENCOURAGING CARING AND STABLE FAMILY LIFE AND RELATIONSHIPS.4 TO CARRY OUT ANY OTHER OBJECTS WHICH ARE EXCLUSIVELY CHARITABLE AND ARE BENEFICIAL TO THE COMMUNITY IN THE PLACES WHERE THE CHARITY IS PROVIDING HELP, CARE AND ASSISTANCE.

Activities: The charity's objective is 'A child and family services charity organisation delivering child care services for the rescue of street children and children at risk from multiple threats. We advocate for their rights and work in partnership with governments and other care agencies in areas of the world, with the current focus being Brazil. We do this work with a Christian conviction

Classification

- **How:** Makes Grants To Organisations, Provides Human Resources, Provides Advocacy/advice/information
- **What:** Education/training, The Prevention Or Relief Of Poverty, Overseas Aid/famine Relief, Accommodation/housing, Religious Activities
- **Who:** Children/young People

Geography

- **Area of benefit:** THROUGHOUT THE WORLD AND ESPECIALLY IN LATIN AMERICA.
- Brazil
- Surrey

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£62,773	£110,595	-	-
2023-12-31	£113,062	£71,983	-	-
2022-12-31	£67,150	£46,837	-	-
2021-12-31	£98,269	£74,686	-	-
2020-12-31	£102,764	£96,767	-	-

Trustees

Name	Role	Appointed
John Dodrell	Chair	2014-03-19
Clive Teuten		2013-12-09
Cristina Zaviera Cortes		2024-03-21
Evelyn Kangoya		2024-03-21
JOHN HERRING		2011-10-21
Jennifer Suzanne Sullivan		2024-03-21
Joao Martinez da Cruz		2020-05-01
MARK ANDREW PINKS		

Accounts

HAPPY CHILD INTERNATIONAL

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF HAPPY CHILD INTERNATIONAL
FOR THE YEAR ENDED 31 December 2024**

I report on the accounts of the Charity for the year ended 31 December 2023 which are set out on pages 4to 13.

Respective responsibilities of trustees and examiner

The Trustees, who are also the directors of Happy Child International for the purposes of company law, are responsible for the preparation of the accounts. The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011, the 2011 Act, and that an independent examination is needed. I am qualified to undertake the examination being a qualified member of The Chartered Association of Certified Accountants.

Having satisfied myself that the charity is not subject to audit under Part 16 of the Companies Act 2006 and is eligible for independent examination, it is my responsibility to:

- (i) examine the accounts under section 145 of the 2011Act;
- (ii) follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011Act; and
- (iii) state 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 Commission. 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 no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no other matter except that referred to in the above paragraph has come to my attention which gives me reasonable cause to believe that in any material respect the requirements:

- (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- (ii) to prepare accounts which accord with the accounting records, comply with the accounting requirements of 396 of the Companies Act 2006 and with the methods and principles of the 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) have not been met.

Nicolaos Ioannou Kattirtzis (FCCA)
NRM Accountancy Services Ltd 70
Wood Street
E17 3HT
Dated:.....
HAPPY CHILD IN TERNATIONAL

**HAPPY CHILD INTERNATIONAL
ANNUAL REPORT AND UNAUDITED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

HAPPY CHILD INTERNATIONAL ANNUAL REPORT AND UNAUDITED ACCOUNTS CONTENTS

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**HAPPY CHILD INTERNATIONAL
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2024**

Directors

John Doddrell
Mark A Pinks
John Herring
Clive Teuten
Joao Martinez da Cruz
Christina Cortez
Jennie Sullivan

Secretary

Mark A Pinks

Company Number

05935028 (England and Wales)

Registered Office

LEATHERHEAD INSTITUTE
HIGH STREET
LEATHERHEAD
KT22 8AH
ENGLAND

HAPPY CHILD INTERNATIONAL
(COMPANY NO: 05935028 ENGLAND AND WALES)
DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 2024.

Directors

The following directors held office during the whole of the period:

John Doddrell
Mark A Pinks
John Herring
Clive Teuten
Joao Martinez da Cruz
Christina Cortez
Jennie Sullivan

Statement of directors' responsibilities

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law, the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006. 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.

Small company provisions

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Signed on behalf of the board of directors

.....
John Doddrell
Director

Approved by the board on: 10 April 2025

**CHARTERED CERTIFIED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON
THE PREPARATION OF THE UNAUDITED STATUTORY ACCOUNTS OF
HAPPY CHILD INTERNATIONAL
FOR THE YEAR ENDED 31 DECEMBER 2024**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Happy Child International for the year ended 31 December 2024 as set out on pages 6 - 8 from the Company's accounting records and from information and explanations you have given us.

As a practising member firm of the Association of Chartered Certified Accountants, we are subject to its ethical and other professional requirements which are detailed at <https://www.accaglobal.com/uk/en/about-us/regulation/rulebook.html>

This report is made solely to the Board of Directors of Happy Child International, as a body, in accordance with the terms of our engagement letter dated 1 February 2024. Our work has been undertaken solely to prepare for your approval the accounts of Happy Child International and state those matters that we have agreed to state to the Board of Directors of Happy Child International, as a body, in this report in accordance with the requirements of the Association of Chartered Certified Accountants as detailed at http://www.accaglobal.com/content/dam/ACCA_Global/Technical/fact/technical-factsheet-163.pdf. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Happy Child International and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Happy Child International has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and loss of Happy Child International. You consider that Happy Child International is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Happy Child International. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

Chartered Certified Accountants

10 April 2025

HAPPY CHILD INTERNATIONAL
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024	2023
	£	£
Turnover	61,849	112,428
Administrative expenses	(110,595)	(71,983)
Operating (loss)/profit	(48,746)	40,445
Interest receivable and similar income	924	634
(Loss)/profit on ordinary activities before taxation	(47,822)	41,079
Tax on (loss)/profit on ordinary activities	-	-
(Loss)/profit for the financial year	(47,822)	41,079
Retained earnings at the start of the year	67,969	26,890
(Loss)/profit for the financial year	(47,822)	41,079
Dividends	-	-
Retained earnings at the end of the year	20,147	67,969

**HAPPY CHILD INTERNATIONAL
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**

	Notes	2024 £	2023 £
Current assets			
Cash at bank and in hand		21,107	69,889
Creditors: amounts falling due within one year	4	(960)	(1,920)
Net current assets		<u>20,147</u>	<u>67,969</u>
Net assets		<u>20,147</u>	<u>67,969</u>
Capital and reserves			
Profit and loss account		<u>20,147</u>	<u>67,969</u>
Shareholders' funds		<u>20,147</u>	<u>67,969</u>

For the year ending 31 December 2024 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - Small Entities.

The financial statements were approved by the Board of Directors and authorised for issue on 10 April 2025 and were signed on its behalf by

John Doddrell
Director

Company Registration No. 05935028

**HAPPY CHILD INTERNATIONAL
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

1 Statutory information

Happy Child International is a private company, limited by shares, registered in England and Wales, registration number 05935028. The registered office is LEATHERHEAD INSTITUTE, HIGH STREET, LEATHERHEAD, KT22 8AH, ENGLAND.

2 Compliance with accounting standards

The accounts have been prepared in accordance with the provisions of FRS 102 Section 1A Small Entities. There were no material departures from that standard.

3 Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

Basis of preparation

The accounts have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets.

Presentation currency

The accounts are presented in £ sterling.

4 Creditors: amounts falling due within one year

	2024	2023
	£	£
Accruals	960	1,920

5 Average number of employees

During the year the average number of employees was 0 (2023: 0).

**HAPPY CHILD INTERNATIONAL
DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2024**

This schedule does not form part of the statutory accounts.

	2024	2023
	£	£
Turnover		
Sales	61,849	112,428
Administrative expenses		
Wages and salaries	22,821	18,054
Staff training and welfare	95	-
Travel and subsistence	1,505	1,330
Rent	4,701	4,270
Telephone and fax	1,283	1,710
Internet	1,495	1,245
Postage	345	686
Subscriptions	266	266
Bank charges	521	384
Insurance	765	732
Donations	62,756	31,900
Sundry expenses	774	649
Accountancy fees	960	960
Advertising and PR	12,308	9,797
	110,595	71,983
Operating (loss)/profit	(48,746)	40,445
Interest receivable		
Interest receivable	924	634
(Loss)/profit on ordinary activities before taxation	(47,822)	41,079

HAPPY CHILD INTERNATIONAL

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF HAPPY CHILD INTERNATIONAL FOR THE YEAR ENDED 31 December 2024

I report on the accounts of the Charity for the year ended 31 December 2023 which are set out on pages 4 to 13.

Respective responsibilities of trustees and examiner

The Trustees, who are also the directors of Happy Child International for the purposes of company law, are responsible for the preparation of the accounts. The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011, the 2011 Act, and that an independent examination is needed. I am qualified to undertake the examination being a qualified member of The Chartered Association of Certified Accountants.

Having satisfied myself that the charity is not subject to audit under Part 16 of the Companies Act 2006 and is eligible for independent examination, it is my responsibility to:

- (i) examine the accounts under section 145 of the 2011 Act;
- (ii) follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) state whether particular matters have come to my attention.

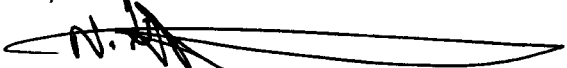
Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. 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 no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no other matter except that referred to in the above paragraph has come to my attention which gives me reasonable cause to believe that in any material respect the requirements:

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- (ii) to prepare accounts which accord with the accounting records, comply with the accounting requirements of 396 of the Companies Act 2006 and with the methods and principles of the 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 (FRS102) have not been met.


Nicolaos Ioannou Kattirtzis (FCCA)
NRM Accountancy Services Ltd 70
Wood Street

E17 3HT

Dated: 25/5/2025

HAPPY CHILD INTERNATIONAL

Accounts

Charity Registration No. 1116809

Company Registration No. 05935028 (England and Wales)

HAPPY CHILD INTERNATIONAL

UNAUDITED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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COMPANIES HOUSE

HAPPY CHILD INTERNATIONAL

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees:

Clive Teuten (Finance Director)
Cristina Cortes
Evelyn Kangoya
Jennie Sullivan
João Martínez da Cruz
John Doddrell (Chair)
John Herring
Mark A Pinks (Secretary)

Secretary:

Mark A Pinks

Charity number:

1116809

Company number:

05935028

Principal address:

The Leatherhead Institute
67 High Street
Leatherhead
Surrey
KT22 8AH
United Kingdom

Registered office:

The Leatherhead Institute
67 High Street
Leatherhead
Surrey
KT22 8AH
United Kingdom

Independent examiner:

Nicholaos Ioannou Kattirtzis (FCCA)
NRM Accountancy Services Ltd
70 Wood Street
London E17 3HT

HAPPY CHILD INTERNATIONAL

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HAPPY CHILD INTERNATIONAL

TRUSTEES' REPORT (Incorporating the Director's Report) FOR THE YEAR ENDED 31 December 2023

The Trustees present their report and accounts for the year ended 31 December 2023.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2006 and Accounting and Reporting by Charities: the 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) (as amended for accounting periods commencing from 1st January 2019).

Structure, governance and management

The charity is a company limited by guarantee, incorporated on 14 September 2006, and registered as a charity on 28 November 2006.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

A statement should be provided confirming that the major risks to which the charity is exposed, as identified by the trustees, have been reviewed and systems or procedures have been established to manage those risks.

All directors give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 11 to the accounts.

Trustees

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

Clive Teuten (Finance Director)
Cristina Cortes
Evelyn Kangoya
Jennie Sullivan
João Martínez da Cruz
John Doddrell (Chair)
John Herring
Mark A Pinks (Secretary)

New Directors are appointed by a majority vote of the current board of directors. Directors are selected based on the skills possessed to fill a vacant post on the board. The board invites a potential director to attend a meeting prior to their appointment.

An induction process exists to familiarise new directors with the operations and strategy of the charity. Directors attend training courses when a need is identified by the board.

HAPPY CHILD INTERNATIONAL

TRUSTEES' REPORT (Incorporating the Director's Report) (continued) FOR THE YEAR ENDED 31 December 2023

The board of directors provides the strategic direction of the charity. The board meets every other month to approve major decisions regarding events, communications with donors and the operational relationship with its partner organisations in Brazil. Happy Child International assesses whether its partners overseas meet all relevant legal requirements and follow good practice.

Throughout this report "the Charity" will refer to Happy Child International.

The Directors are grateful to all those who support the work in action, giving and prayer:

- **Staff**, for their dedication and commitment to the work of Happy Child International in 2023.
- **Volunteers**, during the year our volunteers continued to provide a vital contribution to the work of the charity, giving their time, passion, and energy. Mostly our volunteers have helped with fundraising and support to the office and events.
- **Supporters**: who are individuals and churches loyally partnering with the vision of Happy Child International.

Risk management

The trustees accept that the management of risk is ultimately their responsibility and having examined the major strategic, business, and operational risks which the Charity faces, confirm that appropriate control systems have been established to manage and mitigate and regularly review such risks as far as possible. The charity is constantly reviewing its Risk Register at its regular Board meetings. Equally the Board are supplied with regular financial updates on the charity's income and expenditure in order to monitor its fundraising activities and whether these are functioning or whether it is necessary to review them. Happy Child International has put in place a set of strong Safeguarding procedures to mitigate the risks of working with vulnerable children. This procedure can be looked at on our website. Furthermore there are regular reporting procedures in place for the monitoring of the projects and which are intended to facilitate financial and operational accountability and transparency. Key Board Members and staff visit the projects annually through self-funded or sponsored trips so as not to incur this expense on the charity.

Objectives and activities

- **Public benefit focus on ensuring that our activities achieve our charitable aims.** The trustees review the aims, objectives, and activities of the charity each year. This review looks at what the charity has achieved and the outcomes of its work within the last twelve months. The directors consider the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review

HAPPY CHILD INTERNATIONAL

TRUSTEES' REPORT (Incorporating the Director's Report) (continued) FOR THE YEAR ENDED 31 December 2023

also helps the trustees ensure the charity's aims, objectives and activities remain focused on its stated purposes.

- The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the directors consider how planned activities will contribute to the aims and objectives that have been set.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

The Charity's **vision** is "A world where every child and young person realises their full potential in a safe and secure environment" and its **mission** is to "Enable change and transformation in the lives of children, young people and their families by supporting them to reach their full potential and break the cycle of extreme poverty". Through local partners, the Charity fosters immediate and lasting change in the lives of children, young people, and their families by advocating for their rights to education and opportunities, prevention of and protection from violence, and family care for them to break the cycle of poverty and realise their God given potential.

Values of the Charity

We are passionate about promoting and defending the rights of children, young people, and their families.

In the spirit of Christian charity, we are **committed** to providing unconditional love and support to those we serve.

We are **inclusive** and strive to ensure that those we serve are heard and valued.

We are **cooperative** in the way we work and partner with others.

Priority themes and preferred ways of working

The Charity works principally, but not exclusively, in partnership with local church partners in Northeast Brazil around:

1. Family care
2. Prevention of and protection from violence
3. Education
4. Skills development

TRUSTEES' REPORT (Incorporating the Director's Report) (continued)
FOR THE YEAR ENDED 31 December 2023

1. Family care

In 2023, Happy Child International continued to address the issue of early teenage pregnancy in Northeast Brazil. Research published in 2021 (Brazilian Journal of Health Review, Curitiba, v 4, p 16044, Jul/Aug 2021) showed that 18% of the total number of new-borns in the State of Pernambuco were to young girls in the 10 – 19 age bracket – i.e., 1,222 (0.89%) live births. The situation in Pernambuco is improving as in 2008 there were 32,730 live births to young girls but in 2018 numbers had fallen to 24,949 with a 4.5% drop. Nevertheless, research concludes that numbers of young girls facing early teen age pregnancy are still too high for this age group.

A multi-component approach has been implemented with our partner organisation to work with young expectant mums coming from low-income communities. In 2022 /2023, there were 19 young mums aged between 15 to 23 who engaged with the programme. One of them was unable to remain but there was a 90% attendance rate to all scheduled activities. All the mums were triaged for psychological support and 73% of them received help. The programme tackled a number of key topics such as caring for a new baby, the importance of having good nutrition and hygiene in the home, the rights of new mums to access the health care system, sex education and the use of contraception, and some workshops on how to top up income through micro enterprises. The programme also provided monthly basic food baskets because food insecurity is still a serious issue locally. Approximately 83% of the mums were encouraged to continue their studies or get further training on completion of their first year in the programme. With the support of their extended families, six of the cohort members returned to school, one managed to find work and three went on to doing further training elsewhere and one of the young mums managed to secure an apprenticeship with Gerda SA. The programme continued to support all the young mums from 2022 as they are still quite vulnerable and have complex needs. The programme continued to invest in developing the necessary skills for the young mums to set up and successfully manage their own micro enterprises and five additional expectant young mums have joined the scheme. The programme also started an early pregnancy prevention campaign in local schools titled *Don't Activate Mum Mode* (or "Não Ative o Modo Mãe", in Portuguese). The campaign majored on raising awareness about the possible consequences and challenges of early unplanned pregnancy as well as running participatory workshops for the students to discuss and reflect on such matters.

Through our partners we also seek to influence government authorities and agencies at the municipal, regional, and national levels on policies and decisions that affect children and young people from vulnerable communities. Part of this work is done in collaboration with Specialised Social Assistance Reference Centres (known in Brazil as CREAS), and other social assistance networks. Participation in these networks enables us and our partners to keep up to date with government policy concerning many of the issues that children and young people face in vulnerable communities in the country.

2. Prevention of and protection from violence

Children in the poorer communities of Brazil are at a higher risk of violence and abuse. Simply by offering opportunities to supplement their education through local partners, Happy Child International is helping to take them off the streets and reduce the risk of violence against them. Beyond that, the educational support they receive, coupled with adult support and mentoring, provides the potential for gaining employment, and reduces the likelihood of them being drawn into riskier behaviours and situations. The young people participating in the Mentoring and Skills Programme are exceptionally talented and have the potential, with the support and encouragement of Happy Child International and our partners, to become leaders and a force for good in their communities.

Violence to girls and young women is particularly worrying and is closely linked to the high rates of teenage pregnancy that are prevalent in poor communities in Brazil. Happy Child International has a long history of working to help girls who are subjected to abuse and other types of exploitation and to support teenage mothers in caring for their babies.

3. Education

Brazil remains one of the most unequal countries globally. Lack of access to quality education exacerbates this inequality. Through one of our local partners, we are working in the community of Coque (Recife), supporting low-income families that are struggling to make ends meet. One of the main objectives is to provide supplementary education and opportunities for children and young people from these families. In a newly refurbished community centre "school reinforcement classes" are being provided through educational clubs to complement the school curriculum and schedule. The clubs are helping to provide a more equitable education to its participants so that they are better able to meet age-appropriate educational development milestones. Reaching 25 children twice a week, the clubs also have the benefit of providing a safe space for the children during the day, also allowing the children's parents to work and contribute to society in different ways. English classes are held on Saturday mornings for the children with 22 attending regularly of very mixed ability. These classes help with listening skills, oral communication and reading skills. On Monday and Wednesday afternoon there is an adult literacy programme running with 8 women from the local community. They are learning basic literacy and numeracy skills with IBRAEMA material. Other aspects of this locally led project include supplementary health care. Even though the state health care system has a wide reach, the reality is that the poorest and most marginalised often struggle to access it. Extra community support can often alleviate minor health issues and open-up pathways for more serious conditions to be dealt with in the state system. This year, a voluntary Ear, Nose and Throat specialist has provided 44 appointments throughout the year. The child psychologist has also provided 44 appointments on Saturday mornings during 2023. The adult psychologist has delivered 24 appointments. The holistic therapist has provided 44 appointments for alternative therapies. In total, our medical volunteers have furnished the local community with 156 appointments.

**TRUSTEES' REPORT (Incorporating the Director's Report) (continued)
FOR THE YEAR ENDED 31 December 2023**

Happy Child International has also supported older children and young people through a Mentoring and Skills Programme run by another local partner. According to the "Todos pelas Crianças" platform, 12.7 million young people are neither working nor studying out of a population of 215 million. The situation is particularly difficult for those from low-income families. A significant funding gap between private and public schools hinders lower-income students access to quality education, particularly in marginalised communities. In this context, the Mentoring and Skills Training scheme addresses a very real need and is heavily oversubscribed. The scheme continued to offer the prospect of a placement at the Gerdau Iron and Steel company either around Administration or Industrial Mechanics. At the close of 2023, 31 young people completed the training successfully, eight secured paid employment, and six went on to further study. Twelve members of the 2023 cohort of trainees registered in February 2024 with the Gerdau SA apprentice selection process. Due to the state government reorganising learning schedules in schools, seven were unable to adjust their school timetables with the project hours and only two of them were unable to continue for family reasons. The remaining five young people are being supported to find employment via other channels. The Mentoring and Skills Training programme will continue in 2024, benefitting another 40 young people from low-income families.

4. Skills Development

Equipping young mums with some basic skills to top up their income is an essential part of the support our partners deliver to young mums in low income communities. The young mums are invited to take part in workshops which teach them how to do nail extensions and eyebrow shaping. If they establish a small micro business in the beauty arena these initiatives give the mums a feeling of achievement and empowerment. The project provides them with materials and micro finance. The Mentoring and Skills helped develop very specific skills so that 40 young people in the project feel confident and with sufficient skills to compete for places on corporate apprenticeship schemes. This investment is vital if students are to have a chance of forging a career which can help them get formal salaried work. One of the 2023 cohort got an apprenticeship with the Caixa Econômica Federal which is one of Brazil's largest state banks. Another one of our projects is working with basic literacy and attracted 10 more women to participate in classes providing basic literacy and numeracy.

The Charity's main achievements in 2023.

Locally led projects

This year the charity has forged a relationship with a new organisation which has expanded its work through local partners to outside metropolitan Recife (where it is already supporting 3 projects) to the coastal region of Tamandaré. During 2023 Happy Child International continued to strive to work in a sustainable way to be able to reach more children, young people, and their families in vulnerable and high-risk communities in Northeast Brazil. Collaboration with strong locally led projects has helped the Charity deliver its strategy and encouraged those with whom it partners to expand their own capacity and reach. It established a new partnership this year

**TRUSTEES' REPORT (Incorporating the Director's Report) (continued)
FOR THE YEAR ENDED 31 December 2023**

with a project in one of the coastal regions of Pernambuco state. In February 2023, both Chair of the Board (John Doddrell) and Head of Operations (Caroline Taylor) were able to visit some of the Charity's partner projects including the new partner. They met their teams on the ground. In terms of funding these initiatives with local partners this year Happy Child International has reached post – Covid levels of funding and almost doubled our income to the charity. For us this is an achievement.

Strengthened governance

This year, the Charity has focused on strengthening its Board of Trustees further. Three new people have joined us: Cristina Cortes (January 2023), Jennie Sullivan (June 2023) and Evelyn Kangoya (October 2023). Cristina Cortes was the CEO of a Latin American Think Tank and Jennie Sullivan is a former employee of the Charity and a schoolteacher by training and Evelyn Kangoya is a Senior Accountant at another large charity. Both offer the Charity a wealth of experience and professional knowledge. We are very pleased about their appointments and continue to be committed to achieving greater gender balance on our board (currently 5 men and 3 women)

Communications and fundraising

The "Mãos Dadas" (Giving Hands) network in Brazil continued to support Happy Child International's communications work in 2023. The network produces a wide range of resources that are disseminated all over Brazil to support work with children and young people at risk. They have helped the Charity promote its brand through print media as well as digital methods. They have also helped the Charity to develop its relationships with additional like-minded organisations in the country, including national Christian NGOs and churches. They have also enabled the Charity to provide up to date content about work being delivered by our projects in the Northeast of Brazil and helped us communicate about current issues relevant to working with vulnerable children and young people in the region.

The Charity's income in 2023 was £112,228 (£67,150 in 2022), thanks to the generosity of our donors, loyal supporters, and partners, often giving sacrificially on a monthly basis, or by making regular one-off donations. This included large donations from Major Donors, for which we are very grateful. In July, a sponsored walk took place in both Kent and Surrey and raised £5,000. One of the Charity's flagship events in 2023 was a fundraising dinner held at the House of Commons, which helped us raise £12,000.

Progress against strategic priorities set for 2023

Priority A: Increase the number of children and young people participating and benefiting from locally led and community-based partner programmes in Northeast Brazil.

Progress: We have increased the number of children and young people who are participating in our partner programmes. Forty young people participated in the 2023 Mentoring and Skills

HAPPY CHILD INTERNATIONAL

TRUSTEES' REPORT (Incorporating the Director's Report) (continued) FOR THE YEAR ENDED 31 December 2023

Training Project. At least 40 family units were positively impacted by a young person in the household receiving further education with the potential to gain future employment. This partner programme also reached 20 young vulnerable mums with their babies during 2023 giving them support and encouragement. One of the projects has also gathered in 25 children for its educational clubs and is working with 10 family members to teach basic adult literacy and numeracy. A special Christmas gathering included 70 families in this community, all of whom were given food baskets by the project and who receive support throughout the year for some of their medical needs.

Priority B: Expand the charity's partner portfolio in Northeast Brazil, focusing on providing additional vocational training and employment opportunities to more young people in vulnerable and high-risk communities, as well as adopting a multi-component preventative approach to the prevention of teenage pregnancies.

Five more young mums joined in the Project Gathering activities in 2023. The campaign running alongside the project focused on reaching out to 20 classes of 40 students each (800 young people in total) with key messages to start bringing about positive change around attitudes and perceptions on early pregnancy. We built a new partnership with a project outside of metropolitan Recife and in one of the coastal towns where work is seasonal, and which will help us in 2024 to reach more children and young people through IT skills training.

Priority C: Strengthen the charity's capacity to raise funds for partner programmes with the support of more volunteers, community fundraising and local events, as well as from churches, trusts, and foundations.

Progress: This year we were able to raise additional funds (£20,000) from trusts in the UK for the work of our partner organisations and by continuing to host 2 events that the charity organised. Our Annual Charity Sponsored Walk raised £5,000 and our House of Commons Dinner raised £12,000.

Strategic priorities for 2024

- Continue to increase the number of children and young people participating and benefitting from locally led and community-based partner programmes.
- Consolidate work with the partner portfolio in Northeast Brazil, focusing on providing additional vocational training and employment opportunities to more young people in vulnerable and high risk communities, as well as adopting a multi component preventative approach to the prevention of teen age pregnancies.
- Strengthen the charity's capacity to raise funds for partner programmes with the support of more volunteers, community fundraising and local events, as well as from churches, trusts, and foundations.

HAPPY CHILD INTERNATIONAL

TRUSTEES' REPORT (Incorporating the Director's Report) (continued) FOR THE YEAR ENDED 31 December 2023

Financial Review

	2023 Actual £	2022 Actual £
Total Cost		
Cost of generating funds	40,083	46,837
Charitable activities	<u>31,900</u> 71,983 =====	<u>33,716</u> 80,553 =====

The economic climate for charitable fundraising continues to be challenging. However, the Charity managed to almost double its income from donations and fundraising in 2023 (£112,428) as compared to £67,104 for the year ended 31 December 2022.

Going concern

The year ended with a surplus of £41709

Statement of Trustees' Responsibilities

The Trustees, who are also the Directors of Happy Child International for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity's SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis, unless it is inappropriate to presume that the Charity will continue to be in operation.

HAPPY CHILD INTERNATIONAL

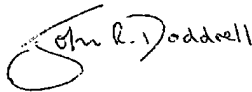
TRUSTEES' REPORT (Incorporating the Director's Report) (continued) FOR THE YEAR ENDED 31 December 2023

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy, at any time, the financial position of the Charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Examiners

The Board unanimously voted to appoint Nicolaos Ioannou Kattirtzis (FCCA) of NRM Accountancy Services Ltd to act as Independent Examiner for the 2023 accounts and are sure they will provide an excellent quality service in a competitive and cost-effective manner.

On behalf of the Board of Trustees



John Doddrell
Trustee

Dated: 15th April 2024

HAPPY CHILD INTERNATIONAL

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF HAPPY CHILD INTERNATIONAL FOR THE YEAR ENDED 31 December 2023

I report on the accounts of the Charity for the year ended 31 December 2023 which are set out on pages 4 to 13.

Respective responsibilities of trustees and examiner

The Trustees, who are also the directors of Happy Child International for the purposes of company law, are responsible for the preparation of the accounts. The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011, the 2011 Act, and that an independent examination is needed. I am qualified to undertake the examination being a qualified member of The Chartered Association of Certified Accountants.

Having satisfied myself that the charity is not subject to audit under Part 16 of the Companies Act 2006 and is eligible for independent examination, it is my responsibility to:

- (i) examine the accounts under section 145 of the 2011 Act;
- (ii) follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) state whether particular matters have come to my attention.

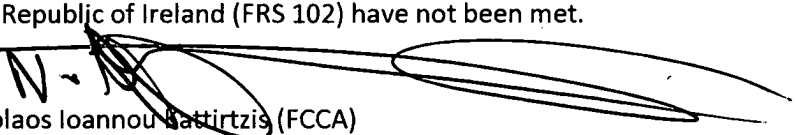
Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. 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 no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no other matter except that referred to in the above paragraph has come to my attention which gives me reasonable cause to believe that in any material respect the requirements:

- (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- (ii) to prepare accounts which accord with the accounting records, comply with the accounting requirements of 396 of the Companies Act 2006 and with the methods and principles of the 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) have not been met.



Nicolaos Ioannou Battirtzis (FCCA)
NRM Accountancy Services Ltd
70 Wood Street

E17 3HT

Dated: 15/04/2024

HAPPY CHILD INTERNATIONAL

**STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 December 2023**

		Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
	Notes				
Income	2				
Donations and legacies		106,529		106,529	61,413
Activities for generating funds		5,899		5,899	5,691
		<u>112,428</u>	<u></u>	<u>112,428</u>	<u>67,104</u>
Bank Interest Received		634		634	46
		<u>113,062</u>	<u></u>	<u>113,062</u>	<u>67,150</u>
Expenditure					
Costs of generating funds		40,083		40,083	46,837
Costs of generating voluntary income	6				
		<u>40,083</u>	<u></u>	<u>40,083</u>	<u>46,837</u>
Expenditure on Charitable activities					
Child and family care services	5,7,8,9	31,900		31,900	33,716
Thematic Advocacy & Campaigning Services					
Research & Advisory Services					
		<u>71,983</u>	<u></u>	<u>71,983</u>	<u>80,553</u>
Total expenditure on charitable activities					
		<u>71,983</u>	<u></u>	<u>71,983</u>	<u>80,553</u>
Net income/(expenditure) for the year/Net					
Net movement in funds		41,079		41,079	(13,403)
Fund balances at 1 January 2022		26,890		26,890	40,293
		<u>67,969</u>	<u></u>	<u>67,069</u>	<u>26,890</u>
Fund balances at 31 December 2022	17				

HAPPY CHILD INTERNATIONAL

BALANCE SHEET

AS AT 31 December 2023

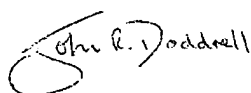
		2023 £	2022 £
	Notes		
<u>Current assets</u>			
Debtors	13		
Cash at bank and in hand		69,889	28,836
		<u>69,889</u>	<u>28,836</u>
Creditors: amounts falling due within one year	14	(1,920)	(1,946)
		<u>67,969</u>	<u>26,890</u>
Total assets less current liabilities			
<u>Creditors: amounts falling due after more than one year</u>	15		
Net assets		<u>67,869</u>	<u>26,890</u>
Income Funds			
Restricted funds			
Unrestricted funds		67,969	26,890
		<u>67,969</u>	<u>26,890</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2023. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The Trustees acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The accounts were approved by the Board on 15/4/2024



John Doddrell

Trustee

Company registration no. 05935028, Charity Registration no. 1116809

HAPPY CHILD INTERNATIONAL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 December 2023

1. Accounting Policies

1.1 Charity Information

Happy Child International is a private company limited by guarantee incorporated in England and Wales. The registered office is The Leatherhead Institute, 67 High Street, Leatherhead, Surrey, KT22 8AH.

1.2 Accounting Convention

The accounts have been prepared in accordance with the charity's articles of association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under historical cost convention. The principal accounting policies adopted are set out below.

1.3 Incoming resources

Donations, legacies, and other forms of voluntary income are recognized as incoming resources when receivable, except insofar as they are incapable of financial measurement.

1.4 Resources expended

Resources expended are recognized in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Expenditure is allocated on an accruals basis between the costs of generating funds, direct charitable expenditure, and the cost of governance of the charity.

Administration costs are re-allocated to each of the activities on the following basis which is an estimate, based on employee's time, of the amount attributable to each activity.

Costs of generating funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the Charity's activities.

Grant funding is paid directly to partners in Northeast Brazil as described in the Trustees' Report.

HAPPY CHILD INTERNATIONAL

NOTES TO THE ACCOUNTS (Continued) FOR THE YEAR ENDED 31 December 2023

Accounting policies (Continued)

1.5 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.6 Restricted funds

Restricted funds are donations and other incoming resources received or generated for specific use within the Charity's purposes.

1.7 Unrestricted funds

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

1.8 Financial Instruments

The charity has elected to apply the provisions of Section 1 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial instruments

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement con financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

HAPPY CHILD INTERNATIONAL

NOTES TO THE ACCOUNTS (Continued) FOR THE YEAR ENDED 31 December 2023

Accounting policies (Continued)

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.9 Critical accounting estimates and judgements

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised 26 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

1.10 Going concern

Happy Child International had net assets of £67,969 (2022 net assets of £20,890) as at 31 December 2023.

The Trustees are monitoring spending and cash flow regularly and implement steps to ensure that the charity can meet its liabilities as and when they fall due.

This gives the Trustees reason to conclude that Happy Child International is a going concern as at 31 December 2023.

HAPPY CHILD INTERNATIONAL

Detailed Profit and Loss Account

For the year ended 31 December 2023

Income:

Donations Received	106,529	
Income from Activities	<u>5,899</u>	
		112,428

Expended:

Grants made	31,900	
Wages and Salaries	18,054	
Professional & Marketing expenses UK	2,116	
Travelling expenses	1,330	
Office Rent	4,270	
Telephone	1,710	
Internet & Website	1,245	
Postage & Advertising	686	
Professional & Marketing expenses Brazil	7,681	
Subscriptions	266	
Bank Charges	384	
Insurances	732	
Sundry expenses	649	
Accountancy fees	<u>960</u>	71,983
Bank Interest received		<u>634</u>
Surplus for the year		41,079
		=====

Accounts

Charity Registration No. 1116809

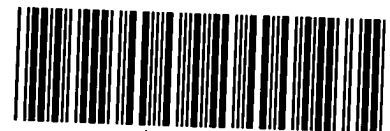
Company Registration No. 05935028 (England and Wales)

HAPPY CHILD INTERNATIONAL

UNAUDITED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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COMPANIES HOUSE

HAPPY CHILD INTERNATIONAL

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees:	John Doddrell Mark A Pinks John Herring Clive Teuten João Martínez da Cruz
Secretary:	Mark A Pinks
Charity number:	1116809
Company number:	05935028
Principal address:	The Leatherhead Institute 67 High Street Leatherhead Surrey KT22 8AH United Kingdom
Registered office:	The Leatherhead Institute 67 High Street Leatherhead Surrey KT22 8AH United Kingdom
Independent examiner:	Nicholaos Ioannou Kattirtzis (FCCA) NRM Accountancy Services Ltd 70 Wood Street London E17 3HT

HAPPY CHILD INTERNATIONAL

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HAPPY CHILD INTERNATIONAL

TRUSTEES' REPORT (Incorporating the Director's Report) FOR THE YEAR ENDED 31 December 2022

The Trustees present their report and accounts for the year ended 31 December 2022.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2006 and Accounting and Reporting by Charities: the 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) (as amended for accounting periods commencing from 1st January 2019).

Structure, governance and management

The charity is a company limited by guarantee, incorporated on 14 September 2006, and registered as a charity on 28 November 2006.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

A statement should be provided confirming that the major risks to which the charity is exposed, as identified by the trustees, have been reviewed and systems or procedures have been established to manage those risks.

All directors give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 11 to the accounts.

Trustees

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

John Doddrell
Mark Pinks
John Herring
Clive Teuten
João Martinez da Cruz

New Directors are appointed by a majority vote of the current board of directors. Directors are selected based on the skills possessed to fill a vacant post on the board. The board will invite a potential director to attend a meeting prior to their appointment.

An induction process exists to familiarise new directors with the operations and strategy of the charity. Directors attend training courses when a need is identified by the board.

HAPPY CHILD INTERNATIONAL

TRUSTEES' REPORT (Incorporating the Director's Report) (continued) FOR THE YEAR ENDED 31 December 2022

The board of directors provides the strategic direction of the charity. The board meets every other month to approve major decisions regarding events, communications with donors and the operational relationship with its partner organisations in Brazil. Happy Child International assesses whether its partners overseas meet all relevant legal requirements and follow good practice.

Throughout this report "the Charity" will refer to Happy Child International.

The Directors are grateful to all those who support the work in action, giving and prayer:

- **Staff**, for their dedication and commitment to the work of Happy Child International in 2022.
- **Volunteers**, during the year our volunteers continued to provide a vital contribution to the work of the charity, giving their time, passion, and energy. Mostly our volunteers have helped with fundraising and support to the office and events.
- **Supporters**, who are individuals and churches loyally partnering with the vision of Happy Child International.

Risk Management

The trustees accept that the management of risk is ultimately their responsibility and having examined the major strategic, business, and operational risks which the charity faces, confirm that appropriate control systems have been established to manage and mitigate and regularly review such risks as far as possible.

- Financial reserves
- Loss of key staff
- Happy Child International ceases to be financially viable

Objectives and Activities

- **Public benefit focus on ensuring that our activities achieve our charitable aims.** The trustees review the aims, objectives, and activities of the charity each year. This review looks at what the charity has achieved and the outcomes of its work within the last twelve months. The directors consider the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remain focused on its stated purposes.
- The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning

its future activities. In particular, the directors consider how planned activities will contribute to the aims and objectives that have been set.

HAPPY CHILD INTERNATIONAL

TRUSTEES' REPORT (Incorporating the Director's Report) (continued) FOR THE YEAR ENDED 31 December 2022

Objective of the Charity

- The Charity's objective is 'A child and family services charity organisation delivering advisory, campaigning, advocacy and childcare services for the rescue and personal development of street children and children at risk from multiple threats, in partnership with governments and other care agencies in the developing world'. We do this in the spirit of Christian charity and, at present, our geographical focus is Northeast Brazil.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

The Charity's **vision** is "A world where every child and young person realises their full potential in a safe and secure environment" and its **mission** is to "Enable change and transformation in the lives of children, young people and their families by supporting them to reach their full potential and break the cycle of extreme poverty". Through local partners, the Charity fosters immediate and lasting change in the lives of children, young people, and their families by advocating for their rights to education and opportunities, prevention of and protection from violence, and family care for them to break the cycle of poverty and realise their God given potential.

Values of the Charity

We are passionate about promoting and defending the rights of children, young people, and their families.

In the spirit of Christian charity, we are **committed** to providing unconditional love and support to those we serve.

We are **inclusive** and strive to ensure that those we serve are heard and valued.

We are **cooperative** in the way we work and partner with others.

Priority themes and preferred ways of working

The Charity works principally, but not exclusively, in partnership with local church partners in Northeast Brazil around:

- Family care
- Prevention of and protection from violence
- Education and
- Skills development

HAPPY CHILD INTERNATIONAL

TRUSTEES' REPORT (Incorporating the Director's Report) (continued) FOR THE YEAR ENDED 31 December 2022

Happy Child International's Main Achievements in 2022

Locally Led Projects

During 2022 Happy Child International continued to strive to work in a sustainable way to be able to reach children, young people, and their families in vulnerable and high-risk communities in Northeast Brazil. Locally led projects are helping the Charity deliver its refreshed strategy. As well as working with existing partners, the Charity also started forging relationships with new organisations and networks. In March 2022, both Chair of the Board (John Doddrell) and Operations Manager (Caroline Taylor) were able to visit some of the Charity's partner projects and meet their teams on the ground.

Building the Happy Child International team

This year, the Charity has focused on expanding and strengthening its Board of Trustees further. In June 2022, Cristina Cortez joined the Board of Trustees, offering the Charity a wealth of knowledge and professional experience, having led the Latin American think tank "Canning House" for many years.

This year, the Charity has also benefitted from engaging a new freelance Trusts and Foundations officer who has helped increase the level of funding received from this income stream.

Communications and Fundraising

The "Mãos Dadas" (Giving Hands) network in Brazil continued to support Happy Child International's communications work in 2022. The network produces a wide range of resources that are disseminated all over Brazil to support work with children and young people at risk. They have helped the Charity promote its brand through print media as well as digital methods. They have also helped the Charity to link up with additional like-minded organisations in the country, including national Christian NGOs and churches.

This year, the HCI Board has focused on refreshing its Vision, Mission and Values statements. This has been an important process, given that the Charity is transitioning to a new way of working, working in close collaboration with local partner organisations.

The Charity's income in 2022 was £67,150 thanks to the generosity of donors, loyal supporters, and partners, often giving sacrificially on a monthly basis, or by making regular one-off donations. This year, Happy Child International was honoured to be one of **Mole Valley Council's**1 charities of the year. They held a successful Charity Dinner event in May which raised £4,800. In July, a **sponsored walk** took place in London and raised £2,000. Towards the end of the year, the Charity held a fundraising dinner event of its own at the **Vincent Rooms**, in London, which enabled us to connect with existing and new supporters and raise an additional £1,500. The **Christmas Appeal ('Dishing Out Tender Loving Care')** also helped the Charity to largely reach the target of raising £2,000.

The Charity has not fully resumed all its core fundraising activities post-covid, including the relaunch

HAPPY CHILD INTERNATIONAL

TRUSTEES' REPORT (Incorporating the Director's Report) (continued) FOR THE YEAR ENDED 31 December 2022

of a community fundraising programme in what is a very competitive climate, affected by the cost-of-living crisis in the UK and across the world.

Education and Opportunities

In Brazil, children's access to education suffered during the Covid-19 pandemic. At the end of 2020, for example, 5 million girls aged 6 to 17 years old did not have access to education. Of these, over 40% were aged 6 to 10 years old, a group that prior to the pandemic had enjoyed full access to education.

Through one of our local partners, we are working in the community of Coque (Recife), supporting low-income families that are struggling to make ends meet. One of the main objectives is to provide supplementary education and opportunities for children and young people from these families. In a newly refurbished community centre "school reinforcement classes" are being provided through educational clubs to complement the school curriculum and schedule. The clubs are helping to provide a more equitable education to its participants so that they are better able to meet age-appropriate educational development milestones. Reaching 50 children twice a week, the clubs also have the benefit of providing a safe space for the children during the day, also allowing the children's parents to work and contribute to society in different ways. Other aspects of this locally led project include supplementary health care. Even though the state health care system has a wide reach, the reality is that the poorest and most marginalised often struggle to access it. Extra community support can often alleviate minor health issues and open-up pathways for more serious conditions to be dealt with in the state system. This year, a voluntary Ear, Nose and Throat specialist has provided 27 appointments on a bi-monthly basis and the voluntary Paediatrician has provided 47 appointments to children in the community. A voluntary psychologist has provided 39 appointments to adults and children, and this has greatly supported the mental health needs of the families in this community. All these interventions help to improve family-based care and benefit the children who are being reached locally.

Happy Child International has also supported older children and young people through a Mentoring and Skills Programme run by another local partner. In Brazil in 2020, some 23.8 million young people from 15 to 29 years old were without higher education qualifications and had not been admitted to college or university or for vocational training (IBGE, 2020). The situation is particularly difficult for those from low-income families. In this context, the Mentoring and Skills Training scheme addresses a very real need and is heavily over-subscribed. For the first half of 2022 the learning was delivered online due to the Covid-19 pandemic, and this was a huge struggle and challenge for the programme beneficiaries. Some relied on their mobile phones and others on family or friends to access the learning platform, as homes have little access to IT. The training offered the prospect of a placement at the Gerdau Iron and Steel company either around Administration or Industrial Mechanics. At the close of 2022, 38 young people completed the training successfully, 21 secured paid employment, and the remaining young people are being supported to find employment via other channels. The Mentoring and Skills Training programme will continue in 2023, benefitting another 40 young people

from low-income families.

HAPPY CHILD INTERNATIONAL

TRUSTEES' REPORT (Incorporating the Director's Report) (continued) FOR THE YEAR ENDED 31 December 2022

Prevention of and Protection from Violence

Children in the poorer communities of Brazil are at a higher risk of violence and abuse. Simply by offering opportunities to supplement their education through local partners, Happy Child International is helping to take them off the streets and reduce the risk of violence against them. Beyond that, the educational support they receive, coupled with adult support and mentoring, provides the potential for gaining employment, and reduces the likelihood of them being drawn into riskier behaviours and situations. The young people participating in the Mentoring and Skills Programme are exceptionally talented and have the potential, with the support and encouragement of Happy Child International and our partners, to become leaders and a force for good in their communities.

Violence to girls and young women is particularly worrying and is closely linked to the high rates of teenage pregnancy that are prevalent in poor communities in Brazil. Happy Child International has a long history of working to help girls who are subjected to abuse and other types of exploitation and to support teenage mothers in caring for their babies.

Family Care

The Covid-19 pandemic brought huge difficulties for poor families in many low-income communities in Brazil, such as in the Coque community in Recife, which is served by one of our local partners. Happy Child International has continued to enable its partner to provide food baskets and hygiene kits to dozens of carefully selected families. This significantly mitigated the risk of children and young people going hungry.

Happy Child International has also been developing plans in 2022 to continue to address the issue of early teenage pregnancy. Brazil's teenage pregnancy rate is still above the global and Latin American average (Lancet, 2020). Trusted research indicates that it is more often among girls living in poverty and those who are socially vulnerable, with less education, who will experience early teenage pregnancy. A multi-component preventative approach is being discussed and implemented with our partner organisations.

Through our partners we also seek to influence government authorities and agencies at the municipal, regional and national levels on policies and decisions that affect children and young people from vulnerable communities. Part of this work is done in collaboration with Specialised Social Assistance Reference Centres (known in Brazil as CREAS), and other social assistance networks. Participation in these networks enables us and our partners to keep up to date with government policy concerning many of the issues that children and young people face in vulnerable communities in the country.

Research and Advisory Services

The Charity is a member of the Consortium for Street Children in the UK, which is an organisation

advocating and campaigning for street connected children around the world. Happy Child International lends it support to them and, when appropriate, through participating in events and

HAPPY CHILD INTERNATIONAL

TRUSTEES' REPORT (Incorporating the Director's Report) (continued) FOR THE YEAR ENDED 31 December 2022

conferences that they host as well as actively supporting their International Day for Street Children.

Strategic Priorities for 2023

- Increase the number of children and young people participating and benefiting from locally-led and community-based partner programmes in Northeast Brazil.
- Expand the charity's partner portfolio in Northeast Brazil, focusing on providing additional vocational training and employment opportunities to more young people in vulnerable and high risk communities, as well as adopting a multi-component preventative approach to the prevention of teenage pregnancies.
- Strengthen the charity's capacity to raise funds for partner programmes with the support of more volunteers, community fundraising and local events, as well as from churches, trusts and foundations.

HAPPY CHILD INTERNATIONAL

TRUSTEES' REPORT (Incorporating the Director's Report) (continued) FOR THE YEAR ENDED 31 December 2022

Financial Review

	2021 Actual	2022 Actual
Total Cost	£74,685	£80,553
Cost of generating funds	50,795	46,837
Charitable activities	23,890 =====	33,716 =====

The economic climate for charitable fundraising continues to be challenging, with income from donations and fundraising for the year totalling 61950 as compared to £98269 for the year ended 31 December 2021.

Going concern

The year ended with a deficit of £13403 (2021 surplus £31,684).

Statement of Trustees' Responsibilities

The Trustees, who are also the Directors of Happy Child International for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;

HAPPY CHILD INTERNATIONAL

TRUSTEES' REPORT (Incorporating the Director's Report) (continued) FOR THE YEAR ENDED 31 December 2022

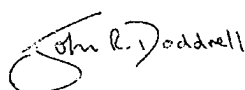
- observe the methods and principles in the Charity's SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis, unless it is inappropriate to presume that the Charity will continue to be in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy, at any time, the financial position of the Charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Examiners

The Board unanimously voted to appoint Nicholaos Ioannou Kattirtzis (FCCA) of NRM Accountancy Services Ltd to act as Independent Examiner for the 2022 accounts and are sure they will provide an excellent quality service in a competitive and cost-effective manner.

On behalf of the Board of Trustees



.....
John Doddrell
Trustee

Dated: 13/2/2024

HAPPY CHILD INTERNATIONAL

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF HAPPY CHILD INTERNATIONAL FOR THE YEAR ENDED 31 December 2022

I report on the accounts of the Charity for the year ended 31 December 2022 which are set out on pages 13 to 13.

Respective responsibilities of trustees and examiner

The Trustees, who are also the directors of Happy Child International for the purposes of company law, are responsible for the preparation of the accounts. The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011, the 2011 Act, and that an independent examination is needed. I am qualified to undertake the examination being a qualified member of The Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charity is not subject to audit under Part 16 of the Companies Act 2006 and is eligible for independent examination, it is my responsibility to:

- (i) examine the accounts under section 145 of the 2011 Act;
- (ii) follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) state whether particular matters have come to my attention.

Basis of independent examiner's report

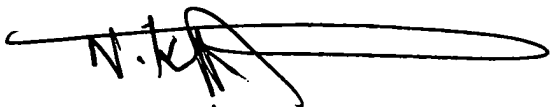
My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or 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 no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no other matter except that referred to in the above paragraph has come to my attention which gives me reasonable cause to believe that in any material respect the requirements:

- (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- (ii) to prepare accounts which accord with the accounting records, comply with the accounting requirements of 396 of the Companies Act 2006 and with the methods and principles of the 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) have not been met.

Nicholaos Ioannou Kattirtzis (FCCA)
NRM Accountancy Services Ltd
70 Wood Street
E17 3HT



13/2/2024 13

Dated:
HAPPY CHILD INTERNATIONAL

**STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 December 2022**

		Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
	Notes				
<u>Income</u>	2				
Donations and legacies		61,413		61,413	71,748
Activities for generating funds		5,691		5,691	24,881
		67,150		67,150	96,629
Income from charitable activities	4				1,640
Total Income		67,150		67,150	98,269
<u>Expenditure</u>					
Costs of generating funds		44,642		44,642	40,746
Costs of generating voluntary income	6	2,195		2,195	
		46,837		46,837	40,746
Expenditure on Charitable activities					
Child and family care services	5,7,8,9	33,716		33,716	31,990
Thematic Advocacy & Campaigning Services					
Research & Advisory Services					1,950
Total expenditure on charitable activities		80,553		80,553	33,940
Total expenditure	5	80,553		80,553	74,686
Net income/(expenditure) for the year/Net movement in funds		(13,403)		(1,3403)	23,584
Fund balances at 1 January 2022		40,293		40,293	16,709
Fund balances at 31 December 2022	17	26,890		26,890	40,293

HAPPY CHILD INTERNATIONAL

BALANCE SHEET AS AT 31 December 2022

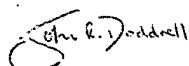
	Notes	2022 £	2022 £	2021 £	2021 £
<u>Current assets</u>					
Debtors	13			5,674	
Cash at bank and in hand		28,836		37,225	
		<u>28,836</u>	<u></u>	<u>42,899</u>	<u></u>
Creditors: amounts falling due within one year	14	(1,946)	(	(2,606)	
Total assets less current liabilities		<u>26890</u>	<u>26890</u>	<u>40,293</u>	<u>40,293</u>
<u>Creditors: amounts falling due after more than one year</u>	15				
Net assets			<u>26,890</u>		<u>40293</u>
Income Funds					
Restricted funds					
Unrestricted funds			<u>26,890</u>		<u>40,293</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2022. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The Trustees acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The accounts were approved by the Board on



.....
John Doddrell

Trustee

Company registration no. 05935028, Charity Registration no. 1116809

HAPPY CHILD INTERNATIONAL**NOTES TO THE ACCOUNTS**

FOR THE YEAR ENDED 31 December 2022

1. Accounting Policies**1.1 Charity Information**

Happy Child International is a private company limited by guarantee incorporated in England and Wales. The registered office is The Leatherhead Institute, 67 High Street, Leatherhead, Surrey, KT22 8AH.

1.2 Accounting Convention

The accounts have been prepared in accordance with the charity's articles of association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under historical cost convention. The principal accounting policies adopted are set out below.

1.3 Incoming resources

Donations, legacies, and other forms of voluntary income are recognized as incoming resources when receivable, except insofar as they are incapable of financial measurement.

1.4 Resources expended

Resources expended are recognized in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Expenditure is allocated on an accruals basis between the costs of generating funds, direct charitable expenditure, and the cost of governance of the charity.

Administration costs are re-allocated to each of the activities on the following basis which is an estimate, based on employee's time, of the amount attributable to each activity.

Costs of generating funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the Charity's activities.

Grant funding is paid directly to partners in Northeast Brazil as described in the Trustees' Report.

HAPPY CHILD INTERNATIONAL

NOTES TO THE ACCOUNTS (Continued) FOR THE YEAR ENDED 31 December 2022

Accounting policies (Continued)

1.5 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.6 Restricted funds

Restricted funds are donations and other incoming resources received or generated for specific use within the Charity's purposes.

1.7 Unrestricted funds

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

1.8 Financial Instruments

The charity has elected to apply the provisions of Section 1 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial instruments

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement con financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

HAPPY CHILD INTERNATIONAL

NOTES TO THE ACCOUNTS (Continued) FOR THE YEAR ENDED 31 December 2022

Accounting policies (Continued)

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.9 Critical accounting estimates and judgements

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised 26 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

1.10 Going concern

Happy Child International had net assets of £26,890 (2021 net assets of £40,293) as at 31 December 2022.

The Trustees are monitoring spending and cash flow regularly and implement steps to ensure that the charity can meet its liabilities as and when they fall due.

This gives the Trustees reason to conclude that Happy Child International is a going concern as at 31 December 2022.

HAPPY CHILD INTERNATIONAL

Detailed Profit and Loss Account

For the year ended 31 December 2022

Income:

Donations Received	61,413	
Income from Activities	<u>5,691</u>	
		67,104

Expended:

Grants made	33,716	
Wages and Salaries	26,541	
Professional & Marketing expenses UK	872	
Travelling expenses	1,513	
Office Rent	4,351	
Telephone	1,190	
Internet & Website	1,222	
Postage & Advertising	2,200	
Professional & Marketing expenses Brazil	6,492	
Subscriptions	50	
Bank Charges	438	
Insurances	653	
Sundry expenses	355	
Accountancy fees	<u>960</u>	80,553
Bank Interest received		<u>46</u>
Deficit for the year		13,403
		=====

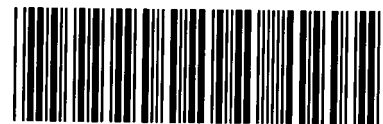
Accounts

Charity Registration No. 1116809

Company Registration No. 05935028 (England and Wales)

HAPPY CHILD INTERNATIONAL
UNAUDITED ACCOUNTS
FOR THE YEAR ENDED 31 December 2021

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HAPPY CHILD INTERNATIONAL

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

J Doddrell
J A Herring
M A Pinks
C Teuten
J Marinez da Cruz

Secretary

M A Pinks

Charity number

1116809

Company number

05935028

Principal address

The Leatherhead Institute
67 High Street
Leatherhead
Surrey
KT22 8AH

Registered office

The Leatherhead Institute
67 High Street
Leatherhead
Surrey
KT22 8AH

Independent examiner

Andrew Miller BSc FCA
Azets
Trinity Court
34 West Street
Sutton
SM1 1SH

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HAPPY CHILD INTERNATIONAL

TRUSTEES' REPORT (incorporating the Directors Report) FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their report and accounts for the year ended 31 December 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016).

Structure, governance and management

The charity is a company limited by guarantee, incorporated on 14 September 2006 and registered as a charity on 28 November 2006.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

All directors give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 11 to the accounts.

Trustees

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

John Doddrell
Mark Pinks
John Herring
Clive Teuten
Joao Martinez da Cruz

New directors are appointed by a majority vote of the current board of directors. Directors are selected based on the skills possessed to fill a vacant position on the board. The board will invite a potential director to attend a meeting prior to their appointment.

An induction process exists to familiarise new directors with the history, operations and strategy of the charity. Directors attend training courses when a need is identified by the board.

The board of directors, who are also trustees provides the strategic direction of the charity. The board meets every other month to approve major decisions regarding events, communications with donors and the operational relationship with its partners in Brazil. Happy Child assesses whether its partners overseas meet all relevant legal requirements and follow good practice.

Throughout this report "HCI" will refer to Happy Child International.

HAPPY CHILD INTERNATIONAL

TRUSTEES' REPORT (incorporating the Directors Report) (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors are grateful to all those who support the work in action, giving and prayer:

- Staff for their dedication and commitment to the work of Happy Child International UK in 2021.
- Volunteers during the year our volunteers continued to provide a vital contribution to the work of the charity giving their time, passion and energy. Mostly our volunteers have helped with fundraising and support to the office and events.
- Supporters who are individuals and churches loyally partnering with the vision of Happy Child International.

Risk Management

The trustees accept that the management of risk is ultimately their responsibility and having examined the major strategic, business and operational risks which the charity faces, confirm that appropriate control systems have been established to manage and mitigate and regularly review such risks as far as possible.

Objectives and activities

Public benefit focus on ensuring that our activities achieve our charitable aims

The trustees review the aims, objectives and activities of the charity on a regular basis. The review looks at what the charity has achieved and the outcomes of its work within the last twelve months. The directors consider the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remain focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the directors consider how planned activities will contribute to the aims and objectives that have been set.

Objective of the charity

The charity's objective is 'A child and family services charity organisation delivering advisory, campaigning, advocacy and child care services for the rescue and personal development of street children and children at risk from multiple threats, in partnership with governments and other care agencies in the developing world.'

- We do what we do with a Christian conviction.
- At present our emphasis is in Brazil

**TRUSTEES' REPORT (incorporating the Directors Report) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

The charity's main activities are reported as:

- Child & Family Care Services, described under the following headings on our website.
 - Education and Opportunities
 - Protection from violence
 - Family Care

The charity's other and currently lessor activities are reported as:

- Advocacy and Campaigning
 - Child Rights – supporting children and young people and civil society to demand rights for every child and young person and for governments to deliver on their promises
- Research and Advisory Services
 - Research into requirements on current needs and local service provision

TRUSTEES' REPORT (incorporating the Directors Report) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

Happy Child's Achievements in 2021

Happy Child International (HCI) worked hard in 2021 to implement its overall strategic plan to support more sustainable ways of working and to reach more children and young people, and their families, who were in desperate need following the Covid pandemic. Our approach included building partnerships with other organisations that operated in vulnerable communities in north-east Brazil, where there is a high prevalence of children and young people at risk. Our main focus was on **education and opportunities**, while our work also supported key themes of: **protection from violence**; and **family care**.

Education and Opportunities

In Brazil, the access for children to education has suffered during the pandemic. At the end of 2020, for example, 5 million girls aged 6 to 17 did not have access to education. Of these children over 40% were aged 6 to 10, a group that prior to the pandemic had enjoyed full access to education.

This is an issue that our partner Ammar Transforma seeks to address but, at the start of 2021, they were struggling to deliver their normal services to the children and young people of the fragile community of Coque in the city of Recife. Despite the difficult circumstances, and with the help of funds from Happy Child, a community centre refurbishment was successfully completed in March 2021. The centre now provides a more comfortable setting for medical attendance, educational activities and IT instruction. The centre was fitted with a TV monitor and 7 computer terminals for digital and online learning. With the support of Happy Child, Ammar Transforma has been able to provide "catch up education" to children from low-income families in the community, who had suffered from the state schools being closed and had not been able to access online learning for themselves. On July 2nd 2021, normal group activities were resumed. To comply with Covid safety protocols the children met in smaller groups of 6 and engaged in a learning schedule that had not been available for more than a year and a half. The programme attended 50 children twice a week to facilitate the learning.

Happy Child has supported work with older children and young people too, including a Mentoring and Skills Programme run by our partner Instituto Solidare. In Brazil in 2020, some 23.8 million young people from 15 to 29 years old were without higher education qualifications and had not been admitted to college or university or for vocational training (IBGE 2020). The situation is particularly difficult for those from low-income families. In this context, the Mentoring and Skills Training scheme offered by Instituto Solidare addresses a very real need and is heavily over-subscribed. The training is part of the larger Holistic Citizen Programme which is a state government initiative for young people from low-income families. For the first half of 2021 the learning was delivered online and this was a huge struggle and challenge for the programme beneficiaries. Some relied on their mobile phones and others on family or friends to access the learning platform. The majority of the beneficiaries do not have personal computers in the home. The training offered the prospect of a placement at the Gerdau Iron and Steel company either in the area of administration or industrial mechanics. At the close of 2021, 35 young people completed the training, 10 secured paid employment (7 at Gerdau and 3 elsewhere) and the remaining young people are being supported to find employment via other channels. At the close of 2021, HCI was able to release funds to its partner to host its 8th Mentoring and Skills Training programme in 2022 and for another 40 young people from low-income families to be recruited.

**TRUSTEES' REPORT (incorporating the Directors Report) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Protection from Violence

It is a sad fact that children in the poorer communities of Brazil are at a higher risk of violence and abuse. Simply by offering a centre for children and young people to supplement their education, Happy Child and its partners are helping to take them off the streets and reduce the risk of violence against them. Beyond that, the educational support that they receive, coupled with adult support and mentoring, provides the potential for gainful employment and reduces the likelihood of them being drawn into riskier behaviours and situations. Some talented and have the potential, with the support and encouragement that Happy Child and our partners are providing, to become leaders and a force for good in their communities.

Violence to girls and young women is particularly worrying and is closely linked to the high rates of teenage pregnancy that are prevalent in poor communities in Brazil. Happy Child International has a long history of working to help girls who are victims of abuse and to support teenage mothers in caring for their babies. In 2021, we have had discussions and made plans for continuing this work as described in the context of our work on family care below.

Family Care

The Covid pandemic brought huge difficulties for poor families in many low-income communities in Brazil, such as in the Coque community in Recife served by our partner, Ammar Transforma. From January 2021 to July 2021, Happy Child supported Ammar Transforma to deliver food baskets and hygiene kits to vulnerable families in Coque. This significantly mitigated the risk of children and young people going hungry and catching Covid.

Happy Child International has also been developing plans in 2021 to continue to address the issue of early teen pregnancy. Brazil's teen pregnancy rate is still above the global and Latin American average (Lancet 2020). Trusted research indicates that it is more often among girls living in poverty and those who are socially vulnerable, with less education who will experience early teen pregnancy. A multi component preventative approach is needed and could be provided by existing partners working in fragile communities in 2022.

The partners that HCI is working with also seek to influence national, state and municipal governments and agencies on policies that affect their work and outreach to vulnerable children and young people. The partners attend meetings with CREAS (Centro de Referencia da Assistencia Social), and other social assistance networks in the region. Participation is important for keeping up to date with national and local government policy concerning some of the issues facing children and young people at risk in

Communications and Fund Raising

HCI would like to become a more widely known organisation in the UK and in Brazil with wider recognition for the hands on work it is doing through partnerships. Support to HCI's communications in 2021 through the informal network "Maos Dadas" (Giving Hands) based in Brazil is helping us raise our profile there. The "Maos Dadas" network produces material that is disseminated all over Brazil to support work with children and young people at risk. They have helped us put our brand out nationally through print media as well as digital. They have linked us up with other like-minded organisations such as Christian NGO's and churches. "Maos Dadas" have helped us significantly improve our website and social media output.

In 2021 there were times when the charity was still forced to suspend some of its core activities for fundraising such as local community events. The charities income remained stable with the bedrock of our direct debit supporters continuing to give and with one off gifts from loyal supporters. In July 2021 we did a sponsored walk in Surrey which raised funds and raised the profile of the charity locally In December we were able to put on a major event at the House of Commons which was hosted by our local MP. This raised respectable funding for the charity and raised the profile of our work. In 2022 the charity would like its income to remain stable and to increase if possible.

Research and Advisory Services

Happy Child International is a member of the Consortium for Street Children here in the UK which is an organisation advocating and campaigning for street connected children around the world, HCI lends it support to them and when appropriate through participating in events and conferences that they host as well as actively supporting their International Day for Street Children.

TRUSTEES' REPORT (incorporating the Directors Report) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

Financial review

Your Board estimates that the costs of both the UK and Recife activities combined can be analysed as below:

	2021 Actual	2022 Budget	2023 Forecast
Total Cost	£74,685	£80,000	£100,000
Cost of generating funds	55%	30%	25%
Charitable activities			
Child and Family Care Services	43%	67%	70%
Thematic Advocacy and Campaigns	0%	2%	3%
Research and Advisory Services	3%	1%	2%
Governance	0%	0%	0%
	100%	100%	100%

The charity is working hard to ensure that its Child and Family Care Services work continues to build sustainable development and at the same time building powerful campaigns to drive wide awareness and to influence national governments and agencies on policies that affect our cause.

The economic climate for charitable fundraising continues to be challenging, with income from donations and fundraising for the year totalling £98,269 as compared to £102,764 for the year ended 31 December 2020.

The charity would like to hold reserves so that it able to make grants to partners in a structured method so that better long term initiatives can be established rather than being reactionary and only able to respond to need based on latest appeal donations.

The charity continues to monitor activities closely and seeks addition methods to attract new and additional funding.

Going concern

The board reports the year ended with a surplus of £23,584 (2020 surplus £5,997). The board acknowledges that this has been another tough year for income and as such the charity has been limited in the grants it can provide.

The charity continues to have strong local support from a wide range of sources, being donations, sponsored events, talks at schools, churches and conferences, grants from trusts & foundations.

Based on the 2022 and 2023 budget projections, the board of directors is confident that Happy Child International Ltd will continue to be a going concern.

TRUSTEES' REPORT (incorporating the Directors Report) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

Going concern - continued

Covid-19 update - The trustees have reviewed income and expenditure projections since the outbreak. The charity has continued to receive donations, has reduced expenditure and continues to make grants to the organisations in Brazil that it supports. As stated earlier in this report, the organisation has positioned itself to carry on through the pandemic.

Statement of Trustees' responsibilities

The Trustees, who are also the directors of Happy Child International for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Trustees are required to:

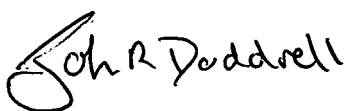
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent examiners

The Board unanimously voted to reappoint Andrew Miller of Azets to continue as Independent Examiner for the 2021 accounts and are sure they will continue to provide an excellent quality service in a competitive manner.

On behalf of the board of Trustees



.....
John Doddrell

Trustee

Dated: 8/1/22

HAPPY CHILD INTERNATIONAL

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF HAPPY CHILD INTERNATIONAL

I report on the accounts of the charity for the year ended 31 December 2021, which are set out on pages 13 to 23.

Respective responsibilities of Trustees and examiner

The Trustees, who are also the directors of Happy Child International for the purposes of company law, are responsible for the preparation of the accounts. The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011, the 2011 Act, and that an independent examination is needed. I am qualified to undertake the examination being a qualified member of The Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charity is not subject to audit under Part 16 of the Companies Act 2006 and is eligible for independent examination, it is my responsibility to:

- (i) examine the accounts under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state 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 Commission. 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 no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no other matter except that referred to in the above paragraph has come to my attention which gives me reasonable cause to believe that in any material respect the requirements:

- (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- (ii) to prepare accounts which accord with the accounting records, comply with the accounting requirements of 396 of the Companies Act 2006 and with the methods and principles of the 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) have not been met.



Andrew Miller BSc FCA
Azets
Accountants
Trinity Court, 34 West Street, Sutton.
SM1 1SH

Dated: 9/6/22

HAPPY CHILD INTERNATIONAL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<u>Income</u>					
Donations and legacies	2	71,748	0	71,748	102,004
Activities for generating funds		24,881	0	24,881	0
		96,629	0	96,629	102,004
Income from charitable activities	4	1,640	0	1,640	760
Total income		98,269	0	98,269	102,764
<u>Expenditure</u>					
Costs of generating funds					
Costs of generating voluntary income	6	40,746	0	40,746	23,318
Expenditure on Charitable activities					
Child and Family Care Services	5, 7, 8, 9	23,890	8,100	31,990	73,039
Thematic Advocacy & Campaigning Services		0	0	0	0
Research and Advisory Services		1,950	0	1,950	410
Total expenditure on charitable activities		25,840	8,100	33,940	73,449
Total expenditure	5	66,586	8,100	74,686	96,767
Net income/(expenditure) for the year/ Net movement in funds		31,684	(8,100)	23,584	5,997
Fund balances at 1 January 2021		8,609	8,100	16,709	10,712
Fund balances at 31 December 2021	17	40,293	0	40,293	16,709

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

HAPPY CHILD INTERNATIONAL

BALANCE SHEET

AS AT 31 December 2021

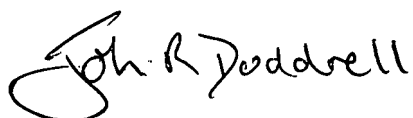
	Notes	2021 £	2021 £	2020 £	2020 £
Current assets					
Debtors	13	5,674		4,612	
Cash at bank and in hand		37,225		14,239	
		<u>42,899</u>		<u>18,851</u>	
Creditors: amounts falling due within one year	14	<u>(2,606)</u>		<u>(2,142)</u>	
Total assets less current liabilities			40,293		16,709
Creditors: amounts falling due after more than one year	15		<u>0</u>		<u>0</u>
Net assets			<u>40,293</u>		<u>16,709</u>
Income funds					
Restricted funds			0		8,100
Unrestricted funds			<u>40,293</u>		<u>8,609</u>
			<u>40,293</u>		<u>16,709</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2021. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The Trustees acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The accounts were approved by the Board on.....8/6/22.....



John Doddrell

Trustee

Company registration no. 05935028

Charity Registration no. 1116809

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

1.1 Charity Information

Happy Child International is a private company limited by guarantee incorporated in England and Wales. The registered office is The Leatherhead Institute, 67 High Street, Leatherhead, Surrey, KT22 8AH.

1.2 Accounting Convention

The accounts have been prepared in accordance with the charity's articles of association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under historical cost convention. The principal accounting policies adopted are set out below.

1.3 Incoming resources

Donations, legacies and other forms of voluntary income are recognised as incoming resources when receivable, except insofar as they are incapable of financial measurement.

1.4 Resources expended

Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Expenditure is allocated on an accruals basis between the costs of generating funds, direct charitable expenditure and the cost of governance of the charity.

Administration costs are re-allocated to each of the activities on the following basis which is an estimate, based on employee's time, of the amount attributable to each activity.

Costs of generating funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

Grant funding is paid directly to partners, currently: Institute Solidare and Ammar Transforma for use in Recife as described in the trustees report.

1.5 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.6 Restricted funds

Restricted funds are donations and other incoming resources received or generated for specific use within the charities purposes.

Accounting policies

(Continued)

1.7 Unrestricted funds

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

1.8 Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial instruments

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement is a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Accounting policies**(Continued)****1.9 Critical accounting estimates and judgements**

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

1.10 Going concern

Happy Child International had net assets of £40,293 (2020 net assets of £16,709) as at 31 December 2021.

The Trustees are monitoring spending and cash flow regularly and implement steps to ensure that the charity can meet its liabilities as and when they fall due. The restructuring process of the UK team implemented in 2015 has enabled this.

This gives the Trustees reason to conclude that Happy Child International is a going concern as at 31 December 2021.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

2 Donations and legacies	Unrestricted funds £	Restricted funds £	Total 2021 £	2020 £
Donations and gifts	71,748	0	71,748	102,004
	71,748	0	71,748	102,004
Donations and gifts Funds:				
Donations	66,667	0	66,667	96,617
Gift Aid	5,081	0	5,081	5,387
	71,748	0	71,748	102,004

HAPPY CHILD INTERNATIONAL

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

3 Restricted fund income

In 2020, Happy Child International held restricted funds for a specific project in Brazil plus funds towards research.

Restricted funds £	Total 2021 £	Total 2020 £
0	0	13,800

4 Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Grants receivable	1,640	0	1,640	760

5 Total resources expended

	Direct Expenditure £	Support costs £	Grant Funding £	Total 2021 £	Total 2020 £
Costs of generating funds					
Costs of generating donations and legacies	32,794	7,952	0	40,746	23,318
Charitable activities					
Child and Family Care Services	13,309	4,281	14,400	31,990	73,039
Thematic Advocacy & Campaign Services	0	0	0	0	0
Research and Advisory Services	1,950	0	0	1,950	410
	15,259	4,281	14,400	33,940	73,449
	48,053	12,233	14,400	74,686	96,767

Governance costs includes payments to the independent examiner of £1,500 (2020: £1,500) for independent examination fees.

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

6 Costs of generating donations and legacies

	2021	2020
	£	£
Staff costs	17,789	17,080
Event costs	15,005	228
Fundraising costs	0	0
Consultancy	0	0
Support costs	7,952	6,010
	<u>40,746</u>	<u>23,318</u>

7 Charitable activities direct expenditure

	2021	2020
	£	£
Costs relating to Child and Family Care Services comprise:		
Staff costs	12,809	11,678
Consultancy fees	500	525
	<u>13,309</u>	<u>12,203</u>

Costs relating to Research and Advisory Services comprise:

Consultancy fees	1,950	0
	<u>1,950</u>	<u>0</u>

8 Grants payable

	2021	2020
	£	£
Child and Family Care Services		
Grants paid to projects in Recife.	14,400	57,600
	<u>14,400</u>	<u>57,600</u>

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

9 Support costs

	Child and Family Care Services	Thematic Advocacy & Campaigning Services	Research and Advisory Services	Total 2021	Total 2020
	£	£	£	£	£
Administration	4,281	0	0	4,281	3,236
	<u>4,281</u>	<u>0</u>	<u>0</u>	<u>4,281</u>	<u>3,236</u>

10 Governance costs

	2021 £	2020 £
Other governance costs comprise:		
Independent examination and accountancy	1,500	2,100
Insurance	650	639
	<u>2,150</u>	<u>2,739</u>

11 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year, or any reimbursed expenses (2020: £nil).

12 Employees

Number of employees	2021 Number	2020 Number
The average monthly number of employees during the year was:	<u>2</u>	<u>2</u>
Employment costs	2021 £	2020 £
Wages and salaries	28,221	26,619
Social security costs	1,531	1,341
Pension	847	799
	<u>30,598</u>	<u>28,758</u>

No employees received annual remuneration above £20,000.

HAPPY CHILD INTERNATIONAL

**NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

13 Debtors	2021	2020
	£	£
Trade Debtors	0	656
Gift aid recoverable	5,081	3,362
Prepayments and accrued income	593	593
	<u>5,674</u>	<u>4,611</u>
 14 Creditors: amounts falling due within one year	 2021	 2020
	£	£
Trade creditors	883	487
Other creditors	1,592	648
Accruals	131	1,007
	<u>2,606</u>	<u>2,142</u>

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

17 Analysis of net assets between funds

At the end of 2021, Happy Child International held restricted funds for specific a specific project in Brazil plus funds towards research.

	Un-Restricted funds £	Restricted funds £	Total £
Fund balances at 31 December 2021 are represented by:			
Current assets	42,899	0	42,899
Creditors: amounts falling due within one year	(2,606)	0	(2,606)
Creditors: amounts falling due after more than one year	0	0	0
	<u>40,293</u>	<u>0</u>	<u>40,293</u>

18 Analysis of charitable funds

	Un-Restricted funds £	Restricted funds £	Total £
Fund balances at 1 January 2021	8,609	8,100	16,709
Income	98,269	0	98,269
Expenditure	66,585	(8,100)	74,685
Net movement in funds	31,684	(8,100)	23,584
	<u>40,293</u>	<u>0</u>	<u>40,293</u>

19 Statement of cash flows

	Total funds £
Cash flows from operating activities:	
Net cash provided by (used in) operating activities	22,985
Change in cash and cash equivalents in the reporting period	22,985
Cash and cash equivalents at the beginning of the reporting period	14,239
Cash and cash equivalents at the end of the reporting period	37,225

HAPPY CHILD INTERNATIONAL

**NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

20 Reconciliation of net movement in funds to net cash flow from operating activities

Net movement in funds for the reporting period (as per the statement of financial activities)	£ 23,584
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Adjustments for:

(Increase)/decrease in debtors	(1,063)
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Increase/(decrease) in creditors	464
----------------------------------	-----

Net cash provided by (used in) operating activities	22,985
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21 Analysis of cash and cash equivalents

Cash in hand	£ 37,225
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Total cash and cash equivalents	37,225
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Accounts

Charity Registration No. 1116809

Company Registration No. 05935028 (England and Wales)

HAPPY CHILD INTERNATIONAL

UNAUDITED ACCOUNTS

FOR THE YEAR ENDED 31 December 2020

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

J Doddrell
J A Herring
M A Pinks
C Teuten
J Marinez da Cruz

Secretary

M A Pinks

Charity number

1116809

Company number

05935028

Principal address

The Leatherhead Institute
67 High Street
Leatherhead
Surrey
KT22 8AH

Registered office

The Leatherhead Institute
67 High Street
Leatherhead
Surrey
KT22 8AH

Independent examiner

Andrew Miller BSc FCA
Azets / Wilkins Kennedy LLP
Trinity Court
34 West Street
Sutton
SM1 1SH

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Notes to the accounts	16 - 24

**TRUSTEES' REPORT (incorporating the Directors Report)
FOR THE YEAR ENDED 31 DECEMBER 2020**

The Trustees present their report and accounts for the year ended 31 December 2020.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016).

Structure, governance and management

The charity is a company limited by guarantee, incorporated on 14 September 2006 and registered as a charity on 28 November 2006.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

All directors give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 11 to the accounts.

Trustees

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

John Doddrell
Mark Pinks
John Herring
Clive Teuten
Joao Martinez da Cruz

New directors are appointed by a majority vote of the current board of directors. Directors are selected based on the skills possessed to fill a vacant position on the board. The board will invite a potential director to attend a meeting prior to their appointment.

An induction process exists to familiarise new directors with the history, operations and strategy of the charity. Directors attend training courses when a need is identified by the board.

The board of directors, who are also trustees provides the strategic direction of the charity. The board meets every other month to approve major decisions regarding events, communications with donors and the operational relationship with its partner organisation in Brazil. Happy Child assesses whether its partners overseas meet all relevant legal requirements and follow good practice.

Throughout this report "HCI" will refer to Happy Child International and will refer to Criança Feliz as the charity's main partner in Recife, Brazil during 2020.

**TRUSTEES' REPORT (incorporating the Directors Report) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020**

The Directors are grateful to all those who support the work in action, giving and prayer:

- Staff for their dedication and commitment to the work of Happy Child International UK in 2020.
- Volunteers during the year our volunteers continued to provide a vital contribution to the work of the charity giving their time, passion and energy. Mostly our volunteers have helped with fundraising and support to the office and events.
- Supporters who are individuals and churches loyally partnering with the vision of Happy Child International.

Risk Management

The trustees accept that the management of risk is ultimately their responsibility and having examined the major strategic, business and operational risks which the charity faces, confirm that appropriate control systems have been established to manage and mitigate and regularly review such risks as far as possible.

Objectives and activities

Public benefit focus on ensuring that our activities achieve our charitable aims

The trustees review the aims, objectives and activities of the charity on a regular basis. The review looks at what the charity has achieved and the outcomes of its work within the last twelve months. The directors consider the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remain focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the directors consider how planned activities will contribute to the aims and objectives that have been set.

Objective of the charity

The charity's objective is 'A child and family services charity organisation delivering advisory, campaigning, advocacy and child care services for the rescue and personal development of street children and children at risk from multiple threats, in partnership with governments and other care agencies in the developing world.'

- We do what we do with a Christian conviction.
- At present our emphasis is in Brazil

TRUSTEES' REPORT (incorporating the Directors Report) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

The charity's main activities are reported as:

- Child & Family Care Services
 - Care - developing a model of excellence for the Recife Safe home in the care of young teen age girls and their babies.
 - Child Protection – protecting children and young people from violence and advocating and equipping others to do the same
- Advocacy and Campaigning
 - Child Rights – supporting children and young people and civil society to demand rights for every child and young person and for governments to deliver on their promises
- Research and Advisory Services
 - Education & opportunities – secure a quality basic education for children and young people

**TRUSTEES' REPORT (incorporating the Directors Report) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020**

The difference Happy Child International set out to make in 2020.

HCI has been running residential care homes for 26 years in Brazil. During recent years the focus of the work was to continue supporting the safe home for vulnerable pregnant young mums and their babies. The UK continued to encourage its partner Criança Feliz to secure funding in Recife that would provide longer term sustainability for the safe home. However, towards the close of 2019 it was ever more difficult to secure partnerships in country. The economic crisis in Brazil hampered progress and increasing challenges to run the high cost of residential care accelerated conversations with our partner about a possible change in direction. The suggestion was that a different approach might open up new opportunities. At the close of 2019 Criança Feliz opted to begin looking at a more community preventative way of working which would potentially reach more children and young people at risk and increase the impact of the work.

In early 2020 Criança Feliz intended to transition its model. However, by March 2020 Covid-19 changed the outcomes of all proposals and plans that were being worked on. The Pandemic began to seriously impact the effective delivery of Criança Feliz services in Recife. As it developed the difficulties of keeping new arrivals in the home safe and equally of keeping existing staff safe were challenges that continued to escalate. The home did not have the physical structure and staff levels to work with quarantining new mums. On the 10th July 2020 the leadership team in Brazil took the difficult decision to close the home as the global and national situation in Brazil continued to unfold. The UK Board were fully supportive of the decision taken by its partner Criança Feliz and understood the difficulties of continuing to operate.

The home was loaned to Happy Child on a pro bono basis and given that the work was going to change direction the building was returned to its owner by the end of 2020. The home's furniture and equipment were then re distributed to another Christian Charity in Recife working with vulnerable communities. At the time of writing this report our partner Criança Feliz has no immediate plans to submit a new proposal. The situation with Covid-19 continues to be serious in Brazil. HCI is in contact with Criança Feliz and HCI will continue to monitor the situation and the national situation in Brazil during 2021. Despite the closure of the home there were successes.

Achievements through our partnership with Criança Feliz in 2020

During the first half of 2020, HCI and its partner Criança Feliz continued to raise awareness about the plight of teenage pregnancy both here and in Brazil with agencies such as local authorities, peer organisations, local churches, schools, civil society and other organisations.

Our partner Criança Feliz continued to be part of the REPLANDECER network, a group of 10 other international Christian NGO's in Recife working with issues that concern children and young people at risk in Recife.

Through the tireless work of the Criança Feliz team the long term adoption of one of our young Mum's and her 3-year-old daughter was completed at the close of 2020. Both Lisa and her daughter Lorena secured a forever home with a family who they got to know very well through being in the care of the Recife Safe Home. Read Lisa's story.

Lisa's Story

One young girl, Lisa, arrived in the safe home in 2016 at the age of 13, pregnant and terrified of giving birth. She wasn't able to return to either her family or her community. Her case was a serious one of profound abuse and rejection. She is now 17 and both Lisa and her daughter have always wanted a forever family.

After two failed attempts for Lisa's adoption between 2017 and 2019 another opportunity came up for them. Finding the right adoptive parents, especially for a teenager who comes with a child is quite a tall order.

**TRUSTEES' REPORT (incorporating the Directors Report) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020**

However, during the most challenging of years (2020) a new door opened for Lisa.

Marilyn, had served on the Recife safe home staff team for many years and had built up a special relationship with both Lisa and her daughter, caring and supporting them day to day during their time in the home. After a lot of reflection and consultation with the relevant professional bodies and with the safe home coordinator Delza, Marilyn decided to formally ask Lisa if she would like to be adopted by her. The young mum was delighted to accept and said that it was a dream come true for her to be welcomed into the family of a person she knew well, loved and where the relationship was reciprocal. The formal adoption process started in August 2020 and was officially completed by December 2020. Lisa and her daughter now have the safe and stable life they deserve. Marilyn will become Lisa's mother and Lisa will bring her baby up in a loving family unit.

Happy Child's Achievements from August 2020

Despite the difficulties of the global situation and closure of the home the charity sought to continue its mission in the transformation of lives for children and young people at risk in Brazil. Mid way through 2020 HCI had to quickly respond to the Pandemic crisis by establishing new Brazilian partners at short notice. With its long history of serving in Recife (13 years) and with the support of existing Criança Feliz staff the charity was able to connect with two new organisations in the city. They are focused on a more community based preventative approach and operate in vulnerable communities where there is a high prevalence of children and young people at risk.

Both organisations, Instituto Solidare & Ammar Transforma are well known to the UK team and its Board. Through engaging with them in the latter half of 2020 we were able to continue to support vital work in Recife, North East Brazil. Furthermore, we were able to implement HCI's overall strategic desire to support more sustainable ways of working which HCI thinks post Covid-19 will have a wider impact.

Through supporting community based preventative work, which provides educational and vocational training to socially vulnerable children and young people, we have achieved the following in the latter half of 2020.

- Through Instituto Solidare the supply of 190 basic food baskets with hygiene and cleaning materials to one of Recife's most vulnerable communities in the Sapu Nu district that has a population of 6,000. Current research informs us that the Covid 19 pandemic has pushed 83.5% of the labour market in Brazil into a state of vulnerability. 13.5 million people are unemployed which is more than the entire population of Sao Paulo. Many of the families, children and young people were not receiving the support they needed at the height of the pandemic. In the distribution of vital resources, priority was given to families with young children, the elderly and those caring for family members with a disability or with special needs.
- HCI was able to release funds to Instituto Solidare to host its 7th Mentoring and Skills Training programme for 40 young people from low income families. This training is part of the larger Holistic Citizen Programme which is a state government initiative for young people. Research informs that 27.1% of those who are unemployed are between the ages of 16 to 18 years old.
- This training will invest in up skilling these young people and providing opportunities for work placements and career development. Unemployment levels amongst young people are high in Brazil and more so for those who live in marginalised communities and usually have fewer opportunities to break into the job market.

**TRUSTEES' REPORT (incorporating the Directors Report) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020**

- Through Ammar Transforma the supply of 70 food baskets to the 53 families that this organisation is working with in the Joana Bezerra district. Furthermore, through their community hub the Ammar Transforma team continued to provide medical health care clinics for its residents, amongst them children and young people who suffer respiratory problems.
- HCI also supported the complete refurbishment of Ammar Transforma's community hub to provide a more comfortable environment for working with its children, young people and their families.

The difference Happy Child International sets out to make in 2021

Happy Child International succeeded in establishing 2 new partners at the close of 2020. It would like to add one more low risk partner to its portfolio of work over the next 12 months to increase impact on the ground in the region. Through the work it is supporting in Recife, North East Brazil it would like to continue to raise awareness of the plight of vulnerable children and young people in the region.

HCI would like to engage further in Advocacy and Campaign programmes that highlight the risks and vulnerabilities that children and young people face in the North East region of Brazil. The partners it is working with and seeks to establish are influencing national governments and agencies on policies that affect its cause. HCI is keen to continue supporting work that brings structural change to some of the issues facing children and young people at risk in Brazilian society.

HCI would like to become a more widely known organisation in the UK and in Brazil with wider recognition for the hands on work it is doing through partnerships that work with children and young people at risk. Our focus in 2021 in the UK and in Brazil is to seek opportunities to promote HCI with other like-minded partner organisations such as Christian NGO's, churches, businesses and individuals. It is also our goal to continue to improve our digital reach through improving our website and social media strategies.

To grow / increase our income from fundraising activities in 2021 in the UK so we can do more for the cause of children at risk and their families in the North East region of Brazil. Fundraising income has remained static with a small increase in 2020 compared to 2019. In 2020 the charity was forced to suspend some of its core activities for fundraising such as local community events and a larger supporter even in London. In 2021 the charity would like its income to remain stable and to increase it again. Covid-19 will affect the first half of the year but the charity hopes that the national situation will improve by mid-2021.

Research and Advisory Services

Happy Child International is a member of the Consortium for Street Children here in the UK which is an organisation advocating and campaigning for street connected children around the world, HCI lends it support to them and when appropriate through participating in events and conferences that they host as well as actively supporting their International Day for Street Children.

UK Fundraising Activities

In 2020 Covid-19 significantly affected the HCI's normal fundraising activities. In February 2020 we put on a small fundraising event at Burpham Church near Guildford. At the end of March all our events were cancelled for the remainder of the year. The charities income remained stable with the bedrock of our direct debit supporters continuing to give and with one off gifts from loyal supporters. In June 2020 one of our supporters undertook a challenge event which brought in further funds. In the autumn we were given 2 generous gifts from one of our main supporting donors and this helped to keep our income steady. The staff also agreed during the March 2020 lockdown to reduce their hours for 3 months so that charity overheads could be kept at a minimum and while the Happy Child office was non-operational.

TRUSTEES' REPORT (incorporating the Directors Report) (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

Financial review

Your Board estimates that the costs of both the UK and Recife activities combined can be analysed as below:

	2020 Actual £96,767	2021 Budget £120,000	2022 Forecast £150,000
Total Cost			
Cost of generating funds	24%	30%	25%
Charitable activities			
Child and Family Care Services	70%	67%	70%
Thematic Advocacy and Campaigns	0%	2%	3%
Research and Advisory Services	0%	1%	2%
Governance	0%	0%	0%
	94%	100%	100%

The charity is working hard to ensure that its Child and Family Care Services work continues to build sustainable development and at the same time building powerful campaigns to drive wide awareness and to influence national governments and agencies on policies that affect our cause.

The economic climate for charitable fundraising continues to be challenging, with income from donations and fundraising for the year totalling £102,764 as compared to £93,099 for the year ended 31 December 2018.

The charity would like to hold reserves, but has always had an urgent need to release funds to meet urgent requirements in the projects and therefore has not held reserves. Until these requirements diminish, or donations increase dramatically this is the ongoing policy.

Happy Child has continued to provide grants to Recife. The total grants to Criança Feliz for 2020 was £49,100. Additional grants of £8,500 were sent to charities in Recife

The charity continues to monitor activities closely and seeks addition methods to attract new and additional funding.

Going concern

The board reports the year ended with a small surplus of £5,997 (2019 surplus £5,949). The board acknowledges that this has been another tough year for income and as such the charity has been limited in the grants it can provide.

The charity continues to have strong local support from a wide range of sources, being donations, sponsored events, talks at schools, churches and conferences, grants from trusts & foundations.

Based on the 2021 and 2022 budget projections, the board of directors is confident that Happy Child International Ltd will continue to be a going concern.

HAPPY CHILD INTERNATIONAL

TRUSTEES' REPORT (incorporating the Directors Report) (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

Going concern - continued

Covid-19 update - The trustees have reviewed income and expenditure projections since the outbreak. The charity has continued to receive donations, has reduced expenditure and continues to make grants to the organisations in Brazil that it supports. As stated earlier in this report, the organisation has positioned itself to carry on through the pandemic and into the new year.

Statement of Trustees' responsibilities

The Trustees, who are also the directors of Happy Child International for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Trustees are required to:

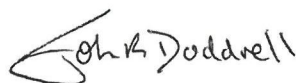
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent examiners

The Board unanimously voted to reappoint Andrew Miller of Azets / Wilkins Kennedy to continue as Independent Examiner for the 2020 accounts and are sure they will continue to provide an excellent quality service in a competitive manner.

On behalf of the board of Trustees



.....
John Doddrell

Trustee

Dated:

**INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF HAPPY CHILD INTERNATIONAL**

I report on the accounts of the charity for the year ended 31 December 2020, which are set out on pages 13 to 23.

Respective responsibilities of Trustees and examiner

The Trustees, who are also the directors of Happy Child International for the purposes of company law, are responsible for the preparation of the accounts. The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011, the 2011 Act, and that an independent examination is needed. I am qualified to undertake the examination being a qualified member of The Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charity is not subject to audit under Part 16 of the Companies Act 2006 and is eligible for independent examination, it is my responsibility to:

- (i) examine the accounts under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state 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 Commission. 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 no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no other matter except that referred to in the above paragraph has come to my attention which gives me reasonable cause to believe that in any material respect the requirements:

- (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- (ii) to prepare accounts which accord with the accounting records, comply with the accounting requirements of 396 of the Companies Act 2006 and with the methods and principles of the 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) have not been met.



Andrew Miller BSc FCA
Azets
Accountants
Trinity Court, 34 West Street, Sutton.
SM1 1SH

Dated:

HAPPY CHILD INTERNATIONAL

STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Income					
Donations and legacies	2	88,204	13,800	102,004	83,627
Activities for generating funds		0	0	0	232
		88,204	13,800	102,004	83,859
Income from charitable activities	4	760	0	760	9,240
Total income		88,964	13,800	102,764	93,099
Expenditure					
Costs of generating funds					
Costs of generating voluntary income	6	23,318	0	23,318	25,640
Expenditure on Charitable activities					
Child and Family Care Services	5, 7, 8, 9	67,539	5,500	73,039	61,510
Thematic Advocacy & Campaigning Services		0	0	0	0
Research and Advisory Services		210	200	410	0
Total expenditure on charitable activities		67,749	5,700	73,449	61,510
Total expenditure	5	91,067	5,700	96,767	87,150
Net income/(expenditure) for the year/ Net movement in funds		(2,103)	8,100	5,997	5,949
Fund balances at 1 January 2020		10,712	0	10,712	4,763
Fund balances at 31 December 2020	17	8,609	8,100	16,709	10,712

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

HAPPY CHILD INTERNATIONAL

BALANCE SHEET AS AT 31 December 2020

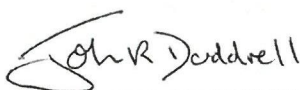
	Notes	2020 £	2020 £	2019 £	2019 £
Current assets					
Debtors	13	4,612		2,278	
Cash at bank and in hand		14,239		10,792	
		<u>18,851</u>		<u>13,070</u>	
Creditors: amounts falling due within one year	14	<u>(2,142)</u>		<u>(2,358)</u>	
Total assets less current liabilities			16,709		10,712
Creditors: amounts falling due after more than one year	15		0		0
Net assets			16,709		10,712
Income funds					
Restricted funds			8,100		0
Unrestricted funds			8,609		10,712
			<u>16,709</u>		<u>10,712</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2020. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The Trustees acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The accounts were approved by the Board on.....



John Doddrell

Trustee

Company registration no. 05935028

Charity Registration no. 1116809

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

1.1 Charity Information

Happy Child International is a private company limited by guarantee incorporated in England and Wales. The registered office is The Leatherhead Institute, 67 High Street, Leatherhead, Surrey, KT22 8AH.

1.2 Accounting Convention

The accounts have been prepared in accordance with the charity's articles of association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under historical cost convention. The principal accounting policies adopted are set out below.

1.3 Incoming resources

Donations, legacies and other forms of voluntary income are recognised as incoming resources when receivable, except insofar as they are incapable of financial measurement.

1.4 Resources expended

Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Expenditure is allocated on an accruals basis between the costs of generating funds, direct charitable expenditure and the cost of governance of the charity.

Administration costs are re-allocated to each of the activities on the following basis which is an estimate, based on employee's time, of the amount attributable to each activity.

Costs of generating funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

Grant funding is paid directly to Criança Feliz, Instituto Solidare and Ammar Transforma for use in Recife as described in the trustees report.

1.5 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.6 Restricted funds

Restricted funds are donations and other incoming resources received or generated for specific use within the charities purposes.

Accounting policies

(Continued)

1.7 Unrestricted funds

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

1.8 Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial instruments

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Accounting policies**(Continued)****1.9 Critical accounting estimates and judgements**

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

1.10 Going concern

Happy Child International had net assets of £16,709 (2019 net assets of £10,712) as at 31 December 2020.

The Trustees are monitoring spending and cash flow regularly and implement steps to ensure that the charity can meet its liabilities as and when they fall due. The restructuring process of the UK team implemented in 2015 has enabled this.

This gives the Trustees reason to conclude that Happy Child International is a going concern as at 31 December 2020.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

2 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2020 £	2019 £
Donations and gifts	88,204	13,800	102,004	83,627
	<u>88,204</u>	<u>13,800</u>	<u>102,004</u>	<u>83,627</u>
Donations and gifts Funds:				
Donations	82,817	13,800	96,617	79,557
Gift Aid	5,387	0	5,387	4,070
	<u>88,204</u>	<u>13,800</u>	<u>102,004</u>	<u>83,627</u>

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

3 Restricted fund income

In 2020, Happy Child International held restricted funds for specific a specific project in Brazil plus funds towards research.

Restricted funds £	Total 2020 £	Total 2019 £
13,800	13,800	0

4 Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Grants receivable	760	0	760	9,240

5 Total resources expended

	Direct Expenditure £	Support costs £	Grant Funding £	Total 2020 £	Total 2019 £
Costs of generating funds					
Costs of generating donations and legacies	17,308	6,010	0	23,318	25,640
Charitable activities					
Child and Family Care Services	12,203	3,236	57,600	73,039	61,510
Thematic Advocacy & Campaign Services	0	0	0	0	0
Research and Advisory Services	410	0	0	410	0
	12,613	3,236	57,600	73,449	61,510
	29,921	9,246	57,600	96,767	87,150

Governance costs includes payments to the independent examiner of £1,770 (2018: £1,770) for independent examination fees.

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

6 Costs of generating donations and legacies

	2020	2019
	£	£
Staff costs	17,080	16,486
Event costs	228	1,602
Fundraising costs	0	0
Consultancy	0	936
Support costs	6,010	6,616
	23,318	25,640

7 Charitable activities direct expenditure

	2020	2019
	£	£
Costs relating to Child and Family Care Services comprise:		
Staff costs	11,678	12,469
Consultancy fees	525	1,479
Brazil trip	0	0
	12,203	13,948

Costs relating to Thematic Advocacy & Campaign Services comprise:

Staff costs	0	0
Consultancy fees	0	0
	0	0

Costs relating to Research and Advisory Services comprise:

Staff costs	0	0
Consultancy fees	0	0
	0	0

8 Grants payable

	2020	2019
	£	£
Child and Family Care Services		
Grants paid to projects in Recife.	57,600	44,000

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

9 Support costs

	Child and Family Care Services	Thematic Advocacy & Campaigning Services	Research and Advisory Services	Total 2020	Total 2019
	£	£	£	£	£
Administration	3,236	0	0	3,236	3,562
Staff costs	0	0	0	0	0
	3,236	0	0	3,236	3,562

10 Governance costs

	2020 £	2019 £
Other governance costs comprise:		
Independent examination and accountancy	2,100	1,770
Insurance	639	658
	2,739	2,428

11 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year, or any reimbursed expenses (2019: £nil).

12 Employees

Number of employees	2020 Number	2019 Number
The average monthly number of employees during the year was:	2	2
Employment costs	2020 £	2019 £
Wages and salaries	26,619	28,017
Social security costs	1,341	938
Pension	799	0
	28,758	28,955

No employees received annual remuneration above £20,000.

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

13	Debtors	2020	2019
		£	£
	Trade Debtors	656	656
	Gift aid recoverable	3,362	1,029
	Prepayments and accrued income	593	593
		<u>4,611</u>	<u>2,278</u>
14	Creditors: amounts falling due within one year	2020	2019
		£	£
	Trade creditors	487	375
	Other creditors	648	(24)
	Accruals	1,007	2,007
		<u>2,142</u>	<u>2,358</u>
15	Creditors: amounts falling due after more than one year	2020	2019
		£	£
	Other creditors	0	0

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

17 Analysis of net assets between funds

At the end of 2020, Happy Child International held restricted funds for specific a specific project in Brazil plus funds towards research.

Fund balances at 31 December 2020 are represented by:

Current assets

Creditors: amounts falling due within one year

Creditors: amounts falling due after more than one year

Un-Restricted funds £	Restricted funds £	Total £
10,751	8,100	18,851
(2,142)	0	(2,142)
0	0	0
<u>8,609</u>	<u>8,100</u>	<u>16,709</u>

18 Analysis of charitable funds

Fund balances at 1 January 2020

Income

Expenditure

Net movement in funds

Fund balance at 31 December 2020

Un-Restricted funds £	Restricted funds £	Total £
10,712	0	10,712
88,964	13,800	102,764
(91,067)	(5,700)	(96,767)
(2,103)	8,100	5,997
<u>8,609</u>	<u>8,100</u>	<u>16,709</u>

19 Statement of cash flows

Cash flows from operating activities:

Net cash provided by (used in) operating activities

Change in cash and cash equivalents in the reporting period

Cash and cash equivalents at the beginning of the reporting period

Cash and cash equivalents at the end of the reporting period

**Total funds
£**

3,448

3,448

10,792

14,239

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

20	Reconciliation of net movement in funds to net cash flow from operating activities	
	Net movement in funds for the reporting period (as per the statement of financial activities)	£ 5,997
	Adjustments for:	
	(Increase)/decrease in debtors	(2,333)
	Increase/(decrease) in creditors	(216)
	Net cash provided by (used in) operating activities	3,448
 21	 Analysis of cash and cash equivalents	 £
	Cash in hand	14,239
	Total cash and cash equivalents	14,239
