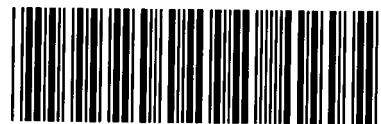


Charity Registration No. 1116809

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.

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:

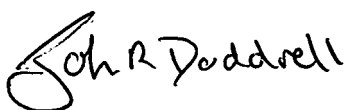
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity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

		Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
	Notes				
<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

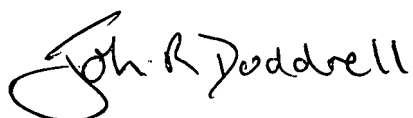
	Notes	2021 £	2021 £	2020 £	2020 £
Current assets					
Debtors	13	5,674		4,612	
Cash at bank and in hand		37,225		14,239	
		<u>42,899</u>		<u>18,851</u>	
Creditors: amounts falling due within one year	14	<u>(2,606)</u>		<u>(2,142)</u>	
Total assets less current liabilities			40,293		16,709
Creditors: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