

Charity Registration No. 1116809

Company Registration No. 05935028 (England and Wales)

HAPPY CHILD INTERNATIONAL

UNAUDITED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023



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

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 Gerdau 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.

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

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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

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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.

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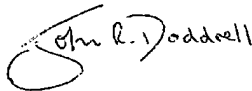
TRUSTEES' REPORT (Incorporating the Director's Report) (continued) FOR THE YEAR ENDED 31 December 2023

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.

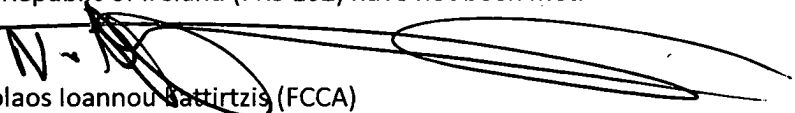
Basis of independent examiner's report

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**

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Income					
Donations and legacies	2	106,529		106,529	61,413
Activities for generating funds		5,899		5,899	5,691
		<u>112,428</u>		<u>112,428</u>	<u>67,104</u>
Bank Interest Received		634		634	46
Total Income		<u>113,062</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>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					
Total expenditure on charitable activities		<u>71,983</u>		<u>71,983</u>	<u>80,553</u>
Total expenditure	5	<u>71,983</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
Fund balances at 31 December 2022	17	<u>67,969</u>		<u>67,069</u>	<u>26,890</u>

HAPPY CHILD INTERNATIONAL

BALANCE SHEET

AS AT 31 December 2023

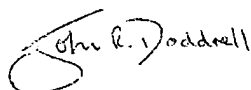
	Notes	2023 £	2022 £
<u>Current assets</u>			
Debtors	13		
Cash at bank and in hand		69,889	28,836
		<u>69,889</u>	<u>28,836</u>
Creditors: amounts falling due within one year	14	(1,920)	(1,946)
		<u>67,969</u>	<u>26,890</u>
<u>Total assets less current liabilities</u>			
<u>Creditors: amounts falling due after more than one year</u>			
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 15/14/2024



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.

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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
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