

**Charity Registration No. 1116809**

**Company Registration No. 05935028 (England and Wales)**

**HAPPY CHILD INTERNATIONAL**

**UNAUDITED ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**WEDNESDAY**



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**HAPPY CHILD INTERNATIONAL**

**LEGAL AND ADMINISTRATIVE INFORMATION**

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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**

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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 1<sup>st</sup> 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

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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

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#### 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

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#### 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**

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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**

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#### **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**

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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

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#### 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**

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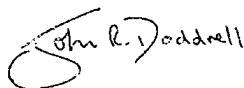
- observe the methods and principles in the Charity's SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis, unless it is inappropriate to presume that the Charity will continue to be in operation.

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

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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**

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

**HAPPY CHILD INTERNATIONAL**

**BALANCE SHEET  
AS AT 31 December 2022**

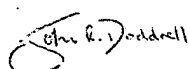
	Notes	2022 £	2022 £	2021 £	2021 £
<b><u>Current assets</u></b>					
Debtors	13			5,674	
Cash at bank and in hand		28,836		37,225	
		<u>28,836</u>		<u>42,899</u>	
Creditors: amounts falling due within one year	14	(1,946)	(	(2,606)	
Total assets less current liabilities		<u>26890</u>	<u>26890</u>	<u>40,293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

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**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**

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#### **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

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#### 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 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:**

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

**Expended:**

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

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