

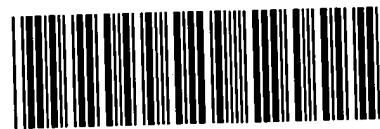
Charity Number: 1069022
Company Number: 03489665

Action for Brazil's Children Trust

Report and Audited Financial Statements

31st August 2015

TUESDAY



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A13 31/05/2016 #118
COMPANIES HOUSE

Reference and administrative details

Company Number: 03489665

Charity Number: 1069022

Registered office and operational address:

Unit E, Sirius House
Seafarer Way
Plough Way
Surrey Quays, London
SE16 7DR

Trustees:

The trustees, who are also directors under company law, who served in the period and up to the date of this report were as follows:

Katrina Dick
Annemarie Elsom (resigned 8th May 2015)
Maria das Gracas Fish
Lucretia Hudson-Garber (appointed 8th May 2015)
Jimena Paratcha (resigned 8th May 2015)
Sirmad Shafique (appointed 8th May 2015)
Peter Van Veen (resigned 8th May 2015)

Company Secretary:

Katrina Dick (resigned 8th May 2015)
Paul Campbell (appointed 8th May 2015, resigned 11th December 2015)
Robin Ramphal (appointed 11th December 2015)

Principal Staff: Tiffany Garside

Principal Bankers:

CAF Bank Ltd	Coutts and Co
25 Kings Hill Avenue	440 Strand
Kings Hill	London
West Mailing	WC2R 0QS
Kent	
ME19 4JQ	

Auditors: Crowe Clark Whitehill
St Bride's House
10 Salisbury Square
London EC4Y 8EH

Report of the Trustees

The trustees present their report and the audited financial statements for the period ended 31st August 2015.

Reference and administrative information set out on page 2 forms part of this report. The financial statements comply with the current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities (issued in March 2005).

Structure, governance and management

ABC Trust is governed by a Board of Trustees, chosen for their range of skills sets that are complimentary to the charity's requirements. The Chief Executive reports into the Board and is responsible for the management of the organisation and its employees.

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment of Trustees

All prospective trustees, undergo interviews with both the chair, other trustees and the Executive Director and are selected based upon the skills and experience they can bring to ABC Trust. As part of their training and induction they are provided with a set of the charity's accounts, management accounts, and introductions to the rest of the board.

As part of the merger with Childreach International, some trustees transferred from the ABC Trust board to the Childreach International board.

Public Benefit

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing Action for Brazil's Children Trust's aims and objectives and in planning for the year ahead.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The Trustees regularly assess the major risks to which the charity is exposed on an on-going basis, in particular those related to the operations and finances of the Trust. Due to ongoing concerns over the charity's unrestricted cash flow, prior to the merger with Childreach International, a monthly director's report, profit and loss and cash flow report have been implemented to ensure the treasurer and trustees are aware of ABC Trust's financial position at all times.

Report of the Trustees

The parent charity holds a risk register where all risks are recorded. This ongoing programme incorporates all aspects of risk faced by the organisation relating to governance, operations, finances and external obligations.

The CEO and senior management are responsible for mitigating these risks and reporting to the board on measures taken to reduce exposure to risk.

ABC Trust Merger with Childreach International, May 2015

This extended 17 month audit period saw transformational change in the governance and operations of ABC Trust. After a successful World Cup campaign, raising over £80,000 for ABC Trust's work in Brazil, the Trustees felt it was the optimal time to look for a long term partner to build on and ensure the sustainability of the organisation.

Due to ABC Trust's size and single country focus, we have experienced difficulties raising sufficient unrestricted funds to scale our work and capitalise on exciting new donor and PR opportunities in the UK and Brazil. Therefore, it was decided to look for a partner to invest in the strong foundation created by our loyal supporters and both guarantee and scale up our project outreach and network.

ABC Trust's key criteria for a merger partner were:

1. *Similar values and approach to working with vulnerable young people and their families*
2. *A vision to transform the lives of vulnerable children in Brazil*
3. *A commitment to continue partnering with our current project portfolio and an interest in developing/expanding this work*
4. *A robust governance structure and financial base*

Following a great deal of research and due diligence, narrowing prospective charities from 30 down to 2, we took the decision to merge ABC Trust with Childreach International, the global children's charity. This is a two stage merger, with ABC Trust initially becoming a subsidiary of Childreach International in May 2015, then becoming fully integrated into Childreach and ceasing to exist as a separate charity.

As part of Childreach, ABC Trust will have the same focus on at risk children in Brazil, the same mission and the same supporters. The children at ABC's projects in Brazil will continue to benefit from ABC's work across four cities supporting communities to transform the lives of the most vulnerable children in Brazil. However, ABC Trust will now be able to support project partners to become self-sustaining through training and global networks, as well as campaign for children's rights in Brazil.

Both Childreach International and ABC Trust work to protect and empower at risk children throughout the world, teaching them about their rights, giving them a voice and encouraging them to be active agents of change. Both organisations believe in strengthening local organisations, helping communities to lead and own the solutions to challenges children face. Together, we believe we are better placed to advocate for the rights of children globally, and build the capacity of our project partners.

Report of the Trustees

This natural fit, and the ability to share resources in order to reach even more children and young people, led to discussions between Childreach and ABC Trust in September 2014. The final agreement to join forces, with ABC Trust becoming a subsidiary of Childreach, was completed only seven months later with the support of a pro bono team from Linklaters.

From the initial discussions it became clear that ABC joining the Childreach family as a subsidiary was a win-win for both organisations. Childreach is able to support a charity that does amazing work with whom it has shared values; whilst ABC Trust will benefit from Childreach International's experience in increasing local expertise, self-reliance and building up young leaders. The trustees, staff, volunteers and partners of both organisations are excited by this partnership of two charities with shared values and a bold vision for the future.

The ABC Trust Trustees and CEO were also extremely thankful at the commitment and encouragement shown by their supporters throughout the merger process. The general response was that this was a positive and courageous decision and something more charities should look to do.

"At Comic Relief we believe in partnering with organisations like ABC Trust and Childreach International who work in partnership with communities to tackle poverty and social injustice across the world. A key part of this involves working with these organisations on building expertise and sustainability. We're delighted to see two of our partners come together in a move that will strengthen their ability to reach out to more at risk children and young people." Titise Kode, International Grants Portfolio Manager, Comic Relief

Charitable activities

Vision

A Brazil in which every child has the right to, and the reality of, a safe childhood, a good education and opportunities to reach her or his potential.

Mission

To protect and empower at risk children and young people through providing local community services and positive role models in their lives.

Established in 1998, we have worked in Brazil for 17 years and supported over 20,000 children & their families to date. Today we have 12 partner projects in the major urban centres of Rio, Sao Paulo, Recife and Salvador.

By raising awareness and funding ABC Trust supports the work of local, community-led organisations, which give children, their families and communities the education, support and inspiration that they need to transform their lives. ABC Trust's work focuses on prevention projects that stop children from reaching the streets or getting involved in gangs or drugs.

Report of the Trustees

A - Action: Working directly with children and young people through providing grants to partnering community organisations that offer education, art and sport

B - Building capacity: supporting community organisations by offering training and development, so that they can become self-sustainable

C - Campaigning: building and supporting national and global awareness campaigns to influence policy, raise awareness and give vulnerable children and young people a voice

Late 2013 ABC Trust carried out an in-depth evaluation of its work after 15 years of operation to review the most urgent needs for at risk children and young people in Brazil today. Over 6 months research was carried out with projects and think tanks in Brazil, and with King's College Brazil Institute. This culminated in a workshop facilitated by a Theory of Change expert, bringing together the ABC Trust Founder, Executive Director and Senior Programme Officer as well as external experts. The result was ABC Trust mapping out our own Theory of Change based on the meeting the most urgent unmet need. This was to protect and empower at risk children and young people through providing local community services and positive role models in their lives.

This then formed the basis of ABC Trust's Safer Future awareness campaign launched in March 2014 for the 2014-2015 financial year. The key messaging around this was:

Every hour in Brazil a child or teenager is murdered. (Mapa da Violencia 2012, Brazilian Latin American Faculty of Social Sciences -FLACSO)

Brazil is home to the biggest crack market in the world (INPAD & UNIFESP, 2012: p. 17)

Brazil has 16 out of 50 of the most violent cities in the world. Six of those cities will host World Cup games – Fortaleza, Natal, Salvador, Manaus, Recife and Belo Horizonte (Seguridad, Justicia y Paz, a Mexican NGO, 2013)

Our project partners in Brazil

Our aim is to help structure and grow community projects, enabling them to reach out to thousands more young people. Ideally we look to invest in pilot projects that, once proven, will be taken on by the government or grown to a larger scale.

We have strong networks and, in many cases, have supported projects over a number of years, building a deep bond and understanding of the issues each face. We look for committed community leaders who are capable of mobilising support, putting ideas into action and reaching out to the most marginalised.

In order to help projects to develop their own capabilities and make a difference to children's lives, we assess which projects to support according to the following criteria:

- ✓ Mission – a clear definition of the issue to be tackled and why

Report of the Trustees

- ✓ Strategy/Approach – scale, potential for growth and longer-term sustainability (e.g. adoption by government)
- ✓ Activities – showing clear links between activities and objectives
- ✓ Results – ability to measure impact with clear outputs and outcomes based on children's needs
- ✓ Project management capacity – skills and experience in project management

Action - grant making in 2014-2015

In 2014-2015, ABC Trust made grants to the following 12 projects:

RIO DE JANEIRO

INATOS (formerly CEACA Vila) –cultural activities, IT, English, percussion, dance, games, arts, English, Portuguese and a library, working on overall social and educational development of 4-10 year olds

Crescer e Viver – social circus programme for 6-24 year olds, supporting family reintegration and developing life and employability skills

Favela Street, IBISS – football for development programme for 7-21 year olds, preventing gang involvement and drug use

Cinema Nosso - Animate my school project – play and animation used to improve children's learning abilities and promote parent's participation in child's education

SÃO PAULO

Fazendo Historia - Fazendo Minha Historia project– therapeutic story-telling programme to rebuild lives of children living in shelters. Pioneering programme, replicable across Brazil

Fazendo Historia - Grupo Nós project – leaving care programme for 16-18 year olds from orphanages, helping reintegrate into society and find employment

ACER - Football & Citizenship project– one of first fully integrated sport for development programme in Brazil preventing gang involvement and drug using, empowering girls to access sport and bridging community divides

ACER - Family Guardian project – pioneering family fostering programme as positive alternative to shelters; pilot with aim of government replication across Brazil

AA Criança – one of remaining programmes for children living on street in Sao Paulo's 'crackland' – outreach, family reintegration, educational support and life skill development. Leader in advocacy for these children

SALVADOR

Viva a Vida – only drug prevention programme for children in Salvador (crack epidemic in city)

SIS – builds self-esteem and love for learning amongst children from impoverished community, focusing on improving numeracy and literacy, health and nutrition and support for families

Report of the Trustees

RECIFE

ISMEP, Recife – education, creative, vocational activities and health and nutritional support for children living in swamp community to tackle cycles of poverty, violence and hopelessness

B – Building Capacity in 2014-2015

ABC Trust is committed to building the capacity of all our partner projects in impact measurement, financial systems and controls and fundraising and communications. During this period, thanks to a positive variance in currency exchange, Aberdeen Asset Management agreed to use additional Reals (R\$) received by SIS, ISMEP and AA Crianca to link them with expert consultants in strategic planning, fundraising, communication and monitoring and evaluation to help build the long term and local sustainability of the three organisations.

"In 2015 we had a consultancy which focused on the elaboration of a fundraising and communication plan. It was a very enriching experience and very beneficial for the whole team, engaging everyone in the project's sustainability" – AA Crianca

"The consultancy's meetings have been important, because these are moment in which we can assess our work, think of how to bring it forward to reach the objectives of the project. These are moments in which we think of the organisation as a whole, and its specificities, where all of us are part of something bigger together." ISMEP

ABC Trust also continued providing financial, monitoring and evaluation and other technical expertise to our projects. One of these was ACER, which we worked with to develop their sport for development programme in Sao Paulo.

"ACER's technical support allowed to ACER Brazil to become a reference in Brazil in several actions (for instance in Football for Social Impact, in Child Protection Policies, in Guardian Families) and to increase our relations with international organisations" ACER

"The meetings realised by ABC's representative with the project's team were almost like a consultancy, both for the management of the project and its sustainability for the years to come. In these meetings we were able to understand our limitations and potentialities, as well as how to transform them in something interesting for our financial partners" INATOS

C- Campaigning. ABC Trust's World Cup campaign

During a time when the whole world was looking to Brazil, for the 2014 World Cup, we wanted to shine a spotlight on how football, art and culture can be used positively to transform the lives of Brazil's invisible children. In some of the most violent communities in the world, football and art programmes provide a safe place for children away from gangs or drug traffickers. Children learn they are worth something and can become positive forces for change, and rivalries are put aside for the beautiful game.

The campaign was a great success. Prior to the World Cup we ran a Brazil masterclass with King's College, as part of a strategy to build relationships with journalists flying to

Report of the Trustees

Brazil for the event. This not only heightened our profile, but provided us with strong media relationships that could be built on for the Olympics in 2016, such as those with Channel 4.

During the World Cup we were featured in **22 national press articles and 3 TV news stories, with an estimated audience potential of 140 million viewers in the UK and Brazil**. Some of these included (click on link to read):

Gary Lineker Presents the Radio 4 Appeal for ABC Trust
Globo TV on Art of Futebol auction <http://bit.ly/1mueofj>
Prince Harry Visits ABC Partner Project ACER, by Gordon Reyner, The Telegraph
World Cup: Pitch battle, by Samantha Pearson and Joe Leahy, The Financial Times
No miracles, but plenty of conflicts, in the City of God and Saved By Football by Keme Nzerem, 2 x Channel 4 News reports
How Football Could Save the Lives of Women in Brazil, by Laura Millar, Marie Claire UK
A child is killed every hour as crack epidemic grips Brazil by Benedict Moore-Bridger, The Evening Standard

In addition to the media coverage, we raised £85,791 over a 4 month period through various activities and events. These included a House of Commons World Cup reception hosted by Jeremy Irons, and the Art of Futebol auction at the Brazilian embassy: a unique event auctioning one off footballs signed by Brazilian football stars and designed by British artists.

Financial review 2014-2015

ABC Trust raised £673,333 although it should be noted that this was for an extended 17 month period. As in previous years, the majority of this was through Trusts and Foundations (£487,113), which provided restricted grants to projects, though due to the World Cup fundraising activities a significant amount was donated by individuals (£100,036) and raised through events (£56,869).

It should also be noted that the majority of fundraising activity took place between April 2014 and August 2014. Following this, the CEO continued to build relationships with Trusts and Foundations, but the Fundraising staff were made redundant and ABC Trust focused on the merger with Childreach International.

Reserves policy

The Trustees have set a reserves policy such that sufficient unrestricted reserves should be available to cover any committed future project funding and meet three months of UK operating expenditure. As at 31st August 2015 reserves were £65,374 (£49,551 unrestricted and £15,823 restricted).

Report of the Trustees

During 2014-15 the aim was to ensure the policy was returned to the three month rule which equates to around £60,000. ABC Trust met this aim; this was primarily due to a reduction in operational costs in the run up to the merger with Childreach International. Moving forward, ABC Trust will aim to maintain its 3 month reserve policy.

Restricted funds are grants and donations to be used in accordance with specific restrictions imposed by the donor or those funds raised by the charity for a particular purpose; these may be project specific or more broadly restricted to a specific theme or country.

The cost of raising and administering such funds are charged against the specific fund. Details of restricted funds are set out in Note 13.

Risk management

The Board has adopted a formal Risk Policy, and the Trustees and management have identified risks and ranked these by likelihood and impact. Key risks are regularly reviewed and monitored by the CEO and Programme Manager as part of ongoing risk management throughout the year, while the trustees review the major risks that face the organisation on at least a quarterly basis and more often if needed. The Board has established systems and clear reporting mechanisms to monitor, manage and mitigate the exposure to risk.

The Programme Manager based in London visits all field offices at regular intervals and most projects at least once a year. Trustees are also encouraged to visit programmes when appropriate and practicable. Finances are monitored by the management regularly using a system of monthly checks and reviews. Board meetings are held quarterly and reports on progress in programmes and finances are presented in formats approved by the Board.

Thanks to our dedicated supporters

Individual giving

We are very thankful for Gary Lineker and Jeremy Irons giving up their time to host the Radio 4 Appeal and House of Commons reception respectively.

Celebrated football stars and artists gave their time and name to our Art of Futebol project, with footballers signing balls designed by UK artists. Art of Futebol football stars: Pele, Neymar, David Luiz, Ronaldo, Ronaldinho, Ramires, Zico, Romario, Rai, Falcao, Oscar
Artists: Nick Carter, Patrick Hughes, Jimmy Galvin, Nasser Azam, Inkie, Static, Richie Culver, Pakpoom Silphan, Tolleck Winner, Cibelle, Pure Evil

We would like to thank Marcelo Martins for his generous gift, Ricardo and Val Oliveira for dedicating their wedding anniversary to ABC Trust, Ricardo Martins for his iron man, Alex Dellal, David Ponte, Bruno Bastit, Michele More, and Joel Martin

Report of the Trustees

In addition, ABC Trust has 79 regular donors (monthly and quarterly). They are too many to list here, but each and every one is vital to ABC Trust, allowing us to plan our work effectively and reach out to the most vulnerable children in Brazil. In addition we have received several significant one off gifts throughout the year.

Events

- May 2014 Brazil Masterclass in partnership with King's College London – a half day class on Brazilian economics, culture, society and sport for journalists heading out to the World Cup
- House of Commons World Cup reception, hosted by our Patron Jeremy Irons and Robert Halfon MP. Sponsored by the Anglo Brazilian Society with around 100 people in attendance.
- Art of Futebol, Brazilian Embassy in July 2014. Thank you to all those who bided on the balls raising over £24,000
- July 2014 and 2015 British 10k London Run – particular thanks to the Pereira family
- November 2014 BrazilVida fashion show and auction, celebrating the launch of BrazilVida and raising money for ABC Trust
- October 2015 Big City Sleep, held in partnership with Street Child United, was a great success with a silent disco, film screening and around 40 people taking to their sleeping bags for the night. Thanks to Spitalfields market for hosting us again.
- Challenge events and community fundraisers – as always, ABC Trust was overwhelmed by people's commitment and energy in raising money for us through the use of their own unique talents and creativity.

Corporate partnerships

It was another fantastic year of support from a range of high profile Corporate Foundations: Aberdeen Asset Management, Future for Kids, St James's Place Foundation, BT Sport (BT Supporters Club) and Vila Nova, an investment advisory company in São Paulo.

A large thank you to Cabana restaurants, a long term supporter of ABC Trust, who ran a cause related marketing campaign in the run up to the World Cup raising over £14,000.

Very generous staff from the Sports Production Company also donated part of their salary whilst working at the World Cup to ABC Trust.

We were delighted to have the support of a group of students from King's College School who raised money for a trip to Brazil to visit one of our projects.

Charitable Trusts

Comic Relief continued to be a major supporter of ABC Trust's work in Brazil, funding six different projects. JA Clark Charitable Trust also continued to support AA Crianca in Sao Paulo.

Report of the Trustees

Gifts in kind

The ABC Trust and Childreach International merger would not have been able to proceed without the dedicated and expert support of a wonderful team at Linklaters and Philippa Garland at Baites Well Braithwaite. Working tirelessly over 7 months, their gift in kind for these accounts is based on what ABC Trust would have been able to cover in legal fees, but if we consider the real cost to the firms in billable hours this equates to over £50,000. Linklaters and BWB were introduced to us by a good partner of ABC Trust: iProbono, which links small NGOs with high quality legal expertise and support.

Neto, Montgomery and Associates also continued to provide legal support in Brazil. Joan Hudson & Co accountants managed ABC Trust's payroll: a gift worth £1,550.

Future Plans

As part of the Childreach Group, ABC Trust will continue its vital work with marginalised children and young people in Brazil as well as drawing on and sharing expertise and development methodologies across the world, for the benefit of our Brazil project partners. In 2016 we will set out our 5 year strategy; in which we aim to work to further build the capacity of project partners to be self-sustaining within Brazil. We will continue to fund partners in Rio, Sao Paulo and Salvador connecting them to UK donors as well as helping them find local funding, and during the Rio 2016 Olympics we aim to raise awareness of issues facing Brazilian children and young people in the UK.

Statement of responsibilities of the trustees

The trustees are required to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources of the charity for the period. In preparing those financial statements the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enables them to ensure that the financial statements comply with the Companies Act 2006. The trustees

Report of the Trustees

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.

Each of the trustees confirms that to the best of their knowledge there is no information relevant to the audit of which the auditors are unaware. The trustees also confirm that they have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

The members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31st August 2015 was one. The trustees have no beneficial interest in the charity.

Auditors

Following the merger Godfrey Wilson Limited resigned as the charity's auditors. Crowe Clark Whitehill were appointed on 17th December 2015 and have expressed their willingness to continue in that capacity.

Approved by the trustees on 23 May 2016 and signed on its behalf by:



Katrina Dick, Chair
Trustee

Independent Auditors Report

Independent Auditor's Report to the Members of Action for Brazil's Children Trust

We have audited the financial statements of Action for Brazil's Children Trust for the period ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes numbered 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

Independent Auditors Report

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees Annual Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the trustees annual report.

N. Hashemi

Naziar Hashemi

Senior Statutory Auditor

For and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

London

Date *27/5/16*

Statement of Financial Activities

(incorporating income and expenditure account) for the period ended 31st August 2015

Income and Expenditure	Note	Unrestricted funds	Restricted funds	Total 17 months 2015	Total 2014
		£	£	£	£
Incoming Resources					
<i>Incoming Resources From Generated Funds:</i>					
Voluntary Income	2	128,147	-	128,147	110,305
Activities for Generating Funds	3	57,369	-	57,369	51,758
Investment Income		23	-	23	23
<i>Incoming Resources from Charitable Activities</i>	4	80,262	407,113	487,375	679,661
<i>Other Incoming Resources</i>		419	-	419	2,947
Total Incoming Resources		266,220	407,113	673,333	844,694
Resources Expended					
Costs of Generating Funds		(79,940)	-	(79,940)	(128,680)
Net Incoming Resources Available for Charitable Application		186,280	407,113	593,393	716,014
Charitable Activities	5	(114,487)	(617,842)	(732,329)	(476,896)
Governance Costs	5	(37,892)	-	(37,892)	(33,439)
Total Charitable Expenditure		(152,379)	(617,842)	(770,221)	(510,335)
Total Resources Expended	5	(232,319)	(617,842)	(850,161)	(639,015)
Net Income /(Expenditure) for the Period		33,901	(210,729)	(176,828)	205,679
Net Movement in Funds		33,901	(210,729)	(176,828)	205,679
Fund Balances at 1st April 2014		15,650	226,552	242,202	36,523
Fund Balances at 31st August 2015		49,551	15,823	65,374	242,202

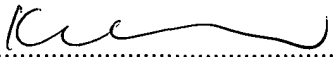
All amounts relate to continuing operations.
There were no gains or losses other than the results for the period.

Balance as at 31st August 2015

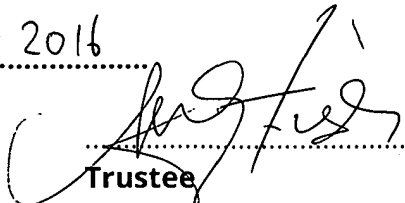
Company Number: 7005335	Note	31st August 2015 £	31st March 2014 £
Fixed Assets			
Tangible Assets	9	-	2,019
Total Fixed Assets		<u>-</u>	<u>2,019</u>
Current Assets			
Debtors	10	144	6,302
Cash at bank and in hand		91,075	252,993
		<u>91,219</u>	<u>259,295</u>
Current Liabilities			
Creditors: amounts falling due within one year	11	(25,845)	(19,112)
Total Current Liabilities		<u>(25,845)</u>	<u>(19,112)</u>
Net Current Assets		<u>65,374</u>	<u>240,183</u>
Total Assets less Current Liabilities		<u>65,374</u>	<u>242,202</u>
Net Assets	12	<u>65,374</u>	<u>242,202</u>
Funds	13		
Unrestricted - general reserves		49,551	15,650
Restricted		15,823	226,552
Total Funds		<u>65,374</u>	<u>242,202</u>

All the above results are derived from continuing activities. All gains and losses recognised in the period are included in the statement of financial activities.

Approved by the Trustees on 23 May 2016



Trustee
Katrina Dick, Chair



Trustee
Maria das Gracias Fish

Notes to the Accounts for the period ended 31st August 2015

Note 1. Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charity's accounts.

a) Basis of Preparation

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. These accounts have been drawn up in accordance with the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' (revised 2005) and the Companies Act 2006. The company meets the definition of a small company as defined by the Companies Act 2006 and is therefore exempt under Financial Reporting Standard 1 (Revised - 1996) from preparing a cash flow statement.

b) Going Concern

After making enquiries, the Trustees have reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Financial Review on page 8.

c) Grants Receivable

Grant income is recognised in accordance with the terms of the grant and is included in the accounts when there is demonstrable evidence of entitlement. In the case of conditional grants, the income is recognised when meeting the conditions is within the

control of the charity, and there is evidence that the conditions will be met.

d) Voluntary Donations

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with virtual certainty.

e) Resources Expended and Basis of Allocation of Costs

Expenditure is accounted for on an accruals basis. Irrecoverable VAT is allocated based on expenditure. The majority of costs are directly attributable to specific activities; where costs cannot be directly attributed to specific headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation of support salary costs between Governance, Costs of Generating Funds, and Charitable Expenditure is on the basis of time spent by individuals in the relevant departments.

Cost of Generating Funds

These costs include the salaries, direct expenditure and overhead costs allocated to fundraising.

Charitable Expenditure

These costs include the programmatic costs of all international development work, including grants made to overseas partners.

Notes to the Accounts for the period ended 31st August 2015

The cost of project management staff in the UK who assess applications for funding and monitor and evaluate charitable spending is also included, as well as a portion of overheads.

Governance

Governance costs are those associated with the governance arrangements of the Charity. These costs are associated with constitutional and statutory requirements. A proportion of overhead costs are also included.

f) Grants Payable

Direct expenditure is made by way of grants payable to associated overseas programmes in Brazil.

Grants are made on the basis of a project proposal's adherence to the charity's selection process. This includes measuring suitability against criteria including, but not limited to, alignment to the key themes of the charity's work in Brazil, and the number of beneficiaries that will be reached.

Grants are only made to recognised institutions. The progress and success of individual projects is assessed regularly.

g) Depreciation

Tangible fixed assets are stated at cost. All assets costing more than £400 are capitalised. All items less than £400 are expensed in the year of purchase.

The cost of tangible fixed assets is written off over the estimated useful lives of the assets on a straight line basis as follows:

Computer equipment - 25%

Fixtures, fittings and equipment - 25%

h) Gifts in Kind

Gifts in kind and donated services are included in the Statement of Financial Activities at the value at which the charity would be prepared to pay in the open market for services or facility of equivalent value to the charity. Where such services would not normally have been used by the charity, these gifts and services have not been included in the Statement of Financial Activities.

i) Funds structure

General reserves are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are grants and donations to be used in accordance with specific restrictions imposed by the donors or those funds raised by the charity for a particular purpose; these may be project specific or more broadly restricted to a specific theme. The cost of raising and administering such funds are charged against the fund.

Notes to the Accounts for the year ended 31st August 2014

Note 2. Voluntary Income

	17 months	Year
	2015	2014
	£	£
Donations	100,036	78,910
Gift Aid	5,616	12,130
Legacies	11,495	4,000
Gifts in Kind	11,000	15,265
	<u>128,147</u>	<u>110,305</u>

Gifts in kind consist of the following:

	17 months	Year
	2015	2014
	£	£
Legal fees	5,000	3,000
Payroll services	6,000	-
Travel and subsistence	-	1,665
Event costs	-	10,600
Total donated services	<u>11,000</u>	<u>15,265</u>

All of voluntary income is unrestricted.

The charity receives donations from private individuals, corporate entities and legacies which are included in voluntary income.

Notes to the Accounts for the period ended 31st August 2015

Note 3. Activities for Generating Funds

	17 months 2015 £	Year 2014 £
Fundraising Events	56,869	47,299
Corporate Sponsorship	500	4,459
	<u>57,369</u>	<u>51,758</u>

Restricted funds of £nil (2014 - £nil) were received in the period.

Note 4. Incoming Resources from Charitable Activity

	17 months 2015 £	Year 2014 £
Grants	487,375	679,661
	<u>487,375</u>	<u>679,661</u>

Restricted funds of £407,113 (2014 - £579,661) were received in the period. Unrestricted funds of £80,262 were received in the period

Notes to the Accounts for the period ended 31st August 2015

Note 5. Total Resources Expended

	Costs of Generating Funds	Charitable Activities	Governance Costs	Support Costs	17 months 2015	Year 2014
Grants to partners	-	(608,226)	-	-	(608,226)	(395,140)
Staff Costs	(49,971)	(86,922)	(18,303)	-	(155,196)	(150,090)
Training	-	-	-	(476)	(476)	(1,170)
Consultants, interns, volunteers	-	(1,699)	(3,246)	-	(4,945)	(18,446)
Fundraising and Event Costs	(12,039)	-	-	-	(12,039)	(16,990)
Rent, rates and service charge	-	-	-	(38,969)	(38,969)	(29,582)
Insurance	-	-	-	(217)	(217)	(132)
Design and print	-	-	-	(743)	(743)	(902)
Website and eComms	(556)	-	-	(557)	(1,113)	(945)
Telephone and internet	-	-	-	(1,141)	(1,141)	(1,090)
Postage and stationery	-	-	-	(649)	(649)	(1,606)
Sundry office costs	-	-	-	(5,682)	(5,682)	(3,428)
Travel, subsistence and hospitality	-	(2,925)	-	-	(2,925)	(8,856)
Computer costs	-	-	-	(468)	(468)	(155)
Bank charges and interest	-	-	-	(3,886)	(3,886)	(1,255)
Legal fees	-	-	(5,000)	-	(5,000)	(3,867)
Accountancy	-	-	-	(6,451)	(6,451)	(188)
Depreciation + Loss on Disposal	-	-	-	(2,019)	(2,019)	(673)
Audit	-	-	-	-	-	(4,500)
Trustee Meeting Expenses	-	-	(16)	-	(16)	-
Sub-total	(62,566)	(699,772)	(26,565)	(61,258)	(850,161)	(639,015)
Support Cost Allocation	(17,374)	(32,557)	(11,327)	61,258	-	-

Notes to the Accounts for the period ended 31st August 2015

Total Resources Expended	(79,940)	(732,329)	(37,892)	-	(850,161)	(639,015)
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Notes to the Accounts for the period ended 31st August 2015

Note 6. Net incoming resources for the period

This is stated after charging / crediting.

	17 months 2015 £	Year 2014 £
Depreciation	(554)	(673)
Trustees' Meeting Costs	(16)	-
Trustees' remuneration	-	-
Auditors' remuneration	-	(3,750)
	<u>(570)</u>	<u>(4,423)</u>

Trustees' meeting costs consists of subsistence provided at board meetings. There were no other trustee expenses in the period.

Note 7. Audit

Crowe Clark Whitehill were appointed auditors during the year, following the resignation of Godfrey Wilson Limited.

The audit fee was fully borne by the parent company, Childreach International.

No additional services were received in the period from Crowe Clark Whitehill or Godfrey Wilson.

Notes to the Accounts for the period ended 31st August 2015

Note 8. Employment

A total of 3.4 (2014 – 3.8) full time equivalent employees were employed by the charity during the period. Total staff salaries and social security costs incurred in the period were £144,572 (2014 – £135,465) and £10,625 (2014 – £14,625) respectively.

No employees received emoluments above £60,000 in the period (2014 – nil).

Expenses do not form part of employees' remuneration and therefore are not included in the analysis above.

The average number of employees calculated on a full-time equivalent basis, analysed by function, and time expended, was as follows:

Functional Area	17 months 2015
Charitable Activities	2.2
Fundraising	0.95
Governance	0.25
Total	3.4

Notes to the Accounts for the period ended 31st August 2015

Note 9. Tangible Assets

	Computer Equipment	Computer Equipment
	17 months 2015 £	Year 2014 £
<i>Cost or valuation</i>		
8 th May 2015	8,428	8,428
Additions	-	-
Disposals	(8,428)	-
	-	8,428
<i>Depreciation</i>		
8 th May	6,409	5,736
Disposals	(6,955)	-
Charge for the period	546	673
	-	6,409
<i>Net book value</i>		
31 st August	-	2,019

Notes to the Accounts for the period ended 31st August 2015

Note 10. Debtors

	17 months 2015 £	Year 2014 £
Other Debtors	144	-
Prepayments	-	6,302
	<u>144</u>	<u>6,302</u>

Note 11. Creditors: amounts falling due within one year

	17 months 2015 £	Year 2014 £
Trade creditors	(20,000)	-
Taxes and social security	(1,018)	(4,239)
Accruals	-	(14,873)
Amounts payable to subsidiary undertakings	(4,827)	-
	<u>(25,845)</u>	<u>(19,112)</u>

Note 12. Analysis of net assets between funds

	2015 Restricted £	2015 Unrestricted £	2015 Total £
Current assets	15,823	75,395	91,218
Creditors due within 1 year	-	(25,844)	(25,844)
Net Assets at end of the period	<u>15,823</u>	<u>49,551</u>	<u>65,374</u>

Notes to the Accounts for the period ended 31st August 2015

Note 13. Statement of Funds

	Balance at 1 April 2014 £	Income £	Expenditure £	Balance as at 31 August 2015 £
General reserve	15,650	266,220	(232,319)	49,551
Total Unrestricted Funds	15,650	266,220	(232,319)	49,551
Restricted Funds:				
JA Clark Foundation (AA Crianca)	8,341	-	(8,341)	-
Comic Relief	163,975	265,935	(422,415)	7,495
Little Way Association	-	8,660	(8,660)	-
Aberdeen Asset Management	34,236	72,118	(105,526)	828
St James's Place Foundation	20,000	44,800	(64,800)	-
Future for Kids	-	15,600	(8,100)	7,500
Total Restricted Funds	226,552	407,113	(617,842)	15,823
Total Funds	242,202	673,333	(850,161)	65,374

100% of restricted expenditure was spent directly on grants to partners. Details of these partners are listed below.

JA Clark Foundation

JA Clark Foundation supported AA Crianca's Nucleo de Apoio aos Jovens da Região Se, (Support Centre for Youths of the Se Region) - discussion groups and support networks for teenage girls (many 10-14 years old) and mothers-to-be, most of whom are homeless or live in cortices (squats).

Notes to the Accounts for the period ended 31st August 2015

Comic Relief

Comic Relief supported three programmes, which are:

1. Small grants programme

Comic Relief chose ABC Trust to manage a portfolio of small grants for Brazil. This is a 3 year grant, starting November 2013, funding three projects in Rio and two in Sao Paulo, as follows:

CEACA Vila - cultural activities, IT, English, percussion, dance, games, arts, English, Portuguese and a library, working on overall social and educational development of 4-10 year olds;

Crescer e Viver - social circus programme for 6-24 year olds, supporting family reintegration and developing life and employability skills;

Animate my school project, Cinema Nosso - play and animation used to improve children's learning abilities and promote parent's participation in child's education.

Grupo Nos project, Fazendo Historia - leaving care programme for 16-18 year olds from orphanages, helping reintegrate into society and find employment; and

ACER - Family Guardian project - pioneering family fostering programme as positive alternative to shelters; pilot with aim of government replication across Brazil.

2. Sport for change programme

Comic Relief's Sport for Change programme entered its final, third year of supporting ACER's Football and Citizenship project in Diadema community, Sao Paulo. Reaching out to over 600 children and young people at risk of becoming involved in crime and with no access to sports and leisure, the project provides twice a week football classes which build children's confidence and self-esteem, transmit ethical and moral values and encourage them to avoid gangs and go to school.

3. BT Supporters Club

A BT Supporters Club grant, managed by Comic Relief, supported sport for development project Favela Street, run by IBISS in Rio de Janeiro. The project works with children and young people at risk of, or who have been involved in, trafficking gangs and teenage pregnancy.

Little Way Association

Little Way Association kindly donated money this year to Viva a Vida project in Salvador. Viva a Vida's (Valuing Life) Healthy Choices project works to transform the lives of young people and children at risk of drug abuse and violence, empowering them to make healthy choices in their lives. Through educational, artistic, cultural and therapeutic

Notes to the Accounts for the period ended 31st August 2015

techniques, teenagers learn to make positive decisions, to avoid drug addiction and trafficking and to become leaders and agents of change in their communities.

Aberdeen Asset Management

ABC Trust finished its 3 year support of ISMEP (Recife), SIS (Salvador) and AA Crianca (Sao Paulo). Through their funding, 660 children and young people living in the most marginalised conditions in Brazil took part in supplementary education classes, arts and music classes, developed their confidence and self-esteem and learnt vital life skills. ABC Trust also sourced consultants with expertise in strategic planning, fundraising, communication and monitoring and evaluation to help build the sustainability of the three organisations.

St James Place Foundation

A new two year partnership with St James's Place Foundation enabled support for a great new project in Sao Paulo: Fazenda Minha Historia - a therapeutic programme that uses story-telling to rebuild the lives of children living in shelters. Pioneering programme, replicable across Brazil.

Future for Kids

Future for Kids funded Viva a Vida's Healthy Choices for a second year. As stated above, this project works to transform the lives of young people and children at risk of drug abuse and violence, empowering them to make healthy choices in their lives.

Note 14. Transactions with Related Parties and Control

Childreach International, a private company limited by guarantee and registered charity governed by its Memorandum and Articles of Association dated 1st September 2009, as amended by special resolution dated 14 October 2009.

On the 8th May 2015 Childreach International acquired Action for Brazil's Children by becoming sole guarantor of Action for Brazil's Children Trust and, since this date, Childreach International has exercised control over Action for Brazil's Children Trust.

Since acquisition, Action for Brazil's Children Trust has paid Childreach International a monthly service fee of £5,000. At the balance sheet date, there was an outstanding amount due to the parent company of £4,827.

Childreach International is the only group for which group accounts are prepared. Advantage has been taken of the exemption from disclosing transactions and balances within the group undertakings as permitted by Financial Reporting Standard 8.

Note 15. Ultimate Controlling Party

The ultimate holding company is Childreach International, a company limited by guarantee, registered in England and Wales.