

# Happy Days Childcare

Annual Report and Financial Statements

for the Year Ended 31 August 2023

Alan Thompson  
3 The Hoo  
Kempston  
Bedford  
MK42 7DQ

## **Happy Days Childcare**

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## **Happy Days Childcare**

### **Reference and Administrative Details**

<b>Trustees</b>	Mr Andy Richards Miss Holley Miller Mrs Rebecca Birdsall
<b>Secretary</b>	Miss Holley Miller
<b>Principal Office</b>	Ecton Brook Children's Centre Ecton Brook Road Ecton Brook Northampton NN3 5DY

### **Charity Registration Number**

<b>Bankers</b>	Lloyds Bank George Row Northampton
<b>Independent Examiner</b>	Alan Thompson 3 The Hoo Kempston Bedford MK42 7DQ

## Happy Days Childcare

### Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 31 August 2023.

#### Structure, governance and management

##### Financial instruments

##### *Objectives and policies*

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

##### *Cash flow risk*

The charity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The charity uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures. Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

##### *Credit risk*

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments. The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

##### *Liquidity risk*

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance. Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

The annual report was approved by the trustees of the charity on 10 October 2024 and signed on its behalf by:



Holley Miller  
Trustee



Rebecca Birdsall  
Trustee

## Happy Days Childcare

### Trustees' Report

Happy Days Childcare is once again full, with several 30 hour parents, dedicated staff and an active trustees, both old and new.

The staff, trustees and parents have successfully fundraised by holding Christmas fayre, and attending Billing Annual Fayre.

Tempest Photos earned us commission on sales and Scholastic Book Clubs some free books.

The children have had great fun with special days such as World Book Day, Children in Need.

We also had a lovely day out at Gillivers Land in Kilton Keynes with the weather being good to us.

The charity's policy on reserves is to have sufficient running costs to meet known liabilities and cash flow until grants and fees are received. There are no funds in deficit.

The charity's main source of funding continues to be Government Funding for 3 and 4 year olds.

We have also been receiving 2 year Funding and 30 hour Funding.

Fundraising activities help towards extra resources for the children's use and enjoyment

We are happy to see that playscheme has been steady this year, but we are looking at how we can bring more children in.

Approved by the Trustees and signed on their behalf by:



Holly Miller

Trustee

Date: 10/10/24



Rebecca Birdsall

Trustee

Date: 10/10/24



## Happy Days Childcare

### Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities requires the trustees to prepare financial statements 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 of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. 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.

Approved by the trustees of the charity on 10 October 2024 and signed on its behalf by:

  
.....

Holley Miller  
Trustee

  
.....

Rebecca Birdsall  
Trustee

**Happy Days Childcare**  
**Independent Examiner's Report to the trustees of Happy Days Childcare**

I report on the accounts of the charity for the year ended 31 August 2023 which are set out on pages 10 to 18.

**Respective responsibilities of trustees and examiner**

The trustees 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.

It is my responsibility to:

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

**Basis of independent examiner's report**

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the next statement.

**Independent examiner's statement**


In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 130 of the Charities Act 2011; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Alan Thompson

3 The Hoo  
Kempston  
Bedford  
MK42 7DQ

10 October 2024

**Happy Days Childcare**  
**Statement of Financial Activities for the Year Ended 31 August 2023**

	Note	Unrestricted Funds £	Total 2023 £
<b>Income and Endowments from:</b>			
Donations and legacies		134,189	134,189
Investment income		2	2
Other income		<u>25,946</u>	<u>25,946</u>
Total Income		<u>160,135</u>	<u>160,135</u>
<b>Expenditure on:</b>			
Raising funds		(195,653)	(195,653)
Charitable activities		<u>(91)</u>	<u>(91)</u>
Total Expenditure		<u>(195,744)</u>	<u>(195,744)</u>
Net movement in funds		(35,078)	(35,078)

**Reconciliation of funds**  
Total funds brought forward  
Total funds carried forward

	Note	Unrestricted Funds £	Total 2022 £
		64,050	64,050
		<u>28,972</u>	<u>28,972</u>
<b>Income and Endowments from:</b>			
Donations and legacies		137,390	137,390
Investment income	3	2	2
Other income		<u>26,254</u>	<u>26,254</u>
Total Income		<u>163,646</u>	<u>163,646</u>
<b>Expenditure on:</b>			
Raising funds		(169,026)	(169,026)
Charitable activities		<u>(1,889)</u>	<u>(1,889)</u>
Total Expenditure		<u>(170,915)</u>	<u>(170,915)</u>
Net movement in funds		(7,269)	(7,269)
<b>Reconciliation of funds</b>			
Total funds brought forward		<u>71,319</u>	<u>71,319</u>
Total funds carried forward		<u>64,050</u>	<u>64,050</u>

All of the charity's activities derive from continuing operations during the above two periods.  
The funds breakdown for 2022 is shown in note 13.



## Happy Days Childcare

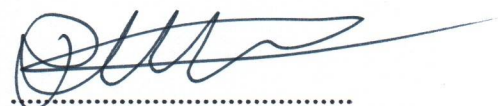
(Registration number: 1105598)  
Balance Sheet as at 31 August 2023

	Note	2023 £	2022 £
<b>Current assets</b>			
Cash at bank and in hand		35,170	70,338
<b>Creditors: Amounts falling due within one year</b>	<b>12</b>	<u>(6,198)</u>	<u>(6,288)</u>
<b>Net assets</b>		<u>(28,972)</u>	<u>(64,050)</u>
<b>Funds of the charity:</b>			
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>28,972</u>	<u>64,050</u>
<b>Total funds</b>	<b>13</b>	<u><b>28,972</b></u>	<u><b>64,050</b></u>

The financial statements on pages 10 to 18 were approved by the trustees, and authorised for issue on 27 March 2024 and signed on their behalf by:



Holley Miller  
Trustee



Rebecca Birdsall  
Trustee

## Happy Days Childcare

### Notes to the Financial Statements for the Year Ended 31 August 2023

#### 1 Accounting policies

##### Statement of compliance

The financial statements have been prepared in accordance with 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) (effective 1 January 2015)- (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

##### Basis of preparation

Happy Days Childcare meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

##### Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

##### Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

##### Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

##### Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

##### Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

##### Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

## Happy Days Childcare

### Notes to the Financial Statements for the Year Ended 31 August 2023

#### Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

#### Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

#### Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

#### Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### Trade creditors

are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.



## **Happy Days Childcare**

### **Notes to the Financial Statements for the Year Ended 31 August 2023**

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

#### **Financial instruments**

##### **Classification**

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

##### **Recognition and measurement**

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.



## **Happy Days Childcare**

### **Notes to the Financial Statements for the Year Ended 31 August 2023**

#### **Debt instruments**

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

#### **Investments**

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

## Happy Days Childcare

### Notes to the Financial Statements for the Year Ended 31 August 2023

#### Derivative financial instruments

The charity uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The charity does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in statement of financial activities immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of financial activities depends on the nature of the hedge relationship.

#### Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

#### 2 Income from donations and legacies

	Unrestricted Funds		
	General	Total 2023	Total 2022
	£	£	£
Grants, including capital grants;	<u>134,189</u>	<u>134,189</u>	<u>137,390</u>
Government grants	<u>134,189</u>	<u>134,189</u>	<u>137,390</u>

#### 3 Investment income

	Unrestricted Funds		
	General	Total 2023	Total 2022
	£	£	£
Interest receivable and similar income;			
Interest receivable on bank deposits	<u>2</u>	<u>2</u>	<u>2</u>

Happy Days Childcare

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 4 Other income

Unrestricted Funds		
General	Total	Total
£	2023	2022
£	£	£
<u>25,946</u>	<u>25,946</u>	<u>26,254</u>
<u>25,946</u>	<u>25,946</u>	<u>26,254</u>

### 5 Expenditure on raising funds

#### a) Costs of trading activities

Unrestricted Funds		
General	Total	Total
£	2023	2022
£	£	£
Costs of goods sold	7,322	21,353
Other direct costs of activities for generating funds	-	<u>20,792</u>
	<u>7,322</u>	<u>42,145</u>

### 6 Analysis of governance and support costs

#### Governance costs

Unrestricted Funds		
General	Total	Total
£	2023	2022
£	£	£
Other governance costs	<u>220</u>	<u>1,346</u>
	<u>220</u>	<u>1,346</u>

### 7 Net incoming/outgoing resources

Net outgoing resources for the year include:



## Happy Days Childcare

### Notes to the Financial Statements for the Year Ended 31 August 2022

#### 8 Trustees remuneration and expenses

#### 9 Staff costs

The aggregate payroll costs were as follows:

##### Staff costs during the year were:

	2023	2022
	£	£
Wages and salaries	<u>145,516</u>	<u>126,881</u>

No employee received emoluments of more than £60,000 during the year

#### 10 Independent examiner's remuneration

	2023	2022
	£	£
Other fees to examiners	<u>-</u>	<u>528</u>

The examining of accounts of any associate of the charity



## Happy Days Childcare

### Notes to the Financial Statements for the Year Ended 31 August 2023

#### 11 Taxation

The charity is a registered charity and is therefore exempt from taxation.

#### 12 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	1,325	1,104
Other taxation and social security	4,873	5,183
Other creditors	<u>1</u>	<u>1</u>
	<u>6,198</u>	<u>6,288</u>

#### 13 Funds

	Balance at 1 September 2022 £	Incoming resources £	Resources expended £	Balance at 31 August 2023 £
<b>Unrestricted funds</b>				
General	<u>(64,050)</u>	<u>(160,135)</u>	<u>195,744</u>	<u>(28,972)</u>

	Balance at 1 September 2021 £	Incoming resources £	Resources expended £	Balance at 31 August 2022 £
<b>Unrestricted funds</b>				
General	<u>(71,319)</u>	<u>(163,646)</u>	<u>170,915</u>	<u>(64,050)</u>

#### 14 Analysis of net assets between funds

	Unrestricted funds General £	Total funds £
Current assets	35,170	35,170
Current liabilities	<u>(6,198)</u>	<u>(6,198)</u>
Total net assets	<u>28,972</u>	<u>28,972</u>

## Happy Days Childcare

### Notes to the Financial Statements for the Year Ended 31 August 2023

#### 15 Analysis of net funds

	At 1 September 2022 £	Cash flow £	At 31 August 2023 £
Cash at bank and in hand	<u>70,338</u>	<u>(35,168)</u>	<u>35,170</u>
Net debt	<u>70,338</u>	<u>(35,168)</u>	<u>35,170</u>