

HAPPY FACES PRE-SCHOOL LIMITED

England & Wales · Charity number 1107547

Details

Status Registered

Legal form Charitable company

Company number [05277574](#)

Registered 2005-01-11

Register [View on the Charity Commission register](#)

Contact

Address Happy Faces Pre School Ltd
Hectorage Road
Tonbridge
TN9 2DS

Phone 01732368823

Email happyfacestb@gmail.com

Website info82223.wixsite.com/happyfaces

Activities

Objects: TO ENHANCE THE DEVELOPMENT AND EDUCATION OF CHILDREN PRIMARILY UNDER STATUTORY SCHOOL AGE BY ENCOURAGING PARENTS TO UNDERSTAND AND PROVIDE FOR THE NEEDS OF THEIR CHILDREN THROUGH COMMUNITY GROUPS AND BY:3.1 OFFERING APPROPRIATE PLAY, EDUCATION AND CARE FACILITIES AND TRAINING COURSES, TOGETHER WITH THE RIGHT OF PARENTS TO TAKE RESPONSIBILITY FOR AND TO BECOME INVOLVED IN THE ACTIVITIES OF SUCH GROUPS, ENSURING THAT SUCH GROUPS OFFER OPPORTUNITIES FOR ALL CHILDREN WHATEVER THEIR RACE, CULTURE, RELIGION MEANS OR ABILITY;3.2 ENCOURAGING THE STUDY OF THE NEEDS OF SUCH CHILDREN AND THEIR FAMILIES AND PROMOTING PUBLIC INTEREST IN AND RECOGNITION OF SUCH NEEDS;3.3 INSTIGATING AND ADHERING TO AND FURTHERING THE AIM OF THE PRE-SCHOOL LEARNING ALLIANCE.

Activities: The provision of childcare facilities for children aged two to five years in the Tonbridge area.

Classification

- **How:** Provides Services
- **What:** Education/training
- **Who:** Children/young People

Geography

- **Area of benefit:** TUNBRIDGE, TUNBRIDGE & MALLING, KENT
- Kent

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£156,142	£164,112	-	-
2024-08-31	£152,449	£146,875	-	-
2023-08-31	£111,547	£140,112	-	-
2022-08-31	£155,401	£158,802	-	-
2021-08-31	£181,423	£166,283	-	-
2020-08-31	£178,100	£191,470	-	-

Trustees

Name	Role	Appointed
Susan Diane Woodcraft	Chair	2023-12-01
Claire Smith		2022-10-14
Danielle Francis Sutton		2024-09-11
Elizabeth Tuz		2024-05-02
Kerry Louise Coleman		2024-05-08

HAPPY FACES PRE-SCHOOL LIMITED

England & Wales - Charity number 1107547

Accounts

Company registration no. 05277574
Registered Charity No: 1107547

HAPPY FACES PRE-SCHOOL LIMITED

**TRUSTEES' REPORT AND UNAUDITED
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 AUGUST 2025**

HAPPY FACES PRE-SCHOOL LIMITED

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HAPPY FACES PRE-SCHOOL LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 AUGUST 2025

Trustees and Directors

Sue Woodcraft (Chair)
Joanne Anderson (resigned 2 October 2024)
Sam Haywood (resigned 2 October 2024)
Clare Smith ~
Jane Wooster (resigned 7 November 2025)
Gemma Haymon (resigned 2 October 2024)
Emma Holt (resigned 14 November 2025)
Liz Tuz
Kerry Coleman
Danielle Sutton
Imogen McCabe (appointed 18 November 2024, resigned 14 November 2025)
Danielle Ashbrook (appointed 12 November 2024, resigned 27 January 2025)

Secretary

Clare Smith

Registered Office

Hectorage Road
Tonbridge
Kent
TN9 2DS

Company Number

05277574

Charity Registration Number

1107547

Bankers

CAF Bank Limited
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Independent Examiner

James Mathieson FCA
Lindeyer Francis Ferguson Limited
Chartered Accountants
North House
198 High Street,
Tonbridge,
Kent
TN9 1BE

HAPPY FACES PRE-SCHOOL LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2025

The Trustees, (who are also the directors of the company for the purposes of the Companies Act) present their report and the financial statements of Happy Faces Pre-School Limited for the year ended 31 August 2025.

The Trustees confirm that the report and financial statements of the charity comply with the current statutory requirements, the requirements of the company's governing document, and the provisions of "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 (FRS102)" (effective 1 January 2019) (Charities SORP (FRS 102)).

The Legal and Administrative information on page 1 forms part of this report.

Structure, Governance and Management

Company Status

Happy Faces Pre-school Limited is a charitable company limited by guarantee and has no share capital. The liability of each member in the event of a winding up is limited to £1. The company was incorporated on 4 November 2004 and is governed by a memorandum and articles of association.

Governance and internal control

The Board of Trustees are responsible for selecting and recruiting suitable trustees to office at any time during the course of the year. The board shall consist of a Chair, Treasurer, Secretary and not less than 2 or more than 9 other members. The Chair, Treasurer and Secretary hold office for a period of one year but can offer themselves for re-election. Up until December 2022 no board member could hold office for more than six years. From 15 December 2022 committee members can serve for 15 years.

Potential new trustees are invited to attend board meetings to receive an introduction to the charity's activities, workings, finances and risk assessments. Current and potential trustees are also encouraged to attend courses on topical subjects relating to directors.

The board controls the activities of the charity through regular meetings held throughout the year.

Aims and objectives

Aims

The object of the charity is the provision of childcare facilities for children aged two to five years in the Tonbridge area.

Happy Faces is a community pre-school with a wide social mix and aims to treat each child as an individual. The Pre-school's goal is to provide a happy and secure environment in which each child can reach their full potential. Happy Faces aims to do this through good quality care and education for young children, in a safe yet stimulating environment. Children are given the freedom to experience a wide range of activities in a play-based curriculum, providing the best possible foundation for Primary School.

HAPPY FACES PRE-SCHOOL LIMITED

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2025

In setting the objectives and planning the activities of the charity the trustees have given careful consideration to the Charity Commissioner's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee charging.

Objectives

The objectives are set to reflect the local community and educational aims as well as the ethos of the Pre-school.

The high-level objectives for the year included:

- To offer appropriate play, education and care facilities for local pre-school aged children (two to five years of age);
- To encourage parents to understand and provide for the needs of their children;
- To be an inclusive organisation which welcomes families from different ethnic and cultural backgrounds and actively seeks to value and respect the diversity of our multi-cultural society.

Happy Faces Pre-school seeks to benefit the public through pursuit of its stated aims.

The Pre-school welcomes children from all backgrounds. Happy Faces is legally obliged to take funded children (those aged three to five years) as priority, and then fills any remaining spaces on its roll with children aged from two to four years.

Happy Faces is registered on the government scheme "Free for 2", which funds places for 2 year olds for up to 15 hours per week (this can be split between two childcare settings). The scheme is to provide good quality early education for disadvantaged children, aiming to improve their social and cognitive outcomes before they start school. Happy Faces has had 2 year olds on the roll during the year funded by this scheme. Happy Faces also accepts children aged 2, 3 and 4 who are eligible for the 15/30 hours Working Entitlement. Happy Faces has had 2, 3 and 4 year olds on the roll during the year funded by this scheme.

Regular contact is maintained with parents and carers across the year through informal contact and a monthly newsletter. Happy Faces staff work both independently and closely with parents and carers to identify where there is a need to engage with the full range of wider support services, including health visitors, paediatricians, child psychologists, portage, speech therapists, and the Specialist Teaching Service.

The Pre-school sends children to a wide range of schools in the Tonbridge area.

Review of activities and achievements

The number of children aged two to five years on the roll at Happy Faces across the year was:

Term 1 & 2 - September 2024 – December 2024 – 36 children; (2023 - 32)

Term 3 & 4 - January 2025 – March 2025 – 39 children; (2024- 36)

Term 5 & 6- April 2025 – August 2025 – 37 children (2024 - 38)

HAPPY FACES PRE-SCHOOL LIMITED

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2025

Happy Faces is well-known locally and many children come to the pre-school as a result of its positive word-of-mouth reputation. The Pre-school is listed by Kent County Council, the National Child Birth Trust (NCT) and the local library. The local Primary School also sign-posts new parents with appropriately aged children to Happy Faces. In addition, children are referred to Happy Faces from Special Educational Needs Service and the local children's centre.

An average of 7 members of staff were employed at Happy Faces during the year. In addition, as part of Happy Faces' connection with the local community, work experience placements are offered to students from North Kent College.

Happy Faces is an equal opportunities organisation and is committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. Reasonable adjustments will be made to meet the needs of staff or children who are or who become disabled.

All staff are dedicated to continuous personal and professional development and the Pre-school has an exceptionally high percentage of trained staff. Happy Faces follows the Early Years Foundation Stage Framework with support from a Kent County Council Setting Improvement Partner. Happy Faces is part of a collaboration of eight Early Years settings in Tonbridge and the surrounding area, where we share ideas and funding to further improve our settings.

Happy Faces seeks to be at the heart of the local community, holding Easter and Christmas raffles and regular cake sales to welcome in and engage with members of the wider community, as well as parents and carers.

We are closely monitoring our funds to ensure we have enough in reserve should we have to make staff redundant and/or close the Pre-school.

Financial Review

Reserves

Total income for the year was £156,142, compared to the previous year's income of £152,449. Costs were £164,112, compared with £146,875 in 2024. This resulted in a deficit on the general fund of £7,970 (2024: surplus of £5,574) for the year and the balance carried forward on the general fund at the year-end is £103,005 (2024: £110,975). The general fund includes fixed assets amount to £18,179 and the balance of £84,826 is available to be spent at the Trustees' discretion in furtherance of the charity's objectives. The charity seeks to keep a balance in reserves equivalent to 3 months of expenditure.

Happy Faces sets fees at a level to ensure the financial viability of the Pre-school and in line with the early years funding provided by Kent County Council. The Pre-school offers wrap around care between the hours of 08.30 and 16.00, should parents and carers wish to take advantage of this, thereby facilitating parents' return to work. Happy Faces offers payment plans and flexible methods of payment to all parents who may be experiencing difficulty in meeting their fees obligation.

The Happy Faces Board seeks to raise funds for the pre-school throughout the year. Primarily this is done through three annual fundraising events: Easter, summer and Christmas raffles. However, the

HAPPY FACES PRE-SCHOOL LIMITED

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2025

Committee also seeks to hold other smaller fundraising activities each term, for example, a children's sponsored bounce.

Plans for the future

Happy Faces will continue to seek to improve the quality of the care it provides. Staff will work to maintain their awareness of the latest developments in nursery and pre-school care and child development and will continue to assess well-being and involvement to ensure each child is actively developed and encouraged to meet its full potential.

The Committee will continue to fundraise in the coming year, both for Happy Faces and for the wider community. The Committee will also strive to encourage more parents and carers to join its body.

We lost 1 member of staff at the end of Term 6 (July 2025), who has not been replaced. We will continue to not employ any more staff unless we absolutely need to in order to meet our ratio requirements. Our part time staff are also willing to be flexible in adding extra sessions on a temporary basis. On this basis we hope to minimise the likelihood of further financial losses for the charity.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of charitable company for the purposes of company law) are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HAPPY FACES PRE-SCHOOL LIMITED

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2025**

The above report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime in Part 15 of the Companies Act 2006.

This report was approved by the Trustees on 21/5/26 and signed on their behalf by:

S.D. Woodcraft

Susan Woodcraft
Chair

HAPPY FACES PRE-SCHOOL LIMITED

INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 AUGUST 2025

I report to the charity trustees on my examination of the accounts of the charitable company for the year ended 31 August 2025.

Responsibilities and basis of report

As the trustees of the company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Lindeyer Francis Ferguson Ltd

James Mathieson FCA

Lindeyer Francis Ferguson Limited

Chartered Accountants

North House

198 High Street

Tonbridge

Kent TN9 1BE

Dated: 21/05/26

HAPPY FACES PRE-SCHOOL LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2025

		2025 Total funds £	2024 Total funds £
Income from:			
Donations and grants		634	803
Charitable activities			
Fees and Local Authority funding		151,945	149,146
Other trading activities			
Fundraising events		1,740	754
Investments			
Bank interest receivable		1,823	1,746
		<u>156,142</u>	<u>152,449</u>
Expenditure on:			
Charitable activities	2	164,112	146,875
Net (expenditure) / income and net movement in funds		<u>(7,970)</u>	<u>5,574</u>
Reconciliation of funds			
Total funds brought forward		<u>110,975</u>	<u>105,401</u>
Total funds carried forward		<u><u>103,005</u></u>	<u><u>110,975</u></u>

There were no restricted or endowment funds in the current nor preceding period.

HAPPY FACES PRE-SCHOOL LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2025

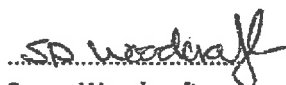
	Note	£	2025 £	£	2024 £
Fixed assets:					
Tangible assets	4		18,179		25,917
Current assets:					
Debtors	5	4,576		2,127	
Cash at bank and in hand		82,184		84,862	
			86,760	86,989	
Creditors: amounts falling due within one year	6	(1,934)		(1,931)	
Net current assets			84,826		85,058
Total net assets			103,005		110,975
The funds of the charity:					
Unrestricted funds:					
General Fund	7		103,005		110,975
			103,005		110,975

For the year in question, the charitable company was entitled to exemption from an audit under section 477 of the Companies Act 2006 and the members have not required the charitable company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.

The Executive Committee acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006.

The financial statements were approved by the Executive Committee on 21/5/26 and signed on their behalf by:



Susan Woodcraft
Director and Chair

Company registration no: 05277574

HAPPY FACES PRE-SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies

1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - ("Charities SORP FRS 102"), the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in pounds sterling and rounded to the nearest pound.

There are no material uncertainties about the charity's ability to continue, and so the going concern basis of accounting has been adopted.

There are no significant areas of judgement or estimation uncertainty.

1.2 Income

Income from donations and grants is recognised when the charity is entitled to the funds, the receipt is probable and the amount can be measured reliably. For donations this is usually on receipt. For grants, this is usually when a formal offer is made in writing, unless the grant contains terms and conditions outside of the charity's control which must be met before the charity is entitled to the funds.

Income in relation to fees and Local Authority funding is recognised in the period in which the places for which the fees are charged or the funding is received are attended by the children.

Income from milk refunds are recognised when the goods are consumed. Income from fundraising events is recognised when the event takes place.

1.3 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount required to settle the obligation can be measured reliably.

HAPPY FACES PRE-SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies (continued)

1.3 Expenditure (continued)

All expenditure is accounted for on an accruals basis. Irrecoverable VAT is included. Expenditure is classified under headings that aggregate all costs related to that category.

Support and governance costs have been allocated to the charity's one charitable activity.

1.4 Tangible Fixed assets

All expenditure on fixed assets is capitalised at cost. Tangible fixed assets are stated at cost less depreciation, which is provided at rates calculated to write off each asset over its expected useful life, with leasehold premises depreciated on a straight line basis over the period of the 25 year lease. In 2018 the useful lives were revised so that the net book value of leasehold premises is depreciated over the remaining lease period to 2026.

1.5 Financial instruments

The charity only has financial instruments which are classified as basic financial instruments. Short-term debtors and creditors are measured at the settlement value. Any losses from impairment are recognised in the Statement of Financial Activities.

1.6 Fund accounting

General funds 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. The charity has no restricted or endowment funds.

1.7 Status

The Happy Faces Pre-School Limited is a charitable company, limited by guarantee, registered with the Charity Commission in England and Wales. Its registered address is Hecorage Road, Tonbridge, Kent, TN9 2DS. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

HAPPY FACES PRE-SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

2 Expenditure on charitable activities

	2025	2024
	£	£
<i>Activity: Pre-school education</i>		
Wages and salaries - nursery staff	114,568	97,190
Materials and replacement toys	1,226	1,387
Children's food and milk	301	259
Premise costs (including repairs)	19,849	22,698
Depreciation	12,862	11,922
<i>Support costs:</i>		
Wages and salaries - administering the charity	4,984	4,175
Insurance	1,466	1,322
Printing, postage and stationery	691	879
Other costs	6,665	5,783
<i>Governance costs:</i>		
Independent examination	1,500	1,260
	<u>164,112</u>	<u>146,875</u>

3 Staff costs and remuneration of key management personnel

	2025	2024
	£	£
Gross salaries	114,899	99,916
Employer's National Insurance	2,508	67
Employers Pension cost	2,145	1,382
	<u>119,552</u>	<u>101,365</u>

The average number of employees on a headcount basis was 7 (2024: 8). No employee received employee benefits in excess of £60,000 (2024: Nil).

The key management personnel are considered to be the trustees and the pre-school manager. Remuneration of key management personnel including employers' national insurance and pension contributions, was £37,404 (2024: £23,114). During the year, no trustees received any remuneration or benefits nor were reimbursed for any expenses in their capacity as trustees (2024: Nil).

HAPPY FACES PRE-SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

4 Tangible Fixed assets

	<i>Leasehold premises</i> £	<i>Plant and equipment</i> £	<i>Total</i> £
Cost			
At 1 September 2024	213,378	-	213,378
Additions	-	5,125	5,125
At 31 August 2025	<u>213,378</u>	<u>5,125</u>	<u>218,503</u>
Depreciation			
At 1 September 2024	187,461	-	187,461
Depreciation charge	11,923	940	12,863
At 31 August 2025	<u>199,384</u>	<u>940</u>	<u>200,324</u>
Net book value			
At 31 August 2025	<u>13,994</u>	<u>4,185</u>	<u>18,179</u>
At 31 August 2024	<u>25,917</u>	<u>-</u>	<u>25,917</u>

5 Debtors

	2025 £	2024 £
Prepayments	4,576	2,092
Other debtors	-	35
	<u>4,576</u>	<u>2,127</u>

6 Creditors: amounts falling due within one year

	2025 £	2024 £
Accruals and deferred income	1,320	1,260
Taxation and social security	614	671
	<u>1,934</u>	<u>1,931</u>

HAPPY FACES PRE-SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

7 Financial commitments

The charity has a lease for land with Tonbridge and Malling Borough Council which expires on 14 December 2026. A rent of £600 per annum is currently payable, subject to 5 yearly reviews.

9 Related party transactions

During the year Mr Tim Fuller, close family of the pre-school manager, was paid £1,350 (2024: £1,275) for gardening and general maintenance work carried out in the year.

HAPPY FACES PRE-SCHOOL LIMITED

England & Wales - Charity number 1107547

Accounts

Company registration no. 05277574
Registered Charity No: 1107547

HAPPY FACES PRE-SCHOOL LIMITED

**TRUSTEES' REPORT AND UNAUDITED
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**FOR THE YEAR ENDED
31 AUGUST 2024**

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LEGAL AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 AUGUST 2024

Trustees and Directors	Sue Woodcraft (Chair from 17 April 2024, and appointed trustee 1 December 2023) Joanne Anderson (resigned 2 October 2024) Sam Haywood (resigned 2 October 2024) Sammy Manning (resigned 22 September 2023) Claire Smith Jane Wooster Gemma Haymon (resigned 2 October 2024) Emma Holt (Chair until 17 April 2024) Liz Tuz (appointed 2 July 2024) Kerry Coleman (appointed 8 May 2024) Danielle Sutton (appointed 11 September 2023) Imogen McCabe (appointed 18 November 2024) Danielle Ashbrook (appointed 12 November 2024, resigned 27 January 2025)
Secretary	Sammy Manning (resigned 22 September 2023) Claire Smith (appointed 22 September 2023)
Registered Office	Hectorage Road Tonbridge Kent TN9 2DS
Company Number	05277574
Charity Registration Number	1107547
Bankers	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
Independent Examiner	Samantha Wells FCA CTA Lindeyer Francis Ferguson Limited Chartered Accountants North House 198 High Street, Tonbridge, Kent TN9 1BE

HAPPY FACES PRE-SCHOOL LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2024

The Trustees, (who are also the directors of the company for the purposes of the Companies Act) present their report and the financial statements of Happy Faces Pre-School Limited for the year ended 31 August 2024.

The Trustees confirm that the report and financial statements of the charity comply with the current statutory requirements, the requirements of the company's governing document, and the provisions of "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 (FRS102)" (effective 1 January 2019) (Charities SORP (FRS 102)).

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HAPPY FACES PRE-SCHOOL LIMITED

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2024

In setting the objectives and planning the activities of the Project the trustees have given careful consideration to the Charity Commissioner's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee charging.

Objectives

The objectives are set to reflect the local community and educational aims as well as the ethos of the Pre-school.

The high-level objectives for the year included:

- To offer appropriate play, education and care facilities for local pre-school aged children (two to five years of age);
- To encourage parents to understand and provide for the needs of their children;
- To be an inclusive organisation which welcomes families from different ethnic and cultural backgrounds and actively seeks to value and respect the diversity of our multi-cultural society.

Happy Faces Pre-school seeks to benefit the public through pursuit of its stated aims.

The Pre-school welcomes children from all backgrounds. Happy Faces is legally obliged to take funded children (those aged three to five years) as priority, and then fills any remaining spaces on its roll with children aged from two to three years.

Happy Faces is registered on the government scheme "Free for 2", which funds places for 2 year olds for up to 15 hours per week (this can be split between two childcare settings). The scheme is to provide good quality early education for disadvantaged children, aiming to improve their social and cognitive outcomes before they start school. Happy Faces has had 2 year olds on the roll during the year funded by this scheme. Happy Faces also accepts children aged 3 and 4 who are eligible for the 30 hours Free Early Entitlement. Happy Faces has had 3 and 4 year olds on the roll during the year funded by this scheme.

Regular contact is maintained with parents and carers across the year through informal contact and a monthly newsletter. Happy Faces staff work both independently and closely with parents and carers to identify where there is a need to engage with the full range of wider support services, including health visitors, paediatricians, child psychologists, portage, speech therapists, and the Specialist Teaching Service.

The Pre-school sends children to a wide range of schools in the Tonbridge area.

Review of activities and achievements

The number of children aged two to five years on the roll at Happy Faces across the year was:

Term 1 & 2 - September 2023 – December 2023 – 32 children; (2022 - 27)

Term 3 & 4 - January 2024 – March 2024 – 36 children; (2023 - 33)

Term 5 & 6- April 2024 – August 2024 - 38 children (2023 - 39)

HAPPY FACES PRE-SCHOOL LIMITED

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2024

Happy Faces is well-known locally and many children come to the pre-school as a result of its positive word-of-mouth reputation. The Pre-school is listed by Kent County Council, the National Child Birth Trust (NCT) and the local library. The local Primary School also sign-posts new parents with appropriately aged children to Happy Faces. In addition, children are referred to Happy Faces from Special Educational Needs Service and the local children's centre.

An average of 8 members of staff were employed at Happy Faces during the year. In addition, as part of Happy Faces' connection with the local community, work experience placements are offered to girls from North Kent College.

Happy Faces is an equal opportunities organisation and is committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. Reasonable adjustments will be made to meet the needs of staff or children who are or who become disabled.

All staff are dedicated to continuous personal and professional development and the Pre-school has an exceptionally high percentage of trained staff. Happy Faces follows the Early Years Foundation Stage Framework with support from a Kent County Council Setting Improvement Partner. Happy Faces is part of a collaboration of eight Early Year settings in Tonbridge and the surrounding area, where we share ideas and funding to further improve our settings.

Happy Faces seeks to be at the heart of the local community, holding Easter and Christmas raffles and regular cake sales to welcome in and engage with members of the wider community, as well as parents and carers.

We are closely monitoring our funds to ensure we have enough in reserve should we have to make staff redundant and/or close the Pre-school.

Financial Review

Reserves

Total income for the year was £152,449, compared to the previous year's income of £111,547. Costs were £146,875, compared with £140,112 in 2023. This resulted in a surplus on the general fund of £5,574 (2023: deficit of £28,565) for the year and the balance carried forward on the general fund at the year-end is £110,975 (2023: £105,401). The general fund includes the leasehold premises of £25,917 and the balance of £85,058 is available to be spent at the Trustees' discretion in furtherance of the charity's objectives. The charity seeks to keep a balance in reserves equivalent to 3 months of expenditure.

Happy Faces sets fees at a level to ensure the financial viability of the Pre-school and in line with the early years funding provided by Kent County Council. The Pre-school offers wrap around care between the hours of 08.30 and 16.00, should parents and carers wish to take advantage of this, thereby facilitating parents' return to work. Happy Faces offers payment plans and flexible methods of payment to all parents who may be experiencing difficulty in meeting their fees obligation.

The Happy Faces Board seeks to raise funds for the pre-school throughout the year. Primarily this is done through three annual fundraising events: Easter, summer and Christmas raffles. However, the

HAPPY FACES PRE-SCHOOL LIMITED

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2024

Committee also seeks to hold other smaller fundraising activities each term, for example, a children's sponsored bounce.

Plans for the future

Happy Faces will continue to seek to improve the quality of the care it provides. Staff will work to maintain their awareness of the latest developments in nursery and pre-school care and child development and will continue to assess well-being and involvement to ensure each child is actively developed and encouraged to meet its full potential.

The Committee will continue to fundraise in the coming year, both for Happy Faces and for the wider community. The Committee will also strive to encourage more parents and carers to join its body.

We lost 2 members of staff between April and July 2024 and replaced one in April 2024. This means that our highest expense has decreased. We will continue to not employ any more staff unless we absolutely need to in order to meet our ratio requirements. Our part time staff are also willing to be flexible in adding extra sessions on a temporary basis. On this basis we hope to minimise the likelihood of further financial losses for the charity.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of charitable company for the purposes of company law) are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the

HAPPY FACES PRE-SCHOOL LIMITED

TRUSTEES' REPORT (continued) *FOR THE YEAR ENDED 31 AUGUST 2024*

charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The above report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime in Part 15 of the Companies Act 2006.

This report was approved by the Trustees on 19 May 2025 and signed on their behalf by:

Susan Woodcraft
Chair

HAPPY FACES PRE-SCHOOL LIMITED

INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 AUGUST 2024

I report to the charity trustees on my examination of the accounts of the charitable company for the year ended 31 August 2024.

Responsibilities and basis of report

As the trustees of the company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Samantha Wells FCA CTA
Lindeyer Francis Ferguson Limited
Chartered Accountants
North House
198 High Street
Tonbridge
Kent
TN9 1BE
Dated: 20 May 2025

HAPPY FACES PRE-SCHOOL LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2024

		<i>2024</i>	<i>2024</i>	<i>2023</i>
		<i>Unrestricted</i>	<i>Total</i>	<i>Total</i>
		<i>funds</i>	<i>funds</i>	<i>funds</i>
	Note	£	£	£
Income from:				
Donations and grants		803	803	950
Charitable activities				
Fees and Local Authority funding		149,146	149,146	109,776
Other trading activities				
Fundraising events		754	754	254
Investments				
Bank interest receivable		1,746	1,746	567
		<u>152,449</u>	<u>152,449</u>	<u>111,547</u>
Expenditure on:				
Charitable activities	2	<u>146,875</u>	<u>146,875</u>	<u>140,112</u>
Net income / (expenditure) and net movement in funds		5,574	5,574	(28,565)
Reconciliation of funds				
Total funds brought forward	7	<u>105,401</u>	<u>105,401</u>	<u>133,966</u>
Total funds carried forward		<u><u>110,975</u></u>	<u><u>110,975</u></u>	<u><u>105,401</u></u>

HAPPY FACES PRE-SCHOOL LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2024

	Note	£	2024 £	£	2023 £
Fixed assets:					
Tangible assets	4		25,917		37,839
Current assets:					
Debtors	5	2,127		2,593	
Cash at bank and in hand		84,862		66,843	
		<u>86,989</u>		<u>69,436</u>	
Creditors: amounts falling due within one year	6	(1,931)		(1,874)	
Net current assets			<u>85,058</u>		<u>67,562</u>
Total net assets			<u><u>110,975</u></u>		<u><u>105,401</u></u>
The funds of the charity:					
Unrestricted funds:					
General Fund	7		<u>110,975</u>		<u>105,401</u>
			<u><u>110,975</u></u>		<u><u>105,401</u></u>

For the year in question, the charitable company was entitled to exemption from an audit under section 477 of the Companies Act 2006 and the members have not required the charitable company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.

The Executive Committee acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006.

The financial statements were approved by the Executive Committee on 19 May 2025 and signed on their behalf by:

Susan Woodcraft
Director and Chair

Company registration no: 05277574

HAPPY FACES PRE-SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - ("Charities SORP FRS 102"), the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in pounds sterling and rounded to the nearest pound.

There are no material uncertainties about the charity's ability to continue, and so the going concern basis of accounting has been adopted.

There are no significant areas of judgement or estimation uncertainty.

1.2 Income

Income from donations and grants is recognised when the charity is entitled to the funds, the receipt is probable and the amount can be measured reliably. For donations this is usually on receipt. For grants, this is usually when a formal offer is made in writing, unless the grant contains terms and conditions outside of the charity's control which must be met before the charity is entitled to the funds.

Income in relation to fees and Local Authority funding is recognised in the period in which the places for which the fees are charged or the funding is received are attended by the children.

Income from milk refunds are recognised when the goods are consumed. Income from fundraising events is recognised when the event takes place.

1.3 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount required to settle the obligation can be measured reliably.

HAPPY FACES PRE-SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies (continued)

1.3 Expenditure (continued)

All expenditure is accounted for on an accruals basis. Irrecoverable VAT is included. Expenditure is classified under headings that aggregate all costs related to that category.

Support and governance costs have been allocated to the charity's one charitable activity.

1.4 Tangible Fixed assets

All expenditure on fixed assets is capitalised at cost. Tangible fixed assets are stated at cost less depreciation, which is provided at rates calculated to write off each asset over its expected useful life, with leasehold premises depreciated on a straight line basis over the period of the 25 year lease. In 2018 the useful lives were revised so that the net book value of leasehold premises is depreciated over the remaining lease period to 2026.

1.5 Financial instruments

The charity only has financial instruments which are classified as basic financial instruments. Short-term debtors and creditors are measured at the settlement value. Any losses from impairment are recognised in the Statement of Financial Activities.

1.6 Fund accounting

General funds 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.

1.7 Status

The Happy Faces Pre-School Limited is a charitable company, limited by guarantee, registered with the Charity Commission in England and Wales. Its registered address is Hectorage Road, Tonbridge, Kent, TN9 2DS. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

HAPPY FACES PRE-SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

2	Expenditure on charitable activities	2024	2023
		£	£
	<i>Activity: Pre-school education</i>		
	Staff costs - (see note 3)	97,190	97,616
	Materials/replacement toys	1,387	1,882
	Children's food and milk	259	488
	Premise costs (including repairs)	22,698	13,794
	Depreciation	11,922	11,922
	<i>Support costs:</i>		
	Staff costs - (see note 3)	4,175	6,113
	Insurance	1,322	1,261
	Printing, postage and stationery	879	853
	Other costs	5,783	4,887
	<i>Governance:</i>		
	Independent examination	1,260	1,296
		146,875	140,112
		146,875	140,112
3	Staff costs and remuneration of key management personnel	2024	2023
		£	£
	Wages and salaries - administering the charity	4,175	6,113
	Wages and salaries - nursery staff	95,741	95,727
	Employer's National Insurance	67	746
	Employers Pension cost	1,382	1,143
		101,365	103,729
		101,365	103,729

The average number of employees on a headcount basis was 8 (2023: 8). No employee received employee benefits in excess of £60,000 (2022: Nil).

The key management personnel are considered to be the trustees and the pre-school manager. Remuneration of key management personnel including employers' national insurance and pension contributions, was £23,114 (2023: £23,678). During the year, no trustees received any remuneration or benefits nor were reimbursed for any expenses in their capacity as trustees (2023: Nil).

HAPPY FACES PRE-SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

4	Tangible Fixed assets		£
	Leasehold premises		
	Cost at 1 September 2023 and 31 August 2024		213,378
			<u> </u>
	Depreciation		
	At 1 September 2023		175,539
	Depreciation charge		11,922
			<u> </u>
	At 31 August 2024		187,461
			<u> </u>
	Net book value		
	At 31 August 2024		25,917
			<u> </u>
	At 31 August 2023		37,839
			<u> </u>
5	Debtors		
		2024	2023
		£	£
	Prepayments	2,092	2,226
	Other debtors	35	367
		<u> </u>	<u> </u>
		2,127	2,593
		<u> </u>	<u> </u>
6	Creditors: amounts falling due within one year		
		2024	2023
		£	£
	Accruals and deferred income	1,260	1,200
	Taxation and social security	671	674
		<u> </u>	<u> </u>
		1,931	1,874
		<u> </u>	<u> </u>

HAPPY FACES PRE-SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

7 MOVEMENT ON FUNDS

<i>Current Year</i>	<i>Brought forward</i>	<i>Income</i>	<i>Expenditure</i>	<i>Carried forward</i>
Unrestricted funds				
General funds	105,401	152,449	(146,875)	110,975
<i>Prior year</i>	<i>Brought forward</i>	<i>Income</i>	<i>Expenditure</i>	<i>Carried forward</i>
Unrestricted funds				
General funds	133,966	111,547	(140,112)	105,401
	133,966	111,547	(140,112)	105,401

8 Lease commitments

The charity has a lease for land with Tonbridge and Malling Borough Council which expires on 14 December 2026. A rent of £600 per annum is currently payable, subject to 5 yearly reviews.

9 Related party transactions

During the year Mr Tim Fuller, husband of the pre-school manager, was paid £1,275 (2023: £836) for gardening and general maintenance work carried out in the year.

HAPPY FACES PRE-SCHOOL LIMITED

England & Wales - Charity number 1107547

Accounts

Company registration no. 05277574
Registered Charity No: 1107547

HAPPY FACES PRE-SCHOOL LIMITED

**TRUSTEES' REPORT AND UNAUDITED
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 AUGUST 2023**

HAPPY FACES PRE-SCHOOL LIMITED

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HAPPY FACES PRE-SCHOOL LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 AUGUST 2023

Trustees and Directors	Emma Holt (Chair) Joanne Anderson (appointed 14 October 2022) Amber Danch (resigned 20 February 2023) Sam Haywood Sammy Manning (appointed 14 October 2022, resigned 22 September 2023) Claire Smith (appointed 14 October 2022) Jane Wooster Gemma Haymon (appointed 9 June 2023) Sue Woodcraft (appointed 1 December 2023)
Secretary	Amber Danch (resigned 14 October 2022) Sammy Manning (appointed 14 October 2022, resigned 22 September 2023) Claire Smith (appointed 22 September 2023)
Registered Office	Hectorage Road Tonbridge Kent TN9 2DS
Company Number	05277574
Charity Registration Number	1107547
Bankers	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
Independent Examiner	A S Healey FCA CTA DChA Lindeyer Francis Ferguson Limited Chartered Accountants North House 198 High Street, Tonbridge, Kent TN9 1BE

HAPPY FACES PRE-SCHOOL LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees, (who are also the directors of the company for the purposes of the Companies Act) present their report and the financial statements of Happy Faces Pre-School Limited for the year ended 31 August 2023.

The Trustees confirm that the report and financial statements of the charity comply with the current statutory requirements, the requirements of the company's governing document, and the provisions of "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 (FRS102)" (effective 1 January 2019) (Charities SORP (FRS 102)).

The Legal and Administrative information on page 1 forms part of this report.

Structure, Governance and Management

Company Status

Happy Faces Pre-school Limited is a charitable company limited by guarantee and has no share capital. The liability of each member in the event of a winding up is limited to £1. The company was incorporated on 4 November 2004 and is governed by a memorandum and articles of association.

Governance and internal control

The Board of Trustees are responsible for selecting and recruiting suitable trustees to office at any time during the course of the year. The board shall consist of a Chair, Treasurer, Secretary and not less than 2 or more than 9 other members. The Chair, Treasurer and Secretary hold office for a period of one year but can offer themselves for re-election. Up until December 2022 no board member could hold office for more than six years. From 15 December 2022 committee members can serve for 15 years.

Potential new trustees are invited to attend board meetings to receive an introduction to the charity's activities, workings, finances and risk assessments. Current and potential trustees are also encouraged to attend courses on topical subjects relating to directors.

The board controls the activities of the charity through regular meetings held throughout the year.

Aims and objectives

Aims

The object of the charity is the provision of childcare facilities for children aged two to five years in the Tonbridge area.

Happy Faces is a community pre-school with a wide social mix and aims to treat each child as an individual. The Pre-school's goal is to provide a happy and secure environment in which each child can reach their full potential. Happy Faces aims to do this through good quality care and education for young children, in a safe yet stimulating environment. Children are given the freedom to experience a wide range of activities in a play-based curriculum, providing the best possible foundation for Primary School.

HAPPY FACES PRE-SCHOOL LIMITED

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2023

In setting the objectives and planning the activities of the Project the trustees have given careful consideration to the Charity Commissioner's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee charging.

Objectives

The objectives are set to reflect the local community and educational aims as well as the ethos of the Pre-school.

The high-level objectives for the year included:

- To offer appropriate play, education and care facilities for local pre-school aged children (two to five years of age);
- To encourage parents to understand and provide for the needs of their children;
- To be an inclusive organisation which welcomes families from different ethnic and cultural backgrounds and actively seeks to value and respect the diversity of our multi-cultural society.

Happy Faces Pre-school seeks to benefit the public through pursuit of its stated aims.

The Pre-school welcomes children from all backgrounds. Happy Faces is legally obliged to take funded children (those aged three to five years) as priority, and then fills any remaining spaces on its roll with children aged from two to three years.

Happy Faces is registered on the government scheme "Free for 2", which funds places for 2 year olds for up to 15 hours per week (this can be split between two childcare settings). The scheme is to provide good quality early education for disadvantaged children, aiming to improve their social and cognitive outcomes before they start school. Happy Faces has had 2 year olds on the roll during the year funded by this scheme. Happy Faces also accepts children aged 3 and 4 who are eligible for the 30 hours Free Early Entitlement. Happy Faces has had 3 and 4 year olds on the roll during the year funded by this scheme.

Regular contact is maintained with parents and carers across the year through informal contact and a monthly newsletter. Happy Faces staff work both independently and closely with parents and carers to identify where there is a need to engage with the full range of wider support services, including health visitors, paediatricians, child psychologists, portage, speech therapists, and the Specialist Teaching Service.

The Pre-school sends children to a wide range of schools in the Tonbridge area.

Review of activities and achievements

The number of children aged two to five years on the roll at Happy Faces across the year was:
Term 1 & 2 - September 2022 – December 2022 – 27 children; (2021 - 46)
Term 3 & 4 - January 2023 – March 2023 – 33 children; (2022 - 53)
Term 5 & 6- April 2023 – August 2023 - 39 children (2022 - 56)

HAPPY FACES PRE-SCHOOL LIMITED

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2023

Happy Faces is well-known locally and many children come to the pre-school as a result of its positive word-of-mouth reputation. The Pre-school is listed by Kent County Council, the National Child Birth Trust (NCT) and the local library. The local Primary School also sign-posts new parents with appropriately aged children to Happy Faces. In addition, children are referred to Happy Faces from Special Educational Needs Service and the local children's centre.

An average of 8 members of staff were employed at Happy Faces during the year. In addition, as part of Happy Faces' connection with the local community, work experience placements are offered to girls from North Kent College.

Happy Faces is an equal opportunities organisation and is committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. Reasonable adjustments will be made to meet the needs of staff or children who are or who become disabled.

All staff are dedicated to continuous personal and professional development and the Pre-school has an exceptionally high percentage of trained staff. Happy Faces follows the Early Years Foundation Stage Framework with support from a Kent County Council Setting Improvement Partner. Happy Faces is part of a collaboration of eight Early Year settings in Tonbridge and the surrounding area, where we share ideas and funding to further improve our settings.

Happy Faces seeks to be at the heart of the local community, holding Easter and Christmas raffles and regular cake sales to welcome in and engage with members of the wider community, as well as parents and carers.

We are closely monitoring our funds to ensure we have enough in reserve should we have to make staff redundant and/or close the Pre-school.

Financial Review

Reserves

Total income for the year was £111,547, compared to the previous year's income of £159,328. Costs were £140,112, compared with £162,729 in 2022. This resulted in a deficit on the general fund of £28,565 (2022: £3,401) for the year and the balance carried forward on the general fund at the year-end is £105,401 (2022: £133,966). The general fund includes the leasehold premises of £37,839 and the balance of £67,562 is available to be spent at the Trustees' discretion in furtherance of the charity's objectives. The charity seeks to keep a balance in reserves equivalent to 3 months of expenditure.

Happy Faces sets fees at a level to ensure the financial viability of the Pre-school and in line with the early years funding provided by Kent County Council. The Pre-school offers wrap around care between the hours of 08.30 and 16.00, should parents and carers wish to take advantage of this, thereby facilitating parents' return to work. Happy Faces offers payment plans and flexible methods of payment to all parents who may be experiencing difficulty in meeting their fees obligation.

The Happy Faces Board seeks to raise funds for the pre-school throughout the year. Primarily this is done through three annual fundraising events: Easter, summer and Christmas raffles. However, the

HAPPY FACES PRE-SCHOOL LIMITED

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2023

Committee also seeks to hold other smaller fundraising activities each term, for example, a children's sponsored bounce.

Plans for the future

Happy Faces will continue to seek to improve the quality of the care it provides. Staff will work to maintain their awareness of the latest developments in nursery and pre-school care and child development and will continue to assess well-being and involvement to ensure each child is actively developed and encouraged to meet its full potential.

The Committee will continue to fundraise in the coming year, both for Happy Faces and for the wider community. The Committee will also strive to encourage more parents and carers to join its body.

We lost 3 members of staff between January and May 2023 and replaced one in January 2023. This means that our highest expense has decreased. We will continue to not employ any more staff unless we absolutely need to in order to meet our ratio requirements. Our part time staff are also willing to be flexible in adding extra sessions on a temporary basis. On this basis we hope to minimise the likelihood of further financial losses for the charity.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of charitable company for the purposes of company law) are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the

HAPPY FACES PRE-SCHOOL LIMITED

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2023

charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The above report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime in Part 15 of the Companies Act 2006.

This report was approved by the Trustees on ...23/5/24... and signed on their behalf by:



Emma Holt
Chair

HAPPY FACES PRE-SCHOOL LIMITED

INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 AUGUST 2023

I report to the charity trustees on my examination of the accounts of the charitable company for the year ended 31 August 2023.

Responsibilities and basis of report

As the trustees of the company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

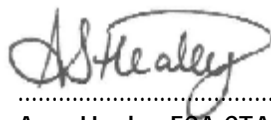
Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



.....
Amy Healey FCA CTA DChA
Lindeyer Francis Ferguson Limited
Chartered Accountants
North House
198 High Street
Tonbridge
Kent
TN9 1BE
Dated: 28 May 2024

HAPPY FACES PRE-SCHOOL LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 Unrestricted funds £	2023 Total funds £	2022 Total funds £
Income from:				
Donations and grants		950	950	4,606
Charitable activities				
Fees and Local Authority funding		109,776	109,776	154,163
Other trading activities				
Fundraising events		254	254	501
Investments				
Bank interest receivable		567	567	58
		<u>111,547</u>	<u>111,547</u>	<u>159,328</u>
Expenditure on:				
Charitable activities	2	140,112	140,112	162,729
Net expenditure and net movement in funds		<u>(28,565)</u>	<u>(28,565)</u>	<u>(3,401)</u>
Reconciliation of funds				
Total funds brought forward	7	133,966	133,966	137,367
Total funds carried forward		<u><u>105,401</u></u>	<u><u>105,401</u></u>	<u><u>133,966</u></u>

HAPPY FACES PRE-SCHOOL LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2023

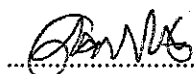
			2023		2022
	Note	£	£	£	£
Fixed assets:					
Tangible assets	4		37,839		49,761
Current assets:					
Debtors	5	2,593		775	
Cash at bank and in hand		66,843		85,693	
		<u>69,436</u>		<u>86,468</u>	
Creditors: amounts falling due within one year	6	<u>(1,874)</u>		<u>(2,263)</u>	
Net current assets			67,562		84,205
Total net assets			<u>105,401</u>		<u>133,966</u>
The funds of the charity:					
Unrestricted funds:					
General Fund	7		105,401		133,966
			<u>105,401</u>		<u>133,966</u>

For the year in question, the charitable company was entitled to exemption from an audit under section 477 of the Companies Act 2006 and the members have not required the charitable company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.

The Executive Committee acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006.

The financial statements were approved by the Executive Committee onand signed on their behalf by:



Emma Holt
Director and Chair

Company registration no: 05277574

HAPPY FACES PRE-SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - ("Charities SORP FRS 102"), the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in pounds sterling and rounded to the nearest pound.

The charity reported a deficit of £28,565 for the year ended 31 August 2023. The charity is currently operating under government funding which is not expected to cease. However, due to the increase in the National Living Wage and utilities and other costs continuing to rise and no significant rise in government funding, it is proving difficult to break even. Income and expenditure are therefore being monitored closely. Due to the current level of reserves and the continuation of funding from the government the trustees expect the charity to continue to operate and therefore the going concern basis of accounting has continued to be adopted.

There are no significant areas of judgement or estimation uncertainty.

1.2 Income

Income from donations and grants is recognised when the charity is entitled to the funds, the receipt is probable and the amount can be measured reliably. For donations this is usually on receipt. For grants, this is usually when a formal offer is made in writing, unless the grant contains terms and conditions outside of the charity's control which must be met before the charity is entitled to the funds.

Income in relation to fees and Local Authority funding is recognised in the period in which the places for which the fees are charged or the funding is received are attended by the children.

Income from milk refunds are recognised when the goods are consumed. Income from fundraising events is recognised when the event takes place.

1.3 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount required to settle the obligation can be measured reliably.

HAPPY FACES PRE-SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies (continued)

1.3 Expenditure (continued)

All expenditure is accounted for on an accruals basis. Irrecoverable VAT is included. Expenditure is classified under headings that aggregate all costs related to that category.

Support and governance costs have been allocated to the charity's one charitable activity.

1.4 Tangible Fixed assets

All expenditure on fixed assets is capitalised at cost. Tangible fixed assets are stated at cost less depreciation, which is provided at rates calculated to write off each asset over its expected useful life, with leasehold premises depreciated on a straight line basis over the period of the 25 year lease. In 2018 the useful lives were revised so that the net book value of leasehold premises is depreciated over the remaining lease period to 2026.

1.5 Financial instruments

The charity only has financial instruments which are classified as basic financial instruments. Short-term debtors and creditors are measured at the settlement value. Any losses from impairment are recognised in the Statement of Financial Activities.

1.6 Fund accounting

General funds 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.

1.7 Status

The Happy Faces Pre-School Limited is a charitable company, limited by guarantee, registered with the Charity Commission in England and Wales. Its registered address is Hectorage Road, Tonbridge, Kent, TN9 2DS. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

HAPPY FACES PRE-SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

2 Expenditure on charitable activities

	2023	2022
	£	£
Activity: Pre-school education		
Staff costs - (see note 3)	97,616	109,655
Materials/replacement toys	1,882	1,583
Children's food and milk	488	764
Premise costs (including repairs)	13,794	16,485
Depreciation	11,922	11,922
Support costs:		
Staff costs - (see note 3)	6,113	11,099
Insurance	1,261	1,964
Printing, postage and stationery	853	360
Other costs	4,887	7,757
Governance:		
Independent examination	1,296	1,140
	<u>140,112</u>	<u>162,729</u>

3 Staff costs and remuneration of key management personnel

	2023	2022
	£	£
Wages and salaries - administering the charity	6,113	11,099
Wages and salaries - nursery staff	95,727	105,985
Employer's National Insurance	746	2,139
Employers Pension cost	1,143	1,531
	<u>103,729</u>	<u>120,754</u>

The average number of employees on a headcount basis was 8 (2022: 8). No employee received employee benefits in excess of £60,000 (2022: Nil).

The key management personnel are considered to be the trustees and the pre-school manager. Remuneration of key management personnel including employers' national insurance and pension contributions, was £23,678 (2022: £25,670). During the year, no trustees received any remuneration or benefits nor were reimbursed for any expenses in their capacity as trustees (2022: Nil).

HAPPY FACES PRE-SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

4	Tangible Fixed assets		
			£
	Leasehold premises		
	Cost at 1 September 2022 and 31 August 2023		213,378
			<u> </u>
	Depreciation		
	At 1 September 2022		163,617
	Depreciation charge		11,922
			<u> </u>
	At 31 August 2023		175,539
			<u> </u>
	Net book value		
	At 31 August 2023		37,839
			<u> </u>
	At 31 August 2022		49,761
			<u> </u>
5	Debtors		
		2023	2022
		£	£
	Prepayments	2,226	775
	Other debtors	367	-
		<u> </u>	<u> </u>
		2,593	775
		<u> </u>	<u> </u>
6	Creditors: amounts falling due within one year		
		2023	2022
		£	£
	Accruals and deferred income	1,200	1,318
	Taxation and social security	674	945
		<u> </u>	<u> </u>
		1,874	2,263
		<u> </u>	<u> </u>

HAPPY FACES PRE-SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

7 MOVEMENT ON FUNDS

<i>Current Year</i>	<i>Brought forward</i>	<i>Income</i>	<i>Expenditure</i>	<i>Carried forward</i>
Unrestricted funds				
General funds	133,966	111,547	(140,112)	105,401
<i>Prior year</i>	<i>Brought forward</i>	<i>Income</i>	<i>Expenditure</i>	<i>Carried forward</i>
Unrestricted funds				
General funds	137,367	155,401	(158,802)	133,966
Restricted funds				
COMF Grant	-	3,927	(3,927)	-
	137,367	3,927	(162,729)	133,966

Restricted funds in the previous year were received for Contain Outbreak Management Funding requested from Kent County Council. Funding was requested for additional staffing and resources to enable them to stay open for as many children as possible. This was fully spent last year.

8 Lease commitments

The charity has a lease for land with Tonbridge and Malling Borough Council which expires on 14 December 2026. A rent of £600 per annum is currently payable, subject to 5 yearly reviews.

9 Related party transactions

During the year Mr Tim Fuller, husband of the pre-school manager, was paid £836 (2022: £7,052) for gardening and general maintenance work carried out in the year. During the year two close family members of Amber Danch, trustee during the year, were employed by the charity. Aggregate remuneration was £44,413 (2022: £42,155). There were no other related party transactions.

HAPPY FACES PRE-SCHOOL LIMITED

England & Wales - Charity number 1107547

Accounts

Company registration no. 05277574
Registered Charity No: 1107547

HAPPY FACES PRE-SCHOOL LIMITED

**TRUSTEES' REPORT AND UNAUDITED
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 AUGUST 2022**

HAPPY FACES PRE-SCHOOL LIMITED

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Notes to the Financial Statements	10 - 14

HAPPY FACES PRE-SCHOOL LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 AUGUST 2022

Trustees and Directors	Emma Holt (Chair) Joanne Anderson (appointed 14 October 2022) Gemma Carter (resigned 10 December 2021) Lucy Child (resigned 10 December 2021) Amber Danch (appointed 13 May 2022, resigned 20 February 2023) Sam Haywood (appointed 15 October 2021) Toni Hughes (appointed 4 October 2021, resigned 3 December 2021) Sammy Manning (appointed 8 October 2021, resigned 14 October 2022) Claire Smith (appointed 14 October 2022) Rachel Stewart (resigned 10 December 2021) Jane Wooster (appointed 15 October 2021)
Secretary	Amber Danch (resigned 14 October 2022) Sammy Manning (appointed 14 October 2022)
Registered Office	Hectorage Road Tonbridge Kent TN9 2DS
Company Number	05277574
Charity Registration Number	1107547
Bankers	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
Independent Examiner	A S Healey FCA CTA DChA Lindeyer Francis Ferguson Limited Chartered Accountants North House 198 High Street, Tonbridge, Kent TN9 1BE

HAPPY FACES PRE-SCHOOL LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees, (who are also the directors of the company for the purposes of the Companies Act) present their report and the financial statements of Happy Faces Pre-School Limited for the year ended 31 August 2022.

The Trustees confirm that the report and financial statements of the charity comply with the current statutory requirements, the requirements of the company's governing document, and the provisions of "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 (FRS102)" (effective 1 January 2019) (Charities SORP (FRS 102)).

The Legal and Administrative information on page 1 forms part of this report.

Structure, Governance and Management

Company Status

Happy Faces Pre-school Limited is a charitable company limited by guarantee and has no share capital. The liability of each member in the event of a winding up is limited to £1. The company was incorporated on 4 November 2004 and is governed by a memorandum and articles of association.

Governance and internal control

The Board of Trustees are responsible for selecting and recruiting suitable trustees to office at any time during the course of the year. The board shall consist of a Chair, Treasurer, Secretary and not less than 2 or more than 9 other members. The Chair, Treasurer and Secretary hold office for a period of one year but can offer themselves for re-election. Up until December 2022 no board member could hold office for more than six years. From 15 December 2022 committee members can serve for 14 years.

Potential new trustees are invited to attend board meetings to receive an introduction to the charity's activities, workings, finances and risk assessments. Current and potential trustees are also encouraged to attend courses on topical subjects relating to directors.

The board controls the activities of the charity through regular meetings held throughout the year.

Aims and objectives

Aims

The object of the charity is the provision of childcare facilities for children aged two to five years in the Tonbridge area.

Happy Faces is a community pre-school with a wide social mix and aims to treat each child as an individual. The Pre-school's goal is to provide a happy and secure environment in which each child can reach their full potential. Happy Faces aims to do this through good quality care and education for young children, in a safe yet stimulating environment. Children are given the freedom to experience a wide range of activities in a play-based curriculum, providing the best possible foundation for Primary School.

HAPPY FACES PRE-SCHOOL LIMITED

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2022

In setting the objectives and planning the activities of the Project the trustees have given careful consideration to the Charity Commissioner's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee charging.

Objectives

The objectives are set to reflect the local community and educational aims as well as the ethos of the Pre-school.

The high-level objectives for the year included:

- To offer appropriate play, education and care facilities for local pre-school aged children (two to five years of age);
- To encourage parents to understand and provide for the needs of their children;
- To be an inclusive organisation which welcomes families from different ethnic and cultural backgrounds and actively seeks to value and respect the diversity of our multi-cultural society.

Happy Faces Pre-school seeks to benefit the public through pursuit of its stated aims.

The Pre-school welcomes children from all backgrounds. Happy Faces is legally obliged to take funded children (those aged three to five years) as priority, and then fills any remaining spaces on its roll with children aged from two to three years.

Happy Faces is registered on the government scheme "Free for 2", which funds places for 2 year olds for up to 15 hours per week (this can be split between two childcare settings). The scheme is to provide good quality early education for disadvantaged children, aiming to improve their social and cognitive outcomes before they start school. Happy Faces has had 2 year olds on the roll during the year funded by this scheme. Happy Faces also accepts children aged 3 and 4 who are eligible for the 30 hours Free Early Entitlement. Happy Faces has had 3 and 4 year olds on the roll during the year funded by this scheme.

Regular contact is maintained with parents and carers across the year through informal contact and a monthly newsletter. Happy Faces staff work both independently and closely with parents and carers to identify where there is a need to engage with the full range of wider support services, including health visitors, paediatricians, child psychologists, portage, speech therapists, and the Specialist Teaching Service.

The Pre-school sends children to a wide range of schools in the Tonbridge area.

Review of activities and achievements

The number of children aged two to five years on the roll at Happy Faces across the year was:

Term 1 & 2 - September 2021 – December 2021 – 46 children; (2020 - 52)

Term 3 & 4 - January 2022 – March 2022 – 53 children; (2021 - 56)

Term 5 & 6 - April 2022 – August 2022 - 56 children (2021 - 57)

HAPPY FACES PRE-SCHOOL LIMITED

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2022

Happy Faces is well-known locally and many children come to the pre-school as a result of its positive word-of-mouth reputation. The Pre-school is listed by Kent County Council, the National Child Birth Trust (NCT) and the local library. The local Primary School also sign-posts new parents with appropriately aged children to Happy Faces. In addition, children are referred to Happy Faces from Special Educational Needs Service and the local children's centre.

An average of 8 members of staff were employed at Happy Faces during the year. In addition, as part of Happy Faces' connection with the local community, work experience placements are offered to girls from West Kent College.

Happy Faces is an equal opportunities organisation and is committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. Reasonable adjustments will be made to meet the needs of staff or children who are or who become disabled.

All staff are dedicated to continuous personal and professional development and the Pre-school has an exceptionally high percentage of trained staff. Happy Faces follows the Early Years Foundation Stage Framework with support from a Kent County Council Setting Improvement Partner. Happy Faces is part of a collaboration of eight Early Year settings in Tonbridge and the surrounding area, where we share ideas and funding to further improve our settings.

Happy Faces seeks to be at the heart of the local community, holding Easter and Christmas raffles and regular cake sales to welcome in and engage with members of the wider community, as well as parents and carers.

We are closely monitoring our funds to ensure we have enough in reserve should we have to make staff redundant and/or close the Pre-school.

Financial Review

Reserves

Total income for the year was £159,328, down on the previous year's income of £181,423. Costs were £162,729, compared with £166,283 in 2021. This resulted in a deficit on the general fund of £3,401 (2021: £15,140) for the year and the balance carried forward on the general fund at the year-end is £133,966 (2021: £137,367). The general fund includes the leasehold premises of £49,761 and the balance of £84,205 is available to be spent at the Trustees' discretion in furtherance of the charity's objectives. The charity seeks to keep a balance in reserves equivalent to 3 months of expenditure.

Happy Faces sets fees at a level to ensure the financial viability of the Pre-school and in line with the early years funding provided by Kent County Council. The Pre-school offers wrap around care between the hours of 08.30 and 16.00, should parents and carers wish to take advantage of this, thereby facilitating parents' return to work. Happy Faces offers payment plans and flexible methods of payment to all parents who may be experiencing difficulty in meeting their fees obligation.

The Happy Faces Board seeks to raise funds for the pre-school throughout the year. Primarily this is done through three annual fundraising events: Easter, summer and Christmas raffles. However, the

HAPPY FACES PRE-SCHOOL LIMITED

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2022

Committee also seeks to hold other smaller fundraising activities each term, for example, a children's sponsored bounce.

Plans for the future

Happy Faces will continue to seek to improve the quality of the care it provides. Staff will work to maintain their awareness of the latest developments in nursery and pre-school care and child development and will continue to assess well-being and involvement to ensure each child is actively developed and encouraged to meet its full potential.

The Committee will continue to fundraise in the coming year, both for Happy Faces and for the wider community. The Committee will also strive to encourage more parents and carers to join its body.

We lost 2 members of staff between February 2022 and June 2022 and replaced one in June 2022. This means that our highest expense has decreased. We will move forward by not employing any more staff unless we absolutely need to in order to meet our ratio requirements. Our part time staff are also willing to be flexible in adding extra sessions on a temporary basis. On this basis we hope to minimise the likelihood of further financial losses for the charity.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of charitable company for the purposes of company law) are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the

HAPPY FACES PRE-SCHOOL LIMITED

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2022

charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The above report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime in Part 15 of the Companies Act 2006.

This report was approved by the Trustees on 15/9/22 and signed on their behalf by:



Emma Holt
Chair

HAPPY FACES PRE-SCHOOL LIMITED

INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 AUGUST 2022

I report to the charity trustees on my examination of the accounts of the charitable company for the year ended 31 August 2022.

Responsibilities and basis of report

As the trustees of the company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



.....
Amy Healey FCA CTA DChA
Lindeyer Francis Ferguson Limited
Chartered Accountants
North House
198 High Street
Tonbridge
Kent
TN9 1BE
Dated: 22 May 2023

HAPPY FACES PRE-SCHOOL LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2022

	2022 <i>Unrestricted funds</i> £	2022 <i>Restricted funds</i> £	2022 <i>Total funds</i> £	2021 <i>Total funds</i> £
Income from:				
Donations and grants	679	3,927	4,606	5,232
Charitable activities				
Fees and Local Authority funding	154,163		154,163	175,039
Other trading activities				
Fundraising events	501	-	501	1,146
Investments				
Bank interest receivable	58	-	58	6
	155,401	3,927	159,328	181,423
Expenditure on:				
Charitable activities	2 158,802	3,927	162,729	166,283
Net movement in funds	(3,401)	-	(3,401)	15,140
Reconciliation of funds				
Total funds brought forward	7 137,367	-	137,367	122,227
Total funds carried forward	133,966	-	133,966	137,367

HAPPY FACES PRE-SCHOOL LIMITED

BALANCE SHEET AS AT 31 AUGUST 2022


	Note	£	2022 £	£	2021 £
Fixed assets:					
Tangible assets	4		49,761		61,683
Current assets:					
Debtors	5	775		1,268	
Cash at bank and in hand		85,693		91,204	
		86,468		92,472	
Creditors: amounts falling due within one year	6	(2,263)		(16,788)	
Net current assets			84,205		75,684
Total net assets			133,966		137,367
The funds of the charity:					
Unrestricted funds:					
General Fund			133,966		137,367
			133,966		137,367

For the year in question, the charitable company was entitled to exemption from an audit under section 477 of the Companies Act 2006 and the members have not required the charitable company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.

The Executive Committee acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006.

The financial statements were approved by the Executive Committee on 15/5/23 and signed on their behalf by:


.....

Emma Holt
Director and Chair

Company registration no: 05277574

HAPPY FACES PRE-SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - ("Charities SORP FRS 102"), the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in pounds sterling and rounded to the nearest pound.

The charity reported a deficit of £3,401 for the year ended 31 August 2022. The charity is currently operating under government funding which is not expected to cease. However, due to the cost of living crisis, utilities and other costs are rising with no corresponding rise in government funding. Income and expenditure are therefore being monitored closely. Due to the current level of reserves and the continuation of funding from the government the trustees expect the charity to continue to operate and therefore the going concern basis of accounting has continued to be adopted.

There are no significant areas of judgement or estimation uncertainty.

1.2 Income

Income from donations and grants is recognised when the charity is entitled to the funds, the receipt is probable and the amount can be measured reliably. For donations this is usually on receipt. For grants, this is usually when a formal offer is made in writing, unless the grant contains terms and conditions outside of the charity's control which must be met before the charity is entitled to the funds.

Income in relation to fees and Local Authority funding is recognised in the period in which the places for which the fees are charged or the funding is received are attended by the children.

Income from milk refunds are recognised when the goods are consumed. Income from fundraising events is recognised when the event takes place.

1.3 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount required to settle the obligation can be measured reliably.

HAPPY FACES PRE-SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies (continued)

All expenditure is accounted for on an accruals basis. Irrecoverable VAT is included. Expenditure is classified under headings that aggregate all costs related to that category.

Support and governance costs have been allocated to the charity's one charitable activity.

1.4 Tangible Fixed assets

All expenditure on fixed assets is capitalised at cost. Tangible fixed assets are stated at cost less depreciation, which is provided at rates calculated to write off each asset over its expected useful life, with leasehold premises depreciated on a straight line basis over the period of the 25 year lease. In 2018 the useful lives were revised so that the net book value of leasehold premises is depreciated over the remaining lease period to 2026.

1.5 Financial instruments

The charity only has financial instruments which are classified as basic financial instruments. Short-term debtors and creditors are measured at the settlement value. Any losses from impairment are recognised in the Statement of Financial Activities.

1.6 Fund accounting

General funds 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.

1.7 Status

The Happy Faces Pre-School Limited is a charitable company, limited by guarantee, registered with the Charity Commission in England and Wales. Its registered address is Hectorage Road, Tonbridge, Kent, TN9 2DS. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

HAPPY FACES PRE-SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

2	Expenditure on charitable activities	2022	2021
		£	£
	Activity: Pre-school education		
	Staff costs - (see note 3)	109,655	113,546
	Materials/replacement toys	1,583	1,665
	Children's food and milk	764	727
	Premise costs (including repairs)	16,485	18,345
	Depreciation	11,922	11,922
	Support costs:		
	Staff costs - (see note 3)	11,099	11,451
	Insurance	1,964	1,220
	Printing, postage and stationery	360	841
	Other costs	7,757	5,576
	Governance:		
	Independent examination	1,140	990
		<u>162,729</u>	<u>166,283</u>
		<u>162,729</u>	<u>166,283</u>
3	Staff costs and remuneration of key management personnel	2022	2021
		£	£
	Wages and salaries - administering the charity	11,099	11,451
	Wages and salaries - nursery staff	105,985	110,405
	Employer's National Insurance	2,139	1,859
	Employers Pension cost	1,531	1,282
		<u>120,754</u>	<u>124,997</u>
		<u>120,754</u>	<u>124,997</u>

The average number of employees on a headcount basis was 8 (2021: 11). No employee received employee benefits in excess of £60,000 (2021: Nil).

The key management personnel are considered to be the trustees and the pre-school manager. Remuneration of key management personnel including employers' national insurance and pension contributions, was £25,670 (2021: £26,225). During the year, no trustees received any remuneration or benefits nor were reimbursed for any expenses in their capacity as trustees (2021: Nil).

HAPPY FACES PRE-SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

4	Tangible Fixed assets		
			£
	Leasehold premises		
	Cost at 1 September 2021 and 31 August 2022		213,378
			<u> </u>
	Depreciation		
	At 1 September 2021		151,695
	Depreciation charge		11,922
			<u> </u>
	At 31 August 2022		163,617
			<u> </u>
	Net book value		
	At 31 August 2022		49,761
			<u> </u>
	At 31 August 2021		61,683
			<u> </u>
5	Debtors		
		2022	2021
		£	£
	Prepayments	775	1,268
		<u> </u>	<u> </u>
6	Creditors: amounts falling due within one year		
		2022	2021
		£	£
	Accruals and deferred income	1,318	16,253
	Taxation and social security	945	535
		<u> </u>	<u> </u>
		2,263	16,788
		<u> </u>	<u> </u>

There is no deferred income for 2022, however in 2021 there was £15,041 of Local Authority funding received in advance.

HAPPY FACES PRE-SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

7	MOVEMENT ON FUNDS <i>Current Year</i>	<i>Brought forward</i>	<i>Income</i>	<i>Expenditure</i>	<i>Carried forward</i>
	Unrestricted funds				
	General funds	137,367	155,401	(158,802)	133,966
		<u>137,367</u>	<u>155,401</u>	<u>(158,802)</u>	<u>133,966</u>
	Restricted funds				
	COMF Grant	-	3,927	(3,927)	-
		<u>-</u>	<u>3,927</u>	<u>(3,927)</u>	<u>-</u>
		<u>137,367</u>	<u>159,328</u>	<u>(162,729)</u>	<u>133,966</u>

Restricted funds are for Contain Outbreak Management Funding requested from Kent County Council. Funding was requested for additional staffing and resources to enable them to stay open for as many children as possible. This was fully spent in the year.

8 Lease commitments

The charity has a lease for land with Tonbridge and Malling Borough Council which expires on 14 December 2026. A rent of £600 per annum is currently payable, subject to 5 yearly reviews.

9 Related party transactions

During the year Mr Tim Fuller, husband of the pre-school manager, was paid £7,052 (2021: £5,850) for gardening and general maintenance work carried out in the year. During the year two close family members of Amber Danch, trustee during the year, were employed by the charity. Aggregate remuneration was £42,155 (2021: £40,654). There were no other related party transactions.

HAPPY FACES PRE-SCHOOL LIMITED

England & Wales - Charity number 1107547

Accounts

Company registration no. 05277574
Registered Charity No: 1107547

HAPPY FACES PRE-SCHOOL LIMITED

**TRUSTEES' REPORT AND UNAUDITED
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 AUGUST 2021**

HAPPY FACES PRE-SCHOOL LIMITED

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HAPPY FACES PRE-SCHOOL LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 AUGUST 2021

Trustees and Directors	Emma Holt (Chair) Gemma Carter (resigned 10 December 2021) Lucy Child (resigned 10 December 2021) Amber Danch* Sam Haywood (appointed 20 October 2021) Toni Hughes (appointed 8 October 2021, resigned 3 December 2021) Sammy Manning (appointed 8 October 2021) Rachel Stewart (resigned 10 December 2021) Jane Wooster (appointed 15 October 2021) *resigned as a director on 30 April 2021
Secretary	Amber Danch (appointed 30 April 2021) Kerry Allen (resigned 30 April 2021)
Registered Office	Hectorage Road Tonbridge Kent TN9 2DS
Company Number	05277574
Charity Registration Number	1107547
Bankers	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
Independent Examiner	A S Healey FCA CTA DChA Lindeyer Francis Ferguson Limited Chartered Accountants North House 198 High Street, Tonbridge, Kent TN9 1BE

HAPPY FACES PRE-SCHOOL LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees, (who are also the directors of the company for the purposes of the Companies Act) present their report and the financial statements of Happy Faces Pre-School Limited for the year ended 31 August 2021.

The Trustees confirm that the report and financial statements of the charity comply with the current statutory requirements, the requirements of the company's governing document, and the provisions of "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 (FRS102)" (effective 1 January 2019) (Charities SORP (FRS 102)).

The Legal and Administrative information on page 1 forms part of this report.

Structure, Governance and Management

Company Status

Happy Faces Pre-school Limited is a charitable company limited by guarantee and has no share capital. The liability of each member in the event of a winding up is limited to £1. The company was incorporated on 4 November 2004 and is governed by a memorandum and articles of association.

Governance and internal control

The Board of Trustees are responsible for selecting and recruiting suitable trustees to office at any time during the course of the year. The board shall consist of a Chair, Treasurer, Secretary and not less than 2 or more than 9 other members. The Chair, Treasurer and Secretary hold office for a period of one year but can offer themselves for re-election. No board member can hold office for more than six years. We are currently in the process of updating our constitution so the committee members can serve for 14 years.

Potential new trustees are invited to attend board meetings to receive an introduction to the charity's activities, workings, finances and risk assessments. Current and potential trustees are also encouraged to attend courses on topical subjects relating to directors.

The board controls the activities of the charity through regular meetings held throughout the year.

Aims and objectives

Aims

The object of the charity is the provision of childcare facilities for children aged two to five years in the Tonbridge area.

Happy Faces is a community pre-school with a wide social mix and aims to treat each child as an individual. The Pre-school's goal is to provide a happy and secure environment in which each child can reach their full potential. Happy Faces aims to do this through good quality care and education for young children, in a safe yet stimulating environment. Children are given the freedom to experience a wide range of activities in a play-based curriculum, providing the best possible foundation for Primary School.

HAPPY FACES PRE-SCHOOL LIMITED

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

In setting the objectives and planning the activities of the Project the trustees have given careful consideration to the Charity Commissioner's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee charging.

Objectives

The objectives are set to reflect the local community and educational aims as well as the ethos of the Pre-school.

The high level objectives for the year included:

To offer appropriate play, education and care facilities for local pre-school aged children (two to five years of age);

To encourage parents to understand and provide for the needs of their children;

To be an inclusive organisation which welcomes families from different ethnic and cultural backgrounds and actively seeks to value and respect the diversity of our multi-cultural society.

Happy Faces Pre-school seeks to benefit the public through pursuit of its stated aims.

The Pre-school welcomes children from all backgrounds. Happy Faces is legally obliged to take funded children (those aged three to five years) as priority, and then fills any remaining spaces on its roll with children aged from two to three years.

Happy Faces is registered on the government scheme "Free for 2", which funds places for 2 year olds for up to 15 hours per week (this can be split between two childcare settings). The scheme is to provide good quality early education for disadvantaged children, aiming to improve their social and cognitive outcomes before they start school. Happy Faces has had 2 year olds on the roll during the year funded by this scheme. Happy Faces also accepts children aged 3 & 4 who are eligible for the 30 hours Free Early Entitlement. Happy Faces has had 3 & 4 year olds on the roll during the year funded by this scheme.

Regular contact is maintained with parents and carers across the year through informal contact and a monthly newsletter. Happy Faces staff work both independently and closely with parents and carers to identify where there is a need to engage with the full range of wider support services, including health visitors, paediatricians, child psychologists, portage, speech therapists, and the Specialist Teaching Service.

The Pre-school sends children to a wide range of schools in the Tonbridge area.

Review of activities and achievements

The number of children aged two to five years on the roll at Happy Faces across the year was:

Term 1 & 2 - September 2020 – December 2020 – 52 children; (2019 - 60)

Term 3 & 4 - January 2021 – March 2021 – 56 children; (2020 - 61)

Term 5 & 6- April 2021 – August 2021 - 57 children (2020 - 61)

HAPPY FACES PRE-SCHOOL LIMITED

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

Happy Faces is well-known locally and many children come to the pre-school as a result of its positive word-of-mouth reputation. The Pre-school is listed by Kent County Council, the National Child Birth Trust (NCT) and the local library. The local Primary School also sign-posts new parents with appropriately aged children to Happy Faces. In addition, children are referred to Happy Faces from Special Educational Needs Service and the local children's centre.

Eleven members of staff were employed at Happy Faces during the year. In addition, as part of Happy Faces' connection with the local community, work experience placements are offered to girls from West Kent College (although this did not happen this year due to the Covid-19 pandemic).

Happy Faces is an equal opportunities organisation and is committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. Reasonable adjustments will be made to meet the needs of staff or children who are or who become disabled.

All staff are dedicated to continuous personal and professional development and the Pre-school has an exceptionally high percentage of trained staff. Happy Faces follows the Early Years Foundation Stage Framework with support from a Kent County Council Setting Improvement Partner. Happy Faces is part of a collaboration of eight Early Year settings in Tonbridge and the surrounding area, where we share ideas and funding to further improve our settings.

Happy Faces seeks to be at the heart of the local community, holding Easter and Christmas raffles and regular cake sales to welcome in and engage with members of the wider community, as well as parents and carers. Again, no fundraising events took place due to Covid-19.

We are closely monitoring our funds to ensure we have enough in reserve should we have to make staff redundant and/or close the Pre-school.

Financial Review

Reserves

Total income for the year was £181,423, up on the previous year's income of £178,100. Costs were £166,283, compared with £191,470 in 2020. This resulted in a surplus on the general fund of £15,140 (2020 – deficit of £13,370) for the year and the balance carried forward on the general fund at the year-end is £137,367 (2020 - £122,227). The general fund includes the leasehold premises of £61,683 and the balance of £75,684 is available to be spent at the Trustees' discretion in furtherance of the charity's objectives. The charity seeks to keep a balance in reserves equivalent to 3 months of expenditure.

Happy Faces sets fees at a level to ensure the financial viability of the Pre-school and in line with the early years funding provided by Kent County Council. The Pre-school offers wrap around care between the hours of 08.30 and 16.00, should parents and carers wish to take advantage of this, thereby facilitating parents' return to work. Happy Faces offers payment plans and flexible methods of payment to all parents who may be experiencing difficulty in meeting their fees obligation.

The Happy Faces Board seeks to raise funds for the pre-school throughout the year. Primarily this is done through three annual fundraising events: Easter, the summer and Christmas raffles. However, the

HAPPY FACES PRE-SCHOOL LIMITED

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2021

Committee also seeks to hold other smaller fundraising activities each term, for example, a children's sponsored bounce.

Plans for the future

Happy Faces will continue to seek to improve the quality of the care it provides. Staff will work to maintain their awareness of the latest developments in nursery and pre-school care and child development and will continue to assess well-being and involvement to ensure each child is actively developed and encouraged to meet its full potential.

The Committee will continue to fundraise in the coming year, both for Happy Faces and for the wider community. The Committee will also strive to encourage more parents and carers to join its body.

We lost 6 members of staff between February 2020 and April 2021 and replaced one (as an apprentice) in March 2021 and we have taken on another level 3 in October 2021. This means that our highest expense has decreased. We will move forward by not employing any more staff unless we absolutely need to in order to meet our ratio requirements. Our part time staff are also willing to be flexible in adding extra sessions on a temporary basis. On this basis we hope to minimise the likelihood of further financial losses for the charity.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of charitable company for the purposes of company law) are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the

HAPPY FACES PRE-SCHOOL LIMITED

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The above report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime in Part 15 of the Companies Act 2006.

This report was approved by the Trustees on 24/5/22 and signed on their behalf by:



.....
Emma Holt
Chair

HAPPY FACES PRE-SCHOOL LIMITED

INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 AUGUST 2021

I report to the charity trustees on my examination of the accounts of the charitable company for the year ended 31 August 2021.

Responsibilities and basis of report

As the trustees of the company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Amy Healey FCA CTA DChA
Lindeyer Francis Ferguson Limited
Chartered Accountants
North House
198 High Street
Tonbridge
Kent
TN9 1BE
Dated: 24 May 2022

HAPPY FACES PRE-SCHOOL LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Income from:			
Donations and grants		5,232	2,635
Charitable activities			
Fees and Local Authority funding		175,039	174,325
Other trading activities			
Fundraising events		1,146	1,062
Investments			
Bank interest receivable		6	78
		<u>181,423</u>	<u>178,100</u>
Expenditure on:			
Charitable activities	2	166,283	191,470
Net income/(expenditure) and net movement in funds		<u>15,140</u>	<u>(13,370)</u>
Reconciliation of funds			
Total funds brought forward		<u>122,227</u>	<u>135,597</u>
Total funds carried forward		<u><u>137,367</u></u>	<u><u>122,227</u></u>

There were no restricted or endowment funds in the current or preceding period.

HAPPY FACES PRE-SCHOOL LIMITED

BALANCE SHEET AS AT 31 AUGUST 2021


		2021		2020	
	Note	£	£	£	£
Fixed assets:					
Tangible assets	4		61,683		73,605
Current assets:					
Debtors	5	1,268		2,649	
Cash at bank and in hand		91,204		59,981	
		<u>92,472</u>		<u>62,630</u>	
Creditors: amounts falling due within one year	6	<u>(16,788)</u>		<u>(14,008)</u>	
Net current assets			<u>75,684</u>		<u>48,622</u>
Total net assets			<u><u>137,367</u></u>		<u><u>122,227</u></u>
The funds of the charity:					
Unrestricted funds:					
General Fund			<u>137,367</u>		<u>122,227</u>
			<u><u>137,367</u></u>		<u><u>122,227</u></u>

For the year in question, the charitable company was entitled to exemption from an audit under section 477 of the Companies Act 2006 and the members have not required the charitable company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.

The Executive Committee acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006.

The financial statements were approved by the Executive Committee on 24/5/22 and signed on their behalf by:


.....

Emma Holt
Director and Chair

Company registration no: 05277574

HAPPY FACES PRE-SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - ("Charities SORP FRS 102"), the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in pounds sterling and rounded to the nearest pound.

There are no material uncertainties about the charity's ability to continue, and thus the going concern basis of accounting has continued to be adopted.

There are no significant areas of judgement or estimation uncertainty.

1.2 Income

Income from donations and grants is recognised when the charity is entitled to the funds, the receipt is probable and the amount can be measured reliably. For donations this is usually on receipt. For grants, this is usually when a formal offer is made in writing, unless the grant contains terms and conditions outside of the charity's control which must be met before the charity is entitled to the funds.

Income in relation to fees and Local Authority funding is recognised in the period in which the places for which the fees are charged or the funding is received are attended by the children.

Income from milk refunds are recognised when the goods are consumed. Income from fundraising events is recognised when the event takes place.

1.3 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount required to settle the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Irrecoverable VAT is included. Expenditure is classified under headings that aggregate all costs related to that category.

Support and governance costs have been allocated to the charity's one charitable activity.

HAPPY FACES PRE-SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies (continued)

1.4 Tangible Fixed assets

All expenditure on fixed assets is capitalised at cost. Tangible fixed assets are stated at cost less depreciation, which is provided at rates calculated to write off each asset over its expected useful life, with leasehold premises depreciated on a straight line basis over the period of the 25 year lease. In 2018 the useful lives were revised so that the net book value of leasehold premises is depreciated over the remaining lease period to 2026.

1.5 Financial instruments

The charity only has financial instruments which are classified as basic financial instruments. Short-term debtors and creditors are measured at the settlement value. Any losses from impairment are recognised in the Statement of Financial Activities.

1.6 Fund accounting

General funds 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.

1.7 Status

The Happy Faces Pre-School Limited is a charitable company, limited by guarantee, registered with the Charity Commission in England and Wales. Its registered address is Hectorage Road, Tonbridge, Kent, TN9 2DS. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

HAPPY FACES PRE-SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

2	Expenditure on charitable activities	2021	2020
		£	£
	<i>Activity: Pre-school education</i>		
	Staff costs - (see note 3)	113,546	129,267
	Materials/replacement toys	1,665	2,859
	Children's food and milk	727	897
	Premise costs (including repairs)	18,345	26,304
	Depreciation	11,922	11,922
	<i>Support costs:</i>		
	Staff costs - (see note 3)	11,451	12,056
	Insurance	1,220	1,202
	Printing, postage and stationery	841	1,167
	Other costs	5,576	4,536
	<i>Governance:</i>		
	Independent examination	990	1,260
		<u>166,283</u>	<u>191,470</u>
3	Staff costs and remuneration of key management personnel	2021	2020
		£	£
	Wages and salaries - administering the charity	11,451	12,056
	Wages and salaries - nursery staff	110,405	126,496
	Employer's National Insurance	1,859	1,452
	Employers Pension cost	1,282	1,319
		<u>124,997</u>	<u>141,323</u>

The average number of employees on a headcount basis was 11 (2020: 14). No employee received employee benefits in excess of £60,000 (2020: Nil).

The key management personnel are considered to be the trustees and the pre-school manager. Remuneration of key management personnel including employers' national insurance and pension contributions, was £26,225 (2020: £26,806). During the year, no trustees received any remuneration or benefits nor were reimbursed for any expenses in their capacity as trustees (2020: Nil).

HAPPY FACES PRE-SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

4	Tangible Fixed assets		£
	Leasehold premises		
	Cost at 1 September 2020 and 31 August 2021		213,378
			<u> </u>
	Depreciation		
	At 1 September 2020		139,773
	Depreciation charge		11,922
			<u> </u>
	At 31 August 2021		151,695
			<u> </u>
	Net book value		
	At 31 August 2021		61,683
			<u> </u>
	At 31 August 2020		73,605
			<u> </u>
5	Debtors		
		<i>2021</i>	<i>2020</i>
		<i>£</i>	<i>£</i>
	Prepayments	1,268	2,649
		<u> </u>	<u> </u>
6	Creditors: amounts falling due within one year		
		<i>2021</i>	<i>2020</i>
		<i>£</i>	<i>£</i>
	Accruals and deferred income	16,253	13,088
	Taxation and social security	535	920
		<u> </u>	<u> </u>
		16,788	14,008
		<u> </u>	<u> </u>

Accruals and deferred income for 2021 includes £15,041 (2020: £11,395) Local Authority funding for 2021/22 Terms 1 and 2.

HAPPY FACES PRE-SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

7 Lease commitments

The charity has a lease for land with Tonbridge and Malling Borough Council which expires on 14 December 2026. A rent of £600 per annum is currently payable, subject to 5 yearly review.

8 Related party transactions

During the year Mr Tim Fuller, husband of the pre-school manager, was paid £5,850 (2020: £4,725) for gardening and general maintenance work carried out in the year. During the year two close family members of Amber Danch, trustee, were employed by the charity. Aggregate remuneration was £40,654 (2020: £42,453). There were no other related party transactions.

HAPPY FACES PRE-SCHOOL LIMITED

England & Wales - Charity number 1107547

Accounts

Company registration no. 05277574
Registered Charity No: 1107547

HAPPY FACES PRE-SCHOOL LIMITED

**TRUSTEES' REPORT AND UNAUDITED
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 AUGUST 2020**

HAPPY FACES PRE-SCHOOL LIMITED

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HAPPY FACES PRE-SCHOOL LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 AUGUST 2020

Trustees	Emma Holt (Chair) Lucy Child (Treasurer) Kerry Allen (Secretary) Rachel Stewart Gemma Carter Amber Danch (elected 28 February 2020)
Registered Office	Hectorage Road Tonbridge Kent TN9 2DS
Company Number	05277574
Charity Registration Number	1107547
Bankers	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
Independent Examiner	A S Healey FCA CTA DChA Lindeyer Francis Ferguson Limited Chartered Accountants North House 198 High Street Tonbridge Kent TN9 1BE

HAPPY FACES PRE-SCHOOL LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees, (who also the directors of the company for the purposes of the Companies Act) present their report and the financial statements of Happy Faces Pre-School Limited for the year ended 31 August 2020.

The Trustees confirm that the report and financial statements of the charity comply with the current statutory requirements, the requirements of the company's governing document, and the provisions of "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 (FRS102)" (effective 1 January 2019) (Charities SORP (FRS 102)).

The Legal and Administrative information on page 1 forms part of this report.

Structure, Governance and Management

Company Status

Happy Faces Pre-school Limited is a charitable company limited by guarantee and has no share capital. The liability of each member in the event of a winding up is limited to £1. The company was incorporated on 4 November 2004 and is governed by a memorandum and articles of association.

Governance and internal control

The Board of Trustees are responsible for selecting and recruiting suitable trustees to office at any time during the course of the year. The board shall consist of a Chair, Treasurer, Secretary and not less than 2 or more than 9 other members. The Chair, Treasurer and Secretary hold office for a period of one year but can offer themselves for re-election. No board member can hold office for more than six years.

Potential new trustees are invited to attend board meetings to receive an introduction to the charity's activities, workings, finances and risk assessments. Current and potential trustees are also encouraged to attend courses on topical subjects relating to directors.

The board controls the activities of the charity through regular meetings held throughout the year.

Aims and objectives

Aims

The object of the charity is the provision of childcare facilities for children aged two to five years in the Tonbridge area.

Happy Faces is a community pre-school with a wide social mix and aims to treat each child as an individual. The Pre-school's goal is to provide a happy and secure environment in which each child can reach their full potential. Happy Faces aims to do this through good quality care and education for young children, in a safe yet stimulating environment. Children are given the freedom to experience a wide range of activities in a play-based curriculum, providing the best possible foundation for Primary School.

In setting the objectives and planning the activities of the Project the trustees have given careful consideration to the Charity Commissioner's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee charging.

HAPPY FACES PRE-SCHOOL LIMITED

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2020

Objectives

The objectives are set to reflect the local community and educational aims as well as the ethos of the Pre-school.

The high level objectives for the year included:

To offer appropriate play, education and care facilities for local pre-school aged children (two to five years of age);

To encourage parents to understand and provide for the needs of their children;

To be an inclusive organisation which welcomes families from different ethnic and cultural backgrounds and actively seeks to value and respect the diversity of our multi-cultural society.

Happy Faces Pre-school seeks to benefit the public through pursuit of its stated aims.

The Pre-school welcomes children from all backgrounds. Happy Faces is legally obliged to take funded children (those aged three to five years) as priority, and then fills any remaining spaces on its roll with children aged from two to three years.

Happy Faces is registered on the government scheme "Free for 2", which funds places for 2 year olds for up to 15 hours per week (this can be split between two childcare settings). The scheme is to provide good quality early education for disadvantaged children, aiming to improve their social and cognitive outcomes before they start school. Happy Faces has had 2 year olds on the roll during the year funded by this scheme. Happy Faces also accepts children aged 3 & 4 who are eligible for the 30 hours Free Early Entitlement. Happy Faces has had 3 & 4 year olds on the roll during the year funded by this scheme.

Regular contact is maintained with parents and carers across the year through informal contact and a monthly newsletter. Happy Faces staff work both independently and closely with parents and carers to identify where there is a need to engage with the full range of wider support services, including health visitors, paediatricians, child psychologists, portage, speech therapists, and the Specialist Teaching Service.

The Pre-school sends children to a wide range of schools in the Tonbridge area. However, it maintains particular links with Royal Rise Primary School, formally known as St Stephen's Primary School, for example by Happy Faces children visiting the school to watch their pupils' Christmas performances.

Review of activities and achievements

The number of children aged two to five years on the roll at Happy Faces across the year was:

Term 1 & 2 - September 2019 – December 2019 – 60 children; (2018 - 49)

Term 3 & 4 - January 2020 – March 2020 – 61 children; (2019 - 60)

Term 5 & 6- April 2020 – August 2020 - 61 children (2019 - 62)

Due to the Covid-19 pandemic, no new children started with us from April onwards.

HAPPY FACES PRE-SCHOOL LIMITED

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2020

Happy Faces is well-known locally and many children come to the pre-school as a result of its positive word-of-mouth reputation. The Pre-school is listed by Kent County Council, the National Child Birth Trust (NCT) and the local library. The local Primary School also sign-posts new parents with appropriately aged children to Happy Faces. In addition, children are referred to Happy Faces from Special Educational Needs Service and the local children's centre.

Fourteen members of staff are employed at Happy Faces. In addition, as part of Happy Faces' connection with the local community, work experience placements are offered to girls from West Kent College (although this did not happen this year due to the Covid-19 pandemic).

Happy Faces is an equal opportunities organisation and is committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. Reasonable adjustments will be made to meet the needs of staff or children who are or who become disabled.

All staff are dedicated to continuous personal and professional development and the Pre-school has an exceptionally high percentage of trained staff. Happy Faces follows the Early Years Foundation Stage Framework with support from a Kent County Council Setting Improvement Partner. Happy Faces is part of a collaboration of eight Early Year settings in Tonbridge and the surrounding area, where we share ideas and funding to further improve our settings.

Happy Faces seeks to be at the heart of the local community, holding Easter and Christmas raffles and regular cake sales to welcome in and engage with members of the wider community, as well as parents and carers. Again, no fundraising events took place due to Covid-19.

Due to the Covid-19 pandemic, Happy Faces closed to all children from 23rd March only to re-open for 2 vulnerable children from 4th May. All but 5 staff were placed on furlough until 8th June when we re-opened for children who were due to start primary school in September. Not all of the parents took us up on this offer. Our income was reduced due to being closed. Thankfully, Kent County Council allowed us to keep the funding for both term 3 & 4 and term 5 & 6.

We are closely monitoring our funds to ensure we have enough in reserve should we have to make staff redundant and/or close the Pre-school.

Financial Review

Reserves

Total income for the year was £178,100, up on the previous year's income of £151,410. Costs were £191,470, compared with £173,112 in 2019. This resulted in a deficit on the general fund of £13,370 (2019 - £21,702) for the year and the balance carried forward on the general fund at the year-end is £122,227 (2019 - £135,597). The general fund includes the leasehold premises of £73,605 and the balance of £48,622 is available to be spent at the Trustees' discretion in furtherance of the charity's objectives.

HAPPY FACES PRE-SCHOOL LIMITED

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2020

Happy Faces sets fees at a level to ensure the financial viability of the Pre-school and in line with the early years funding provided by Kent County Council. The Pre-school offers wrap around care between the hours of 08.30 and 16.00, should parents and carers wish to take advantage of this, thereby facilitating parents' return to work. Happy Faces offers payment plans and flexible methods of payment to all parents who may be experiencing difficulty in meeting their fees obligation.

The Happy Faces Board seeks to raise funds for the pre-school throughout the year. Primarily this is done through three annual fundraising events: Easter, the summer and Christmas raffles. However, the Committee also seeks to hold other smaller fundraising activities each term, for example, a children's sponsored bounce. Due to Covid-19 we did not hold any fundraising activities from March - August.

Plans for the future

Happy Faces will continue to seek to improve the quality of the care it provides. Staff will work to maintain their awareness of the latest developments in nursery and pre-school care and child development and will continue to assess well-being and involvement to ensure each child is actively developed and encouraged to meet its full potential.

The Committee will continue to fundraise in the coming year, both for Happy Faces and for the wider community. The Committee will also strive to encourage more parents and carers to join its body.

We have lost 6 members of staff between February 2020 and April 2021 and have only replaced one (as an apprentice) in March 2021. This means that our highest expense has decreased. We will move forward by not employing any more staff unless we absolutely need to in order to meet our ratio requirements. Our part time staff are also willing to be flexible in adding extra sessions on a temporary basis. On this basis we hope to minimise the likelihood of further financial losses for the charity.

Trustees and their interests

The following served as trustees during the financial year:

Emma Holt	(Chair)
Kelly Allen	(Secretary)
Lucy Child	
Rachel Stewart	
Gemma Carter	
Amber Danch	(appointed 28 February 2020)

The trustees are the company's members.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of charitable company for the purposes of company law) are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

HAPPY FACES PRE-SCHOOL LIMITED

TRUSTEES' REPORT (continued) *FOR THE YEAR ENDED 31 AUGUST 2020*

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The above report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime in Part 15 of the Companies Act 2006.

This report was approved by the Trustees on 17 May 2021 and signed on their behalf by:

Emma Holt
Chair

HAPPY FACES PRE-SCHOOL LIMITED

INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 AUGUST 2020

I report to the charity trustees on my examination of the accounts of the charitable company for the year ended 31 August 2020.

Responsibilities and basis of report

As the trustees of the company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Amy Healey FCA CTA DChA
Lindeyer Francis Ferguson Limited
Chartered Accountants
North House
198 High Street
Tonbridge
Kent
TN9 1BE

Dated: 25 May 2021

HAPPY FACES PRE-SCHOOL LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Income from:			
Donations and grants		2,635	50
Charitable activities			
Fees and Local Authority funding		174,325	149,454
Other trading activities			
Fundraising events		1,062	1,843
Investments			
Bank interest receivable		78	63
		<u>178,100</u>	<u>151,410</u>
Expenditure on:			
Charitable activities	2	191,470	173,112
Net expenditure and net movement in funds		<u>(13,370)</u>	<u>(21,702)</u>
Reconciliation of funds			
Total funds brought forward		<u>135,597</u>	<u>157,299</u>
Total funds carried forward	7	<u><u>122,227</u></u>	<u><u>135,597</u></u>

There were no restricted or endowment funds in the current or preceding period.

HAPPY FACES PRE-SCHOOL LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2020

	Note	£	2020 £	£	2019 £
Fixed assets:					
Tangible assets	4		73,605		85,527
Current assets:					
Debtors	5	2,649		2,660	
Cash at bank and in hand		59,981		68,701	
		<u>62,630</u>		<u>71,361</u>	
Creditors: amounts falling due within one year	6	(14,008)		(21,291)	
Net current assets			<u>48,622</u>		<u>50,070</u>
Total net assets			<u>122,227</u>		<u>135,597</u>
The funds of the charity:	7				
Unrestricted funds:					
General Fund			<u>122,227</u>		<u>135,597</u>
			<u>122,227</u>		<u>135,597</u>

For the year in question, the charitable company was entitled to exemption from an audit under section 477 of the Companies Act 2006 and the members have not required the charitable company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.

The Executive Committee acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006.

The financial statements were approved by the Executive Committee on 17 May 2021. and signed on their behalf by:

Emma Holt
Director and Chair

Company registration no: 05277574

HAPPY FACES PRE-SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - ("Charities SORP FRS 102"), the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in pounds sterling and rounded to the nearest pound.

The trustees are aware that the charity has continued to make losses in 2020 which is slowly reducing their available reserves. Post year end the charity has reduced staff numbers (within the minimum ratio required) which means that the charity should expect to break-even at the end of 2021. In addition to this most of the income for the charity comes from local authority funding, which has continued to be provided during the COVID-19 pandemic, even during lockdowns where children did not attend the setting. On this basis the trustees expect the charity to continue to operate and the going concern basis of accounting has therefore continued to be adopted.

There are no significant areas of judgement or estimation uncertainty.

1.2 Income

Income in relation to fees and Local Authority funding is recognised in the period in which the places for which the fees are charged or the funding is received are attended by the children.

Income from milk refunds are recognised when the goods are consumed. Income from fundraising events is recognised when the event takes place.

1.3 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount required to settle the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Irrecoverable VAT is included. Expenditure is classified under headings that aggregate all costs related to that category.

Support and governance costs have been allocated to the charity's one charitable activity.

HAPPY FACES PRE-SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (continued)

1.4 Tangible Fixed assets

All expenditure on fixed assets is capitalised at cost. Tangible fixed assets are stated at cost less depreciation, which is provided at rates calculated to write off each asset over its expected useful life, with leasehold premises depreciated on a straight line basis over the period of the 25 year lease. In 2018 the useful lives were revised so that the net book value of leasehold premises is depreciated over the remaining lease period to 2026.

1.5 Financial instruments

The charity only has financial instruments which are classified as basic financial instruments. Short-term debtors and creditors are measured at the settlement value. Any losses from impairment are recognised in the Statement of Financial Activities.

1.6 Fund accounting

General funds 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.

1.7 Status

The Happy Faces Pre-School Limited is a charitable company, limited by guarantee, registered with the Charity Commission in England and Wales. Its registered address is Hectorage Road, Tonbridge, Kent, TN9 2DS. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

HAPPY FACES PRE-SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

2	Expenditure on charitable activities	2020 £	2019 £
	<i>Activity: Pre-school education</i>		
	Staff costs - (see note 3)	129,267	117,252
	Materials/replacement toys	2,859	5,960
	Children's food and milk	897	1,252
	Premise costs (including repairs)	26,304	15,056
	Depreciation	11,922	11,922
	<i>Support costs:</i>		
	Staff costs - (see note 3)	12,056	10,165
	Insurance	1,202	1,183
	PPS	1,167	1,692
	Other costs	4,536	7,670
	<i>Governance:</i>		
	Independent examination	1,260	960
		<u>191,470</u>	<u>173,112</u>
3	Staff costs and remuneration of key management personnel	2020 £	2019 £
	Wages and salaries - administering the charity	12,056	10,165
	Wages and salaries - nursery staff	126,496	115,007
	Employer's National Insurance	1,452	1,307
	Employers Pension cost	1,319	938
		<u>141,323</u>	<u>127,417</u>

The average number of employees on a headcount basis was 14 (2019: 12). No employee received employee benefits in excess of £60,000 (2019: Nil).

The key management personnel are considered to be the trustees and the pre-school manager. Remuneration of key management personnel including employers' national insurance and pension contributions, was £26,806 (2019: £27,572). During the year, no trustees received any remuneration or benefits nor were reimbursed for any expenses in their capacity as trustees (2019: Nil).

HAPPY FACES PRE-SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

4	Tangible Fixed assets		£
	Leasehold premises		
	Cost at 1 September 2019 and 31 August 2020		213,378
			<u> </u>
	Depreciation		
	At 1 September 2019		127,851
	Charge		11,922
			<u> </u>
	At 31 August 2020		139,773
			<u> </u>
	Net book value		
	At 31 August 2020		73,605
			<u> </u>
	At 31 August 2019		85,527
			<u> </u>
5	Debtors		
		2020	2019
		£	£
	Prepayments	2,649	2,660
		<u> </u>	<u> </u>
6	Creditors: amounts falling due within one year		
		2020	2019
		£	£
	Accruals and deferred income	13,088	19,838
	Taxation and social security	920	1,453
		<u> </u>	<u> </u>
		14,008	21,291
		<u> </u>	<u> </u>

Accruals and deferred income for 2020 includes £11,395 (2019: £17,724) Local Authority funding for 2020/21 Terms 1&2.

HAPPY FACES PRE-SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

7 Unrestricted funds

At 31 August 2020	B/Fwd	Income	Expenditure	Transfers	C/Fwd
General Fund	135,597	178,100	(191,470)		122,227
Unrestricted funds	<u>135,597</u>	<u>178,100</u>	<u>(191,470)</u>	<u>-</u>	<u>122,227</u>
At 31 August 2019	B/Fwd	Income	Expenditure	Transfers	C/Fwd
General Fund	152,299	151,410	(173,112)	5,000	135,597
Designated funds: Repairs Fund	5,000	-	-	(5,000)	-
Unrestricted funds	<u>157,299</u>	<u>151,410</u>	<u>(173,112)</u>	<u>-</u>	<u>135,597</u>

Designated funds:

Repairs fund:

The repairs fund was a provision for future maintenance of the leasehold premises. This fund is no longer required and has been transferred to general funds.

8 Lease commitments

The charity has a lease for land with Tonbridge and Malling Borough Council which expires on 14 December 2026. A rent of £600 per annum is currently payable, subject to 5 yearly review.

9 Related party transactions

Mr Tim Fuller, husband of the pre-school manager was paid £4,725 (2019: £633) for gardening and general maintenance work carried out in the year. There were no other related party transactions.