

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

## CONTENTS

---

Legal and Administrative information	1
Report of the Trustees	2 - 6
Independent Examiner's Report	7
Statement of Financial Activities	8
Balance Sheet	9
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 15/5/23 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').

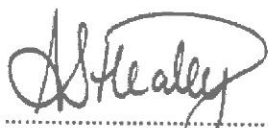
Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). 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

	Note	2022 Unrestricted funds £	2022 Restricted funds £	2022 Total funds £	2021 Total funds £
<b>Income from:</b>					
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
		<u>155,401</u>	<u>3,927</u>	<u>159,328</u>	<u>181,423</u>
<b>Expenditure on:</b>					
Charitable activities	2	158,802	3,927	162,729	166,283
<b>Net movement in funds</b>					
		<u>( 3,401)</u>	<u>-</u>	<u>( 3,401)</u>	<u>15,140</u>
<b>Reconciliation of funds</b>					
Total funds brought forward	7	<u>137,367</u>	<u>-</u>	<u>137,367</u>	<u>122,227</u>
Total funds carried forward		<u><u>133,966</u></u>	<u><u>-</u></u>	<u><u>133,966</u></u>	<u><u>137,367</u></u>

# HAPPY FACES PRE-SCHOOL LIMITED

## BALANCE SHEET

AS AT 31 AUGUST 2022


	Note	£	2022 £	£	2021 £
<b>Fixed assets:</b>					
Tangible assets	4		49,761		61,683
<b>Current assets:</b>					
Debtors	5	775		1,268	
Cash at bank and in hand		85,693		91,204	
		86,468		92,472	
<b>Creditors: amounts falling due within one year</b>	6	( 2,263)		( 16,738)	
<b>Net current assets</b>			84,205		75,684
<b>Total net assets</b>			133,966		137,367
<b>The funds of the charity:</b>					
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 £
<b>Activity: Pre-school education</b>		
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
<b>Support costs:</b>		
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
<b>Governance:</b>		
Independent examination	1,140	990
	<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>

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

	£
<b>Leasehold premises</b>	
Cost at 1 September 2021 and 31 August 2022	213,378
<b>Depreciation</b>	
At 1 September 2021	151,695
Depreciation charge	11,922
At 31 August 2022	163,617
<b>Net book value</b>	
At 31 August 2022	49,761
At 31 August 2021	61,683

### 5 Debtors

	2022	2021
	£	£
Prepayments	775	1,268

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

	2022	2021
	£	£
Accruals and deferred income	1,318	16,253
Taxation and social security	945	535
	2,263	16,788

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 Current Year

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

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.