

**REGISTERED COMPANY NUMBER: 08084979 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 1162937**

**TRUSTEES' REPORT AND**  
**UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023**  
**FOR**  
**HAPPY CHILDREN LTD**

Riley Moss 2018 Limited  
Riley House  
183-185 North Road  
Preston  
Lancashire  
PR1 1YQ

**HAPPY CHILDREN LTD**

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FOR THE YEAR ENDED 31 MAY 2023**

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## HAPPY CHILDREN LTD

### REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 MAY 2023

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<b>Trustees</b>	Faiza Akram Nagebah Hayel Muckbel Osi-Ef
<b>Directors</b>	Faiza Akram Nagebah Hayel Muckbel Osi-Ef Saeeda Aslam Sabiya Aslam (resigned 23.2.23)
<b>Registered office</b>	Greensville Trust Northdale Road Liverpool L15 4HT
<b>Registered company number</b>	08084979 (England and Wales)
<b>Registered charity number</b>	1162937
<b>Independent examiner</b>	Riley Moss 2018 Limited Riley House 183-185 North Road Preston Lancashire PR1 1YQ
<b>Bankers</b>	The Co-Operative Bank PLC Business Direct PO Box 250 Skelmersdale, WN8 6WT  Al-Rayan Bank PLC PO Box 12461 Birmingham, B16 6AQ

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MAY 2023**

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 May 2023. The trustees have adopted 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 (FRS 102) (effective 1 January 2019).

**Objectives and activities**

**Objectives and aims**

**Charitable Objects**

The charity's objects are specifically restricted to the following: provide to provide education, care and development to pre-school age children and wider services to school age children e.g. after school and holiday clubs.

Additionally, an object is to encourage parents (and the wider local community) to recognise and support the needs of children as they develop from an educational, social, cultural and physical standpoint. The above will be delivered by:-

-Providing facilities and an appropriately qualified staffing complement to enable play, education and care for children (in particular vulnerable children) via training and support to parents enabling them to become fully involved and responsible in their child's activities

-Such services, activities and development will be available to all children regardless of race, culture, faith or disability.

-Providing facilities, services and support to families and the wider community in order that such individuals / groups can become actively engaged in the delivery of child(ren's) needs.

**Aims and intended impact**

To provide education care and development to pre-school aged children and wider services to school age children e.g after school and holiday clubs. Additionally our objectives aim to encourage parents (and the wider local community) to recognize and support needs of children as they develop from an educational, social, cultural and physical stand point.

**Public Benefit**

The primary purpose of the organization is to enhance the wellbeing and life chances of pre-school age children (in particular those children in disadvantage) regardless of race faith or disability. In support of this we will promote the education of the individual child needs to all those in direct contact (parents, carers) and the wider community within which the child is being brought up through its formative years.

**Principal activities of the year**

Having taken on few new staff members and changes in the role of leadership, we focused on professional development of these individuals. We also continued to strengthen our ties with parental partnership by having pray and stay sessions.

**Significant activities**

There have not been any significant events since the year end.



### **Achievement and performance**

#### **Charitable activities**

The nursery was rated outstanding during our Ofsted visit. The nursery has supported two students to complete their level 3 placements. Improvements to the outdoor spaces and replacing some of the furniture due to weathering damage. Introducing and training staff on a new language screening programme WellComm which has supported a higher number of children with speech delay and making early intervention referrals.

### **Financial review**

#### **Financial position**

The nursery has seen an increase in both income and costs during the year. However, overall the nursery has an excess of income over expenditure in the year of £71,282. The nursery did have reserves brought forward of £545,462. At the end of the year the balance sheet is still showing a very healthy situation in that the nursery total funds of £616,744.

#### **Incoming resources**

The company received fees which amounted to income from the parents and from the city council by way of funding for the provision of the nursery. It also received an income from its new after-school provision for children between the ages of 4 - 7. The income from parents come in two forms either payment directly from the parents or by way of childcare vouchers from the parents employers. The fee income from the childcare vouchers is a tax efficient way for parents to receive their wages and pay for childcare as the vouchers are deducted before tax and national insurance.

#### **Resources expended**

The charity has tried to control its costs in the year but has rewarded the hard work and efforts of the staff. This has resulted in an increase in costs overall.

All Trustees give of their time freely and no remuneration or expenses were paid in the year. No Trustees or person connected with a Trustee received any benefit from use of our childcare facilities in the year on more favourable terms than available to the general public.

#### **Investment policy and objectives**

The Investment policy adopted by the Trustees is to maintain a high standard of the assets of the Trust and implement a programme of continual development to optimise their use in line with the Charity's objectives. In line with the nursery ethos and Islamic financing principles the nursery does not take loans that incur interest, the organisation aims to invest in a building through an outright cash payment some of our current profits will go towards the future purchase of a building.

#### **Reserves policy**

The trustees have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets, which are the free reserves of the charity, should be between three and six months of general (unrestricted) operating costs and the trustees consider that this policy provides sufficient funds to cover wages, redundancy, management, support and administration costs and unforeseen expenditure and to be able to continue the activities of the charity in the event of a significant drop in funding, or business interruption. The free reserves at the 31st May 2023 of £616,744 (2022: £545,462) are within the above policy. The trustees are looking to build up reserves over the next few years to enable for the trust to purchase its own property.

#### **Going concern**

The trust constitutes a public benefit entity as defined by FRS 102. The trustees consider that there are no uncertainties about the trust ability to continue as a going concern over the next twelve months.

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MAY 2023**

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**Future plans**

The trustees constantly review the needs of the children and the nursery. We will continue to work closely with children services and safeguarding the children to ensure they receive appropriate care and education.

During the forthcoming year we will be considering:

- Replenish all wooden resources due wear and tire
- To continue to offer low cost services to parents
- To continue to offer more opportunities for the professional development of all staff
- Offer opportunities to train students and volunteers wanting to work in the Early Years Sector
- To work alongside the Quality Improvement Team to continue to develop our practice
- To work alongside The Education Department and local authorities to raise the standards in Central Liverpool
- Support the opening of another nursery
- Delivery high quality outreach childcare

The trustees acknowledge the rewards for continuing to support staff to gain further qualifications and skills, to enhance the existing workforce and provide high quality staff and work towards all staff having a full level three qualification.

**Structure, governance and management**

**Governing document**

The governing document of the Charity which is a company limited by guarantee is the Memorandum and Articles of Association of the company which was incorporated 28th May 2012.

**Recruitment and Training of Trustees**

The Charity's elected Trustees are appointed at the Annual Meeting of the Trust on the basis of nominations received from the Executive Committee to the Trust's specification concerning eligibility, personal competence, specialist skills and local availability. New Trustees are inducted into the workings of the Charity including Policy and Operational Procedures.

**Organisational Management**

The appointed and elected Trustees of the Charity are legally responsible for the overall management and control of the Trust. The members of the Board who meet on a minimum of two occasions annually carry out the work of implementing most of their policies. One additional meeting is held specifically to approve the budgets and finalise the Financial Accounts and Trustees report for approval by the annual meeting of the Board of Trustees. The Board works under the chairmanship of the Chair of the Trust. The Board has adopted the Code of Governance published by the National Governance Hub as a means of building governance capacity and skills.

The day to day running of the Trust is delegated to the Nursery Manager who reports to the Board at the bi-annual meetings.

In the interest of liaising with Ofsted the Nursery Manager is also a director of the nursery.

**Structure, governance and management**

**Risk management**

A formal review of the Charity's risk management processes is undertaken on an annual basis.

The key controls used by the Charity include:

- Formal agendas for the Board of Trustees, Executive Committee and all sub- Committees;
- Detailed terms of reference for all Committees;
- Comprehensive strategic planning, budgeting and management accounting;
- Established organisational structure and lines of reporting;
- Comprehensive policies to ensure that all insurance risks are covered
- Formal written policies;
- Clear authorisation and approval levels and
- Vetting procedures are carried out for adults to safeguard the reputation of the Trust and to minimise the risk of inappropriate persons being accepted as employees or volunteers.

Systems of internal control include:

- An annual budget approved by the Trustees
- Appropriate delegation of authority and segregation of duties
- Identification and management of risks

Through the risk management processes established for the Trust, the Trustees are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately safeguarded against material mismanagement or loss.

Approved by order of the board of trustees on 23 February 2024 and signed on its behalf by:

Nagebah Hayel Muckbel Osi-Ef - Trustee

# INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF HAPPY CHILDREN LTD

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## **Independent examiner's report to the trustees of Happy Children Ltd ('the Company')**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 May 2023.

### **Responsibilities and basis of report**

As the charity's trustees of the Company (and also 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 your charity's accounts as 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**

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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.

Farook Patel FCA

Riley Moss 2018 Limited  
Riley House  
183-185 North Road  
Preston  
Lancashire  
PR1 1YQ

27 February 2024

**HAPPY CHILDREN LTD****STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MAY 2023**

		<b>2023 Unrestricted fund £</b>	<b>2022 Total funds £</b>
	<b>Notes</b>		
<b>Income and endowments from</b>			
<b>Charitable activities</b>	4		
Charitable activities		256,858	216,863
Investment income	3	821	278
<b>Total</b>		<u>257,679</u>	<u>217,141</u>
<b>Expenditure on</b>			
<b>Charitable activities</b>	5		
Charitable activities		<u>186,397</u>	<u>172,846</u>
<b>NET INCOME</b>		71,282	44,295
<b>Reconciliation of funds</b>			
Total funds brought forward		545,462	501,167
<b>Total funds carried forward</b>		<u><u>616,744</u></u>	<u><u>545,462</u></u>

The notes form part of these financial statements

**HAPPY CHILDREN LTD****BALANCE SHEET****31 MAY 2023**

		<b>2023 Unrestricted fund £</b>	<b>2022 Total funds £</b>
<b>Fixed assets</b>	<b>Notes</b>		
Tangible assets	11	2,459	3,271
<b>Current assets</b>			
Debtors	12	402,277	402,440
Cash at bank and in hand		223,012	157,708
		<u>625,289</u>	<u>560,148</u>
<b>Creditors</b>			
Amounts falling due within one year	13	(11,004)	(17,957)
		<u>614,285</u>	<u>542,191</u>
<b>Net current assets</b>			
		<u>616,744</u>	<u>545,462</u>
<b>Total assets less current liabilities</b>			
		<u>616,744</u>	<u>545,462</u>
<b>NET ASSETS</b>			
		<u>616,744</u>	<u>545,462</u>
<b>Funds</b>	14		
Unrestricted funds		616,744	545,462
<b>Total funds</b>		<u>616,744</u>	<u>545,462</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 May 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 May 2023 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

## **HAPPY CHILDREN LTD**

### **BALANCE SHEET - continued** **31 MAY 2023**

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These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 23 February 2024 and were signed on its behalf by:

Faiza Akram - Trustee

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2023**

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**1. Accounting policies**

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**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 a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixture and fittings - 25% on reducing balance

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**Resources expended**

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MAY 2023**

**1. Accounting policies - continued**

**Resources expended**

Expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.

Expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

**2. Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**3. Investment income**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Deposit account interest	821	278
	<u>          </u>	<u>          </u>

**4. Income from charitable activities**

		<b>2023</b>	<b>2022</b>
	<b>Activity</b>	<b>£</b>	<b>£</b>
Fees	Charitable activities	256,858	216,863
		<u>          </u>	<u>          </u>

**5. Charitable activities costs**

	<b>Direct Costs (see note 6)</b>	<b>Support costs (see note 7)</b>	<b>Totals</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Charitable activities	173,801	12,596	186,397
	<u>          </u>	<u>          </u>	<u>          </u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MAY 2023**

**6. Direct costs of charitable activities**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Staff costs	138,520	128,290
Repairs and Maintenance	908	829
Rent	26,000	24,000
Postage and stationery	321	85
Toys, books and games	5,850	3,072
Food	2,202	1,721
	<u>173,801</u>	<u>157,997</u>

**7. Support costs**

	<b>Management</b>	<b>Governance</b>	<b>Totals</b>
	<b>£</b>	<b>costs</b>	<b>£</b>
Charitable activities	<u>9,812</u>	<u>2,784</u>	<u>12,596</u>

Support costs, included in the above, are as follows:

	<b>2023</b>	<b>2022</b>
	<b>Charitable</b>	<b>Total</b>
	<b>activities</b>	<b>activities</b>
	<b>£</b>	<b>£</b>
Insurance	1,039	1,101
Telephone	172	183
Sundries	2,082	4,007
Recruitment costs	954	-
Cleaning	2,338	1,873
Training Costs	70	137
Computer costs	2,345	2,365
Depreciation of tangible and heritage assets	812	1,083
Accountancy	2,784	2,613
Professional Fees	-	1,487
	<u>12,596</u>	<u>14,849</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MAY 2023**

**8. Net income/(expenditure)**

Net income/(expenditure) is stated after charging/(crediting):

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Depreciation - owned assets	812	1,083
Hire of plant and machinery	908	829
Other operating leases	26,000	24,000
	<u>26,920</u>	<u>25,912</u>

**9. Trustees' remuneration and benefits**

There were no trustees' remuneration or other benefits for the year ended 31 May 2023 nor for the year ended 31 May 2022.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 May 2023 nor for the year ended 31 May 2022.

**10. Staff costs**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	137,698	126,103
Social security costs	-	1,403
Other pension costs	822	784
	<u>138,520</u>	<u>128,290</u>

The average monthly number of employees during the year was as follows:

<b>2023</b>	<b>2022</b>
<b>16</b>	<b>14</b>
<u>16</u>	<u>14</u>

No employees received emoluments in excess of £60,000.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MAY 2023**

**11. Tangible fixed assets**

	<b>Fixtures and fittings £</b>
<b>Cost</b>	
At 1 June 2022 and 31 May 2023	11,212
<b>Depreciation</b>	
At 1 June 2022	7,941
Charge for year	812
At 31 May 2023	8,753
<b>Net book value</b>	
At 31 May 2023	2,459
At 31 May 2022	3,271

**12. Debtors: amounts falling due within one year**

	<b>2023 £</b>	<b>2022 £</b>
Other debtors	401,495	401,495
Prepayments	782	945
	<u>402,277</u>	<u>402,440</u>

**13. Creditors: amounts falling due within one year**

	<b>2023 £</b>	<b>2022 £</b>
Social security and other taxes	8,937	14,155
Other creditors	333	334
Accruals and deferred income	1,734	3,468
	<u>11,004</u>	<u>17,957</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MAY 2023

14. Movement in funds

	At 1.6.22 £	Net movement in funds £	At 31.5.23 £
<b>Unrestricted funds</b>			
General fund	545,462	71,282	616,744
<b>TOTAL FUNDS</b>	<u>545,462</u>	<u>71,282</u>	<u>616,744</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	257,679	(186,397)	71,282
<b>TOTAL FUNDS</b>	<u>257,679</u>	<u>(186,397)</u>	<u>71,282</u>

Comparatives for movement in funds

	At 1.6.21 £	Net movement in funds £	At 31.5.22 £
<b>Unrestricted funds</b>			
General fund	501,167	44,295	545,462
<b>TOTAL FUNDS</b>	<u>501,167</u>	<u>44,295</u>	<u>545,462</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	217,141	(172,846)	44,295
<b>TOTAL FUNDS</b>	<u>217,141</u>	<u>(172,846)</u>	<u>44,295</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MAY 2023**

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**15. Capital commitments**

There were no capital commitments authorised or contracted for for the year ended 31 May 2023.

**16. Related party disclosures**

There were no related party transactions for the year ended 31 May 2023.

**17. Company limited by guarantee**

Happy Children Ltd is a company limited by guarantee and accordingly does not have a share capital. Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

**18. Control**

The charity is under the control of the trustees.