

COMPANY REGISTRATION NUMBER: NI603898
CHARITY REGISTRATION NUMBER: 105710

Happy Days Community Childcare Centre
Company Limited by Guarantee
Financial Statements
31 March 2023

AUBREY CAMPBELL & COMPANY
Chartered Accountants & statutory auditor
631 Lisburn Road
Belfast
BT9 7GT

Happy Days Community Childcare Centre

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2023

			2023		2022
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	5	658,434	6,491	664,925	635,801
Covid Recovery Grants	6	3,660	—	3,660	30,180
Investment income	7	78	—	78	39
Government Grants	8	—	—	—	2,975
Total income		<u>662,172</u>	<u>6,491</u>	<u>668,663</u>	<u>668,995</u>
Expenditure					
Expenditure on charitable activities	9,10	670,415	5,237	675,652	627,710
Total expenditure		<u>670,415</u>	<u>5,237</u>	<u>675,652</u>	<u>627,710</u>
Net (expenditure)/income and net movement in funds		<u>(8,243)</u>	<u>1,254</u>	<u>(6,989)</u>	<u>41,285</u>
Reconciliation of funds					
Total funds brought forward		38,956	1,384	40,340	(945)
Total funds carried forward		<u>30,713</u>	<u>2,638</u>	<u>33,351</u>	<u>40,340</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 18 to 27 form part of these financial statements.

Happy Days Community Childcare Centre

Company Limited by Guarantee

Statement of Financial Position


31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible fixed assets	15	9,736	10,277
Current assets			
Debtors	16	3,809	3,593
Cash at bank and in hand		<u>75,825</u>	<u>85,370</u>
		79,634	88,963
Creditors: amounts falling due within one year	17	<u>51,919</u>	<u>54,200</u>
Net current assets		27,715	34,763
Total assets less current liabilities		37,451	45,040
Creditors: amounts falling due after more than one year	18	4,100	4,700
Net assets		<u>33,351</u>	<u>40,340</u>
Funds of the charity			
Restricted funds		2,638	1,384
Unrestricted funds		<u>30,713</u>	<u>38,956</u>
Total charity funds	21	<u>33,351</u>	<u>40,340</u>

These financial statements were approved by the board of trustees and authorised for issue on 28 November 2023, and are signed on behalf of the board by:



Pastor J Payne
Trustee



Mrs H Kyle
Trustee

The notes on pages 18 to 27 form part of these financial statements.

Happy Days Community Childcare Centre

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 March 2023

	2023 £	2022 £
Cash flows from operating activities		
Net (expenditure)/income	(6,989)	41,285
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	3,191	3,252
Other interest receivable and similar income	(78)	(39)
Accrued expenses	88	7,053
Government grant income	—	(2,975)
Covid recovery grants	(3,660)	(30,180)
<i>Changes in:</i>		
Trade and other debtors	(304)	(1,103)
Trade and other creditors	(2,881)	(2,286)
Cash generated from operations	(10,633)	15,007
Interest received	78	39
Net cash (used in)/from operating activities	<u>(10,555)</u>	<u>15,046</u>
Cash flows from investing activities		
Purchase of tangible assets	(2,650)	(4,501)
Net cash used in investing activities	<u>(2,650)</u>	<u>(4,501)</u>
Cash flows from financing activities		
Government grant income	—	2,975
Covid recovery Grants	3,660	30,180
Net cash from financing activities	<u>3,660</u>	<u>33,155</u>
Net (decrease)/increase in cash and cash equivalents	(9,545)	43,700
Cash and cash equivalents at beginning of year	85,370	41,670
Cash and cash equivalents at end of year	<u>75,825</u>	<u>85,370</u>

The notes on pages 18 to 27 form part of these financial statements.

Happy Days Community Childcare Centre

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2023

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in N Ireland and a registered charity in Northern Ireland. The address of the registered office is 14 Garryduff Road, Ballymoney, BT53 7AF.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The accounts have been prepared on the going concern basis, and in doing so it has been assumed that the company will be able to continue in operational existence for the foreseeable future and to meet its liabilities as they fall due.

In discussing the going concern status of the company in the short to medium term, the Trustees are satisfied that there continues to be a demand for high quality childcare in the local area, and that Happy Days Community Childcare Centre has successfully maintained its market share. The Trustees reiterate their belief that should the need arise, the business will have the full backing of the Church of God, which owns the property from which Happy Days operates, and was instrumental in its establishment.

The Trustees are mindful, however, that should income fall or expenditure increase pervasively, the going concern basis of preparation may become invalid.

In conclusion, the financial statements have been prepared on a going concern basis, the validity of which depends on the operational success of the charity and ongoing support from the third parties alluded to above. They do not include any adjustments that would result from un-maintainable losses or the withdrawal of this support. In such circumstances, the going concern basis of preparation may become invalid, and adjustments would have to be made to reduce the value of assets to their recoverable amount to provide for any further liabilities which might arise, and to reclassify fixed assets as current assets.

Happy Days Community Childcare Centre

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

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.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Happy Days Community Childcare Centre

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- 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.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on 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.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Motor Vehicles	- 25% reducing balance
Equipment	- 20% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Happy Days Community Childcare Centre

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Short term employee benefits

The company provides short term benefits including holiday pay to their employees. These are recognised as an expense in the period in which the service is received.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

Happy Days Community Childcare Centre

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Financial instruments *(continued)*

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

The company is limited by guarantee, has no share capital and is recognised as a Charity by HM Revenue and Customs. The liability of members of the company is limited to £1 per member.

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Donations			
Fees	656,455	—	656,455
Milk scheme	1,979	—	1,979
Fundraising for Children in Need	—	370	370
Grants			
H&SCB Grant	—	6,121	6,121
Apprenticeship Scheme	—	—	—
	<u>658,434</u>	<u>6,491</u>	<u>664,925</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
Fees	619,804	—	619,804
Milk scheme	1,838	—	1,838
Fundraising for Children in Need	—	435	435

Happy Days Community Childcare Centre

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

5. Donations and legacies *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Grants			
H&SCB Grant	—	13,224	13,224
Apprenticeship Scheme	500	—	500
	<u>622,142</u>	<u>13,659</u>	<u>635,801</u>

6. Covid recovery grants

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Early years - Childcare recovery fund	<u>3,660</u>	<u>3,660</u>	<u>30,180</u>	<u>30,180</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Bank interest receivable	<u>78</u>	<u>78</u>	<u>39</u>	<u>39</u>

8. Government grants

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Government Grants	<u>—</u>	<u>—</u>	<u>2,975</u>	<u>2,975</u>

9. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Childcare provision	667,415	5,237	672,652
Support costs	3,000	—	3,000
	<u>670,415</u>	<u>5,237</u>	<u>675,652</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Childcare provision	612,435	12,275	624,710
Support costs	3,000	—	3,000
	<u>615,435</u>	<u>12,275</u>	<u>627,710</u>

Happy Days Community Childcare Centre

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

10. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2023 £	Total fund 2022 £
Childcare provision	672,652	—	672,652	624,710
Governance costs	—	3,000	3,000	3,000
	<u>672,652</u>	<u>3,000</u>	<u>675,652</u>	<u>627,710</u>

11. Net (expenditure)/income

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

	2023 £	2022 £
Depreciation of tangible fixed assets	<u>3,191</u>	<u>3,252</u>

12. Auditors remuneration

	2023 £	2022 £
Fees payable for the audit of the financial statements	<u>3,000</u>	<u>3,000</u>
Fees payable to the charity's auditor and its associates for other services: Other non-audit services	<u>4,752</u>	<u>3,925</u>

13. Staff costs

The average head count of employees during the year was 37 (2022: 39). The average number of full-time equivalent employees during the year is analysed as follows:

	2023 No.	2022 No.
Number of management staff	2	2
Number of nursery staff	35	37
	<u>37</u>	<u>39</u>

No employee received employee benefits of more than £60,000 during the year (2022: Nil).

14. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity were received by any of the trustees.

Happy Days Community Childcare Centre

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

15. Tangible fixed assets

	Motor vehicles £	Equipment £	Total £
Cost			
At 1 April 2022	15,300	12,587	27,887
Additions	—	2,650	2,650
At 31 March 2023	15,300	15,237	30,537
Depreciation			
At 1 April 2022	8,845	8,765	17,610
Charge for the year	1,614	1,577	3,191
At 31 March 2023	10,459	10,342	20,801
Carrying amount			
At 31 March 2023	4,841	4,895	9,736
At 31 March 2022	6,455	3,822	10,277

16. Debtors

	2023 £	2022 £
Trade debtors	2,361	2,414
Prepayments and accrued income	1,448	439
Other debtors	—	740
	3,809	3,593

17. Creditors: amounts falling due within one year

	2023 £	2022 £
Accruals and deferred income	42,923	47,696
Social security and other taxes	5,783	3,921
Pension creditor	2,613	1,983
Other creditors	600	600
	51,919	54,200

18. Creditors: amounts falling due after more than one year

	2023 £	2022 £
Other creditors	4,100	4,700

Happy Days Community Childcare Centre

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

19. Deferred income

	2023	2022
	£	£
Amount deferred in year	<u>14,686</u>	<u>16,846</u>

In the current year the charity has deferred income of £14,686 (2022: £16,846). This relates to invoices raised in the current year for childcare provision post year end.

20. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £12,466 (2022: £12,252).

21. Analysis of charitable funds

Unrestricted funds

	At 1 April 2022	Income	Expenditure	At 31 March 2023
	£	£	£	£
General funds	<u>38,956</u>	<u>662,172</u>	<u>(670,415)</u>	<u>30,713</u>

	At 1 April 2021	Income	Expenditure	At 31 March 2022
	£	£	£	£
General funds	<u>(945)</u>	<u>655,336</u>	<u>(615,435)</u>	<u>38,956</u>

Restricted funds

	At 1 April 2022	Income	Expenditure	At 31 March 2023
	£	£	£	£
Restricted Fund - Happy Days Community Childcare	<u>1,384</u>	<u>6,491</u>	<u>(5,237)</u>	<u>2,638</u>

	At 1 April 2021	Income	Expenditure	At 31 March 2022
	£	£	£	£
Restricted Fund - Happy Days Community Childcare	<u>—</u>	<u>13,659</u>	<u>(12,275)</u>	<u>1,384</u>

Happy Days Community Childcare Centre

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

22. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Total Funds 2023
	£	£	£
Tangible fixed assets	7,098	2,638	9,736
Current assets	79,634	—	79,634
Creditors less than 1 year	(51,919)	—	(51,919)
Creditors greater than 1 year	(4,100)	—	(4,100)
Net assets	30,713	2,638	33,351

	Unrestricted Funds	Restricted Funds	Total Funds 2022
	£	£	£
Tangible fixed assets	8,893	1,384	10,277
Current assets	88,963	—	88,963
Creditors less than 1 year	(54,200)	—	(54,200)
Creditors greater than 1 year	(4,700)	—	(4,700)
Net assets	38,956	1,384	40,340

23. Limitation of auditor's liability

The company has entered into a liability limitation agreement with its auditor, Aubrey Campbell and Company, on the following basis:

(a) the maximum aggregate amount of the auditor's liability to the company shall not exceed the sum of five times the fees payable (excluding expenses and value added tax) under the engagement letter agreed for the financial period, or £30,000, whichever is the lesser amount.

(b) the agreement was passed by a resolution of the company's trustees on 1st November 2023.

24. Financial instruments

Where reduced disclosures are applied, disclosures from the Companies Act 2006 still need to be made regarding the fair value of the instruments in each category and the changes in value recognised in profit and loss. Disclosures of the significant assumptions underlying the valuation models and techniques used, and extent and nature of derivative instruments are also required.

25. Analysis of changes in net debt

	At 1 Apr 2022	Cash flows	At 31 Mar 2023
	£	£	£
Cash at bank and in hand	85,370	(9,545)	75,825

26. Related parties

During the year, Happy Days Community Childcare Centre paid £38,400 (2022: £38,400) to the Church of God at Ballymoney. This was by way of a long established Service Level Agreement. At the year end, Happy Days Community Childcare Centre owed the Church of God at Ballymoney £4,700 (2022: £5,300).