



Happy Faces Playgroup

The Liddell Hall, Old Reading Road, Sherfield-on-Loddon, Hook, Hampshire RG27 0EZ
Tel: 01256 880903

Annual Report for the Year to 31 August 2024

The Happy Faces Playgroup, The Liddell Hall, Old Reading Road, Sherfield on Loddon, Hook, Hampshire RG27 0EZ is registered with the Charity Commissioners (no. 1029688), constituted by a Pre-school Constitution dated 29 September 2012 and regulated by OFSTED.

The Charity is administered by a voluntary Management Committee of mainly parents and other volunteers, comprising:

Chair	-	Leigh O'Donnell (appointed 9/10/23, resigned 19/02/24) Emma Bavin (appointed trustee 9/10/23 and as chair 6/03/24)
Secretary	-	Tom Williams (appointed 9/10/23, resigned 4/12/23) Neil Bolger (appointed trustee 9/10/23 and as secretary 4/12/23)
Treasurer	-	Monika Loud (appointed 9/10/23, resigned 6/03/24) Frances Ferguson (appointed 6/03/24)
General members	-	Theresa Seymour (Playgroup manager – appointed 9/10/23), Gemma Rumbold (appointed 9/10/23, resigned 3/10/24), Sara Keenan (appointed 9/10/23, resigned 3/10/24), Keita Archer (appointed 6/03/24), Joanna Smith (appointed 6/03/24, resigned 11/10/24), Emma Crawford (appointed 6/03/24, resigned 28/04/25).

New members are appointed each year at the Annual General Meeting in October.

The aims of the Pre-school are 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:

- (a) offering appropriate play, education and care facilities, family learning and extended hours groups, 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;
- (b) encouraging the study of the needs of such children and their families and promoting public interest in and recognition of such needs in the local areas
- (c) instigating and adhering to and furthering the aims and objects of the Pre-school Learning Alliance.

The Playgroup offers sessions 5 days a week, with opening hours of 8.45am to 3.45pm from Monday to Friday, with flexible sessions offered through the day along with the option to add ad-hoc sessions

subject to space being available. Parents are consulted each year and agree the suitability of the sessions offered.

As an approved Early Years Education Provider, we continue to receive Early Years Education Payments from the funder Hampshire County Council adhering to the Early Years Education Payment Funding terms and conditions.

The Management Committee underwent several changes mid-year with both the Chair and the Treasurer resigning. A new Chair and Treasurer were able to be found and regular Committee Meetings were held throughout the year by the Management Committee covering subjects relating to maintaining and enhancing the playgroups processes and delivery of its aims as stated above.

In addition to this,

OFSTED Inspection:

The playgroup was under the management of the two new managers, following the departure of the longstanding old managers at the end of the 2023 session. It was unfortunate then that we had an OFSTED inspection in January 2024, shortly after the new managers started at the setting and arguably before they were fully settled in. Although the OFSTED report found the setting warm and meeting the children's development emotionally and educationally, a verdict of requires improvement was delivered, due to insufficient training and not all staff having an embedded knowledge of their roles and responsibilities, particularly in relation to up-to-date procedures.

The issue of not all Committee members having provided their credentials to OFSTED was also highlighted. This is an ongoing issue due to the frequent rotation of committee members, and the committee has ensured that all committee members have now supplied OFSTED with the correct paperwork.

Although disappointed with the result, we were reassured that the setting was effectively safeguarding the children, and the issues to be addressed were managerial in nature, and perhaps unsurprising given the very recent change of senior management in the setting. The Chair and management team have been working with Lynda Clarkson, the Childcare Development Officer for the Hampshire County Council Children's services Directorate to address the issues regarding training and procedures. The Committee is confident that the changes we have put in place with her support will address OFSTED's concerns upon re-inspection.

Finances:

The Playgroups biggest cost is staff wages, and the Playgroup's wage bill increased sharply this year, for the following reasons:

1. To attract a new manager and deputy manager, we needed to offer an increased hourly wage compared to the outgoing management team.
2. It was decided that the managers would never count toward the ratio. This was not the case in previous years.
3. The Committee decided to increase the hours of the staff on two fronts: standardising start and finishing times to allow team meetings and ease the pack up of the room at the end of the day; and allowing up to 2 hours extra per week, per staff member who have key worker responsibilities for the completion of the online Tapestry diary (which provides parents updates with what their children have been doing in the Playgroup) in an effort to improve the quality of information available to parents.

4. The national minimum wage rates increased by 9.7% for over 21s and we therefore increased all the staff wages in line with the national minimum wage whilst maintaining a distinction between the qualified and unqualified staff as well as levels of management. The Committee also reviewed the levels of pay to try to address any wages that are uncompetitive with other local settings.
5. An end of year bonus was given to the staff in lieu of a permanent pay rise to recognise their hard work throughout the year. Much time was spent thinking this over, as we knew that the Playgroup would not break even for the year, but given that we had sufficient deposits from previous years and the state of the staff morale, it was thought that this action was warranted.

In addition, the price increases across the spectrum of services the Playgroup uses continues to see costs for the Playgroup rise, including premises costs.

All these measures have resulted in the Playgroup not breaking even this year. Although the Playgroup has deposited funds to cover this loss, it is not a position that we would like to repeat year on year.

The balance is challenging, because we also want to ensure our staff are remunerated properly, and sadly wages for this sector are very closely tied to minimum wage. The difference between various seniority levels remain slim.

The Committee is aware that they will need to raise fees and take some action on staff hours, perhaps reverting back to phased start times and allowing the managers in ratio in some circumstances. The balance is not correct at the moment and will need be address in the coming year in order to bring the Playgroup's finances back into a break even or surplus position.

Fundraising:

The Committee had a successful year with fundraising, with the Easter Egg Hunt and the Christmas Play being the two most popular and well attended events, raising £1,509 and £809 respectively. The Playgroup also took part in the village fete for the first time this year. Although not as financially successful as the other events, we hope that it will provide a platform to attract new children to the setting and enhance our relationship within the local community. We also continued with further fundraising through the Bags2School scheme, the Food Voucher scheme and the sale of Christmas cards and presents designed by the children.

Demand:

Numbers continue to be strong, with a higher than usual intake of two year olds. While the two year old attract higher fees, they also present some challenges for the setting, and the management team have invested in new furniture and partitions to try and meet some of these challenges. Overall numbers remain strong with some sessions at capacity.

Other areas:

The biggest social media platform for Happy Faces continues to be the Facebook page which is updated regularly with weekly activities and news. The Committee would like to refresh the website for the Playgroup, but given the focus around making the required improvements for OFSTED, this work is yet to be completed.

Under OFSTED rules, the Playgroup is obligated to maximise outdoor play time and to achieve this it utilises a rear garden space from the village hall. The maintenance costs of this space continue to

create tension with our landlord. The village hall is also a charitable fund group and have similar financial pressure to the Playgroup.

Overall, it has been a testing year for the Playgroup. The OFSTED inspection and result so early in the year for the new managers was disappointing, although it did clearly signpost to the new management team where improvements are needed, and the staff worked hard to ensure these changes were made. The fact that the funding available for early years settings does not provide its workers with high wage levels mean that our staff are feeling the effects of the ongoing increases to the cost of living. As with previous years, it must be noted in this report that staff morale remains an issue that needs to be taken very seriously and handled carefully.

Parent involvement in the Playgroup is required as the Committee is manned by volunteers, and new Committee members are required annually as children and their parents naturally leave the setting for school. However, it remains difficult to recruit new Committee members, attendance for meeting remains low, and even casual volunteers for events are difficult to obtain.

On the positive side, demand for the Playgroup remains at a good level, and our children are well looked after in the setting. There is clearly a need for the Playgroup, but it has a number of challenges that will need to be continually reviewed over the coming year.

Emma Bavin
Chair
Happy Faces Playgroup
June 2025

Est. 1982

Charity No. 1029688



Happy Faces Playgroup

**Annual accounts for the year ended
31 August 2024**

Charity No. 1029688

Statement of financial activities

Happy Faces Playgroup

For the year ended 31 August 2024

Account	Note	2024	2023
Incoming resources			
Fees invoiced		41,253	29,044
Administration Fees Received		729	660
EYE Funding		99,754	99,501
EYPP Funding		110	981
Funding - Food Voucher Scheme		570	270
Grants		0	4,476
Donations Received		0	11,395
Fundraising		4,705	2,860
Interest Income		422	0
Other Receipts		200	0
Total Incoming resources		147,743	149,187
Resources expended			
Wages	4	132,272	101,514
Pension	4	1,806	1,219
Training		763	1,435
Staff Uniform		251	387
Recruitment Costs and DBS Checks		148	680
Premises and storage		15,221	8,903
Consumables		5,567	5,727
Equipment		2,784	1,940
Telephone		494	559
Insurance		1,258	1,100
Registrations, Memberships and Subscriptions		776	1,087
Advertising & Website		165	-
Fundraising expenses		2,024	1,163
Leavers Gifts		138	166
Gifts		802	928
Summer Outing Expenses		-	747
Parties Expenses		507	445
Food Voucher Scheme		120	480
Committee Expenses		37	18
Accounts and Payroll software		553	926
Accounts Independent Review	3	816	780
Bad Debts		481	135
Miscellaneous Expenses		137	180
Depreciation charge		1,013	21
Total Resources expended		168,133	130,540
Net movement in funds		(20,390)	18,647

Statement of financial activities (continued): Reconciliation of Funds

Happy Faces Playgroup

For the year ended 31 August 2024

Account Name	2024	2023
Accumulated Fund as at 31 August		
Accumulated Unrestricted Funds brought forward	(102,722)	(84,075)
Surplus/(Deficit) for the year	20,390	(18,647)
Total Accumulated Fund as at 31 August	(82,332)	(102,722)

Balance Sheet

Happy Faces Playgroup
As at 31 August 2024

Account	Note	31 Aug 2024	31 Aug 2023
Fixed Assets			
Tangible Assets			
Office Equipment		511	511
Less Accumulated Depreciation on Office Equipment		(149)	(21)
Playgroup Equipment		7,986	-
Less Accumulated Depreciation on Playgroup Equipment		(886)	-
Total Tangible Assets		7,462	490
Total Fixed Assets	5	7,462	490
Current Assets			
Cash at bank and in hand			
Current Account		27,927	106,961
Deposit Account		50,465	43
Total Cash at bank and in hand		78,392	107,004
Accounts Receivable		318	97
Prepayments		1,506	15,962
Stock	6	131	357
Total Current Assets		80,347	123,420
Creditors: amounts falling due within one year			
Accounts Payable		341	19,188
Accruals		816	1,248
Fees Received in Advance		907	55
PAYE/NIC Payable		3,413	697
Total Creditors: amounts falling due within one year		5,477	21,188
Net Current Assets (Liabilities)		74,870	102,232
Total Assets less Current Liabilities		82,332	102,722
Net Assets		82,332	102,722
Funds of the Charity			
Unrestricted funds		82,332	102,722
Total Funds of the Charity		82,332	102,722

Signed on behalf of all the trustees

Chair

Happy Faces Playgroup

Date:

The Liddell Hall, Old Reading Road, Sherfield-on-Loddon, Hook, Hampshire RG27 0EZ

Tel: 01256 880903

Charity No. 1029688

Notes to the accounts

Happy Faces Playgroup

For the year ended 31 August 2024

1. Basis of preparation

1.1 Basis of accounting

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The accounts have been prepared 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) issued on 16 July 2014 and with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and with the Charities Act 2011.

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

1.2 Going concern

The trustees believe that the charity is operating as a going concern as it has sufficient reserves to meet all of its obligations.

1.3 Change of accounting policy

No changes to accounting policies have occurred in the reporting period.

1.4 Changes to accounting estimates

No changes to accounting estimates have occurred in the reporting period.

1.5 Material prior year errors

No material prior year error have been identified in the reporting period.

2. Accounting policies

2.1 Income

Income is included in the Statement of Financial Activities (SoFA) when:

- the charity becomes entitled to the resources;
- it is more likely than not that the charity will receive the resources; and
- the monetary value can be measured with sufficient reliability.

There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by the FRS 102 SORP or FRS 102.

Grants and donations are only included in the SoFA when the general income recognition criteria are met

Donated goods are measured at fair value (the amount for which the asset could be exchanged) unless impractical to do so. Goods donated for on-going use by the charity are recognised as tangible fixed assets and included in the SoFA as incoming resources when receivable if the fair value on receipt is over £500.

The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.

2.2 Expenditure and liabilities

Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

Deferred income is recognised when the income is received in advance of the services being provided.

Creditors are measured at settlement amounts less any trade discounts.

2.3 Assets

2.3.1 Tangible fixed assets for use by the charity

These are capitalised if they can be used for more than one year, and cost at least £500. They are valued at cost. They are depreciated as follows:

Office equipment 25% on cost

Playgroup equipment 25% on cost

2.3.2 Debtors

Debtors (including trade debtors and loans receivable) are measured on initial recognition at settlement amount after any trade discounts or amount advanced by the charity. Subsequently, they are measured at the cash or other consideration expected to be received.

Notes to the accounts

Happy Faces Playgroup

For the year ended 31 August 2024

Account Name	2024	2023
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3. Fees for examination of the accounts

Accounts Independent Review	816	780
Other fees	102	468
Total amount paid to independent examiner	918	1,248

Account Name	2024	2023
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4. Staff costs

Wages	132,272	101,514
Pension	1,806	1,219
Total Staff costs	134,078	102,733

No employees received employee benefits for the reporting period of more than £60,000. No trustees were paid for their services to the charity. The pension costs above represent contributions to a defined contribution pension scheme. The average number of staff was 10 (2023: 12). Not all staff work full-time.

5. Tangible fixed assets

	Office equipment	Playgroup equipment	Total
Cost or valuation			
At the beginning of the year	511	-	511
Additions	-	7,986	7,986
At the end of the year	511	7,986	8,497
Depreciation and impairments			
At the beginning of the year	(21)	-	(21)
Depreciation charge	(128)	(886)	(1,014)
At the end of the year	(149)	(886)	(1,035)
Net book value			
Net book value at the beginning of the year	490	-	490
Net book value at the end of the year	362	7,100	7,462

6. Stock

	Clothing	Total
Stock for resale - Charitable activities		
Opening stock	357	357
Added in the year	130	130
Expensed in the year	(356)	(356)
Impaired	-	-
Closing stock	131	131

Notes to the accounts

Happy Faces Playgroup

For the year ended 31 August 2024

7. Transactions with trustees and related parties

7.1 Trustee remuneration and benefits

The following trustees have been remunerated by virtue of their employment by the charity as Playgroup Manager:

Account Name	Remuneration	Pension contribution	Total 2024	Total 2023
Name of trustee				
V Allaway	-	-	-	13,689
A Smith	-	-	-	15,743
T Seymour	24,027	543	24,570	0

No trustees have been remunerated for fulfilling their duties as trustee and no expenses have been paid to any trustees.

7.2 Transactions with related parties

The following transactions with related parties have occurred in the year:

	Relationship to charity	Description of transaction	2024	2023
Name of trustee or related party				
S Reynolds	Spouse of trustee	Wages paid to staff member	-	2,132



Independent examiner's report on the accounts

Section A

Independent Examiner's Report

Report to the trustees/
members of

Charity Name
Happy Faces Playgroup

On accounts for the year
ended

31 August 2024

Charity no
(if any)

1029688

Set out on pages

1-5

(remember to include the page numbers of additional sheets)

Respective
responsibilities of
trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

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

Basis of independent
examiner's statement

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

Independent
examiner's statement

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

1. which gives me reasonable cause to believe that in, any material respect, the requirements:
 - to keep accounting records in accordance with section 130 of the Charities Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act have not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed: *J.Saunders*

Date: 26/06/2025

Name: Jodie Saunders

Relevant professional
qualification(s) or body
(if any):

ACA (ICAEW)

Address:	Shorthouse & Martin Limited
	Worthy House, 14 Winchester Road, Basingstoke
	Hampshire, RG21 8UQ

Section B**Disclosure**

Only complete if the examiner needs to highlight material problems.

Give here brief details of any items that the examiner wishes to disclose.