

Company No.
07188984
England and Wales

Happy City C.I.C.
Report and Unaudited Financial
Statements
31 July 2019

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Happy City C.I.C.

Contents

For the year ended 31 July 2019

	Page
Legal and administrative details	1
Directors' report	2 - 4
Accountant's report	5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 11
<i>The following pages do not form part of the financial statements:</i>	
Detailed trading profit and loss account	12

Happy City C.I.C.

Legal and administrative details

For the year ended 31 July 2019

Status The organisation is a private company limited by guarantee incorporated on 15 March 2010.

Registered number 07188984 England and Wales

Registered office Chandos House
128 Cotham Brow
Bristol
BS6 6AE

Directors

Chris Budd	
Robin Hague	
Paul Hardman	
Carl Kneeshaw	
Elizabeth Metcalfe	appointed 21 April 2019
Jeremy Pannell	
Emma Reed	
Di Robinson	
Dawn Snape	
Babs Williams	
Claire Williams	resigned 26 November 2018
Elizabeth Zeidler	
Michael Zeidler	

Secretary Michael Zeidler

Accountants Godfrey Wilson Limited
Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

Happy City C.I.C.

Directors' report

For the year ended 31 July 2019

The directors present their annual report and financial statements for the year ended 31 July 2019.

Principal activity

The principal activity of the company during the period was to build strong communities and improve the lives of people, through research, tools development, training and communications.

The business is run on a not-for-profit basis, and its objects state that surplus income will be invested in supporting the development of similar activities in other areas.

The company is a wholly owned subsidiary of the Happy City Initiative - a charitable company limited by guarantee and the nominated asset lock and recipient of net profits of Happy City C.I.C.

Review of business

The financial results for the year to 31 July 2019 have been set out on pages 6 to 11.

The following activities and projects took place during the period:

1. Wellbeing Measurement

Development of new and existing tools to support individuals, communities, and public-sector organisations to better measure, understand and improve wellbeing, including:

a. The Thriving Places Index

The Thriving Places Index is a measure of how well areas are providing the conditions for equitable and sustainable wellbeing. In April 2018 we launched the results for all 373 Higher and Lower Tier Local Authority Areas of England and Wales (up from 172 the previous year).

Details are available on the Thriving Places website and the full report is available at https://s3.eu-west-2.amazonaws.com/hcindex-files/docs/HC-TP19-full-report_FINAL.pdf. This work is widely recognised as a global leader, in terms of detail, scale and reach, for a real alternative, localised measure of prosperity.

Happy City is also working with local authorities to develop a rigorous yet practical way to deliver wellbeing economics at a local scale. Happy City is working with a range of local authorities, large charities, national funders and place-based change programmes to help embed the Thriving Places Index approach into their policy and practice. The Thriving Places Index has also been used by other partners including ONS and What Works Centre for Wellbeing in their research and analysis for government and civil society.

b. Happiness Pulse

The Happiness Pulse is a measure of how people are feeling and functioning in their everyday lives in communities. It measures the real social value of investments of resources across all sectors. Significant development work has progressed on the Happiness Pulse digital tool, thanks to a grant by the National Lottery Community Fund. This has resulted in the tool being available for free to organisations large and small across the UK and beyond to help map wellbeing strengths and needs and to evaluate the social impact of their work at scale. The digital model now includes the capacity for projects to have their own unique dashboard of results, break down the measures into different projects or teams, and add additional modules to the tool for community, housing, sport or workplace, or even bespoke versions for their own needs. It is already being used by a over 200 small projects as well as funders, national NGOs and local authorities.

Happy City C.I.C.

Directors' report

For the year ended 31 July 2019

c. Research Work

Research work has also been undertaken for and with: ONS, What Works Centre for Wellbeing, National Lottery Community Fund, Big Lunch / Eden Projects and Triodos Bank.

2. Training

- a. Happy City has been developing and delivering specialised training to support places and organisations embed wellbeing measurement and frameworks into their work, policy and practice. This training has been delivered to public, private and civil society partners in the areas where measurement tools are being used. This helps them to grow capacity in their teams to better measure, understand and grow wellbeing.
- b. Happy City continues to deliver wellbeing programmes for communities and groups, including arts organisations, higher education groups, health support groups and others. The accompanying wellbeing materials have been made available for free worldwide usage and are being shared widely for use with disadvantaged communities, older people and prisoners.

3. Communications

Our communications work continues to form a key part of our impact, with media and social media outreach, over 30 print and broadcast media pieces in the UK and abroad, citations in academic papers and books and 12 keynote speakers slots.

We continue to successfully market and manage the Happiness Hub - a flexible office space for social enterprises in Bristol.

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Happy City C.I.C.

Directors' report

For the year ended 31 July 2019

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors

The directors who served during the year were as follows:

Chris Budd	
Robin Hague	
Paul Hardman	
Carl Kneeshaw	
Elizabeth Metcalfe	appointed 21 April 2019
Jeremy Pannell	
Emma Reed	
Di Robinson	
Dawn Snape	
Babs Williams	
Claire Williams	resigned 26 November 2018
Elizabeth Zeidler	
Michael Zeidler	

The above report has been prepared in accordance with the special provisions relating to the small companies regime as set out in Part 15 of the Companies Act 2006.

Approved by the directors on 27 January 2020 and signed on their behalf by



Jeremy Pannell
Director

Happy City C.I.C.

Chartered accountant's report to the directors on the preparation of the unaudited statutory accounts

For the year ended 31 July 2019

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Happy City C.I.C. for the year ended 31 July 2019 as set out on pages 6 - 11 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the directors of Happy City C.I.C., as a body, in accordance with the terms of our engagement letter dated 19 December 2016. Our work has been undertaken solely to prepare for approval the accounts of Happy City C.I.C. and state those matters that we have agreed to state to the directors of Happy City C.I.C., as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Happy City C.I.C. and its directors as a body for our work or for this report.

It is your duty to ensure that Happy City C.I.C. has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Happy City C.I.C.. You consider that Happy City C.I.C. is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Happy City C.I.C.. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given us and we do not, therefore, express any opinion on the statutory accounts.



Rob Wilson FCA

Date: 27 January 2020

For and on behalf of:

Godfrey Wilson Limited

Chartered accountants and statutory auditors

5th Floor Mariner House

62 Prince Street

Bristol

BS1 4QD

Happy City C.I.C.

Profit and loss account

For the year ended 31 July 2019

	Note	2019 £	2018 £
Turnover	2	225,473	179,289
Cost of sales		<u>(1,370)</u>	<u>(1,792)</u>
Gross profit		224,103	177,497
Administrative expenses		<u>(252,378)</u>	<u>(188,944)</u>
Loss on ordinary activities before taxation	3	(28,275)	(11,447)
Tax on loss on ordinary activities	5	<u>-</u>	<u>-</u>
Loss for the financial year after taxation		<u>(28,275)</u>	<u>(11,447)</u>

Happy City C.I.C.

Balance sheet

As at 31 July 2019

	Note	£	2019 £	2018 £
Fixed assets				
Tangible assets	6		1,454	1,647
Current assets				
Debtors	7	487		15,686
Cash at bank and in hand		<u>10,628</u>		<u>26,913</u>
		11,115		42,599
Creditors: amounts due within 1 year	8	<u>(14,824)</u>		<u>(18,226)</u>
Net current assets			<u>(3,709)</u>	<u>24,373</u>
Net assets			<u>(2,255)</u>	<u>26,020</u>
Capital and reserves				
Profit and loss account	9		<u>(2,255)</u>	<u>26,020</u>

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

For the financial year ended 31 July 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006; and no notice has been deposited under section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for ensuring that the company keeps accounting records which comply with section 386 of the Companies Act 2006 and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 395 of the Companies Act 2006 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

Approved by the directors on 27 January 2020 and signed on their behalf by



Jeremy Pannell
Director

Happy City C.I.C.

Notes to the financial statements

For the year ended 31 July 2019

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102 Section 1A - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

Going concern basis of accounting

The accounts have been prepared on the assumption that the company is able to continue as a going concern, which the directors consider appropriate having regard to the pipeline of future project, training, consultancy and commission income (over which there is growing visibility for the coming months) and the ability to control some variable costs (such as contractor costs) depending on actual income generation levels. Some of the specific factors that contributed to the loss in the financial year ended 31 July 2019 are exceptional and, as such, the size of the loss in the current year is not forecast to occur again in the near future.

The directors have undertaken cashflow forecasting and are projecting a small surplus for the financial year ended 31 July 2020 and are taking measures to return the company's balance sheet to a net asset position. Despite the trading loss in the financial year ended 31 July 2019, there are no material uncertainties about the charity's ability to continue as a going concern.

Happy City C.I.C. was under the control of Happy City Initiative (charity no. 1143037) throughout the period. Happy City Initiative remain committed to the group structure and the role of the subsidiary.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue from the sale of goods is recognised when goods are delivered and legal title has passed.

Tangible fixed assets

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

Leasehold improvements	20% per annum on a straight line basis
Office equipment	33% per annum on a straight line basis
IT equipment	33% per annum on a straight line basis

Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad or doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad or doubtful debts.

Trade and other creditors

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Happy City C.I.C.

Notes to the financial statements

For the year ended 31 July 2019

Taxation

Taxation represents the sum of tax currently payable and deferred tax.

The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on all timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset released, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

2. Turnover

Turnover represents net invoiced sales of goods, excluding Value Added Tax.

Turnover attributable to geographical markets outside of the UK amounted to 0% (2018: 0%).

3. Operating profit

This is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	1,548	1,375
Directors' remuneration	<u>56,070</u>	<u>54,317</u>

4. Employees

The average number of persons employed by the company (including directors) during the year was 7 (2018: 5).

Happy City C.I.C.

Notes to the financial statements

For the year ended 31 July 2019

5. Taxation

	2019 £	2018 £
UK corporation tax at current rate based on results for the period	-	-
Factors affecting current tax charge:		
Profit / (loss) on ordinary activities by rate of tax	(5,372)	(2,174)
Disallowable expenses	8	-
Deduct non-trade surplus	4,118	2,174
Losses brought forward	(1,295)	(1,295)
Losses carried forward	2,541	1,295
Total current tax charge	-	-

6. Tangible fixed assets

	Leasehold improvements £	Office equipment £	IT equipment £	Totals £
Cost				
At 1 August 2018	1,000	2,057	4,794	6,800
Additions	-	78	1,277	1,355
At 31 July 2019	1,000	2,135	6,071	9,206
Depreciation				
At 1 August 2018	600	1,852	3,752	4,829
Charge for the year	200	223	1,125	1,548
At 31 July 2019	800	2,075	4,877	7,752
Net book value				
At 31 July 2019	200	60	1,194	1,454
At 31 July 2018	400	205	1,042	1,647

7. Debtors

	2019 £	2018 £
Trade debtors	-	5,877
Amounts owed by Happy City Initiative	-	7,808
Prepayments and accrued income	487	2,001
	487	15,686

Happy City C.I.C.

Notes to the financial statements

For the year ended 31 July 2019

8. Creditors : amounts due within 1 year

	2019 £	2018 £
Trade creditors	3,469	2,893
Amounts owed to Happy City Initiative	9,291	-
Accruals	1,110	2,054
Directors loan account	954	954
Deferred income	-	9,995
Other taxation and social security	-	2,330
	<u>14,824</u>	<u>18,226</u>

9. Profit and loss account

	2019 £	2018 £
Retained profit at 1 August 2018	26,020	37,467
Profit for financial year after taxation	<u>(28,275)</u>	<u>(11,447)</u>
Retained profit at 31 July 2019	<u>(2,255)</u>	<u>26,020</u>

10. Related party transactions

Controlling party

Happy City Initiative (company no. 07710776), is a registered charity (charity no. 1143037) and is the sole member of Happy City C.I.C.. Happy City C.I.C. was under the control of Happy City Initiative throughout the period.

During the period, Happy City C.I.C. recharged amounts of £75,211 (2018: £33,844) to Happy City Initiative, predominantly for staff costs in respect of project work carried out by Happy City C.I.C.

At 31 July 2019, Happy City C.I.C. owed £9,291 to Happy City Initiative (2018: Happy City Initiative owed £7,808 to Happy City C.I.C.).

Happy City C.I.C.

Detailed trading profit and loss account

For the year ended 31 July 2019

		2019 £	2018 £
Income			
Rental income	-	60	
Events and projects	11,048	-	
Training	1,081	660	
Donations	5,000	10,000	
Grants received	78,685	78,693	
Other income	75,264	34,631	
Commission income	54,395	55,245	
		225,473	179,289
Cost of sales			
Event supplies		(1,370)	(1,792)
Gross profit		224,103	177,497
Administrative expenses			
Directors' remuneration		56,070	54,317
Salaries and wages		97,183	67,913
Freelance		61,866	40,997
Accountancy		7,758	7,110
Legal and professional fees		6,614	116
Insurance		1,183	1,474
Advertising and promotions		299	2,252
Bad debts		3,660	35
Bank and other charges		69	35
Depreciation		1,548	1,375
Entertaining		123	418
Travel and subsistence		2,917	3,146
<i>Administration and office expenses</i>			
Printing, postage and stationery	1,588	1,692	
Telephone	2,560	3,170	
Computer expenses	7,767	3,547	
Subscriptions and trademarks	533	241	
		12,448	8,650
Sundry expenses		640	1,106
		(252,378)	(188,944)
Loss on ordinary activities before taxation		(28,275)	(11,447)

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CIC 34

Community Interest Company Report

For official use
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*Please
complete in
typescript, or
in bold black
capitals.*

Company Name in
full

Happy City CIC

Company Number

07188984

Year Ending

(31/7/2019)

(The date format is required in full)

Please ensure the company name is consistent with the company name entered on the accounts.

This template illustrates what the Regulator of Community Interest Companies considers to be best practice for completing a simplified community interest company report. All such reports must be delivered in accordance with section 34 of the Companies (Audit, Investigations and Community Enterprise) Act 2004 and contain the information required by Part 7 of the Community Interest Company Regulations 2005. For further guidance see chapter 8 of the Regulator's guidance notes and the alternate example provided for a more complex company with more detailed notes.

(N.B. A Filing Fee of £15 is payable on this document. Please enclose a cheque or postal order payable to Companies House)

PART 1 - GENERAL DESCRIPTION OF THE COMPANY'S ACTIVITIES AND IMPACT

In the space provided below, please insert a general account of the company's activities in the financial year to which the report relates, including a description of how they have benefited the community.

Activities during the year

Development of new and existing tools to support individuals, communities, and public-sector organisations to better measure, understand and improve wellbeing, including:

The Thriving Places Index is a measure of how well areas are providing the conditions for equitable and sustainable wellbeing. In April 2019 we launched the results for all 373 Higher and Lower Tier Local Authority Areas of England and Wales (up from 172 the previous year. This work is widely recognised as a global leader, in terms of detail, scale and reach, a. Happy City is also working with local authorities and as a rigorous yet practical way to deliver wellbeing economics at a local scale. Happy City is working with a range of Local Authorities, Large charities, national funders and place-based change programmes to help embed the Thriving Places Index approach into their policy and practice. The Thriving Places Index has also been used by other partners including ONS and What Works Centre for Wellbeing in their research and analysis for government and civil society.

Significant development work has progressed on the **Happiness Pulse digital tool**, thanks to a grant by the National Lottery Community Fund. This has resulted in the tool being available for free to organisations large and small across the UK and beyond to help map wellbeing strengths and needs and to evaluate the social impact of their work at scale. The digital model now includes the capacity for projects to have their own unique dashboard of results, break down the measures into different projects or teams, and add additional modules to the tool for community, housing, sport or workplace, or even bespoke versions for their own needs. It is already being used by a over 200 small projects as well as funders, national NGOs and local authorities.

Research work has also been undertaken for and with: ONS, What Works Centre for Wellbeing, National Lottery Community Fund, Big Lunch/Eden Projects and Triodos Bank.

Training . Happy City has been developing and delivering specialised training to support places and organisations embed wellbeing measurement and frameworks into their work, policy and practice. This training has been delivered to public, private and civil society partners in the areas where measurement tools are being used. This helps them to grow capacity in their teams to better measure, understand and grow wellbeing.

Happy City continues to deliver wellbeing programmes for communities and groups, including arts organisations, higher education groups, health support groups and others. The accompanying wellbeing materials have been made available for free worldwide usage and are being shared widely for use with disadvantaged communities, older people and prisoners.

Our communications work continues to form a key part of our impact, with media and social media outreach, over 30 print and broadcast media pieces in the UK and abroad, citations in academic papers and books and 12 keynote speakers slots.

We continue to successfully market and manage the Happiness Hub - a flexible office space for social enterprises in Bristol.

(If applicable, please just state "A social audit report covering these points is attached").

(Please continue on separate continuation sheet if necessary.)

PART 2 – CONSULTATION WITH STAKEHOLDERS – Please indicate who the company's stakeholders are; how the stakeholders have been consulted and what action, if any, has the company taken in response to feedback from its consultations? If there has been no consultation, this should be made clear.

Board, Staff and Volunteers – meetings monthly/weekly

Advisors and Partners – consulted by email and at meetings at least six times per year

Local Authority data users – consulted at every stage pre, during and following on from joint working

Public Sector, Business and Community users of our tools and services - consulted at every stage pre, during and following on from joint working

(If applicable, please just state "A social audit report covering these points is attached").

PART 3 – DIRECTORS' REMUNERATION – if you have provided full details in your accounts you need not reproduce it here. Please clearly identify the information within the accounts and confirm that, "There were no other transactions or arrangements in connection with the remuneration of directors, or compensation for director's loss of office, which require to be disclosed" (See example with full notes). If no remuneration was received you must state that "no remuneration was received" below.

Full details on Page 9 of the accounts, and there were no other transactions or arrangements in connection with the remuneration of directors, or compensation for director's loss of office, which require to be disclosed

PART 4 – TRANSFERS OF ASSETS OTHER THAN FOR FULL CONSIDERATION – Please insert full details of any transfers of assets other than for full consideration e.g. Donations to outside bodies. If this does not apply you must state that "no transfer of assets other than for full consideration has been made" below.

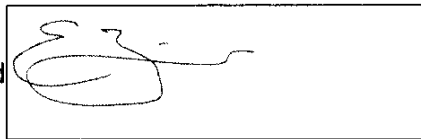
No transfer of assets other than for full consideration has been made

(Please continue on separate continuation sheet if necessary.)

PART 5 – SIGNATORY (Please note this must be a live signature)

The original report must be signed by a director or secretary of the company

Signed



(DD/MM/YY)

Date

04/02/20

Please note that it is a legal requirement for the date format to be provided in full throughout the CIC34 report.

Applications will be rejected if this information is incorrect.

Office held (delete as appropriate) Director/Secretary

You do not have to give any contact information in the box opposite but if you do, it will help the Registrar of Companies to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

	Tel
DX Number	DX Exchange

When you have completed and signed the form, please attach it to the accounts and send both forms by post to the Registrar of Companies at:

For companies registered in England and Wales: Companies House, Crown Way, Cardiff, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland: Companies House, 4th Floor, Edinburgh Quay 2, 139
Fountainbridge, Edinburgh, EH3 9FF DX 235 Edinburgh or LP – 4 Edinburgh 2

For companies registered in Northern Ireland: Companies House, 2nd Floor, The Linenhall, 32-38
Linenhall Street, Belfast, BT2 8BG

(N.B. Please enclose a cheque for £15 payable to Companies House)