

Company No.
07188984
England and Wales

Happy City C.I.C.
Report and Unaudited Financial Statements
31 July 2018



Happy City C.I.C.

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Happy City C.I.C.

Legal and administrative details

For the year ended 31 July 2018

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 Jeremy Pannell Emma Reed Di Robinson Dawn Snape Babs Williams Claire Williams Lisa-Jayne Wyatt Elizabeth Zeidler Michael Zeidler	appointed 2 January 2018 appointed 12 July 2018 appointed 21 March 2018 appointed 12 July 2018 appointed 19 September 2017 resigned 26 November 2018 resigned 2 January 2018	
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 2018

The directors present their annual report and financial statements for the year ended 31 July 2018.

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 2018 have been set out on pages 7 to 12.

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 (formerly known as the Happy City Index) is a measure of how well areas are providing the conditions for equitable and sustainable wellbeing. In February 2017 we launched the results for all 150 of England's higher tier Local Authority areas (up from 9 the previous year), at an event at the headquarters of the Local Government Association in London.

Details are available on the Thriving Places website and an executive summary of the report is available at https://s3.eu-west-2.amazonaws.com/hcindex-files/docs/Thriving_Places_Summary_Report_FINAL_digital.pdf. The full report is available at https://s3.eu-west-2.amazonaws.com/hcindex-files/docs/THRIVING_PLACES_INDEX_FULL_REPORT_FINAL.pdf.

This is widely recognised as a global first, in terms of detail, scale and reach, for a real alternative, localised measure of prosperity. We worked with partners across Wales, including Data Cymru, to adapt the Index for use in that different political and data context. We launched the results for all 22 Local Authority areas in Wales in April 2018, available at <http://www.thrivingplaces.wales/Default?lang=en-GB>. Happy City has also been commissioned by the 5 local authorities in Gwent in Wales to help them embed the Index framework into their policy and partnership work across all sectors.

We currently have interest in the Index from partners in five continents and are exploring ways to share it whilst protecting the quality built up over nine years of research and development.

Happy City C.I.C.

Directors' report

For the year ended 31 July 2018

b. Happiness Pulse

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. It has been taken now by 30,000+ people in communities and organisations across the UK. It was used, in parallel with the Thriving Places Index, by Public Service Boards in 5 areas of Wales to measure the wellbeing of people across their communities. This was accompanied by a major communication and engagement programme to support wider public understanding of wellbeing. This work in Wales has resulted in the first bi-lingual version of the pulse – a pattern which there is real appetite to copy in other countries around the world. Significant development work has progressed on the Happiness Pulse digital tool, thanks to a grant by the Big Lottery Fund. This work will be launched later in 2018 and will allow organisations and groups large and small to access the Pulse tool for free, including online dashboards and automated infographic report downloads.

Our partnership work with What Works Centre for Wellbeing, ONS and PHE also resulted in a advisory report on measuring wellbeing in local areas, which is being widely used by Local Authorities and Health bodies around the UK.

2. Training

- a) **The Wellbeing Champions Programme (WBC)** works to develop a skilled and peer-supported network of local people able to deliver workshops on wellbeing into the heart of communities.
- b) **5 Ways to Wellbeing** provides practical and engaging materials and short courses for the use of different community needs.
- c) **Wellbeing Workout** is a 1 day training to support users of the Happiness Pulse to improve their own and their community's wellbeing.

Our training programmes outlined above have continued to be delivered in communities and businesses in the UK and the accompanying materials have been made available for free worldwide usage and are being shared widely. As with our measurement tools, 2018 has been a period of development, to prepare our training programmes and materials to be delivered at scale.

We have also been developing and delivering more specialised training to help 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.

3. Communications

Our communications work continues to form a key part of our impact, and in 2017/18 we have delivered two national campaigns on the central importance of wellbeing, reaching over half a million people. This has included major media and social media outreach, with over 60 print and broadcast media pieces, and 15 keynote speakers slots.

Our Happy List project has been delivered in two UK cities with three partners secured in 2018/19.

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

Happy City C.I.C.

Directors' report

For the year ended 31 July 2018

For a full description of activities, please request a copy of the company's Annual Review from info@happycity.org.uk.

The directors are satisfied with the results of the company for the period and the state of affairs of the company at the balance sheet date.

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.

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	appointed 2 January 2018
Jeremy Pannell	appointed 12 July 2018
Emma Reed	appointed 21 March 2018
Di Robinson	appointed 12 July 2018
Dawn Snape	
Babs Williams	appointed 19 September 2017
Claire Williams	resigned 26 November 2018
Lisa-Jayne Wyatt	resigned 2 January 2018
Elizabeth Zeidler	
Michael Zeidler	

Happy City C.I.C.

Directors' report

For the year ended 31 July 2018

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 10 January 2019 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 2018

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 2018 as set out on pages 7 - 12 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: 10 January 2019

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 2018

	Note	2018 £	2017 £
Turnover	2	179,289	263,907
Cost of sales		<u>(1,792)</u>	<u>(3,635)</u>
Gross profit		177,497	260,272
Administrative expenses		<u>(188,944)</u>	<u>(260,404)</u>
Operating profit / (loss)	3	(11,447)	(132)
Other interest receivable and similar income		<u>-</u>	<u>2</u>
Profit / (loss) on ordinary activities before taxation		(11,447)	(130)
Tax on profit / (loss) on ordinary activities	5	<u>-</u>	<u>-</u>
Profit / (loss) for the financial year after taxation		<u>(11,447)</u>	<u>(130)</u>

Happy City C.I.C.

Balance sheet

As at 31 July 2018


	Note	£	2018 £	2017 £
Fixed assets				
Tangible assets	6		1,647	1,971
Current assets				
Debtors	7	15,686		47,089
Cash at bank and in hand		<u>26,913</u>		<u>9,417</u>
		42,599		56,506
Creditors: amounts due within 1 year	8	<u>(18,226)</u>		<u>(21,010)</u>
Net current assets			<u>24,373</u>	<u>35,496</u>
Net assets			<u>26,020</u>	<u>37,467</u>
Capital and reserves				
Profit and loss account	9		<u>26,020</u>	<u>37,467</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 2018 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 10 January 2019 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 2018

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.

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.

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.

Happy City C.I.C.

Notes to the financial statements

For the year ended 31 July 2018

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% (2017: 0%).

3. Operating profit

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	1,375	1,091
Directors' remuneration	<u>54,317</u>	<u>57,400</u>

4. Employees

The average number of persons employed by the company (including directors) during the year was 5 (2017: 6).

5. Taxation

	2018 £	2017 £
UK corporation tax at current rate based on results for the period	<u>-</u>	<u>-</u>
Factors affecting current tax charge:		
Profit / (loss) on ordinary activities by rate of tax	(2,174)	(26)
Depreciation in excess of capital allowances	-	215
Disallowable expenses	-	53
Deduct non-trade surplus	2,174	(640)
Losses brought forward	(1,295)	(959)
Change in the rate of tax	-	62
Losses carried forward	<u>1,295</u>	<u>1,295</u>
Total current tax charge	<u>-</u>	<u>-</u>

Happy City C.I.C.

Notes to the financial statements

For the year ended 31 July 2018

6. Tangible fixed assets

	Leasehold improvements £	Office equipment £	IT equipment £	Totals £
Cost				
At 1 August 2017	1,000	2,033	3,767	6,800
Additions	-	24	1,027	1,051
At 31 July 2018	<u>1,000</u>	<u>2,057</u>	<u>4,794</u>	<u>7,851</u>
Depreciation				
At 1 August 2017	400	1,398	3,031	4,829
Charge for the year	<u>200</u>	<u>454</u>	<u>721</u>	<u>1,375</u>
At 31 July 2018	<u>600</u>	<u>1,852</u>	<u>3,752</u>	<u>6,204</u>
Net book value At 31 July 2018	<u>400</u>	<u>205</u>	<u>1,042</u>	<u>1,647</u>
At 31 July 2017	<u>600</u>	<u>635</u>	<u>736</u>	<u>1,971</u>

7. Debtors

	2018 £	2017 £
Trade debtors	5,877	8,368
Amounts owed by Happy City Initiative	7,808	37,463
Prepayments and accrued income	<u>2,001</u>	<u>1,258</u>
	<u>15,686</u>	<u>47,089</u>

8. Creditors : amounts due within 1 year

	2018 £	2017 £
Trade creditors	2,893	12,632
Accruals	2,054	5,950
Directors loan account	954	954
Deferred income	9,995	-
Other taxation and social security	<u>2,330</u>	<u>1,474</u>
	<u>18,226</u>	<u>21,010</u>

Happy City C.I.C.

Notes to the financial statements

For the year ended 31 July 2018

9. Profit and loss account

	2018 £	2017 £
Retained profit at 1 August 2017	37,467	37,597
Profit for financial year after taxation	<u>(11,447)</u>	<u>(130)</u>
Retained profit at 31 July 2018	<u>26,020</u>	<u>37,467</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 £33,844 (2017: £72,672) to Happy City Initiative, predominantly for staff costs in respect of project work carried out by Happy City C.I.C. Purchases of £nil (2017: £22,494) were made from Happy City Initiative for rent.

At 31 July 2018, Happy City C.I.C. was owed £7,808 (2017: £37,463) by Happy City Initiative.

E Zeidler, a trustee of the parent charity Happy City Initiative, and her spouse M Zeidler, are both directors of Happy City C.I.C.. During the year ended 31 July 2018, they received combined remuneration for their roles as employees of Happy City C.I.C. of £54,317 (2017: £57,400). E Zeidler resigned as a trustee on 26 March 2018.

Happy City C.I.C.

Detailed trading profit and loss account

For the year ended 31 July 2018

		2018	2017
		£	£
Income			
Rental income	60	22,494	
Training	660	12,217	
Donations	10,000	-	
Grants received	78,693	131,527	
Other income	34,631	73,919	
Commission income	55,245	23,750	
		179,289	263,907
Cost of sales			
Event supplies		(1,792)	(3,635)
Gross profit		177,497	260,272
Administrative expenses			
Directors' remuneration		54,317	57,400
Salaries and wages		67,913	77,376
Freelance		40,997	65,297
Accountancy		7,110	1,356
Legal and professional fees		116	18,114
Insurance		1,474	61
Rent and rates		-	25,994
Advertising and promotions		2,252	2,672
Bad debts		35	364
Bank and other charges		35	29
Depreciation		1,375	1,091
Entertaining		418	272
Travel and subsistence		3,146	3,402
<i>Administration and office expenses</i>			
Printing, postage and stationery	1,692	1,562	
Telephone	3,170	2,804	
Computer expenses	3,547	1,705	
Subscriptions and trademarks	241	-	
		8,650	6,071
Sundry expenses		1,106	905
		(188,944)	(260,404)
Operating loss		(11,447)	(132)
Interest receivable		-	2
Loss on ordinary activities before taxation		(11,447)	(130)