

The Happiness Index Ltd

Unaudited

Financial statements

For the year ended 31 March 2023

Registered number: 09049797

Statement of financial position

As at 31 March 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Intangible assets	4		24,672		27,624
Tangible assets	5		13,617		17,925
			<u>38,289</u>		<u>45,549</u>
Current assets					
Debtors: amounts falling due within one year	6	572,830		562,913	
Cash at bank and in hand		311,056		344,759	
		<u>883,886</u>		<u>907,672</u>	
Creditors: amounts falling due within one year	7	(765,842)		(758,776)	
Net current assets			<u>118,044</u>		<u>148,896</u>
Total assets less current liabilities			<u>156,333</u>		<u>194,445</u>
Creditors: amounts falling due after more than one year	8		(105,160)		(145,260)
Net assets			<u><u>51,173</u></u>		<u><u>49,185</u></u>
Capital and reserves					
Share capital			1,618		1,494
Share premium account			3,509,021		2,434,385
Capital redemption reserve			29		29
Profit and loss account			(3,459,495)		(2,386,723)
			<u><u>51,173</u></u>		<u><u>49,185</u></u>

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

Statement of financial position (continued)

As at 31 March 2023

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

C J Hyland
Director

Date: 28 July 2023

The notes on pages 3 to 10 form part of these financial statements.

Notes to the financial statements

For the year ended 31 March 2023

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 130 Wood Street, London, EC2V 6DL, United Kingdom and principal place of business is Waverley House, 9 Noel Street, Soho, London, England, W1F 8GQ, United Kingdom. The company registration number is 09049797.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS102') and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

At the balance sheet date, the company's liabilities exceeded its assets. The company has received assurance from its shareholders that it will continue to give financial support to the company for a period of at least twelve months from the date of signing of these financial statements.

On this basis, the director considers it appropriate to prepare the financial statements on a going concern basis. However, should the financial support mentioned above not be forthcoming, the going concern basis used in preparing the company's financial statements may be invalid and adjustments would have to be made to reduce the value of assets to their realisable amounts and to provide for any further liabilities which might be necessary should the basis not continue to be appropriate.

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in

Notes to the financial statements

For the year ended 31 March 2023

2. Accounting policies (continued)

2.3 Turnover (continued)

accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.7 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

Notes to the financial statements

For the year ended 31 March 2023

2. Accounting policies (continued)

2.8 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.9 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

2.10 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	-	25%
Office equipment	-	25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Notes to the financial statements

For the year ended 31 March 2023

2. Accounting policies (continued)

2.12 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.14 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

3. Employees

The average monthly number of employees, including the directors, during the year was 34 (2022 - 31).

Notes to the financial statements

For the year ended 31 March 2023

4. Intangible assets

	Patents, trademarks and licences £
Cost	
At 1 April 2022	29,517
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At 31 March 2023	29,517
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Amortisation	
At 1 April 2022	1,893
Charge for the year	2,952
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At 31 March 2023	4,845
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Net book value	
At 31 March 2023	24,672
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At 31 March 2022	27,624
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Notes to the financial statements

For the year ended 31 March 2023

5. Tangible fixed assets

	Fixtures and fittings £	Equipment £	Total £
Cost			
At 1 April 2022	1,703	33,168	34,871
Additions	-	3,680	3,680
At 31 March 2023	1,703	36,848	38,551
Depreciation			
At 1 April 2022	1,281	15,665	16,946
Charge for the year	243	7,745	7,988
At 31 March 2023	1,524	23,410	24,934
Net book value			
At 31 March 2023	179	13,438	13,617
At 31 March 2022	422	17,503	17,925

6. Debtors

	2023 £	2022 £
Trade debtors	213,423	237,963
Prepayments and accrued income	57,733	81,399
Other debtors	301,674	243,551
	572,830	562,913

Notes to the financial statements

For the year ended 31 March 2023

7. Creditors: amounts falling due within one year

	2023 £	2022 £
Bank loans and overdrafts	10,000	10,000
Trade creditors	8,549	89,233
Accruals and deferred income	646,318	557,087
Social security and other taxes	87,567	88,089
Other creditors	13,408	14,367
	<u>765,842</u>	<u>758,776</u>

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

	2023 £	2022 £
Bank loans and overdrafts	26,667	36,667
Director loan accounts	676	676
Other loans	77,817	107,917
	<u>105,160</u>	<u>145,260</u>

Notes to the financial statements

For the year ended 31 March 2023

9. Loans

Analysis of the maturity of loans is given below:

	2023 £	2022 £
Amounts falling due within one year		
Bank loans	10,000	10,000
	<u>10,000</u>	<u>10,000</u>
Amounts falling due 1-2 years		
Bank loans	10,000	10,000
	<u>10,000</u>	<u>10,000</u>
Amounts falling due 2-5 years		
Bank loans	16,667	26,667
	<u>16,667</u>	<u>26,667</u>
	<u>36,667</u>	<u>46,667</u>

10. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £35,100 (2022: £28,614) during the year. Contributions totalling £6,394 (2022: £Nil) were payable to the fund at 31 March 2023.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.