

ACTION FOR HAPPINESS

England & Wales · Charity number 1175160

Details

Status Registered

Legal form Charitable company

Company number [10722435](#)

Registered 2017-10-16

Register [View on the Charity Commission register](#)

Contact

Address WE Work
3 Waterhouse Square
138-142 Holborn
London
EC1N 2SW

Phone 020 3287 1354

Email info@actionforhappiness.org

Website <http://www.actionforhappiness.org/>

Activities

Objects: THE OBJECTS OF THE CHARITY, WHICH ARE FOR THE PUBLIC BENEFIT, ARE SPECIFICALLY RESTRICTED TO THE FOLLOWING:1) THE ADVANCEMENT OF HEALTH, WITHOUT PREJUDICE TO THE GENERALITY OF THE FORGOING, TO PROMOTE MENTAL HEALTH AND WELL-BEING AND TO ASSIST IN THE PREVENTION, TREATMENT AND CARE AND EDUCATION OF PERSONS CURRENTLY OR POTENTIALLY AT RISK OF SUFFERING FROM, MENTAL HEALTH ISSUES OR ANY ILLNESS OR SOCIAL ISOLATION RELATING TO SUCH CONDITIONS AND TO EDUCATE OTHERS IN RESPECT OF SUCH ISSUES;2) TO ADVANCE THE EDUCATION OF THE PUBLIC IN SUBJECTS RELEVANT TO MENTAL HEALTH AND WELL-BEING RELATED ISSUES.3) ANY OTHER CHARITABLE PURPOSE WHICH SHALL BE SELECTED BY THE TRUSTEES IN THEIR ABSOLUTE DISCRETION FROM TIME TO TIME.

Activities: Action for Happiness is a charity which promotes mental health and wellbeing, through the provision of information, evidence-based resources, public events, educational services, training and community activities.

Classification

- **How:** Provides Advocacy/advice/information
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives
- **Who:** The General Public/mankind

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-12-31	£426,265	£551,274	-	-
2024-12-31	£545,436	£531,684	£673,521	2
2023-12-31	£474,923	£439,091	-	-
2022-12-31	£347,605	£466,883	-	-
2021-12-31	£930,541	£713,459	£743,215	4
2020-12-31	£524,818	£358,612	£526,133	2

Trustees

Name	Role	Appointed
Judy Gibbons	Chair	2025-10-24
David Charles Stead		2025-09-01
Katherine Thompson		2025-09-01
Lord PETER RICHARD GRENVILLE LAYARD		2017-04-12
Louisa Elizabeth Sampson		2025-09-01
Michiel Nolet		2022-06-23
VANESSA ANN KING		2017-04-12

Accounts

Company registration number 10722435 (England and Wales)

Charity registration number 1175160 (England and Wales)

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

ACTION FOR HAPPINESS

(A COMPANY LIMITED BY GUARANTEE)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms J Bentley	
	Ms V King	
	Professor P Layard	
	Mr M Nolet	
	Ms J Gibbons	(Appointed 2 December 2025)
	Ms L Sampson	(Appointed 2 December 2025)
	Mr D Stead	(Appointed 2 December 2025)
	Ms K Thompson	(Appointed 2 December 2025)
Secretary	Mr M Williamson	
Charity number	1175160	
Company number	10722435	
Registered office	WeWork 3 Waterhouse Square 138 Holborn London EC1N 2SW	
Independent examiner	Jean Ellis BA FCA CTA DSG Castle Chambers 43 Castle Street Liverpool L2 9TL	

ACTION FOR HAPPINESS

(A COMPANY LIMITED BY GUARANTEE)

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ACTION FOR HAPPINESS

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2025

The trustees present their annual report and financial statements for the year ended 31 December 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: 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)" (effective 1 January 2019).

Objectives and activities

Action for Happiness is a charity which promotes mental health and wellbeing through the provision of information, evidence-based resources, public events, educational services, training and community activities.

Our vision is a happier and kinder society, with far fewer people suffering due to mental ill health or social isolation and far more people feeling good, functioning well and helping others. We are backed by leading experts and all of our activities are grounded in the latest scientific research.

Please note: The Action for Happiness project was originally launched in 2011, based within The Young Foundation (Registered Charity 274345). In 2017 Action for Happiness was established as an independent Company Limited by Guarantee (10722435) and registered charity (1175160) and on 31 December 2017 all assets, liabilities and Intellectual Property were transferred to the new entity.

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

Significant activities and achievements against objectives

- Expanded our Board of Trustees to bring in a new Chair and add additional Board-level expertise in strategy, communications and fundraising.
- Grew our member community by 76,000 people to a total of 780,000 members.
- Grew our combined annual online social reach to over 36m people.
- Continued providing our action program of monthly calendars and daily action ideas.
- Supported over 190,000 people to take at least one measurable wellbeing action.
- Continued to grow our app community to over 270,000 registered users.
- Collaborated with Oxford Wellbeing Research Centre on the launch of the World Happiness Report 2025 as part of our campaign for International Day of Happiness (20 March 2025).
- Held 13 live events with guest speakers attracting over 35,000 participants.
- Recruited another 25,000 people to take our '10 Days of Happiness' program.
- Developed and piloted a new AI-powered 'Daily Check-In' program.
- Created and shared over 60 new video reels across our social media platforms.
- Continued to deliver our Volunteer Training program and recruited 1,065 new volunteers.
- Delivered 160 'Happiness Habits' courses including the relaunch of in-person courses.
- Supported on-going delivery of 115 volunteer-led local groups meeting monthly.

**ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

Achievements and performance (*continued*)

- Continued to provide resources for schools/parents to support Children and Young People.
- Continued to support on-going local hubs including in Northampton and Brighton.
- Continued to provide education, resources and training for organisations.
- Continued to provide Safeguarding support, signposting and reporting.
- Joined Race For Impact as an approved charity in the Mental Health cause area.
- Developed an AI Policy, setting out principles for the responsible use of AI in our work.
- Created a new 3-year Strategic Plan for 2026-2028.

Financial review

The year's activities resulted in a deficit of £125,009 compared with a surplus of £13,752 in 2024, broadly in line with our expectations.

The total amount transferred by Gift Aid from the subsidiary company Action for Happiness Trading Limited for the year amounted to £2,232 (2024: £2,749). Minimal funds are retained in the subsidiary, the operating expenses of which are paid by the charity.

The principal sources of income to Action for Happiness during the year were:

- Philanthropic giving by Action for Happiness supporters
- Voluntary donations made by people attending live events and local courses
- Grant funding

Reserves policy

It is the policy of the charitable company that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to at least six month's expenditure.

The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charitable company's current activities while consideration is given to ways in which additional funds may be raised.

At 31 December 2025, total unrestricted funds amounted to £548,512, of which £100,000 has been designated for technology capabilities and £50,000 for strategic development. Free reserves therefore amounted to approximately £399,000 at the year end. Based on current expenditure levels, this remains broadly in line with the trustees' target level of at least six months' expenditure.

Reserves were intentionally drawn down during the year to cover the net deficit in 2025, and the trustees will continue to keep the level of free reserves under review as they invest in the charity's strategic priorities during 2026.

Major risks

The charitable company maintains a Risk Register which is reviewed regularly by the Board. The Trustees have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

Plans for future periods

Our key strategic aims for the next 3 years are to:

- Grow our action-taking community, aiming to maximise the number of people who are regularly engaged and taking part.
- Develop an outstanding user offer, aiming to simplify and refresh our mix of programs into a cohesive offer that meets user needs.
- Evolve our programs responsibly, continuing to provide the services people rely on, while embracing new technology and moving towards new offerings.
- Maximise our fundability, aiming to broaden our sources of funding across trusts and foundations, major donors, member donations and partnerships.

Specific objectives in 2026 include:

- Build clear understanding of current user needs, via member surveys and in-depth analysis.
- Deliver the first draft of a redesigned integrated user offer and a plan for validating it.
- Invest in digital infrastructure and skills to support innovation and piloting new programs.
- Establish a new Fundraising Working Group with Trustees to enhance our fundraising.
- Raise additional funds to support our on-going delivery and strategic plans.
- Run 1-2 focused public/media campaigns, including the International Day of Happiness.
- Continue to grow the AfH member community to over 850,000 members
- Continue to deliver our core interventions, including our Website, Calendars with daily actions, Talks, smartphone App and 10 Days of Happiness online program.
- Continue creating engaging social content and reels, including piloting new content or formats to reach priority audiences
- Maintain volunteer acquisition and continue delivery of courses and local groups.
- Continue to provide and adapt our Safeguarding processes and support as needed.

Structure, governance and management

The charity is a company limited by guarantee.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Ms J Bentley	
Ms V King	
Professor P Layard	
Dr R Modgil	(Resigned 2 December 2025)
Mr M Nolet	
Ms J Gibbons	(Appointed 2 December 2025)
Ms L Sampson	(Appointed 2 December 2025)
Mr D Stead	(Appointed 2 December 2025)
Ms K Thompson	(Appointed 2 December 2025)

**ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

Qualifying third party indemnity provisions

All trustees are covered by the charity's professional indemnity insurance.

Other matters

The Board of Trustees has overall responsibility for the fulfilling the charity's aims.

The recruitment and appointment of Trustees was based on ensuring an appropriate balance of expertise, skills and commitment to the mission of the charity.

In December 2025 the role of Chair of Trustees was handed over from Richard Layard, one of the original co-founders, to Judy Gibbons. Richard remains an active Trustee and Board member.

Day to day management of the operation of the charity is delegated from the Board to the Chief Executive (Mark Williamson). The Board of Trustees meets at least once per quarter and the Chief Executive reports regularly to the Trustees on the operations, plans and financial position of the organisation, as appropriate.

Action for Happiness is supported by a range of contractors and volunteers to fulfil its mission. Contractors are recruited on a fixed term basis with the skills required to fulfil specific needs. All volunteers are carefully screened and supported in fulfilling their roles, for example in running courses in their local communities.

Small company provisions

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The trustees' report was approved by the Board of Trustees.

Ms J Gibbons

Trustee

20 April 2026

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2025

The trustees, who are also the directors of Action for Happiness for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements 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 charity will continue in operation.

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

**ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF ACTION FOR HAPPINESS**

I report to the trustees on my examination of the financial statements of Action for Happiness (the charity) for the year ended 31 December 2025.

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law), you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006.

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the Companies Act 2006 and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011. In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the Charities Act 2011.

Independent examiner's statement

Since the charity's gross income exceeded £250,000, the independent examiner must be a member of a body listed in section 145 of the Charities Act 2011. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the Companies Act 2006.
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the Companies Act 2006 other than any requirement that the financial statements give a true and fair view, which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Jean Ellis BA FCA CTA

DSG

Castle Chambers

43 Castle Street

Liverpool

L2 9TL

Dated: 20 April 2026

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Income and endowments from:			
Donations and legacies	3	302,822	388,753
Charitable activities	4	79,953	126,886
Investments	5	24,490	29,797
Other income	6	19,000	-
Total income		<u>426,265</u>	<u>545,436</u>
Expenditure on:			
Raising funds	7	12,000	-
Charitable activities	8	539,274	531,684
Total expenditure		<u>551,274</u>	<u>531,684</u>
Net income/(expenditure) and movement in funds		(125,009)	13,752
Reconciliation of funds:			
Fund balances at 1 January 2025		<u>673,521</u>	<u>659,769</u>
Fund balances at 31 December 2025		<u>548,512</u>	<u>673,521</u>

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 31 DECEMBER 2025

		2025		2024	
	Notes	£	£	£	£
Fixed assets					
Investments	14		1		1
Current assets					
Debtors	16	47,098		26,424	
Cash at bank and in hand		521,768		688,175	
		<u>568,866</u>		<u>714,599</u>	
Creditors: amounts falling due within one year	17	<u>(20,355)</u>		<u>(41,079)</u>	
Net current assets			548,511		673,520
Total assets less current liabilities			<u>548,512</u>		<u>673,521</u>
The funds of the charity					
Unrestricted funds	21		548,512		673,521
			<u>548,512</u>		<u>673,521</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2025.

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.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the trustees on 20 April 2026

Ms J Gibbons
Trustee

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

Charity information

Action for Happiness is a private company limited by guarantee incorporated in England and Wales. The registered office is WeWork, 3 Waterhouse Square, 138 Holborn, London, EC1N 2SW.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: 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)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The charity is the parent of a wholly owned subsidiary, Action for Happiness Trading Limited.

The trustees have taken advantage of the exemption under the Companies Act 2006 not to prepare consolidated group accounts, as the charity and its subsidiary together constitute a small group.

In addition, the trustees consider that the inclusion of the subsidiary would not be material to the group accounts.

The results, assets and liabilities of the subsidiary are therefore not consolidated in these financial statements.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

(Continued)

1.5 Expenditure

Resources expended are included in the Statement of Financial Activities on an accruals basis, once there is a legal or constructive obligation to make a payment.

Charitable activities include the cost of providing courses and hosting events, and include both direct costs and support costs relating to these activities.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Support costs include central functions and have been allocated to charitable activities.

1.6 Fixed asset investments

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Investment in subsidiaries are measured at cost.

1.7 Cash at bank and deposits

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Irrecoverable VAT

The charity is not required to register with HMRC for VAT. All resources expended are recognised gross of VAT.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Income from donations and legacies

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Donations and gifts	184,629	248,378
Grants	118,193	140,375
	<u>302,822</u>	<u>388,753</u>
Grants		
The Segelman Trust	15,000	50,000
Bloom Wellbeing Fund	47,073	-
Charles Engelhard Foundation	-	40,375
Dreamchasing	50,000	50,000
Giving What We Can platform	6,120	-
	<u>118,193</u>	<u>140,375</u>

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

4 Income from charitable activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Event income	34,379	58,727
Course income	44,447	66,917
Educational services	1,127	1,242
	<u>79,953</u>	<u>126,886</u>

5 Income from investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Income from subsidiary	2,232	2,749
Interest receivable	22,258	27,048
	<u>24,490</u>	<u>29,797</u>

The charity owns 100% of the share capital of Action for Happiness Trading Limited which is a company limited by shares held for the purpose of delivering the charitable trading activities of the charity.

6 Other income

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Employers allowance	<u>19,000</u>	<u>-</u>

Other income includes £19,000 in respect of a backdated Employment Allowance claim.

7 Expenditure on raising funds

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Fundraising and publicity		
Other fundraising costs	<u>12,000</u>	<u>-</u>

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

8 Expenditure on charitable activities

	2025	2024
	£	£
Direct costs		
Staff costs	213,367	214,738
Costs of providing courses	81,216	65,499
Event costs	19,920	18,701
Educational services	844	3,994
Communication	49,757	65,081
Community development	81,715	64,469
	<u>446,819</u>	<u>432,482</u>
Share of support and governance costs (see note 9)		
Support	89,335	95,482
Governance	3,120	3,720
	<u>539,274</u>	<u>531,684</u>
Analysis by fund		
Unrestricted funds	<u>539,274</u>	<u>531,684</u>

9 Support costs allocated to activities

	2025	2024
	£	£
Bank fees	355	337
General expenses	16,672	2,372
Online services	53,643	74,477
Printing and stationery	145	145
Rent	17,122	16,818
Insurance	1,398	1,333
Governance costs	3,120	3,720
	<u>92,455</u>	<u>99,202</u>
Analysed between:		
Charitable activities	<u>92,455</u>	<u>99,202</u>

10 Net movement in funds

	2025	2024
	£	£
The net movement in funds is stated after charging/(crediting):		
Fees payable to the charity's independent examiner:		
- for the independent examination of the charity's financial statements	2,760	3,720
- for tax advisory services	360	-
	<u>3,120</u>	<u>3,720</u>

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year (2024: £nil). No trustees were reimbursed expenses during the year (2024: £nil).

One trustee made a donation of £75,453 (2024: None and £nil).

12 Employees

The average monthly number of employees during the year was:

	2025	2024
	Number	Number
Administration	2	2

Employment costs

	2025	2024
	£	£
Wages and salaries	174,960	169,960
Social security costs	13,466	20,550
Other pension costs	24,941	24,228
	213,367	214,738

In addition to the 2 employees noted above, expenditure also includes payment to 4 subcontractors (2024: 4) giving a total workforce of 6 full time equivalents (FTEs).

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2025	2024
	Number	Number
£120,001 to £130,000	1	1

Remuneration of key management personnel

	2025	2024
	£	£
Aggregate compensation	156,775	157,829

13 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

14 Fixed asset investments

			Other investments £
Cost or valuation			
At 1 January 2025 & 31 December 2025			1
Carrying amount			
At 31 December 2025			1
At 31 December 2024			1
		2025	2024
	Notes	£	£
Other investments comprise:			
Investments in subsidiaries	15	1	1

This represents the investment in the subsidiary company, Action for Happiness Trading Limited, which is owned by the charity for the purpose of delivering charitable activities.

15 Subsidiaries

Details of the charity's subsidiaries at 31 December 2025 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Action for Happiness Trading Limited	Wework, 3 Waterhouse Square, 138 Holborn, London, EC1N 2SW	Provision of services	Ordinary	100.00	

During the year the turnover of Action for Happiness Trading Limited was £33,702 (2024: £23,621) and expenditure incurred was £31,470 (2024: £20,872) resulting in a profit of £2,232 (2024: £2,749). All of the profit was distributed up to the charity in the period.

16 Debtors

	2025	2024
Amounts falling due within one year:	£	£
Amounts owed by subsidiary undertakings	3,232	-
Other debtors	-	63
Prepayments and accrued income	43,866	26,361
	<u>47,098</u>	<u>26,424</u>

Amounts owed by subsidiaries are interest free and repayable on demand.

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

17 Creditors: amounts falling due within one year

	2025	2024
	£	£
Other taxation and social security	6,404	5,889
Amounts owed to subsidiary undertakings	-	20,242
Other creditors	13,951	14,948
	<u>20,355</u>	<u>41,079</u>

Amounts owed to subsidiaries are interest free and repayable on demand.

18 Retirement benefit schemes

	2025	2024
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	24,941	24,228
	<u>24,941</u>	<u>24,228</u>

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

19 Operating lease commitments

Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2025	2024
	£	£
Within one year	8,300	16,600
Between two and five years	-	8,300
	<u>8,300</u>	<u>24,900</u>

20 Related party transactions

The charity has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

21 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2025	Incoming resources	Resources expended	Transfers	At 31 December 2025
	£	£	£	£	£
Technology capabilities	-	-	-	100,000	100,000
Strategic development	-	-	-	50,000	50,000
General funds	673,521	426,265	(551,274)	(150,000)	398,512
	<u>673,521</u>	<u>426,265</u>	<u>(551,274)</u>	<u>-</u>	<u>548,512</u>

Previous year:	At 1 January 2024	Incoming resources	Resources expended	Transfers	At 31 December 2024
	£	£	£	£	£
General funds	659,769	545,436	(531,684)	-	673,521
	<u>659,769</u>	<u>545,436</u>	<u>(531,684)</u>	<u>-</u>	<u>673,521</u>

Designated Funds

Technology capabilities: Funds designated for developing a new technology platform and team capabilities.

Strategic review and development: Funds designated for implementing strategic plan and developing new user offer.

Accounts

Charity registration number 1175160 (England and Wales)

Company registration number 10722435

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

ACTION FOR HAPPINESS

(A COMPANY LIMITED BY GUARANTEE)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms J Bentley Ms V King Professor P Layard Dr R Modgil Mr M Nolet
Secretary	Mr M Williamson
Charity number	1175160
Company number	10722435
Registered office	WeWork 3 Waterhouse Square 138 Holborn London EC1N 2SW
Independent examiner	Jean Ellis BA FCA CTA DSG Castle Chambers 43 Castle Street Liverpool L2 9TL

ACTION FOR HAPPINESS

(A COMPANY LIMITED BY GUARANTEE)

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ACTION FOR HAPPINESS

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees present their annual report and financial statements for the year ended 31 December 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: 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)" (effective 1 January 2019).

Objectives and activities

Action for Happiness is a charity which promotes mental health and wellbeing through the provision of information, evidence-based resources, public events, educational services, training and community activities.

Our vision is a happier and kinder society, with far fewer people suffering due to mental ill health or social isolation and far more people feeling good, functioning well and helping others. We are backed by leading experts and all of our activities are grounded in the latest scientific research.

Please note: The Action for Happiness project was originally launched in 2011, based within The Young Foundation (Registered Charity 274345). In 2017 Action for Happiness was established as an independent Company Limited by Guarantee (10722435) and registered charity (1175160) and on 31 December 2017 all assets, liabilities and Intellectual Property were transferred to the new entity.

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

Significant activities and achievements against objectives

- Delivered the second year of our 5-year Strategic Plan agreed by Trustees for 2023-2027.
- Grew our overall online reach to 30m people, with huge increases in social engagement.
- Grew our member community by 92,000 people to a total of over 700,000 members.
- Increased our in-year engagement to 82,000 people getting actively involved in activities.
- Continued providing our successful action program of monthly calendars and daily action ideas, which have been used by over 50 million people.
- Continued to grow our app community to over 250,000 registered users.
- Held 21 live events with guest speakers attracting over 60,000 participants.
- Recruited another 40,000 people to take our '10 Days of Happiness' program, taking the total number of participants to over 150,000 to date.
- Launched a new interactive action program for Optimistic October which led to clinically significant reductions in levels of anxiety.
- Created and shared over 90 new video reels across our social media platforms.
- Expanded our digital marketing and found lower-cost ways of reaching new beneficiaries.
- Enhanced our online Volunteer Training program and recruited 1,000 new volunteers.
- Scaled up delivery of our volunteer-led "Happiness Habits" community course with a new record of 220 courses delivered successfully, up from 80 and exceeding our target of 150.

**ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

Achievements and performance (*continued*)

- Continued to support and deliver our network of volunteer-led online groups.
- Launched a new page of enhanced resources to support Children and Young People.
- Continued to support on-going local hubs including in Northampton and Brighton.
- Continued to provide education, resources and training for organisations.
- Continued to provide and enhance Safeguarding support, signposting and reporting.

Financial review

The year's activities resulted in a surplus of £13,752 compared with a surplus of £35,832 in 2023, broadly in line with our expectations.

The total amount transferred by Gift Aid from the subsidiary company Action for Happiness Trading Limited for the year amounted to £2,749 (2023: £15,216). Minimal funds are retained in the subsidiary, the operating expenses of which are paid by the charity.

The principal sources of income to Action for Happiness during the year were:

- Philanthropic giving by Action for Happiness supporters
- Voluntary donations made by people attending live events and local courses
- Grant funding

Reserves policy

It is the policy of the charitable company that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to at least six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charitable company's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Major risks

The charitable company maintains a Risk Register which is reviewed regularly by the Board. The Trustees have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

ACTION FOR HAPPINESS

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Plans for future periods

Outreach

- Grow the AfH member community by a further 100,000 members in 2025.
- Continue to deliver our interventions which have the strongest track record in reaching large numbers of people, notably our Website, Calendars with daily actions, Talks and App.
- Continue creating engaging social content, but with more focus on conversion.
- Deliver 1-2 focused public/media campaigns, including the International Day of Happiness.

Engagement

- Continue to deliver and enhance our 10 Days of Happiness online program.
- Engage new funders/partners to support development of new digital programs.
- Explore potential integration of AI LLM technology into our engagement platform.

Community-Building

- Maintain volunteer acquisition and continue delivery of courses, supported by more volunteer engagement, optimising course marketing and more face-to-face courses.
- Review and refresh our provision and support for local groups.
- Experiment with new ways to help people “go deeper” beyond courses and groups.

General

- Continue to provide and adapt our Safeguarding processes and support as needed.
- Raise additional funds to support our future scale-up plans.
- Expand our Trustee Board to bring in additional skills and experience.

Structure, governance and management

The charity is a company limited by guarantee.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Ms J Bentley
Ms V King
Professor P Layard
Dr R Modgil
Mr M Nolet

Recruitment and appointment of trustees

The Board of Trustees has overall responsibility for the fulfilling the charity's aims.

The recruitment and appointment of Trustees was based on ensuring an appropriate balance of expertise, skills and commitment to the mission of the charity. The Board of Trustees also anticipates appointing one or more additional Trustees during the years ahead to bring in additional skills and expertise as required.

Day to day management of the operation of the charity is delegated from the Board to the Chief Executive (Mark Williamson). The Board of Trustees meets at least once per quarter and the Chief Executive reports regularly to the Trustees on the operations, plans and financial position of the organisation, as appropriate.

Action for Happiness is supported by a range of contractors and volunteers to fulfil its mission. Contractors are recruited on a fixed term basis with the skills required to fulfil specific needs. All volunteers are carefully screened and supported in fulfilling their roles, for example in running courses in their local communities.

Qualifying third party indemnity provisions

All trustees are covered by the charity's professional indemnity insurance.

**ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

Small company provisions

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The trustees' report was approved by the Board of Trustees.



Professor P Layard
Trustee

6 June 2025

**ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2024**

The trustees, who are also the directors of Action for Happiness for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

**ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF ACTION FOR HAPPINESS**

I report to the trustees on my examination of the financial statements of Action for Happiness (the charity) for the year ended 31 December 2024.

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law), you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006.

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the Companies Act 2006 and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011. In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the Charities Act 2011.

Independent examiner's statement

Since the charity's gross income exceeded £250,000, the independent examiner must be a member of a body listed in section 145 of the Charities Act 2011. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the Companies Act 2006.
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the Companies Act 2006 other than any requirement that the financial statements give a true and fair view, which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Jean Ellis BA FCA CTA

DSG
Castle Chambers
43 Castle Street
Liverpool
L2 9TL

Dated: 6 June 2025

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income and endowments from:			
Donations and legacies	3	388,753	369,904
Charitable activities	4	126,530	83,441
Investments	5	29,797	21,393
Other income	6	356	185
Total income		<u>545,436</u>	<u>474,923</u>
 Charitable activities	 7	 <u>531,684</u>	 <u>439,091</u>
Total expenditure		<u>531,684</u>	<u>439,091</u>
Net income and movement in funds		13,752	35,832
Reconciliation of funds:			
Fund balances at 1 January 2024		<u>659,769</u>	<u>623,937</u>
Fund balances at 31 December 2024		<u><u>673,521</u></u>	<u><u>659,769</u></u>

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 31 DECEMBER 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Investments	13		1		1
Current assets					
Debtors	15	26,424		21,834	
Cash at bank and in hand		688,175		707,700	
		714,599		729,534	
Creditors: amounts falling due within one year	16	(41,079)		(69,766)	
Net current assets			673,520		659,768
Total assets less current liabilities			673,521		659,769
The funds of the charity					
Unrestricted funds	18		673,521		659,769
			673,521		659,769

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2024.

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.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the trustees on 6 June 2025

Richard Layard

Professor P Layard
Trustee

Company registration number 10722435 (England and Wales)

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	20		(49,322)		67,206
Investing activities					
Investment income received		29,797		21,393	
Net cash generated from investing activities			29,797		21,393
Net cash generated from financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(19,525)		88,599
Cash and cash equivalents at beginning of year			707,700		619,101
Cash and cash equivalents at end of year			688,175		707,700

ACTION FOR HAPPINESS

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Charity information

Action for Happiness is a private company limited by guarantee incorporated in England and Wales. The registered office is WeWork, 3 Waterhouse Square, 138 Holborn, London, EC1N 2SW.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: 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)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The financial statements do not incorporate the results, assets and liabilities of the charity's wholly owned subsidiary, Action for Happiness Trading Limited. Consolidated accounts have not been prepared as these would not be materially different from the single entity financial statements as presented.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.5 Expenditure

Resources expended are included in the Statement of Financial Activities on an accruals basis, once there is a legal or constructive obligation to make a payment.

Charitable activities include the cost of providing courses and hosting events, and include both direct costs and support costs relating to these activities.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Support costs include central functions and have been allocated to charitable activities.

1.6 Fixed asset investments

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Investment in subsidiaries are measured at cost.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies (Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Irrecoverable VAT

The charity is not required to register with HMRC for VAT. All resources expended are recognised gross of VAT.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Income from donations and legacies

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Donations and gifts	248,378	319,904
Grants	140,375	50,000
	<u>388,753</u>	<u>369,904</u>
Grants		
The Segelman Trust	50,000	50,000
Charles Engelhard Foundation	40,375	-
Dreamchasing	50,000	-
	<u>140,375</u>	<u>50,000</u>

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

4 Income from charitable activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Event income	58,371	57,010
Course income	66,917	25,490
Educational services	1,242	941
	<u>126,530</u>	<u>83,441</u>

5 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income from subsidiary	2,749	15,216
Interest receivable	27,048	6,177
	<u>29,797</u>	<u>21,393</u>

The charity owns 100% of the share capital of Action for Happiness Trading Limited which is a company limited by shares held for the purpose of delivering the charitable trading activities of the charity.

6 Other income

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Other income	356	185

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

7 Expenditure on charitable activities

	2024	2023
	£	£
Direct costs		
Staff costs	214,738	210,249
Costs of providing courses	65,499	54,360
Event costs	18,701	16,380
Educational services	3,994	293
Communication	65,081	50,327
Community development	64,469	28,026
	<u>432,482</u>	<u>359,635</u>
Share of support and governance costs (see note 8)		
Support	95,482	76,756
Governance	3,720	2,700
	<u>531,684</u>	<u>439,091</u>
Analysis by fund		
Unrestricted funds	<u>531,684</u>	<u>439,091</u>

8 Support costs allocated to activities

	2024	2023
	£	£
Bank fees	337	227
General expenses	2,372	(1,457)
Online services	74,477	57,960
Printing and stationery	145	2,600
Travel	-	341
Rent	16,818	16,365
Insurance	1,333	-
Staff training	-	720
Governance costs	3,720	2,700
	<u>99,202</u>	<u>79,456</u>
Analysed between:		
Charitable activities	<u>99,202</u>	<u>79,456</u>

Governance costs includes payments to the independent examiner of £3,720 (2023: £2,700) for examination fees.

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

9	Net movement in funds	2024	2023
		£	£
	The net movement in funds is stated after charging/(crediting):		
	Fees payable for the independent examination of the charity's financial statements	3,720	2,700
		<u> </u>	<u> </u>

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year (2023: £nil). No trustees were reimbursed expenses during the year (2023: £nil).

11 Employees

The average monthly number of employees during the year was:

	2024	2023
	Number	Number
Administration	2	2
	<u> </u>	<u> </u>

Employment costs

	2024	2023
	£	£
Wages and salaries	169,960	166,400
Social security costs	20,550	19,799
Other pension costs	24,228	24,050
	<u> </u>	<u> </u>
	214,738	210,249
	<u> </u>	<u> </u>

In addition to the 2 employees noted above, expenditure also includes payment to 4 subcontractors (2023: 2) giving a total workforce of 6 full time equivalents (FTEs)..

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2024	2023
	Number	Number
£120,001 to £130,000	1	1
	<u> </u>	<u> </u>

Remuneration of key management personnel

	2024	2023
	£	£
Aggregate compensation	157,829	157,569
	<u> </u>	<u> </u>

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

12 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

13 Fixed asset investments

			Other investments £
Cost or valuation			
At 1 January 2024 & 31 December 2024			1
Carrying amount			
At 31 December 2024			1
At 31 December 2023			1
		2024	2023
Other investments comprise:	Notes	£	£
Investments in subsidiaries	14	1	1

This represents the investment in the subsidiary company, Action for Happiness Limited, which is owned by the charity for the purpose of delivering charitable activities.

14 Subsidiaries

Details of the charity's subsidiaries at 31 December 2024 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held
				Direct Indirect
Action for Happiness Trading Limited	Wework, 3 Waterhouse Square, 138 Holborn, London, EC1N 2SW	Provision of services	Ordinary	100.00

During the year the turnover of Action for Happiness Trading Limited was £23,621 and expenditure incurred was £20,872 resulting in a profit of £2,749. All of the profit was distributed up to the charity in the period.

15 Debtors

	2024	2023
	£	£
Amounts falling due within one year:		
Amounts owed by subsidiary undertakings	-	16,216
Other debtors	63	3,248
Prepayments and accrued income	26,361	2,370
	<u>26,424</u>	<u>21,834</u>

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

15 Debtors **(Continued)**

Amounts owed by subsidiaries are interest free and repayable on demand.

16 Creditors: amounts falling due within one year

	2024	2023
	£	£
Other taxation and social security	5,889	5,731
Amounts owed to subsidiary undertakings	20,242	-
Other creditors	14,948	12,836
Accruals and deferred income	-	51,199
	<u>41,079</u>	<u>69,766</u>

Amounts owed to subsidiaries are interest free and repayable on demand.

17 Retirement benefit schemes

	2024	2023
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>24,228</u>	<u>24,050</u>

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

18 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2024	Incoming resources	Resources expended	At 31 December 2024
	£	£	£	£
General funds	<u>659,769</u>	<u>545,436</u>	<u>(531,684)</u>	<u>673,521</u>
Previous year:				
	At 1 January 2023	Incoming resources	Resources expended	At 31 December 2023
	£	£	£	£
General funds	<u>623,937</u>	<u>474,923</u>	<u>(439,091)</u>	<u>659,769</u>

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

19 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024	2023
	£	£
Within one year	16,600	8,017
Between two and five years	8,300	-
	<u>24,900</u>	<u>8,017</u>

20 Cash (absorbed by)/generated from operations

	2024	2023
	£	£
Surplus for the year	13,752	35,832
Adjustments for:		
Investment income recognised in statement of financial activities	(29,797)	(21,393)
Movements in working capital:		
(Increase)/decrease in debtors	(4,590)	1,217
(Decrease)/increase in creditors	(28,687)	51,550
Cash (absorbed by)/generated from operations	<u>(49,322)</u>	<u>67,206</u>

21 Related party transactions

The charity has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

ACTION FOR HAPPINESS

England & Wales - Charity number 1175160

Accounts

Charity registration number 1175160

Company registration number 10722435 (England and Wales)

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

ACTION FOR HAPPINESS

(A COMPANY LIMITED BY GUARANTEE)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms J Bentley Ms V King Professor P Layard Dr R Modgil Mr M Nolet
Secretary	Mr M Williamson
Charity number	1175160
Company number	10722435
Registered office	WeWork 3 Waterhouse Square 138 Holborn London EC1N 2SW
Independent examiner	Jean Ellis BA FCA CTA DSG Castle Chambers 43 Castle Street Liverpool L2 9TL

ACTION FOR HAPPINESS

(A COMPANY LIMITED BY GUARANTEE)

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ACTION FOR HAPPINESS

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees present their annual report and financial statements for the year ended 31 December 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: 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)" (effective 1 January 2019).

Objectives and activities

Action for Happiness is a charity which promotes mental health and wellbeing through the provision of information, evidence-based resources, public events, educational services, training and community activities.

Our vision is a happier and kinder society, with far fewer people suffering due to mental ill health or social isolation and far more people feeling good, functioning well and helping others. We are backed by leading experts and all of our activities are grounded in the latest scientific research.

Please note: The Action for Happiness project was originally launched in 2011, based within The Young Foundation (Registered Charity 274345). In 2017 Action for Happiness was established as an independent Company Limited by Guarantee (10722435) and registered charity (1175160) and on 31 December 2017 all assets, liabilities and Intellectual Property were transferred to the new entity.

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

Significant activities and achievements against objectives

- Delivered the first year of our 5-year Strategic Plan agreed by Trustees for 2023-2027.
- Grew our overall online reach to 25m people, with huge increases in social media engagement and website traffic up 20% with 9.2m page views.
- Grew our member community by a further 69,000 people to a total of 609,000 members.
- Increased our in-year engagement to 65,000 people getting actively involved in activities.
- Continued providing our successful action program of monthly calendars and daily action ideas, which have been used by over 40 million people.
- Continued to grow our app community to 225,000 registered users.
- Held 22 live events with guest speakers attracting over 65,000 participants.
- Reached a new online program milestone of over 100,000 participants taking our '10 Days of Happiness' program, delivering over 1 million personal actions.
- Began development of a new platform which will allow new courses to be created and delivered more flexibly in future.
- Launched a new suite of short video reels, creating and sharing over 100 new reels and reaching millions of new social media accounts.

**ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

- Finalised and launched new self-directed online Volunteer Training program with new vetting and review systems and successfully recruited 1,500 new volunteers.
- Scaled up delivery of our volunteer-led "Happiness Habits" 6-week community course with 80 courses delivered successfully.
- Continued to support and deliver our network of volunteer-led online groups.
- Continued to support primary schools with the 'Keys to Happier Living' Toolkit.
- Continued to support on-going local hubs including in Northampton and Brighton.
- Continued to provide education, resources and training for organisations.
- Continued to embed our policy on Diversity, Equity, Inclusion and Belonging (DEIB).
- Continued to provide and enhance Safeguarding support, signposting and reporting.

Financial review

The year's activities resulted in a small net surplus of £35,832 compared with a much larger deficit in 2022, slightly exceeding our expectations as we anticipated expenditure might exceed income again.

The total amount transferred by Gift Aid from the subsidiary company Action for Happiness Trading Limited for the year amounted to £15,216. Minimal funds are retained in the subsidiary, the operating expenses of which are paid by the charity.

The principal sources of income to Action for Happiness during 2022 were:

- Philanthropic giving by Action for Happiness supporters
- Voluntary donations made by people attending live events and local courses
- Grant funding
- Income from Educational Services provided to organisations

Reserves policy

It is the policy of the charitable company that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to at least six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charitable company's current activities while consideration is given to ways in which additional funds may be raised. The level of reserves as a proportion of operating costs reduced in 2023 but remains slightly higher than usual. Reserves will continue to be put to use in 2024 and these are expected to return to the normal level of around six month's expenditure over the next two years.

Major risks

The charitable company maintains a Risk Register which is reviewed regularly by the Board. The Trustees have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

ACTION FOR HAPPINESS

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Plans for future periods

Outreach

- Maintain our significant recent increases in social/website reach, by continuing to create and share new social media and video content.
- Grow the AfH member community by a further 100,000 members, via various outreach activities including via new approaches to digital marketing.
- Continue to deliver our interventions which have the strongest track record in reaching large numbers of people, notably our Website, Calendars with daily actions), Talks and App.

Engagement

- Increase our levels of community engagement, helping more of our existing members to take the next step in terms of involvement and actions.
- Enhance our systems and dashboards for tracking user engagement.
- Maintain and enhance our existing 10 Days of Happiness online program.
- Develop and try out a new online program using existing/proven content.

Community-Building

- Continue to grow our volunteer community, aiming to recruit 1,800 new volunteers.
- Deliver an additional 150-250 volunteer-led Happiness Habits courses during the year.
- Continue to support our local Action for Happiness groups and local hubs.
- Explore options for getting more people back to face-to-face courses/groups where possible.

General

- Continue to provide and adapt our Safeguarding processes and support as needed.
- Grow our team capacity to respond to increasing demand for services.
- Raise additional funds to support our future scale-up plans.

Structure, governance and management

The charitable company is a company limited by guarantee.

The trustees, four of whom are also the directors for the purpose of company law, and who served during the year were:

Ms J Bentley

Ms V King

Professor P Layard

Dr R Modgil

Mr G Mulgan

Mr M Nolet

(Resigned 31 March 2023)

**ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Recruitment and appointment of trustees

The Board of Trustees has overall responsibility for the fulfilling the charity's aims.

The recruitment and appointment of Trustees was based on ensuring an appropriate balance of expertise, skills and commitment to the mission of the charity. One of the original Action for Happiness co-founding Trustees stepped down during the year as planned. The Board of Trustees also anticipates appointing one or more additional Trustees during the years ahead to bring in additional skills and expertise as required.

Day to day management of the operation of the charity is delegated from the Board to the Chief Executive (Mark Williamson). The Board of Trustees meets at least once per quarter and the Chief Executive reports regularly to the Trustees on the operations, plans and financial position of the organisation, as appropriate.

Action for Happiness is supported by a range of contractors and volunteers to fulfil its mission. Contractors are recruited on a fixed term basis with the skills required to fulfil specific needs. All volunteers are carefully screened and supported in fulfilling their roles, for example in running courses in their local communities.

Small company provisions

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The trustees' report was approved by the Board of Trustees.

Richard Layard

Professor P Layard
Trustee

8 April 2024

**ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2023**

The trustees, who are also the directors of Action for Happiness for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

ACTION FOR HAPPINESS (A COMPANY LIMITED BY GUARANTEE) INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF ACTION FOR HAPPINESS

I report to the trustees on my examination of the financial statements of Action for Happiness (the charity) for the year ended 31 December 2023.

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Jean Ellis BA FCA CTA

DSG

Castle Chambers

43 Castle Street

Liverpool

L2 9TL

Dated: 8 April 2024

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted funds 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Income and endowments from:					
Donations and legacies	3	369,904	125,542	130,500	256,042
Charitable activities	4	83,441	69,888	-	69,888
Investments	5	21,393	20,788	-	20,788
Other income	6	185	887	-	887
Total income		<u>474,923</u>	<u>217,105</u>	<u>130,500</u>	<u>347,605</u>
Charitable activities	7	<u>439,091</u>	<u>314,842</u>	<u>152,041</u>	<u>466,883</u>
Total expenditure		<u>439,091</u>	<u>314,842</u>	<u>152,041</u>	<u>466,883</u>
Net income/(expenditure) and movement in funds		35,832	(97,737)	(21,541)	(119,278)
Reconciliation of funds:					
Fund balances at 1 January 2023		<u>623,937</u>	<u>721,674</u>	<u>21,541</u>	<u>743,215</u>
Fund balances at 31 December 2023		<u><u>659,769</u></u>	<u><u>623,937</u></u>	<u><u>-</u></u>	<u><u>623,937</u></u>

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 31 DECEMBER 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Investments	12		1		1
Current assets					
Debtors	14	21,834		23,051	
Cash at bank and in hand		707,700		619,101	
		<u>729,534</u>		<u>642,152</u>	
Creditors: amounts falling due within one year	15	69,766		18,216	
Net current assets			659,768		623,936
Total assets less current liabilities			<u>659,769</u>		<u>623,937</u>
The funds of the charity					
Unrestricted funds			659,769		623,937
			<u>659,769</u>		<u>623,937</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2023.

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.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the trustees on 8 April 2024

Richard Layard

Professor P Layard
Trustee

Company registration number 10722435 (England and Wales)

ACTION FOR HAPPINESS

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

Action for Happiness is a private company limited by guarantee incorporated in England and Wales. The registered office is WeWork, 3 Waterhouse Square, 138 Holborn, London, EC1N 2SW.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: 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)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The financial statements do not incorporate the results, assets and liabilities of the charity's wholly owned subsidiary, Action for Happiness Trading Limited. Consolidated accounts have not been prepared as these would not be materially different from the single entity financial statements as presented.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.5 Expenditure

Resources expended are included in the Statement of Financial Activities on an accruals basis, once there is a legal or constructive obligation to make a payment.

Charitable activities include the cost of providing courses and hosting events, and include both direct costs and support costs relating to these activities.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Support costs include central functions and have been allocated to charitable activities.

1.6 Fixed asset investments

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Investment in subsidiaries are measured at cost.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Irrecoverable VAT

The charity is not required to register with HMRC for VAT. All resources expended are recognised gross of VAT.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Donations and gifts	319,904	-	319,904	50,542	-	50,542
Grants receivable	50,000	-	50,000	75,000	130,500	205,500
	<u>369,904</u>	<u>-</u>	<u>369,904</u>	<u>125,542</u>	<u>130,500</u>	<u>256,042</u>
Grants receivable for core activities						
The Segelman Trust	50,000	-	50,000	50,000	-	50,000
Founder's Pledge	-	-	-	-	130,500	130,500
Dreamchasing	-	-	-	25,000	-	25,000
	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>75,000</u>	<u>130,500</u>	<u>205,500</u>

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

4 Income from charitable activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Event income	57,010	63,075
Course income	25,490	4,991
Educational services	941	1,822
	<u>83,441</u>	<u>69,888</u>

5 Income from investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Income from subsidiary	15,216	19,681
Interest receivable	6,177	1,107
	<u>21,393</u>	<u>20,788</u>

The charity owns 100% of the share capital of Action for Happiness Trading Limited which is a company limited by shares held for the purpose of delivering the charitable trading activities of the charity.

6 Other income

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Other income	185	887
	<u>185</u>	<u>887</u>

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

7 Expenditure on charitable activities

	2023	2022
	£	£
Direct costs		
Staff costs	210,249	208,022
Costs of providing courses	54,360	37,532
Event costs	16,380	16,820
Educational services	293	295
Communication	50,327	44,377
Community development	28,026	47,449
	<u>359,635</u>	<u>354,495</u>
Share of support and governance costs (see note 8)		
Support	76,756	111,116
Governance	2,700	1,272
	<u>439,091</u>	<u>466,883</u>
Analysis by fund		
Unrestricted funds	439,091	314,842
Restricted funds	-	152,041
	<u>439,091</u>	<u>466,883</u>

8 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2021
	£	£	£	£	£	£
Bank fees	227	-	227	173	-	173
General expenses	(1,457)	-	(1,457)	5,870	-	5,870
Online services	57,960	-	57,960	85,012	-	85,012
Printing and stationery	2,600	-	2,600	870	-	870
Travel	341	-	341	67	-	67
Rent	16,365	-	16,365	16,162	-	16,162
Insurance	-	-	-	1,223	-	1,223
Legal and professional	720	-	720	1,739	-	1,739
Independent examination	-	2,700	2,700	-	1,272	1,272
	<u>76,756</u>	<u>2,700</u>	<u>79,456</u>	<u>111,116</u>	<u>1,272</u>	<u>112,388</u>
Analysed between						
Charitable activities	<u>76,756</u>	<u>2,700</u>	<u>79,456</u>	<u>111,116</u>	<u>1,272</u>	<u>112,388</u>

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year (2022: £nil). No trustees were reimbursed expenses during the year (2022: £nil).

10 Employees

The average monthly number of employees during the year was:

	2023	2022
	Number	Number
Administration	2	2
	<u>2</u>	<u>2</u>

In addition to the 2 employees noted above, expenditure also includes payment to 2 subcontractors (2022: 2) giving a total workforce of 4 full time equivalents (FTEs)..

Employment costs	2023	2022
	£	£
Wages and salaries	166,400	163,893
Social security costs	19,799	20,687
Other pension costs	24,050	23,442
	<u>210,249</u>	<u>208,022</u>

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023	2022
	Number	Number
£110,001 to £120,000	-	1
£120,001 to £130,000	1	-
	<u>1</u>	<u>-</u>

11 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

12 Fixed asset investments

		2023	2022
	Notes	£	£
Other investments comprise:			
Investments in subsidiaries	13	1	1

This represents the investment in the subsidiary company, Action for Happiness Limited, which is owned by the charity for the purpose of delivering charitable activities.

13 Subsidiaries

Details of the charity's subsidiaries at 31 December 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Action for Happiness Trading Limited	Wework, 3 Waterhouse Square, 138 Holborn, London, EC1N 2SW	Provision of services	Ordinary	100.00	

During the year the turnover of Action for Happiness Trading Limited was £65,246 and expenditure incurred was £50,030 resulting in a profit of £15,216. All of the profit was distributed up to the charity in the period.

14 Debtors

	2023	2022
Amounts falling due within one year:	£	£
Amounts owed by subsidiary undertakings	16,216	20,681
Other debtors	3,248	-
Prepayments and accrued income	2,370	2,370
	<u>21,834</u>	<u>23,051</u>

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

15 Creditors: amounts falling due within one year

	2023	2022
	£	£
Other taxation and social security	5,731	5,309
Other creditors	12,836	11,707
Accruals and deferred income	51,199	1,200
	<u>69,766</u>	<u>18,216</u>

16 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2023	Incoming resources	Resources expended	At 31 December 2023
	£	£	£	£
General funds	623,937	474,923	(439,091)	659,769
	<u>623,937</u>	<u>474,923</u>	<u>(439,091)</u>	<u>659,769</u>
Previous year:	At 1 January 2022	Incoming resources	Resources expended	At 31 December 2022
	£	£	£	£
General funds	721,674	217,105	(314,842)	623,937
	<u>721,674</u>	<u>217,105</u>	<u>(314,842)</u>	<u>623,937</u>

17 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	Movement in funds			Movement in funds		
	Balance at 1 January 2022	Incoming resources	Resources expended	Balance at 1 January 2023	Incoming resources	Balance at 31 December 2023
	£	£	£	£	£	£
Founders Pledge	21,541	130,500	(152,041)	-	-	-
	<u>21,541</u>	<u>130,500</u>	<u>(152,041)</u>	<u>-</u>	<u>-</u>	<u>-</u>

Founders Pledge

Development and scale-up of new resources and services to support mental wellbeing for individuals and communities in response to the Covid pandemic.

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

18 Related party transactions

Remuneration of key management personnel

	2023	2022
	£	£
Aggregate compensation	157,569	149,736
	<u> </u>	<u> </u>

The charity has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

19 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Within one year	8,017	16,034
Between two and five years	-	8,017
	<u> </u>	<u> </u>
	<u>8,017</u>	<u>24,051</u>

ACTION FOR HAPPINESS

England & Wales - Charity number 1175160

Accounts

Charity registration number 1175160

Company registration number 10722435 (England and Wales)

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms V A King	
	Professor P R G Layard	
	Sir Anthony Seldon	
	Mr G J Mulgan	
	Ms Julie Bentley	(Appointed 23 June 2022)
	Radha Modgil	(Appointed 23 June 2022)
	Michiel Nolet	(Appointed 23 June 2022)
Secretary	Mr M Williamson	
Charity number	1175160	
Company number	10722435	
Registered office	WeWork 3 Waterhouse Square 138 Holborn London EC1N 2SW	
Independent examiner	Jean Ellis BA FCA CTA DSG Castle Chambers 43 Castle Street Liverpool L2 9TL	

ACTION FOR HAPPINESS

(A COMPANY LIMITED BY GUARANTEE)

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ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees present their annual report and financial statements for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: 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)" (effective 1 January 2019).

Objectives and activities

Action for Happiness is a charity which promotes mental health and wellbeing through the provision of information, evidence-based resources, public events, educational services, training and community activities.

Our vision is a happier and kinder society, with far fewer people suffering due to mental ill health or social isolation and far more people feeling good, functioning well and helping others. We are backed by leading experts and all of our activities are grounded in the latest scientific research.

Please note: The Action for Happiness project was originally launched in 2011, based within The Young Foundation (Registered Charity 274345). In 2017 Action for Happiness was established as an independent Company Limited by Guarantee (10722435) and registered charity (1175160) and on 31 December 2017 all assets, liabilities and Intellectual Property were transferred to the new entity.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

- Completed a successful fifth full year of operation as an independent charity.
- Expanded and diversified our Board with three new Trustees bringing significant additional expertise and enhanced governance.
- Developed and signed off with Trustees a new Strategic Plan for the next 5 years.
- Finished development of our new website platform and launched this successfully, leading to significant increases in online engagement.
- Continued providing our successful action program of monthly calendars and daily action ideas, which have now been used by over 40 million people.
- Expanded our successful webinar series holding a further 21 online events during 2022, with over 95,000 people taking part.
- Launched an enhanced version of our smartphone app, including integration of our programs and local groups. The app now has a community of 200,000 registered users.
- Rolled out a new enhanced version of our "10 Days of Happiness" program with new video content. Over 100,000 people have now taken the program since launch.
- Completed development of our new "Happiness Habits" 6-week community course and then launched and evaluated an initial set of courses led by our volunteers.
- Continued to support and deliver our network of volunteer-led online groups, including peer-to-peer networking to bring together our community of volunteer leaders.
- Completed development of our new 4-module online Volunteer Training program.
- Grew our online/social media community to over 1.62 million followers and also added 83,000 more Action for Happiness members, taking the total to 360,000 people.
- Reached a total of over 9.5 million website visitors to date at www.actionforhappiness.org
- Continued to support primary schools with the 'Keys to Happier Living' Toolkit.

**ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

- Hosted the wellbeing tent with volunteers and guest speakers at Towersey festival.
- Supported on-going expansion of local Action for Happiness hubs.
- Continued to provide education, resources and training for organisations.
- Enhanced accessibility of our video content by providing more captions and subtitles.
- Took further steps to embed our policy on Diversity, Equity, Inclusion and Belonging (DEIB).
- Expanded our provision of Safeguarding support via our new Community Wellbeing and Safeguarding Manager role and an expanded volunteer community support team.
- Received public recommendation from Founders Pledge as a “highly cost-effective way of improving people’s wellbeing” following an independent review of our activities.

Financial review

The year’s activities resulted in a net deficit of £119,279 compared with a surplus of £217,082 in 2021. We had anticipated that expenditure would exceed income during the year and this was enabled by having ended the previous period with a higher than normal level of reserves.

The total amount transferred by Gift Aid from the subsidiary company Action for Happiness Trading Limited for the year amounted to £19,681. Minimal funds are retained in the subsidiary, the operating expenses of which are paid by the charity.

The principal sources of income to Action for Happiness during 2022 were:

- Grant funding
- Donations made by Action for Happiness supporters
- Income from Educational Services provided to organisations.

Reserves policy

It is the policy of the charitable company that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to at least six month’s expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charitable company’s current activities while consideration is given to ways in which additional funds may be raised. The current level of reserves was reduced during 2022 but still remains higher than usual. Reserves will continue to be put to use in 2023 and are expected to return to the normal level of around six month’s expenditure over the coming years.

Risk management

The charitable company maintains a Risk Register which is reviewed regularly by the Board. The Trustees have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

**ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Future plans

Plans for 2023 include:

- Rolling out our new Volunteer Training program to train hundreds of new volunteers.
- Scaling up delivery of our new Happiness Habits courses, led by newly trained volunteers.
- Developing new capabilities in shareable video content and social media engagement.
- Enhancing “user journeys” to maximise engagement with our existing community.
- Continuing to provide our action program of monthly calendars and daily actions.
- Continuing to engage large audiences via regular events/webinars.
- Continuing to grow and support the community of users on our smartphone app.
- Continuing to provide our online program and exploring options for new program content.
- Continuing to enhance and support our local Action for Happiness groups and local hubs.
- Continuing to grow the overall reach of the Action for Happiness community.
- Continuing to enhance and expand our provision of Safeguarding support as needed.
- Further growing our team capacity to respond to increasing demand for services.
- Raising new funds to support our future scale-up plans.

Structure, governance and management

The charitable company is a company limited by guarantee.

The trustees, four of whom are also the directors for the purpose of company law, and who served during the year were:

Ms V A King

Professor P R G Layard

Sir Anthony Seldon

Mr G J Mulgan

Ms Julie Bentley

(Appointed 23 June 2022)

Radha Modgil

(Appointed 23 June 2022)

Michiel Nolet

(Appointed 23 June 2022)

The Board of Trustees has overall responsibility for the fulfilling the charity's aims.

The recruitment and appointment of Trustees was based on ensuring an appropriate balance of expertise, skills and commitment to the mission of the charity. Three new Trustees were appointed during the year, following an extensive recruitment process. One of the original Action for Happiness co-founding Trustees also stepped down during the year. The Board of Trustees also anticipates appointing one or more additional Trustees during the years ahead to bring in additional skills and expertise as required.

Day to day management of the operation of the charity is delegated from the Board to the Chief Executive (Mark Williamson). The Board of Trustees meets at least once per quarter and the Chief Executive reports regularly to the Trustees on the operations, plans and financial position of the organisation, as appropriate.

Action for Happiness is supported by a range of contractors and volunteers to fulfil its mission. Contractors are recruited on a fixed term basis with the skills required to fulfil specific needs. All volunteers are carefully screened and supported in fulfilling their roles, for example in running courses in their local communities.

The trustees' report was approved by the Board of Trustees.

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Small company provisions

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The trustees' report was approved by the Board of Trustees.

Richard Layard

Professor P R G Layard

Trustee

Dated: 10 May 2023

**ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF ACTION FOR HAPPINESS**

I report to the trustees on my examination of the financial statements of Action for Happiness (the charity) for the year ended 31 December 2022.

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Jean Ellis BA FCA CTA
DSG

Castle Chambers
43 Castle Street
Liverpool
L2 9TL

Dated: 10 May 2023

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Notes							
<u>Income and endowments from:</u>							
Donations and grants	3	125,542	130,500	256,042	84,856	735,000	819,856
Charitable activities	4	69,888	-	69,888	108,643	-	108,643
Investments	5	20,788	-	20,788	1,272	-	1,272
Other income	6	887	-	887	770	-	770
Total income		217,105	130,500	347,605	195,541	735,000	930,541
<u>Expenditure on:</u>							
Charitable activities	7	314,842	152,041	466,883	-	713,459	713,459
Net (expenditure)/income for the year/							
Net movement in funds		(97,737)	(21,541)	(119,278)	195,541	21,541	217,082
Fund balances at 1 January 2022		721,674	21,541	743,215	526,133	-	526,133
Fund balances at 31 December 2022		623,937	-	623,937	721,674	21,541	743,215

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Investments	12		1		1
Current assets					
Debtors	14	23,051		3,999	
Cash at bank and in hand		619,101		776,493	
		<u>642,152</u>		<u>780,492</u>	
Creditors: amounts falling due within one year	15	<u>(18,216)</u>		<u>(37,278)</u>	
Net current assets			623,936		743,214
Total assets less current liabilities			<u>623,937</u>		<u>743,215</u>
Income funds					
Restricted funds	17		-		21,541
Unrestricted funds			623,937		721,674
			<u>623,937</u>		<u>743,215</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2022.

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.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 10 May 2023

Richard Layard

Professor P R G Layard
Trustee

Company registration number 10722435

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

Action for Happiness is a private company limited by guarantee incorporated in England and Wales. The registered office is WeWork, 3 Waterhouse Square, 138 Holborn, London, EC1N 2SW.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: 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)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The financial statements do not incorporate the results, assets and liabilities of the charity's wholly owned subsidiary, Action for Happiness Trading Limited. Consolidated accounts have not been prepared as these would not be materially different from the single entity financial statements as presented.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.5 Expenditure

Resources expended are included in the Statement of Financial Activities on an accruals basis, once there is a legal or constructive obligation to make a payment.

Charitable activities include the cost of providing courses and hosting events, and include both direct costs and support costs relating to these activities.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Support costs include central functions and have been allocated to charitable activities.

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies **(Continued)**

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Irrecoverable VAT

The charity is not required to register with HMRC for VAT. All resources expended are recognised gross of VAT.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and grants

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £
Donations and gifts	50,542	-	50,542	59,856	-	59,856
Grants receivable	75,000	130,500	205,500	25,000	735,000	760,000
	<u>125,542</u>	<u>130,500</u>	<u>256,042</u>	<u>84,856</u>	<u>735,000</u>	<u>819,856</u>
Grants receivable for core activities						
The Segelman Trust	50,000	-	50,000	-	-	-
Founder's Pledge	-	130,500	130,500	-	735,000	735,000
Dreamchasing	25,000	-	25,000	25,000	-	25,000
	<u>75,000</u>	<u>130,500</u>	<u>205,500</u>	<u>25,000</u>	<u>735,000</u>	<u>760,000</u>

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

4 Charitable activities

	2022	2021
	£	£
Event income	63,075	94,595
Course income	4,991	1,871
Educational services	1,822	12,177
	<u>69,888</u>	<u>108,643</u>

5 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Income from subsidiary	19,681	629
Interest receivable	1,107	643
	<u>20,788</u>	<u>1,272</u>

The charity owns 100% of the share capital of Action for Happiness Trading Limited which is a company limited by shares held for the purpose of delivering the charitable trading activities of the charity.

6 Other income

	2022	2021
	£	£
Other income	<u>887</u>	<u>770</u>

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

7 Charitable activities

	2022	2021
	£	£
Staff costs	208,022	236,966
Costs of providing courses	37,532	41,007
Event costs	16,820	37,321
Educational services	295	352
Communication	44,377	83,739
Community development	47,449	180,846
Other Operations	-	8,325
	<u>354,495</u>	<u>588,556</u>
Share of support costs (see note 8)	111,116	123,667
Share of governance costs (see note 8)	1,272	1,236
	<u>466,883</u>	<u>713,459</u>
Analysis by fund		
Unrestricted funds	314,842	-
Restricted funds	152,041	713,459
	<u>466,883</u>	<u>713,459</u>

8 Support costs

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Bank fees	173	-	173	143	-	143
General expenses	5,870	-	5,870	8,414	-	8,414
Online services	85,012	-	85,012	91,811	-	91,811
Printing and stationery	870	-	870	2,560	-	2,560
Travel	67	-	67	272	-	272
Rent	16,162	-	16,162	17,590	-	17,590
Insurance	1,223	-	1,223	1,182	-	1,182
Legal and professional	1,739	-	1,739	1,695	-	1,695
Independent examination	-	1,272	1,272	-	1,236	1,236
	<u>111,116</u>	<u>1,272</u>	<u>112,388</u>	<u>123,667</u>	<u>1,236</u>	<u>124,903</u>
Analysed between						
Charitable activities	<u>111,116</u>	<u>1,272</u>	<u>112,388</u>	<u>123,667</u>	<u>1,236</u>	<u>124,903</u>

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year (2021: £nil).

During the year, the trustees received a total of £nil (2021: £nil) in expenses from the charity.

10 Employees

The average monthly number of employees during the year was:

	2022	2021
	Number	Number
Administration	2	3
	<u> </u>	<u> </u>

In addition to the 2 employees noted above, expenditure also includes payment to 2 subcontractors (2021: 1) giving a total workforce of 4 full time equivalents (FTEs)..

Employment costs	2022	2021
	£	£
Wages and salaries	163,893	190,775
Social security costs	20,687	21,325
Other pension costs	23,442	24,866
	<u> </u>	<u> </u>
	208,022	236,966
	<u> </u>	<u> </u>

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2022	2021
	Number	Number
£110,001 to £120,000	1	1
	<u> </u>	<u> </u>

11 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

12 Fixed asset investments

			Other investments
Cost or valuation			
At 1 January 2022 & 31 December 2022			1
Carrying amount			
At 31 December 2022			1
At 31 December 2021			1
		2022	2021
Other investments comprise:	Notes	£	£
Investments in subsidiaries	13	1	1

This represents the investment in the subsidiary company, Action for Happiness Limited, which is owned by the charity for the purpose of delivering charitable activities.

13 Subsidiaries

Details of the charity's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Action for Happiness Trading Limited	Wework, 3 Waterhouse Square, 138 Holborn, London, EC1N 2SW	Provision of services	Ordinary	100.00	

During the year the turnover of Action for Happiness Trading Limited was £82,924 and expenditure incurred was £63,243 resulting in a profit of £19,681. All of the profit was distributed up to the charity in the period.

14 Debtors

	2022	2021
Amounts falling due within one year:	£	£
Amounts owed by subsidiary undertakings	20,681	1,629
Prepayments and accrued income	2,370	2,370
	<u>23,051</u>	<u>3,999</u>

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

15 Creditors: amounts falling due within one year

	2022	2021
	£	£
Other taxation and social security	5,309	6,127
Other creditors	11,707	29,951
Accruals and deferred income	1,200	1,200
	<u>18,216</u>	<u>37,278</u>

16 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021
	£	£	£	£	£
Fund balances at 31 December 2022 are represented by:					
Investments	1	-	1	1	1
Current assets/(liabilities)	623,936	-	623,936	721,673	743,214
	<u>623,937</u>	<u>-</u>	<u>623,937</u>	<u>721,674</u>	<u>743,215</u>

17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at	Movement in funds		Balance at	Movement in funds		Balance at
	1 January 2021	Incoming resources	Resources expended	1 January 2022	Incoming resources	Resources expended	31 December 2022
	£	£	£	£	£	£	£
Founders Pledge	-	735,000	(713,459)	21,541	130,500	(152,041)	-

Founders Pledge

Development and scale-up of new resources and services to support mental wellbeing for individuals and communities in response to the Covid pandemic.

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

18 Related party transactions

The charity has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

19 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	16,034	7,840
	<u> </u>	<u> </u>

Accounts

Charity Registration No. 1175160

Company Registration No. 10722435 (England and Wales)

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

ACTION FOR HAPPINESS

(A COMPANY LIMITED BY GUARANTEE)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms V A King Professor P R G Layard Sir Anthony Seldon Mr G J Mulgan
Secretary	Mr M Williamson
Charity number	1175160
Company number	10722435
Registered office	WeWork 3 Waterhouse Square 138 Holborn London EC1N 2SW
Independent examiner	Jean Ellis BA FCA CTA DSG Castle Chambers 43 Castle Street Liverpool L2 9TL

ACTION FOR HAPPINESS

(A COMPANY LIMITED BY GUARANTEE)

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ACTION FOR HAPPINESS

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees present their annual report and financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: 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)" (effective 1 January 2019).

Objectives and activities

Action for Happiness is a charity which promotes mental health and wellbeing through the provision of information, evidence-based resources, public events, educational services, training and community activities.

Our vision is a happier and kinder society, with far fewer people suffering due to mental ill health or social isolation and far more people feeling good, functioning well and helping others. We are backed by leading experts and all of our activities are grounded in the latest scientific research.

Please note: The Action for Happiness project was originally launched in 2011, based within The Young Foundation (Registered Charity 274345). In 2017 Action for Happiness was established as an independent Company Limited by Guarantee (10722435) and registered charity (1175160) and on 31 December 2017 all assets, liabilities and Intellectual Property were transferred to the new entity.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

Below is a summary of the key Action for Happiness achievements in 2021:

- Completed a successful fourth full year of operation as an independent charity.
- Scaled up our on-going response to the Covid crisis through our campaign to support community wellbeing and associated resources for use in lockdown.
- Continued our successful series of monthly themed calendars with daily action ideas, which were used by over 2 million people during the year.
- Scaled up our successful online webinar series holding 23 online events during 2021, with over 120,000 people taking part.
- Continued to support and deliver our network of volunteer-led online Action for Happiness groups. Over 110 local groups were supported with 8,000 people signing up to take part.
- Grown our "10 Days of Happiness" coaching program for challenging times. Over 80,000 people have signed up to take part, with measurable increases in participant wellbeing.
- Delivered significant growth in the Action for Happiness smartphone app and grew the community to over 170,000 registered users.
- Invested in communication and promotion reach new audiences, focusing on those in need of support for their wellbeing and mental health during the Covid pandemic.
- Increased team capacity to respond to increasing demand, including new Head of Operations.
- Grew the online/social media community to over 1.57 million followers and also added 47,000 more Action for Happiness members, taking the total to 277,000 people.
- Reached a total of over 7.7 million website visitors to date at www.actionforhappiness.org
- Completed development of a new digital platform to replace the current Action for Happiness website, due to be launched early in 2022.
- Completed development of our new, enhanced Action for Happiness course for community groups, due to be launched in 2022.
- Continued to support primary schools with the 'Keys to Happier Living' Toolkit.
- Developed and published our policy on Diversity, Equity, Inclusion and Belonging (DEIB) and took further steps to put this into practice throughout the organisation.
- Supported on-going expansion of the Action for Happiness hub in Northamptonshire.
- Continued to provide education, resources and training for organisations and schools.
- Created a new peer-to-peer network to bring together our community of volunteer leaders.

**ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Financial review

The year's activities resulted in a surplus of £217,082 compared with a surplus of £166,206 in 2020.

The total amount transferred by Gift Aid from the subsidiary company Action for Happiness Trading Limited for the year amounted to £629 (2020: £22,380). Minimal funds are retained in the subsidiary, the operating expenses of which are paid by the charity.

The principal sources of income to Action for Happiness during 2021 were:

- Grant funding
- Donations made by Action for Happiness supporters
- Income from Educational Services provided to organisations and schools

Reserves policy

It is the policy of the charitable company that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to at least six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charitable company's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year and the charity ended the year with a higher than usual level of reserves due to receiving additional grants during the year which are eligible to support on-going activity next year.

Risk management

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Future plans

Over the past two years, Action for Happiness' activities have been significantly impacted by the Covid-19 crisis. At the time of writing, the majority of face-to-face course, events, cafes and other activities continue to be delivered online. While many online activities will continue, it is also hoped that it will be possible to restart more face-to-face activities during 2022 in line with public health guidance and taking into account the preferences of volunteers and participants.

Plans for 2022 now include:

- Completing a strategic review of Action for Happiness activities and priorities
- Expanding and diversifying our Trustee Board
- Launching the new Action for Happiness website and associated online resources
- Launching new Action for Happiness course to be run by volunteers in their communities
- Recruiting a new Community Wellbeing and Safeguarding Manager
- Continuing to grow the overall reach of the Action for Happiness community
- Continuing to support local Action for Happiness groups
- Continuing to engage large audiences via regular events/webinars
- Continuing to grow team capacity to respond to increasing demand for services.
- Engaging with new potential funders to support scale-up plans

**ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Structure, governance and management

The charitable company is a company limited by guarantee.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Ms V A King

Professor P R G Layard

Sir Anthony Seldon

Mr G J Mulgan

The Board of Trustees has overall responsibility for the fulfilling the charity's aims.

The recruitment and appointment of Trustees was based on ensuring an appropriate balance of expertise, skills and commitment to the mission of the charity. The majority of appointed Trustees had either been cofounders of the original Action for Happiness or long-standing members of its Advisory Board. The Board of Trustees also anticipates appointing two or more additional Trustees during the coming year to bring in additional skills and expertise as required.

Day to day management of the operation of the charity is delegated from the Board to the Chief Executive (Mark Williamson). The Board of Trustees meets at least once per quarter and the Chief Executive reports regularly to the Trustees on the operations, plans and financial position of the organisation, as appropriate.

Action for Happiness is supported by a range of contractors and volunteers to fulfil its mission. Contractors are recruited on a fixed term basis with the skills required to fulfil specific needs. All volunteers are carefully screened and supported in fulfilling their roles, for example in running courses in their local communities.

The trustees' report was approved by the Board of Trustees.



Professor P R G Layard

Trustee

Dated: 15 March 2022

**ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF ACTION FOR HAPPINESS**

I report to the trustees on my examination of the financial statements of Action for Happiness (the charity) for the year ended 31 December 2021.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act;
or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Jean Ellis BA FCA CTA
DSG

Castle Chambers
43 Castle Street
Liverpool
L2 9TL

Dated: 15 March 2022

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Notes							
<u>Income and endowments from:</u>							
Donations and grants	3	84,856	735,000	819,856	125,801	245,000	370,801
Charitable activities	4	108,643	-	108,643	131,117	-	131,117
Investments	5	1,272	-	1,272	22,380	-	22,380
Other income	6	770	-	770	520	-	520
Total income		<u>195,541</u>	<u>735,000</u>	<u>930,541</u>	<u>279,818</u>	<u>245,000</u>	<u>524,818</u>
<u>Expenditure on:</u>							
Charitable activities	7	<u>-</u>	<u>713,459</u>	<u>713,459</u>	<u>113,612</u>	<u>245,000</u>	<u>358,612</u>
Net income for the year/ Net movement in funds		195,541	21,541	217,082	166,206	-	166,206
Fund balances at 1 January 2021		<u>526,133</u>	<u>-</u>	<u>526,133</u>	<u>359,927</u>	<u>-</u>	<u>359,927</u>
Fund balances at 31 December 2021		<u><u>721,674</u></u>	<u><u>21,541</u></u>	<u><u>743,215</u></u>	<u><u>526,133</u></u>	<u><u>-</u></u>	<u><u>526,133</u></u>

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Investments	11		1		1
Current assets					
Debtors	13	3,999		25,885	
Cash at bank and in hand		776,493		526,530	
		<u>780,492</u>		<u>552,415</u>	
Creditors: amounts falling due within one year	14	<u>(37,278)</u>		<u>(26,283)</u>	
Net current assets			743,214		526,132
Total assets less current liabilities			<u>743,215</u>		<u>526,133</u>
Income funds					
Restricted funds	15	21,541		-	
Unrestricted funds		721,674		526,133	
		<u>743,215</u>		<u>526,133</u>	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2021.

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.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 15 March 2022

Richard Layard

Professor P R G Layard
Trustee

Company Registration No. 10722435

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	19		248,691		143,344
Investing activities					
Investment income received		1,272		22,380	
		<u>1,272</u>		<u>22,380</u>	
Net cash generated from investing activities			1,272		22,380
Net cash used in financing activities			-		-
			<u>249,963</u>		<u>165,724</u>
Net increase in cash and cash equivalents			249,963		165,724
Cash and cash equivalents at beginning of year			526,530		360,806
Cash and cash equivalents at end of year			<u>776,493</u>		<u>526,530</u>

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

Action for Happiness is a private company limited by guarantee incorporated in England and Wales. The registered office is WeWork, 3 Waterhouse Square, 138 Holborn, London, EC1N 2SW.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: 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)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The trustees consider that it is appropriate to prepare the accounts on a going concern basis as the charity will be able to meet its liabilities as they fall due. In making this assessment the trustees have considered the impact of the Coronavirus which is prevalent at the time of approval of these accounts and are confident that they have adequate resources to continue to operate having taken account of current and future income streams and expenditure commitments.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.5 Expenditure

Resources expended are included in the Statement of Financial Activities on an accruals basis, once there is a legal or constructive obligation to make a payment.

Charitable activities include the cost of providing courses and hosting events, and include both direct costs and support costs relating to these activities.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Support costs include central functions and have been allocated to charitable activities.

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

ACTION FOR HAPPINESS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Irrecoverable VAT

The charity is not required to register with HMRC for VAT. All resources expended are recognised gross of VAT.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

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3 Donations and grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total Unrestricted funds 2021 £	Restricted funds 2020 £	Total 2020 £
Donations and gifts	59,856	-	59,856	65,801	65,801
Grants receivable	25,000	735,000	760,000	60,000	305,000
	<u>84,856</u>	<u>735,000</u>	<u>819,856</u>	<u>245,000</u>	<u>370,801</u>
Donations and gifts					
Supporters Circle	30,000	-	30,000	-	30,000
Other	29,856	-	29,856	-	35,801
	<u>59,856</u>	<u>-</u>	<u>59,856</u>	<u>-</u>	<u>65,801</u>
Grants receivable for core activities					
AIM Foundation	-	-	-	15,000	15,000
Founder's Pledge	-	735,000	735,000	-	245,000
David Cock Foundation	-	-	-	10,000	10,000
Dreamchasing	25,000	-	25,000	-	25,000
Small business COVID-19	-	-	-	10,000	10,000
	<u>25,000</u>	<u>735,000</u>	<u>760,000</u>	<u>245,000</u>	<u>305,000</u>

4 Charitable activities

	2021 £	2020 £
Event income	94,595	100,446
Course income	1,871	21,410
Educational services	12,177	9,261
	<u>108,643</u>	<u>131,117</u>

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5 Investments

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Income from subsidiary	629	22,380
Interest receivable	643	-
	<u>1,272</u>	<u>22,380</u>

The charity owns 100% of the share capital of Action for Happiness Trading Limited which is a company limited by shares held for the purpose of delivering the charitable trading activities of the charity.

6 Other income

	2021 £	2019 £
Other income	<u>770</u>	<u>520</u>

7 Charitable activities

	2021 £	2020 £
Staff costs	236,966	138,501
Costs of providing courses	41,007	49,114
Event costs	37,321	16,582
Educational services	352	1,218
Communication	83,739	48,409
Community development	180,846	41,094
Operations	8,325	3,525
	<u>588,556</u>	<u>298,443</u>
Share of support costs (see note 8)	123,667	58,933
Share of governance costs (see note 8)	1,236	1,236
	<u>713,459</u>	<u>358,612</u>
Analysis by fund		
Unrestricted funds	-	113,612
Restricted funds	<u>713,459</u>	<u>245,000</u>

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8 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Bank fees	143	-	143	84	-	84
General expenses	8,414	-	8,414	518	-	518
Online services	91,811	-	91,811	38,612	-	38,612
Printing and stationery	2,560	-	2,560	994	-	994
Travel	272	-	272	663	-	663
Rent	17,590	-	17,590	15,990	-	15,990
Insurance	1,182	-	1,182	1,086	-	1,086
Legal and professional	1,695	-	1,695	986	-	986
Independent examination	-	1,236	1,236	-	1,236	1,236
	<u>123,667</u>	<u>1,236</u>	<u>124,903</u>	<u>58,933</u>	<u>1,236</u>	<u>60,169</u>
Analysed between						
Charitable activities	<u>123,667</u>	<u>1,236</u>	<u>124,903</u>	<u>58,933</u>	<u>1,236</u>	<u>60,169</u>

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year (2020: £nil).

During the year, the trustees received a total of £nil (2020: £nil) in expenses from the charity.

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10 Employees

The average monthly number of employees during the year was:

	2021	2020
	Number	Number
Administration	4	2
	<u> </u>	<u> </u>

Employment costs	2021	2020
	£	£
Wages and salaries	190,775	106,000
Social security costs	21,325	13,421
Other pension costs	24,866	19,080
	<u> </u>	<u> </u>
	<u>236,966</u>	<u>138,501</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2021	2020
	Number	Number
Above £60,000	1	1
	<u> </u>	<u> </u>

11 Fixed asset investments

		2021	2020
	Notes	£	£
Other investments comprise:			
Investments in subsidiaries	12	1	1

12 Subsidiaries

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Action for Happiness Trading Limited	Wework, 3 Waterhouse Square, 138 Holborn, London, EC1N 2SW	Provision of services	Ordinary	100.00	

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13 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	-	135
Amounts owed by subsidiary undertakings	629	22,380
Other debtors	1,000	1,000
Prepayments and accrued income	2,370	2,370
	<u>3,999</u>	<u>25,885</u>

14 Creditors: amounts falling due within one year

	2021	2020
	£	£
Other taxation and social security	6,127	3,776
Other creditors	29,951	21,307
Accruals and deferred income	1,200	1,200
	<u>37,278</u>	<u>26,283</u>

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 January 2020	Incoming resources	Resources expended	Balance at 1 January 2021	Incoming resources	Resources expended	Balance at 31 December 2021
	£	£	£	£	£	£	£
Founders							
Pledge	-	245,000	(245,000)	-	735,000	(713,459)	21,541
	<u>-</u>	<u>245,000</u>	<u>(245,000)</u>	<u>-</u>	<u>735,000</u>	<u>(713,459)</u>	<u>21,541</u>

Founders Pledge

Development and scale-up of new resources and services to support mental wellbeing for individuals and communities in response to the Covid pandemic.

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16 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 December 2021 are represented by:						
Investments	1	-	1	1	-	1
Current assets/ (liabilities)	721,673	21,541	743,214	526,132	-	526,132
	<u>721,674</u>	<u>21,541</u>	<u>743,215</u>	<u>526,133</u>	<u>-</u>	<u>526,133</u>

17 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	<u>7,840</u>	<u>9,102</u>

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18 Related party transactions

The charity has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

19 Cash generated from operations	2021 £	2020 £
Surplus for the year	217,082	166,206
Adjustments for:		
Investment income recognised in statement of financial activities	(1,272)	(22,380)
Movements in working capital:		
Decrease/(increase) in debtors	21,886	(15,255)
Increase in creditors	10,995	14,773
Cash generated from operations	248,691	143,344