

Happy Science Europe

Unaudited Financial Statements

31 December 2021

Happy Science Europe

Company information

Current Directors	Mr Tsunetaka Kobayashi Mr Yoshinori Marooka Mr Tetsuya Sato Mr Shigeru Yamada
Company registration number	3932599
Charity registration number	1081158
Registered office and principal address	3 Margaret Street London W1W 8RE
Accountants and Independent examiner	Matthew Hunt Hunt Blake - Chartered Accountants Jubilee House The Oaks Ruislip HA4 7LF

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Happy Science Europe

Director's Report for the year ended 31 December 2021

The directors present their report and the financial statements for the year ended 31 December 2021. The directors are also Trustees for the purposes of Charity law and this report serves also as the report of the Trustees.

Constitution and objectives of the charity

Happy Science Europe is a company limited by guarantee not having a share capital and its governing document is the Memorandum and Articles of Association. The objects of the charity are to advance the education of the public in principles and practices of Buddhism and relieve poverty and persons in need in accordance with Buddhist principles.

Organisation and risk management

The directors meet twice a year to review activities. As the charity is evolving and the financial base is still being developed, no other specific committees have yet been established. Having regard to the principal areas of the company's operations and the major risks which may arise from them, the directors have introduced resources and review systems which, under normal conditions, should allow the risks identified to be mitigated to an acceptable level.

Directors and trustees

The following are the directors who served during the year.

Mr Kosuke Ishikawa	Resigned 28 January 2021
Mr Tsunetaka Kobayashi	
Mr Yoshinori Morooka	Appointed 22 May 2021
Mr Yasuyuki Ouchi	Resigned 28 January 2021
Ms Nobuko Porteous	Resigned 22 May 2021
Mr Tetsuya Sato	
Mr Shigeru Yamada	
Mr Machiko Yamamura	Resigned 22 May 2021

New directors are found from contacts and networks of the existing directors and are interviewed and provided with a pack of information including the accounts.

Charitable purposes and Public Benefit

The directors confirm that they believe that they have complied with the requirements of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charities Commission in determining the activities undertaken by the charity.

This report makes clear that Happy Science Europe complies with the principles set out in the Charity Commission public benefit guidance.

There is no harm or detriment being incurred by pursuit of these aims and benefits.

Beneficiaries are members of the public and include men, women and children and their communities (both faith and secular). The beneficiaries are therefore appropriate to the aims.

The opportunities for benefit are not unreasonably restricted by geographical or other restrictions or by the ability to pay any fees charged.

People in poverty and low incomes are included in the opportunity to benefit.

There are no private benefits being incurred.

Review of activities and reserves

The results of the company's activities are summarised on page four. Net incoming resources for the year amounted to £ 32,719 (2020 outgoing £ 2,505).

The directors have reviewed the reserves of the charity in line with the guidance issued by the Charity Commission. This review encompasses the nature of the income and expenditure streams. The review concluded that to allow the charity to be managed efficiently and to provide a buffer for uninterrupted services, a freely available reserve equivalent to at least to six months of operating expenditure should be maintained.

Happy Science Europe

Director's Report for the year ended 31 December 2021

In addition the directors are seeking to build up reserves to enable expenditure to be undertaken on maintaining the building of the current temple or, if appropriate, acquiring and moving to, a new site.

Activities

Significant activities during the year included:

- Continuing religious services, public lectures and meditation seminars on Buddhist teachings.
- Donation and distribution of books through the Temple.
- Organising from time to time visits of members to Japan including staying in Happy Science temples and participating in retreats and experiencing Happy Science activities and teachings.
- Holding a seminar for members to hear teachings from senior ministers from Japan.
- Continuing dissemination of the teachings and principles of Buddhism through personal contact, group sessions, online seminars, meditations and prayer services and free of charge distribution of books, CD's and booklets.
- Necessary maintenance works on the temple building have continued during the year.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that year. In preparing those financial statements, the directors are required to select suitable accounting policies and then apply them consistently, make judgements and estimates that are reasonable and prudent and prepare the financial statements on the going concern basis, unless it is inappropriate to assume that the company will continue in operation.

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

So far as each of the directors is aware, there is no relevant information that has not been disclosed to the company's accountants and each of the directors believes that all steps have been taken that ought to have been taken to make them aware of any relevant accounting information and to establish that the company's accountants have been made aware of that information.

Guarantee status

The liability of the members of the company is limited to an amount not exceeding £1 per member.

Small company rules

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

Approved by the Board of Directors and signed on its behalf.

Tetsuya Sato - Director

16 December 2022

Happy Science Europe

Accounts for the year ended 31 December 2021

Report of the Independent Examiner

Independent examiner's report to the trustees (consisting of the members of the Board of Directors) of Happy Science Europe (Registered Charity No 1081158).

I report on the accounts of the charity for the year ended 31 December 2021 which are set out on pages 4 to 9.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The trustees consider that an audit is not required under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an Independent examination is required.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act 2011;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a true and fair view and the report is limited to those matters set out below.

Independent examiner's statement

Having completed my examination I confirm that no matters have come to my attention in connection with my examination:

- (1) which give me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with the requirements of the Companies Act 2006 ("the Act"); and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 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;have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Matthew Hunt
Hunt Blake Chartered Accountants
Ruislip
HA4 7LF

20 December 2022

Happy Science Europe

Statement of Financial Activities For the year ended 31 December 2021

	Note	Unrestricted Funds	Restricted Funds	Total Funds	Total funds
		£	£	2021 £	2020 £
Incoming resources					
Donations	2	132,132	-	132,132	103,107
Interest receivable		-	-	-	4
Gift Aid tax recovered		8,468	-	8,468	-
Estimated value of books donated	11	2,541	-	2,541	3,473
Total incoming resources		£ 143,141	£ -	£ 143,141	£ 106,584
Resources expended					
Charitable activities					
Cost of books and leaflets	11	2,541	-	2,541	3,473
Support costs	3	74,219		74,219	77,385
Depreciation	6	-	23,545	23,545	23,611
		£ 76,760	£ 23,545	£ 100,305	£ 104,469
Governance costs					
Accountancy, independent examination and taxation services		4,016	-	4,016	4,620
Legal fees		6,101	-	6,101	-
		£ 10,117	£ -	£ 10,117	£ 4,620
Total resources expenses		£ 86,877	£ 23,545	£ 110,422	£ 109,089
Net incoming (outgoing) resources		56,264	(23,545)	32,719	(2,505)
Funds balances brought forward		248,022	1,883,947	2,131,969	2,134,474
Funds balances carried forward		£ 304,286	£ 1,860,402	£ 2,164,688	£ 2,131,969

The notes on pages 6 to 9 form part of these financial statements

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Balance Sheet - 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	6	£ 1,977,730	£ 2,001,275
Current assets			
Debtors	7	200	200
Cash at bank and in hand		192,987	136,612
		193,187	136,812
Accruals and deferred income		(6,229)	(6,118)
Net current assets		£ 186,958	£ 130,694
Net assets		£ 2,164,688	£ 2,131,969
Funds			
Unrestricted funds	8	304,286	248,022
Restricted funds	9	1,860,402	1,883,947
		£ 2,164,688	£ 2,131,969

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

For the financial year ended 31 December 2021 the company was entitled to exemption from audit under s.477 Companies Act 2006 and no notice has been deposited under s.476.

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

Approved by the Board of Directors and signed on its behalf.

Tetsuya Sato - Director

16 December 2022

The notes on pages 6 to 9 form part of these financial statements

Registered Company No. 3932599 (England and Wales)

Happy Science Europe

Notes to the financial statements for the year ended 31 December 2021

1 Accounting policies

1.1 Basis of preparation of financial statements

The financial statements are prepared in accordance with the requirements of the Companies Act 2006, the Statement of Recommended Practice for charities (SORP FRS102) and applicable accounting standards.

The functional currency of the company, and the currency in which the accounts are prepared is pounds sterling.

1.2 Income and expenditure

Donations are accounted for when received. Expenditure is accounted for in the period to which it relates.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on the straight line basis at the following annual rates which are calculated to write off the tangible fixed assets, less their estimated residual value, over their expected useful lives.

Freehold land	Nil
Freehold buildings	2%
Plant and equipment	20% & 25%

At each balance sheet date the directors review the carrying amount of the tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss, i.e. where their current recoverable amount is significantly lower than their book value. If any such indication exists the recoverable amount is used to determine the impairment loss. No tangible fixed assets are currently considered to be so impaired.

1.4 Stock and distribution values of books and publications

The directors consider that materially all the books and publications which they generally hold for free distribution, are held on behalf of the Happy Science in Japan which donates them. A notional cost and corresponding notional income is accounted for when the publications are distributed. Consequentially no value is ascribed to the books held by the charity.

1.5 Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in the Statement of Financial Activities.

2 Donations

	2021 £	2020 £
Donations are received both from UK and abroad.	£ 132,132	£ 103,107

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Notes to the financial statements for the year ended 31 December 2021

3 Support costs

	2021 £	2020 £
Local property taxes net of refunds	(884)	-
Local payroll taxes related to ministers	18,203	510
Utilities	3,267	3,800
Travel and accommodation	6,149	6,128
Communications	8,279	4,837
Printing, postage, stationery and office expenses	16,685	16,249
Repairs and maintenance	14,328	22,538
Bank charges net of overcharges recovered	(1,929)	411
Insurance	1,477	1,382
Consultancy services	-	5,311
Promotional activities	1,662	15,389
Foreign exchange costs	1,926	-
Miscellaneous	5,056	830
	<u>£ 74,219</u>	<u>£ 77,385</u>

The directors consider that materially all support costs are attributable to the principal charitable activities of the company.

4 Operating result

	2021 £	2020 £
The result is stated after charging the following:		
Depreciation of tangible fixed assets	<u>£ 23,545</u>	<u>£ 23,611</u>

5 Staff costs

There are no staff with remuneration above £60,000.

Happy Science Europe

Notes to the financial statements for the year ended 31 December 2021

6 Tangible fixed assets

	Freehold land and buildings	Furniture, fixtures, and computer equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2021	2,315,177	12,496	10,972	2,338,645
At 31 December 2021	£ 2,315,177	£ 12,496	£ 10,972	£ 2,338,645
Depreciation				
At 1 January 2021	313,902	12,496	10,972	337,370
Charge for the year	23,545	-	-	23,545
At 31 December 2021	£ 337,447	£ 12,496	£ 10,972	£ 360,915
Net book value				
At 31 December 2021	£ 1,977,730	£ -	£ -	£ 1,977,730
At 1 January 2021	£ 2,001,275	£ -	£ -	£ 2,001,275

7 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Corporation tax recoverable	£ 200	£ 200

8 Unrestricted funds

The unrestricted funds comprise £ 304,286 (2020: £ 248,022) being funds available to apply towards achieving the aims and objectives of the charity.

9 Restricted funds

The restricted funds comprise £ 1,860,402 (2020: £ 1,883,947) being funds provided by Happy Science Japan used to purchase land and buildings in London for use as a temple, less accumulated depreciation to date.

10 Related parties

The directors consider that Happy Science Japan is a related party by virtue of all the charity's directors being directly connected to Happy Science Japan, which also provides support and services and pastoral direction.

Happy Science Europe

Notes to the financial statements for the year ended 31 December 2021

11 Services and supplies donated

The directors estimate that during the year the cost value of books and publications distributed free of charge by Happy Science Europe and which were supplied, also free of charge, by Happy Science Japan, amounted to £2,541 (2020 £3,473)

During the year the charity benefitted from the services of three full time ministers. The charity paid the applicable UK taxes as included in note 3 - Support costs. The balance of salary due to the ministers was paid directly by Happy Sciences Japan and amounted to £104,573 (2020 £15,325)

During the year the charity benefitted from the freely provided service of about 10 volunteers. Two provided assistance in accounting, administration and similar matters. The others provided operational assistance in the day to day running of the temple and the temple building.

12 General information

The company is a private company limited by guarantee with its registered office at its principal place of business at 3 Margaret Street, London W1W 8RE.