
THE HENLEY FESTIVAL TRUST
(A charitable incorporated organisation)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

THE HENLEY FESTIVAL TRUST
(A charitable incorporated organisation)

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THE HENLEY FESTIVAL TRUST
(A charitable incorporated organisation)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 OCTOBER 2020**

Trustees

Lord S Carter
A Mallin
M Head
M Smith
M Homer
S Laing
J Hobbs
Lord Leigh of Hurley (appointed 11 September 2020)

Company registered number

CEO10828

Charity registered number

1174338

Registered office

Leander Club, Henley-On-Thames, Oxfordshire, RG9 2LP

Chief executive officer

J Bausor

Independent auditors

Donald Reid Limited, Prince Albert House, 20 King Street, Maidenhead, Berkshire, SL6 1DT

Bankers

Lloyds Bank plc, 1 Reading Road, Henley-on-Thames, RG9 1AE

Solicitors

The Head Partnership, 2 Duke Street, Henley-on-Thames, RG9 1UP

THE HENLEY FESTIVAL TRUST
(A charitable incorporated organisation)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2020

The Trustees present their annual report together with the audited financial statements of the group and the charity for the year 1 November 2019 to 31 October 2020. The Trustees confirm that the Annual Report and financial statements of the group comply with the current statutory requirements, the requirements of the group's governing documents and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) published in October 2019.

Structure, governance and management

The Henley Festival Trust is a Charitable Incorporated Organisation through which all charitable activities are run. Non charitable activities, including food, beverage, merchandise and corporate hospitality sales, are run through a wholly-owned subsidiary company, Henley Festival Limited.

The charity is managed by a Board of Trustees which meets regularly. There must be at least five Trustees, of which two must also serve as Directors of Henley Festival Limited, up to a maximum of nine Trustees.

A Chief Executive Officer is appointed by the Trustees to manage the day to day operations of the charity and a qualified accountant is appointed as Finance Director. The charity liaises regularly with its lawyers, accountants and professional advisers.

The Trustees have assessed the major risks to which the charity is exposed, in particular those relating to the operations and finances of the charity, and especially in light of the impact of COVID-19 on the previous and coming year. The Trustees are satisfied that adequate systems are in place to safeguard the assets. Cashflow forecasts are prepared and reviewed on a regular basis to ensure that liabilities can be met as they fall due and to provide assurance that the limited company and charity are operating as going concerns.

Objectives and aims

The purpose of the charity is the advancement of the arts which includes musical, visual, literary, dramatic or any other arts, and the promotion and widening of public appreciation and interest in the arts in Henley-on-Thames and the surrounding area and other such places as the Trustees may from time to time determine for the benefit of the public.

The organisation carries out its purpose in two main ways:

- 1) through the provision of the annual Henley Festival; and
- 2) by providing grants to local and national organisations that widen access and participation in the arts and in particular, to provide opportunities that improve the diversity of those involved in the arts.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Trust should undertake and in respect of public benefit.

Achievements and performance

The Henley Festival did not take place in 2020 due to COVID-19 restrictions, and the event was postponed to 2021. Efforts were made to generate alternative sources of income, including a digital festival, a socially-distanced event, online silent auctions and appeals for donations; government support was utilised and cost reduction measures were implemented. The charity's income was materially reduced and therefore the charity was unable to make any grants this year..

THE HENLEY FESTIVAL TRUST
(A charitable incorporated organisation)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 OCTOBER 2020

Financial review

Following the postponement of the Festival due to COVID-19 restrictions, the charity recorded a loss before taxation of £134,237 (2019: £12,005 profit).

The Trustees are committed to maintaining sufficient reserves to ensure that the charity can continue to promote its aims within the local community and to support emerging talent more widely. In the exceptional circumstances this year, the Trustees have approved the use of reserves to fund the deficit for the year.

After deduction of the above loss, unrestricted funds as at 31 October 2020 stood at £103,012. The Trustees have developed plans to generate and retain profits in future years, so that reserves can be rebuilt. The Trustees have set a target to maintain unrestricted funds between £250,000 - £400,000.

Fundraising activities

The charity benefits from the generous support of the Patrons' Club. The Trustees are particularly grateful for the generous support of Patrons and supporters during this challenging period. Funds are also raised through the Friend's membership scheme which offers various levels of support, each attracting a range of benefits. In a normal year, funds are also generated from corporate sponsorship, corporate members and donors.

The charity has a targeted approach to fundraising, with the CEO, supported by a specialist fundraising team. The charity's fundraising activities conform to all recognised standards and any complaints are dealt with by the CEO. There were no complaints received by the charity with regard to its fundraising activities during the year.

Plans for future periods

The plan for the current year is to ensure the financial security of the charity and hold the Henley Festival that was postponed from 2020, subject to the government guidelines and restrictions in place over the coming months. In December 2020 a fundraising appeal was launched with a target to raise £250,000 and the Trustees are extremely grateful that this target was achieved by February 2021. The charity continues to make use of available government support including the Job Retention Scheme and Deferred VAT Payment Scheme, and an application was successfully submitted for a grant from the Culture Recovery Fund.

The aim for this and future years is to continue to:

- develop Henley Festival as a credible and nationally recognised arts organisation which delights our audiences, partners, sponsors, Patrons and Friends;
- innovate and invest in order to offer a dynamic arts experience of the highest quality for our audiences, sponsors and corporate guests;
- transform people's lives by making a significant contribution to the cultural and economic life of Henley-on-Thames and the surrounding area;
- confirm the support of emerging talent as central to the Festival's charitable purpose. Ensure continuing help can be given to aspiring musicians, performers and visual artists both financially and also by the provision of a platform on which to perform or exhibit;
- ensure that the Festival continues to thrive through challenging economic times by the continued development and diversification of income sources, prudent budgeting and long term planning, effective cost control and environmental sustainability; and
- drive the Festival to become ever more professionally structured, with effective leadership and management, and building the confidence of our audiences and stakeholders.

THE HENLEY FESTIVAL TRUST
(A charitable incorporated organisation)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 OCTOBER 2020

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

This report was approved by the Trustees on 18 June 2021 and signed on their behalf by:



Lord Carter of Barnes
Trustee

THE HENLEY FESTIVAL TRUST
(A charitable incorporated organisation)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HENLEY FESTIVAL TRUST

Opinion

We have audited the financial statements of The Henley Festival Trust (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 October 2020 set out on pages 8 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 October 2020 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

THE HENLEY FESTIVAL TRUST
(A charitable incorporated organisation)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HENLEY FESTIVAL TRUST

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- the parent charity has not kept sufficient accounting records; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

THE HENLEY FESTIVAL TRUST
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HENLEY FESTIVAL TRUST



Daniel Reid FCA (Senior statutory auditor)
for and on behalf of
Donald Reid Limited

Chartered Accountants
Statutory Auditors

Prince Albert House
20 King Street
Maidenhead
Berkshire
SL6 1DT
19 July 2021

THE HENLEY FESTIVAL TRUST
(A charitable incorporated organisation)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND
EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2020**

		Unrestricted funds	Total funds	Total funds <i>As Restated</i>
	Note	2020 £	2020 £	2019 £
Income from:				
Charitable activities:	2			
Ticket sales		79,105	79,105	1,648,062
Sponsorship fees		8,750	8,750	275,300
Donations and membership fees		353,732	353,732	329,585
Concessions		11,014	11,014	26,788
Other trading activities	3	-	-	240,147
Investments	4	220	220	575
Total income		452,821	452,821	2,520,457
Expenditure on:				
Charitable activities:				
Artist costs		-	-	622,111
Event costs		37,916	37,916	1,158,187
Sponsor and fundraising support costs		1,050	1,050	39,937
Marketing costs		52,986	52,986	104,784
Donations payable		-	-	20,469
Other direct costs		65,018	65,018	97,056
Support costs		430,088	430,088	465,908
Total expenditure	7	587,058	587,058	2,508,452
Net expenditure before taxation		(134,237)	(134,237)	12,005
Taxation		6,385	6,385	(24,948)
Net expenditure before other recognised gains and losses		(127,852)	(127,852)	(12,943)
Net movement in funds		(127,852)	(127,852)	(12,943)
Reconciliation of funds:				
Total funds brought forward		230,864	230,864	243,807
Total funds carried forward		103,012	103,012	230,864

The notes on pages 12 to 25 form part of these financial statements.

THE HENLEY FESTIVAL TRUST
(A charitable incorporated organisation)
REGISTERED NUMBER: CEO10828

CONSOLIDATED BALANCE SHEET
AS AT 31 OCTOBER 2020

	Note	£	2020 £	£	2019 £
Fixed assets					
Tangible assets	11		8,587		5,865
Current assets					
Stocks	13	8,067		16,135	
Debtors	14	578,996		422,359	
Cash at bank and in hand		1,034,069		9,433	
		<u>1,621,132</u>		<u>447,927</u>	
Creditors: amounts falling due within one year	15	<u>(1,526,707)</u>		<u>(222,928)</u>	
Net current assets			94,425		224,999
Net assets			<u>103,012</u>		<u>230,864</u>
Charity Funds					
Unrestricted funds	17		<u>103,012</u>		<u>230,864</u>
Total funds			<u>103,012</u>		<u>230,864</u>

The charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The Trustees consider that the charity is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the charity to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 151 of the Charities Act 2011.

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

The financial statements were approved and authorised for issue by the Trustees on 18 June 2021 and signed on their behalf, by:



Lord S Carter

The notes on pages 12 to 25 form part of these financial statements.

THE HENLEY FESTIVAL TRUST
(A charitable incorporated organisation)
REGISTERED NUMBER: CEO10828

CHARITY BALANCE SHEET
AS AT 31 OCTOBER 2020

	Note	£	2020 £	£	2019 £
Fixed assets					
Tangible assets	11		8,587		5,865
Investments	12		10		10
			<u>8,597</u>		<u>5,875</u>
Current assets					
Debtors: amounts falling due after more than one year	14	915,380		915,380	
Debtors: amounts falling due within one year	14	1,293,660		337,903	
Cash at bank and in hand		290,158		8,156	
		<u>2,499,198</u>		<u>1,261,439</u>	
Creditors: amounts falling due within one year	15	<u>(1,520,649)</u>		<u>(167,043)</u>	
Net current assets			<u>978,549</u>		<u>1,094,396</u>
Net assets			<u>987,146</u>		<u>1,100,271</u>
Charity Funds					
Unrestricted funds			<u>987,146</u>		<u>1,100,271</u>
Total funds			<u>987,146</u>		<u>1,100,271</u>

The charity's financial statements have been prepared in accordance with the provisions applicable to small entities within the Charities Act 2011, and in accordance with the provisions of FRS 102 Section 1A - small entities.

The Trustees consider that the charity is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the charity to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 151 of the Charities Act 2011.

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

The financial statements were approved and authorised for issue by the Trustees on 18 June 2021 and signed on their behalf, by:



Lord S Carter

The notes on pages 12 to 25 form part of these financial statements.

THE HENLEY FESTIVAL TRUST
(A charitable incorporated organisation)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	<u>1,030,283</u>	<u>(174,107)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		158	575
Purchase of tangible fixed assets		<u>(5,805)</u>	<u>(1,517)</u>
Net cash used in investing activities		<u>(5,647)</u>	<u>(942)</u>
Change in cash and cash equivalents in the year		1,024,636	(175,049)
Cash and cash equivalents brought forward		<u>9,433</u>	<u>184,482</u>
Cash and cash equivalents carried forward	20	<u><u>1,034,069</u></u>	<u><u>9,433</u></u>

The notes on pages 12 to 25 form part of these financial statements.

THE HENLEY FESTIVAL TRUST
(A charitable incorporated organisation)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Accounting Practice.

The Henley Festival Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the charity alone as permitted by section 408 of the Companies Act 2006.

1.2 Charity status

The charity is a charitable incorporated organisation. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the members of the charitable incorporated organisation have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

1.3 Going concern

COVID-19 has severely impacted the company as the Henley Festival did not take place in 2020 and therefore income was significantly reduced. The charity has prepared forecasts for various scenarios over the next two years and the Trustees believe that with the ongoing support of its Patrons and careful financial management, the charity will have sufficient reserves to continue to operate for the foreseeable future and that it is therefore appropriate to prepare the financial statements on a going concern basis.

1.4 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income from charitable activities is recognised at the fair value of the consideration received or receivable for tickets, parking, mooring and souvenir programme sales, together with sponsorship fees and concessions receivable and is shown net of VAT and sales taxes.

Income tax receivable in relation to donations received under Gift Aid is recognised at the time of donation.

THE HENLEY FESTIVAL TRUST
(A charitable incorporated organisation)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

1. Accounting Policies (continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred in support of expenditure on the objects of the charity and include the management and administration of the charity's activities.

1.6 Basis of consolidation

The financial statements consolidate the accounts of The Henley Festival Trust and all of its subsidiary undertakings ('subsidiaries').

The charity has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and expenditure account.

1.7 Tangible fixed assets and depreciation

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant and machinery	-	25% and 33% on reducing balance
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1.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

THE HENLEY FESTIVAL TRUST
(A charitable incorporated organisation)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

1. Accounting Policies (continued)

1.9 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

1.10 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.11 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs.

1.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.13 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.14 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.15 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

THE HENLEY FESTIVAL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

1. Accounting Policies (continued)

1.16 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

1.17 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund and to personal pension plans in respect of the year.

1.18 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

1.19 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

The recognition of deferred tax assets is based upon whether it is more likely than not sufficient taxable profits will be available in the future. Recognition therefore involves judgement regarding the future financial performance of the particular legal entity in which the deferred tax asset has been recognised.

THE HENLEY FESTIVAL TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

2. Income from charitable activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Incoming resources	452,601	452,601	2,279,735
	<u> </u>	<u> </u>	<u> </u>
<i>Total 2019</i>	<u>2,279,735</u>	<u>2,279,735</u>	

The comparatives have been reanalysed on the face of the Consolidated Statement of Financial Activities in order to include £46,786 of income within donations rather than ticket sales in the prior period. The adjustment is a reanalysis within income only and does not have any effect on total reported income. The Trustees believe that this adjustment better enables the accounts to show a true and fair view.

3. Income from trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Catering and other trading income	-	-	240,147
	<u> </u>	<u> </u>	<u> </u>
	-	-	240,147
	<u> </u>	<u> </u>	<u> </u>
Net income from trading activities	-	-	240,147
	<u> </u>	<u> </u>	<u> </u>

4. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	220	220	575
	<u> </u>	<u> </u>	<u> </u>
<i>Total 2019</i>	<u>575</u>	<u>575</u>	

THE HENLEY FESTIVAL TRUST
(A charitable incorporated organisation)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

5. Direct costs

	Charity £	Total 2020 £	Total 2019 £
Artistic costs	-	-	622,111
Event costs	37,916	37,916	1,158,187
Sponsor and fundraising support costs	1,050	1,050	39,934
Marketing costs	52,986	52,986	104,784
Donations	-	-	20,469
Reusable glassware	8,068	8,068	26,367
Freelance staff	66,501	66,501	70,692
	<u>166,521</u>	<u>166,521</u>	<u>2,042,544</u>
<i>Total 2019</i>	<u>2,042,544</u>	<u>2,042,544</u>	

6. Support costs

	Activities £	Total 2020 £	Total 2019 £
Office costs	87,272	87,272	109,480
Professional costs	34,013	34,013	34,404
Wages and salaries	249,211	249,211	271,447
National insurance	24,992	24,992	24,646
Pension cost	21,966	21,966	23,645
Depreciation	3,083	3,083	2,286
	<u>420,537</u>	<u>420,537</u>	<u>465,908</u>
<i>Total 2019</i>	<u>465,908</u>	<u>465,908</u>	

7. Analysis of Expenditure by expenditure type

	Staff costs 2020 £	Depreciation 2020 £	Other costs 2020 £	Total 2020 £	Total As Restated 2019 £
Charity	<u>296,169</u>	<u>3,083</u>	<u>287,806</u>	<u>587,058</u>	<u>2,508,452</u>
<i>Total 2019</i>	<u>319,738</u>	<u>2,286</u>	<u>2,186,428</u>	<u>2,508,452</u>	

THE HENLEY FESTIVAL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

8. Net income/(expenditure)

This is stated after charging:

	2020	2019
	£	£
Depreciation of tangible fixed assets:		
- owned by the charitable group	3,083	2,286
Auditors' remuneration - audit	9,000	9,000

During the year, no Trustees received any remuneration (2019 - £NIL).

During the year, no Trustees received any benefits in kind (2019 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2019 - £NIL).

9. Auditors' remuneration

The Auditor's remuneration amounts to an Audit fee of £9,000.

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Staff costs

Staff costs were as follows:

	2020	2019
	£	£
Wages and salaries	249,211	271,447
Social security costs	24,992	24,646
Other pension costs	21,966	23,645
	296,169	319,738

The average number of persons employed by the group during the year was as follows:

2020	2019
No.	No.
7	9

During the year, one employee and member of key management personnel received remuneration over £60,000.

During the year, key management personnel received remuneration of £148,234.

11. Tangible fixed assets

Group	Plant and machinery
Cost	£
At 1 November 2019	10,607
Additions	5,805
At 31 October 2020	16,412
Depreciation	
At 1 November 2019	4,742
Charge for the year	3,083
At 31 October 2020	7,825
Net book value	
At 31 October 2020	8,587
At 31 October 2019	5,865

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**NOTES TO THE FINANCIAL STATEMENTS
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Charity	Plant and machinery £
Cost	
At 1 November 2019	10,607
Additions	5,805
At 31 October 2020	<u>16,412</u>
Depreciation	
At 1 November 2019	4,742
Charge for the year	3,083
At 31 October 2020	<u>7,825</u>
Net book value	
At 31 October 2020	<u>8,587</u>
At 31 October 2019	<u>5,865</u>

12. Fixed asset investments

Charity	Shares in group undertakings £
At 1 November 2019 and 31 October 2020	<u>10</u>
Charity investments comprise:	
	2020 2019 £ £
Investments in subsidiaries	<u>10</u> <u>10</u>

The only subsidiary of The Henley Festival Trust is Henley Festival Limited (company number 02284295). The Henley Festival Trust owns 100% of the share capital of Henley Festival Limited.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

13. Stocks

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Finished goods and goods for resale	8,067	16,135	-	-

14. Debtors

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Due after more than one year				
Amounts owed by group undertakings	-	-	915,380	915,380
	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Due within one year				
Trade debtors	142,270	292,982	13,252	9,420
Amounts owed by group undertakings	-	-	897,702	273,884
Other debtors	72,143	34,685	54,677	34,685
Prepayments and accrued income	338,029	74,523	328,029	19,914
Deferred tax asset (see note 16)	26,554	20,169	-	-
	578,996	422,359	1,293,660	337,903

An amount of £700,000 was received from Henley Festival Limited in November 2020 in respect of the amount owed by group undertakings.

15. Creditors: Amounts falling due within one year

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	240,645	74,467	240,545	69,397
Other taxation and social security	230,605	4,656	230,605	4,645
Other creditors	8,057	52,570	8,057	4,766
Accruals and deferred income	1,047,400	91,235	1,041,442	88,235
	1,526,707	222,928	1,520,649	167,043

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

16. Deferred taxation

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
At beginning of year/period	20,169	45,117	-	-
Released during/(charge for) the year (P&L)	6,385	(24,948)	-	-
At end of year/period	26,554	20,169	-	-

The deferred taxation balance is made up as follows:

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Tax losses carried forward	26,554	20,169	-	-

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

17. Statement of funds

Statement of funds - current year

	Balance at 1 November 2019 £	Income £	Expenditure £	Balance at 31 October 2020 £
Unrestricted funds				
General Funds	230,864	452,821	(580,673)	103,012

Statement of funds - prior year

	Balance at 1 November 2018 £	Income £	Expenditure £	Balance at 31 October 2019 £
General Funds	243,807	2,520,457	(2,533,400)	230,864
Total of funds	243,807	2,520,457	(2,533,400)	230,864

Summary of funds - current year

	Balance at 1 November 2019 £	Income £	Expenditure £	Balance at 31 October 2020 £
General funds	230,864	452,821	(580,673)	103,012

Summary of funds - prior year

	Balance at 1 November 2018 £	Income £	Expenditure £	Balance at 31 October 2019 £
General funds	243,807	2,520,457	(2,533,400)	230,864

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	8,587	8,587
Current assets	1,594,578	1,594,578
Creditors due within one year	(1,526,707)	(1,526,707)
Provisions for liabilities and charges	26,554	26,554
	<u>103,012</u>	<u>103,012</u>

Analysis of net assets between funds - prior year

	Unrestricted funds As Restated 2019 £	Total funds As Restated 2019 £
Tangible fixed assets	5,865	5,865
Current assets	427,758	427,758
Creditors due within one year	(222,928)	(222,928)
Provisions for liabilities and charges	20,169	20,169
	<u>230,864</u>	<u>230,864</u>

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	Group 2019 £
Net expenditure for the year (as per Statement of Financial Activities)	(127,852)	(12,943)
Adjustment for:		
Depreciation charges	3,083	2,286
Dividends, interest and rents from investments	(158)	(575)
Decrease/(increase) in stocks	8,068	(16,135)
Increase in debtors	(150,252)	(133,454)
Increase/(decrease) in creditors	1,303,779	(38,234)
Taxation	(6,385)	24,948
Net cash provided by/(used in) operating activities	<u>1,030,283</u>	<u>(174,107)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

20. Analysis of cash and cash equivalents

	2020	Group
	£	2019
		£
Cash in hand	1,034,069	9,433
Total	1,034,069	9,433

21. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and to personal pension plans and amounted to £21,966 (2019: £23,643).

Contributions totalling £1,882 (2019: £3,266) were payable to the fund at the balance sheet date and are included in creditors.

22. Related party transactions

At the period end, within the individual entity balance sheet, there is an amount of £897,702 (2019 - £273,884) included in amount owed by group undertakings due within one year, which is owed by Henley Festival Limited to the charity; an amount of £700,000 was received from Henley Festival Limited in November 2020 in respect of this balance. There is also an amount of £915,380 (2019 - £915,380) included in amounts owed by group undertakings due in more than one year which is owed from Henley Festival Limited to the charity.

During the year the charity made ticket sales of £9,973 to trustees and received patron fees and donations totalling £17,000 from the Trustees. During the year legal fees of £22,500 were paid to a legal firm for which one of the Trustees acts as a consultant. All transactions with the trustees were conducted on an arms length basis.