
THE HENLEY FESTIVAL TRUST
(A charitable incorporated organisation)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

THE HENLEY FESTIVAL TRUST
(A charitable incorporated organisation)

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THE HENLEY FESTIVAL TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 OCTOBER 2021**

Trustees

Lord S Carter
A Mallin
M Head
M Smith
M Homer
S Laing
J Hobbs
Lord Leigh of Hurley

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
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2021

The Trustees present their annual report together with the audited financial statements of the group and the charity for the year 1 November 2020 to 31 October 2021. 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. 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 supporting emerging talent, both on the stage and behind the scenes, and working with local and national organisations that widen access and participation in the arts and 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

Following the postponement of the Festival in 2020 due to COVID-19 restrictions, the event went ahead successfully in September 2021.

Financial review

The charity recorded a net income before taxation of £132,806 (2020: £134,237 loss).

Following a reduction in reserves in the previous year due to the deficit resulting from the impact of COVID-19,

THE HENLEY FESTIVAL TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 OCTOBER 2021

reserves have increased to pre-pandemic levels and now stand at £235,379.

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, and 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 over the previous two years. Funds are also raised through the Friend's membership scheme which offers various levels of support, each attracting a range of benefits, and 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

2022 is the 40th anniversary of the Henley Festival. 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;
- develop and nurture the next generation of creative talent through the new charitable initiative, RISE, launched in the 40th anniversary year to support emerging talent both on the stage and behind the scenes;
- 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 OCTOBER 2021

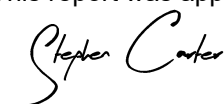
Disclosure of information to auditors

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

1 July 2022 and signed on their behalf by:



Lord Carter of Barnes
Trustee

THE HENLEY FESTIVAL TRUST
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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 2021 set out on pages 9 to 30. 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 2021 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.

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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.

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual results that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings;
- assessing any management override of controls by testing journal entries and other adjustments and reviewing accounting estimates for indications of potential bias;
- evaluating any transactions that are unusual or outside the normal course of business; and maintaining alert to any fraud risks throughout the audit

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
1 July 2022

THE HENLEY FESTIVAL TRUST
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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND
EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2021**

		Unrestricted funds 2021 £	Restricted funds 2021 £	Designated funds 2021 £	Total funds 2021 £	<i>As restated Total funds 2020 £</i>
	Note					
Income and endowments from:						
Donations and legacies	2	90,771	161,073	75,000	326,844	60,711
Charitable activities	3	2,340,177	-	-	2,340,177	391,890
Other trading activities	4	290,657	-	-	290,657	-
Investments	5	70	-	-	70	220
Total income and endowments		2,721,675	161,073	75,000	2,957,748	452,821
Expenditure on:						
Other trading activities	4	184,798	-	-	184,798	21,270
Charitable activities		2,479,071	161,073	-	2,640,144	565,788
Total expenditure	8	2,663,869	161,073	-	2,824,942	587,058
Net income / (expenditure) before taxation		57,806	-	75,000	132,806	(134,237)
Taxation		(439)	-	-	(439)	6,385
Net income / (expenditure) before other recognised gains and losses		57,367	-	75,000	132,367	(127,852)
Net movement in funds		57,367	-	75,000	132,367	(127,852)
Reconciliation of funds:						
Total funds brought forward		103,012	-	-	103,012	230,864
Total funds carried forward		160,379	-	75,000	235,379	103,012

The notes on pages 14 to 30 form part of these financial statements.

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

CONSOLIDATED BALANCE SHEET
AS AT 31 OCTOBER 2021

	Note	£	2021 £	£	2020 £
Fixed assets					
Tangible assets	12		6,330		8,587
Current assets					
Stocks	14	-		8,067	
Debtors	15	435,840		578,996	
Cash at bank and in hand		396,435		1,034,069	
		<u>832,275</u>		<u>1,621,132</u>	
Creditors: amounts falling due within one year	16	(560,726)		(1,526,707)	
Net current assets			<u>271,549</u>		<u>94,425</u>
Total assets less current liabilities			<u>277,879</u>		<u>103,012</u>
Creditors: amounts falling due after more than one year	17		(42,500)		-
Net assets			<u>235,379</u>		<u>103,012</u>
Charity Funds					
Designated funds	19		75,000		-
Unrestricted funds	19		160,379		103,012
Total funds			<u>235,379</u>		<u>103,012</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 1 July 2022 and signed on their behalf, by:



Lord S Carter

The notes on pages 14 to 30 form part of these financial statements.

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

CHARITY BALANCE SHEET
AS AT 31 OCTOBER 2021

	Note	£	2021 £	£	2020 £
Fixed assets					
Tangible assets	12		6,330		8,587
Investments	13		10		10
			6,340		8,597
Current assets					
Debtors: amounts falling due after more than one year	15	915,380		915,380	
Debtors: amounts falling due within one year	15	398,816		1,293,660	
Cash at bank and in hand		383,990		290,158	
		1,698,186		2,499,198	
Creditors: amounts falling due within one year	16	(544,382)		(1,520,649)	
Net current assets			1,153,804		978,549
Total assets less current liabilities			1,160,144		987,146
Creditors: amounts falling due after more than one year	17		(42,500)		-
Net assets			1,117,644		987,146
Charity Funds					
Designated funds			75,000		-
Unrestricted funds			1,042,644		987,146
Total funds			1,117,644		987,146

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 HENLEY FESTIVAL TRUST
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CHARITY BALANCE SHEET (continued)
AS AT 31 OCTOBER 2021

The financial statements were approved and authorised for issue by the Trustees on 1 July 2022 and signed on their behalf, by:

The notes on pages 14 to 30 form part of these financial statements.

THE HENLEY FESTIVAL TRUST
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	(637,704)	1,030,283
Cash flows from investing activities:			
Dividends, interest and rents from investments		70	158
Purchase of tangible fixed assets		-	(5,805)
Net cash provided by/(used in) investing activities		70	(5,647)
Change in cash and cash equivalents in the year		(637,634)	1,024,636
Cash and cash equivalents brought forward		1,034,069	9,433
Cash and cash equivalents carried forward	22	396,435	1,034,069

The notes on pages 14 to 30 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 2021

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

The Henley Festival did not take place in 2020 due to COVID-19 restrictions but was held successfully in September 2021 and in the coming year will revert to its usual time in July 2022. 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
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

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.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. 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.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the charity's operations, including support costs and costs relating to the governance of the charity apportioned to charitable 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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THE HENLEY FESTIVAL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

1. Accounting Policies (continued)

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.

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.

THE HENLEY FESTIVAL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

1. Accounting Policies (continued)

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.

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.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

THE HENLEY FESTIVAL TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

1. Accounting Policies (continued)

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.

2. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Designated funds 2021 £	Total funds 2021 £	<i>As restated Total funds 2020 £</i>
Donations and legacies	58,294	-	-	58,294	27,616
Grants	-	161,073	75,000	236,073	-
Government grants	32,477	-	-	32,477	33,095
 Total donations and legacies	 90,771	 161,073	 75,000	 326,844	 60,711
 <i>Total 2020</i>	 60,711	 -	 -	 60,711	

THE HENLEY FESTIVAL TRUST
(A charitable incorporated organisation)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

3. Income from charitable activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Designated funds 2021 £	Total funds 2021 £	<i>As restated Total funds 2020 £</i>
Charitable activities	2,340,177	-	-	2,340,177	391,890
<i>Total 2020</i>	391,890	-	-	391,890	

The comparatives have been reanalysed on the face of the Consolidated Statement of Financial Activities in order to include £60,711 of income within donations and legacies rather than charitable activities 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.

4. Income from trading activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Designated funds 2021 £	Total funds 2021 £	<i>As restated Total funds 2020 £</i>
Catering and other trading income	287,993	-	-	287,993	-
Other income	2,664	-	-	2,664	-
	290,657	-	-	290,657	-
Other trading expenses					
Catering and other trading expense	184,798	-	-	184,798	21,270
Net income/(expenditure) from trading activities	105,859	-	-	105,859	(21,270)

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5. Investment income

	Unrestricted funds 2021 £	Restricted funds 2021 £	Designated funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest	70	-	-	70	220
<i>Total 2020</i>	220	-	-	220	

6. Direct costs

	Charity £	Total 2021 £	As restated Total 2020 £
Artist costs	650,292	650,292	-
Event costs	1,418,090	1,418,090	37,916
Sponsor and fundraising support costs	38,008	38,008	1,050
Marketing costs	53,656	53,656	52,986
Freelance costs	87,410	87,410	56,950
	2,247,456	2,247,456	148,902
<i>Total 2020</i>	148,902	148,902	

The comparatives have been reanalysed on the face of the Consolidated Statement of Financial Activities in order to include £17,619 of expenditure within catering and other trading activities rather than charitable activities in the prior period. The adjustment is a reanalysis within expenditure only and does not have any effect on total reported expenditure. The Trustees believe that this adjustment better enables the accounts to show a true and fair view.

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Support costs

	Activities £	Total 2021 £	As restated Total 2020 £
Office costs	86,566	86,566	83,621
Professional costs	37,934	37,934	34,013
Finance costs	938	938	-
Wages and salaries	230,910	230,910	249,211
National insurance	17,622	17,622	24,992
Pension cost	16,461	16,461	21,966
Depreciation	2,257	2,257	3,083
	<u>392,688</u>	<u>392,688</u>	<u>416,886</u>
<i>Total 2020</i>	<u>416,886</u>	<u>416,886</u>	

The comparatives have been reanalysed on the face of the Consolidated Statement of Financial Activities in order to include £3,651 of expenditure within catering and other trading activities rather than charitable activities in the prior period. The adjustment is a reanalysis within expenditure only and does not have any effect on total reported expenditure. The Trustees believe that this adjustment better enables the accounts to show a true and fair view.

8. Analysis of Expenditure by expenditure type

	Staff costs 2021 £	Depreciation 2021 £	Other costs 2021 £	Total 2021 £	As restated Total 2020 £
Expenditure on other trading activities	-	-	184,798	184,798	21,270
Costs of raising funds	-	-	184,798	184,798	21,270
Charity	264,993	2,257	2,372,894	2,640,144	565,788
	<u>264,993</u>	<u>2,257</u>	<u>2,557,692</u>	<u>2,824,942</u>	<u>587,058</u>
<i>Total 2020</i>	<u>296,169</u>	<u>3,083</u>	<u>287,806</u>	<u>587,058</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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9. Net income/(expenditure)

This is stated after charging:

	2021	<i>2020</i>
	£	£
Depreciation of tangible fixed assets:		
- owned by the charitable group	2,257	<i>3,083</i>
Auditors' remuneration - audit	11,845	<i>9,000</i>

During the year, no Trustees received any remuneration (2020 - £NIL).

During the year, no Trustees received any benefits in kind (2020 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2020 - £NIL).

10. Auditors' remuneration

The Auditor's remuneration amounts to an Audit fee of £11,845 (2020: £9,000).

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11. Staff costs

Staff costs were as follows:

	2021	<i>2020</i>
	£	£
Wages and salaries	230,910	<i>249,211</i>
Social security costs	17,622	<i>24,992</i>
Other pension costs	16,461	<i>21,966</i>
	264,993	<i>296,169</i>

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

2021	<i>2020</i>
No.	<i>No.</i>
7	<i>9</i>

During the year, one employee and member of key management personnel received remuneration over £60,000 (2020: £60,000).

During the year, key management personnel received remuneration of £139,157 (2020: £148,234).

12. Tangible fixed assets

Group	Plant and machinery
Cost	£
At 1 November 2020 and 31 October 2021	16,412
Depreciation	
At 1 November 2020	7,825
Charge for the year	2,257
At 31 October 2021	10,082
Net book value	
At 31 October 2021	6,330
<i>At 31 October 2020</i>	<i>8,587</i>

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**NOTES TO THE FINANCIAL STATEMENTS
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Charity	Plant and machinery £
Cost	
At 1 November 2020 and 31 October 2021	<u>16,412</u>
Depreciation	
At 1 November 2020	7,825
Charge for the year	<u>2,257</u>
At 31 October 2021	<u>10,082</u>
Net book value	
At 31 October 2021	<u>6,330</u>
<i>At 31 October 2020</i>	<u>8,587</u>

13. Fixed asset investments

Charity	Shares in group undertakings £
At 1 November 2020 and 31 October 2021	<u>10</u>
Charity investments comprise:	
	2021 2020 £ £
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
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14. Stocks

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Finished goods and goods for resale	-	8,067	-	-

15. Debtors

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Due after more than one year				
Amounts owed by group undertakings	-	-	915,380	915,380

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Due within one year				
Trade debtors	124,629	142,270	109,096	13,250
Amounts owed by group undertakings	-	-	283,386	897,702
Other debtors	275,096	72,143	6,334	54,679
Prepayments and accrued income	10,000	338,029	-	328,029
Deferred tax asset (see note 18)	26,115	26,554	-	-
	435,840	578,996	398,816	1,293,660

16. Creditors: Amounts falling due within one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Bank loans and overdrafts	7,500	-	7,500	-
Trade creditors	175,890	240,645	171,232	240,545
Other taxation and social security	35,686	230,605	30,200	230,605
Other creditors	81,198	8,057	81,198	8,057
Accruals and deferred income	260,452	1,047,400	254,252	1,041,442
	560,726	1,526,707	544,382	1,520,649

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Creditors: Amounts falling due after more than one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Bank loans	42,500	-	42,500	-

Creditors include amounts not wholly repayable within 5 years as follows:

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Repayable by instalments	2,500	-	2,500	-

18. Deferred taxation

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
At beginning of year	26,554	20,169	-	-
(Charge for)/released during the year (P&L)	(439)	6,385	-	-
At end of year	26,115	26,554	-	-

The deferred taxation balance is made up as follows:

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Tax losses carried forward	26,115	26,554	-	-

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds

Statement of funds - current year

	Balance at 1 November 2020 £	Income £	Expenditure £	Balance at 31 October 2021 £
Unrestricted funds				
General Funds	103,012	2,721,675	(2,664,308)	160,379
Designated funds				
Designated funds	-	75,000	-	75,000
Restricted funds				
Restricted Funds	-	161,073	(161,073)	-
Total of funds	<u>103,012</u>	<u>2,957,748</u>	<u>(2,825,381)</u>	<u>235,379</u>

Statement of funds - prior year

	<i>Balance at 1 November 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 October 2020 £</i>
General Funds	230,864	452,821	(580,673)	103,012
Restricted funds				
Total of funds	<u>230,864</u>	<u>452,821</u>	<u>(580,673)</u>	<u>103,012</u>

Summary of funds - current year

	Balance at 1 November 2020 £	Income £	Expenditure £	Balance at 31 October 2021 £
General funds	103,012	2,721,675	(2,664,308)	160,379
Designated funds	-	75,000	-	75,000
	<u>103,012</u>	<u>2,796,675</u>	<u>(2,664,308)</u>	<u>235,379</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

Summary of funds - prior year

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

Restricted fund

The restricted fund relates to grant income received from a government body which aims to support cultural organisations and charities which have been impacted by Covid 19. The income was granted in order to cover specific costs of the charity and the income and the costs that it related to have thus been treated as restricted.

Designated fund

The designated fund relates to grant income received from a government body which aims to support cultural organisations and charities which have been impacted by Covid 19. The income was provided by the government body in order to boost the reserves of the Charity to provide financial stability and help secure its future. There has been no condition made in respect of what these monies may be spent on, thus the Trustees have treated the income as designated rather than restricted.

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Designated funds 2021 £	Total funds 2021 £
Tangible fixed assets	6,330	-	-	6,330
Current assets	731,158	-	75,000	806,158
Creditors due within one year	(560,724)	-	-	(560,724)
Creditors due in more than one year	(42,500)	-	-	(42,500)
Provisions for liabilities and charges	26,115	-	-	26,115
	<u>160,379</u>	<u>-</u>	<u>75,000</u>	<u>235,379</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Designated funds 2020 £</i>	<i>Total funds 2020 £</i>
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>-</u>	<u>-</u>	<u>103,012</u>

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

	Group
	2021 £
	2020 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	132,367
	(127,852)
Adjustment for:	
Depreciation charges	2,257
Dividends, interest and rents from investments	(70)
Decrease in stocks	8,068
Decrease/(increase) in debtors	738,811
(Decrease)/increase in creditors	(1,519,576)
Taxation	439
	(637,704)
Net cash (used in)/provided by operating activities	1,030,283

22. Analysis of cash and cash equivalents

	Group
	2021 £
	2020 £
Cash in hand	396,435
	1,034,069
Total	396,435
	1,034,069

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23. 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 £16,461 (2020: £21,966).

Contributions totalling £1,245 (2020: £1,882) were payable to the fund at the balance sheet date and are included in creditors.

24. Related party transactions

At the balance sheet date, there is an amount of £283,386 (2020: £897,702) included in amounts owed by group undertakings due within one year, which is owed by Henley Festival Limited to the charity. There is also an amount of £915,380 (2020: £915,380) included in amounts owed by group undertakings due in more than one year which is owed by Henley Festival Limited to the charity.

During the year the charity received Patrons' fees and donations totalling £15,000 from Trustees. During the year, legal fees of £28,500 were paid to a legal firm for which one of the Trustees acts as a consultant. Tickets were also purchased by Trustees and all transactions were conducted on an arm's length basis.