

Henley Royal Regatta

Financial Statements

Year Ended

31 October 2019

Company Number 10755921



Henley Royal Regatta
(A Company Limited by Guarantee)

Company Information

Directors	Sir Steve Redgrave CBE G Batten N Chugani A P S Crawford G W Hammond F B Hunt-Davis MBE R C Lester R C Phelps Sir Matthew Pinsent CBE Professor N B Rankov R C Stanhope M D Williams
Registered number	10755921
Registered office	Regatta Headquarters Henley On Thames Oxfordshire RG9 2LY
Independent auditors	BDO LLP Statutory Auditor Level 12, Thames Tower Station Road Reading RG1 1LX

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Henley Royal Regatta
(A Company Limited by Guarantee)
Registered number: 10755921

Balance Sheet
As at 31 October 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	7	13,435	26,867
Tangible assets	8	1,839,585	1,986,267
Investments	9	4,972,670	4,777,640
Investment property	10	1,400,000	-
		<u>8,225,690</u>	<u>6,790,774</u>
Current assets			
Stocks	11	33,503	47,774
Debtors: amounts falling due within one year	12	180,149	193,349
Cash at bank and in hand		1,364,548	1,051,095
		<u>1,578,200</u>	<u>1,292,218</u>
Creditors: amounts falling due within one year	13	(476,174)	(368,841)
Net current assets		<u>1,102,026</u>	<u>923,377</u>
Total assets less current liabilities		<u>9,327,716</u>	<u>7,714,151</u>
Provisions for liabilities			
Deferred tax	14	(239,697)	(45,493)
Net assets		<u><u>9,088,019</u></u>	<u><u>7,668,658</u></u>
Capital and reserves			
Revaluation reserve		634,764	-
Other reserves		105,088	105,088
Profit and loss account		8,348,167	7,563,570
		<u><u>9,088,019</u></u>	<u><u>7,668,658</u></u>

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Registered number: 10755921

Balance Sheet (continued)
As at 31 October 2019


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

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

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

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

Sir Steve Redgrave CBE
Director
Date:

18/11/2019 

The notes on pages 3 to 16 form part of these financial statements.

Henley Royal Regatta

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Notes to the Financial Statements **For the Year Ended 31 October 2019**

1. General information

Henley Royal Regatta is a private Company limited by guarantee, incorporated in England and Wales (registration number 10755921). The address of its registered office is Regatta Headquarters, Henley on Thames, Oxfordshire, RG9 2LY.

The principal activity of the Company during the year was that of running Henley Royal Regatta and retail of related merchandise.

The accounts are prepared in pound sterling (£) and are rounded to the nearest £1.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The Company, and the Group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and Group are considered eligible for the exemption to prepare consolidated accounts.

Henley Royal Regatta

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Notes to the Financial Statements For the Year Ended 31 October 2019

2. Accounting policies (continued)

2.3 Revenue

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

Regatta event:

Revenue in respect of Henley Royal Regatta represents amounts receivable for badge sales, grandstand reservations, car park reservations, programme sales, competitor entry fees and catering arising in the normal course of business, net of discounts and VAT. Revenue is recognised gross where the organisation acts as principal, and net where it acts as agent.

Retail:

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

- The Company has transferred the significant risks and rewards of ownership to the buyer;
- The amount of revenue can be measured reliably;
- It is probable that the Company will receive the consideration due under the transaction; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Subscriptions:

Revenue in respect of subscriptions for membership of Henley Royal Regatta is recognised in the year to which the subscriptions relate, net of VAT.

Rental income:

Rental Income relates to monies received for the granting of the exclusive rights to provide hospitality services at the regatta in accordance with the legal agreement, net of VAT.

Commercial partnerships:

Income from partners represents fees in relation to the rights granted to the partners in accordance with the individual partner agreements. The income from partners is recognised in the year to which the rights granted relate.

2.4 Other operating income

Rental income:

Rental income relates to rents received for use of the Regatta land throughout the year, net of VAT.

2.5 Intangible assets

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

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

Amortisation is provided on the following bases:

Website	-	33 % straight line
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Notes to the Financial Statements **For the Year Ended 31 October 2019**

2. Accounting policies (continued)

2.6 Tangible fixed assets

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

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Buildings	- 2% Straight line
Motor vehicles	- 25% Reducing balance
Regatta HQ refurbishments	- 4% - 20% Straight line
Equipment, fixtures and fittings	- 4% - 20% Straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.7 Assets under construction

Property assets under construction are carried at cost less any identified impairment loss. Costs include the original purchase price and related development expenses and professional fees.

Launch assets under construction are carried at cost less any identified impairment loss. Costs include the stage payments made during the year.

Tentage assets under construction are carried at cost less any identified impairment loss. Costs include the stage payment made during the year.

Depreciation of these assets, on the same basis as other fixed assets, commences when the assets are ready for their intended use.

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Notes to the Financial Statements **For the Year Ended 31 October 2019**

2. Accounting policies (continued)

2.8 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance Sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of Comprehensive Income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.9 Investment property

Investment property is carried at fair value determined internally annually and derived from an assessment of current open market value, adjusted for specific circumstances and, if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the statement of comprehensive income.

2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in listed company shares, fixed income and index linked holdings are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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Notes to the Financial Statements **For the Year Ended 31 October 2019**

2. Accounting policies (continued)

2.14 Financial instruments

Financial instruments are recognised in the Statement of Financial Position when the company becomes party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price unless the arrangement constitutes a financing transaction which includes transaction costs for financial instruments not subsequently measured at fair value. Subsequent to initial recognition, they are measured as set out below. A financing transaction is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Classification

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS 102.

Subsequent measurement

Loans and receivables are measured at amortised cost, using the effective interest method. Trade debtors and trade payables are recognised at the undiscounted amount owed by the customer or to the supplier, which is normally the invoice amount.

2.15 Creditors

Short term creditors are measured at the transaction price.

2.16 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.17 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

2.18 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

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Notes to the Financial Statements **For the Year Ended 31 October 2019**

2. Accounting policies (continued)

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.20 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.21 Reclassification of prior year

The prior year results have been restated for the split between turnover and other operating income, and between cost of sales and administrative expenses, ensuring all income classified as turnover is in accordance with the principal activity of the Company and the relevant costs follow the treatment of income. This has resulted in a movement of £628,802 from other operating income to turnover and £42,064 from administrative expenses to cost of sales.

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Notes to the Financial Statements **For the Year Ended 31 October 2019**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

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

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

Judgments and estimates are as follows:

Useful economic lives of non-financial assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of the non-financial assets, and note 2.6 for the useful economic lives for each class of assets.

Investment property

The investment property was transferred from assets under construction during the year based on its open market value. Key inputs into the valuation were:

- Knowledge of the local property market, including consultations with local estate agents
- Comparable evidence of similar local properties that have been sold during the year

There is an inevitable degree of judgment involved in that each property is unique and its value can only ultimately be reliably tested in the market itself.

4. Auditors' remuneration

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £15,600 (2018 - 15,000).

5. Employees

The average monthly number of employees, including temporary staff for the Regatta, during the year was 30 (2018 - 30).

6. Member's legacy income

Member's legacy income relates to a bequest received during the year.

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Notes to the Financial Statements
For the Year Ended 31 October 2019

7. Intangible assets

	Website £
Cost	
At 1 November 2018	40,300
At 31 October 2019	<u>40,300</u>
Amortisation	
At 1 November 2018	13,433
Charge for the year	13,432
At 31 October 2019	<u>26,865</u>
Net book value	
At 31 October 2019	<u><u>13,435</u></u>
At 31 October 2018	<u><u>26,867</u></u>

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Notes to the Financial Statements For the Year Ended 31 October 2019

8. Tangible fixed assets

	Buildings £	Leasehold land & buildings £	Barn Cottage - Asset under Construction £	Regatta HQ Refurbishments £	Motor vehicles £
Cost or valuation					
At 1 November 2018	1,126,199	13,312	426,846	105,202	66,666
Additions	-	6,900	210,312	-	34,869
Disposals	-	-	-	-	(30,207)
Revaluations	-	-	762,842	-	-
Transfers between classes	-	-	(1,400,000)	-	-
At 31 October 2019	<u>1,126,199</u>	<u>20,212</u>	<u>-</u>	<u>105,202</u>	<u>71,328</u>
Depreciation					
At 1 November 2018	228,977	-	-	6,240	32,845
Charge for the year on owned assets	37,778	-	-	7,487	12,408
Disposals	-	-	-	-	(18,791)
At 31 October 2019	<u>266,755</u>	<u>-</u>	<u>-</u>	<u>13,727</u>	<u>26,462</u>
Net book value					
At 31 October 2019	<u><u>859,444</u></u>	<u><u>20,212</u></u>	<u><u>-</u></u>	<u><u>91,475</u></u>	<u><u>44,866</u></u>
At 31 October 2018	<u><u>897,222</u></u>	<u><u>13,312</u></u>	<u><u>426,846</u></u>	<u><u>98,962</u></u>	<u><u>33,821</u></u>

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Notes to the Financial Statements For the Year Ended 31 October 2019

8. Tangible fixed assets (continued)

	Equipment, Fixtures and fittings £	Tentage - Asset under construction £	Launch - Asset under construction £	Total £
Cost or valuation				
At 1 November 2018	1,496,688	-	70,235	3,305,148
Additions	67,893	167,865	143,767	631,606
Disposals	(25,032)	-	-	(55,239)
Revaluations	-	-	-	762,842
Transfers between classes	135,975	-	(135,975)	(1,400,000)
At 31 October 2019	1,675,524	167,865	78,027	3,244,357
Depreciation				
At 1 November 2018	1,050,819	-	-	1,318,881
Charge for the year on owned assets	49,412	-	-	107,085
Disposals	(2,403)	-	-	(21,194)
At 31 October 2019	1,097,828	-	-	1,404,772
Net book value				
At 31 October 2019	577,696	167,865	78,027	1,839,585
At 31 October 2018	445,869	-	70,235	1,986,267

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Notes to the Financial Statements For the Year Ended 31 October 2019

9. Fixed asset investments

	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 November 2018	2	4,777,638	4,777,640
Additions	-	2,762,403	2,762,403
Disposals	(2)	(2,598,881)	(2,598,883)
Fair value movements	-	31,510	31,510
At 31 October 2019	-	4,972,670	4,972,670
Net book value			
At 31 October 2019	-	4,972,670	4,972,670
At 31 October 2018	2	4,777,638	4,777,640

The fair value of the listed investments at 31 October 2019 is £4,972,670 (Historic cost: £4,944,381). At the end of 2018 the fair value of the listed investments was £4,777,638 (Historic cost: £4,510,035).

Subsidiary undertakings

The following are subsidiary undertakings of the Company:

Henley Royal Regatta Charitable Trust

The Company has the right to appoint trustees of Henley Royal Regatta Charitable Trust and as a result of this is deemed to have control of the entity.

	Aggregate reserves £	Surplus £
Henley Royal Regatta Charitable Trust	7,448,151	3,107

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Notes to the Financial Statements For the Year Ended 31 October 2019

10. Investment property

	Freehold investment property £
Valuation	
Transfer from asset under construction (note 10)	1,400,000
At 31 October 2019	1,400,000

If the Investment property had been accounted for under the historic cost accounting rules, the property would have been measured as follows:

	2019 £
Historic cost	637,158
	637,158

The 2019 valuation was made by Edward Warner MRICS, on an open market value, based on consultations with local estate agents and knowledge of the local property market.

11. Stocks

	2019 £	2018 £
Retail merchandise available for sale	33,503	47,774

12. Debtors

	2019 £	2018 £
Other debtors and prepayments	180,149	193,349

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Notes to the Financial Statements For the Year Ended 31 October 2019

13. Creditors: Amounts falling due within one year

	2019 £	2018 £
Corporation tax	141,844	126,000
Other taxation and social security	18,688	17,374
Other creditors and accruals	315,642	225,467
	<u>476,174</u>	<u>368,841</u>

14. Deferred taxation

	2019 £	2018 £
At beginning of year	(45,493)	(93,216)
Charged to profit or loss	(66,126)	47,723
Charged to other comprehensive income	(128,078)	-
At end of year	<u>(239,697)</u>	<u>(45,493)</u>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(106,810)	-
Revaluation of tangible fixed asset	(128,078)	-
Fair value movement in investments	(4,809)	(45,493)
	<u>(239,697)</u>	<u>(45,493)</u>

15. Company status

The Company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

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Notes to the Financial Statements
For the Year Ended 31 October 2019

16. Capital commitments

At 31 October 2019 the Company had capital commitments as follows:

	2019 £	2018 £
Contracted for but not provided in these financial statements	<u>1,474,975</u>	<u>212,302</u>

All capital commitments relate to equipment, fixtures and fittings.

17. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £62,239 (2018: £51,400). At the year end there was an amount payable of £4,626 (2018: £1,214) and is included within other creditors.

18. Related party transactions

During the year the directors purchased badges for the Henley Royal Regatta at a commercial rate.

19. Auditors' information

The auditors' report on the financial statements for the year ended 31 October 2019 was unqualified.

The audit report was signed on 25 November 2019 by Jonathan Roberts (Senior Statutory Auditor) on behalf of BDO LLP.