

**THE HONITON FESTIVAL**  
(A company limited by guarantee)

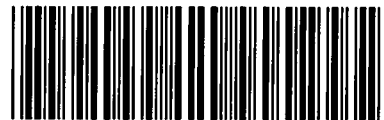
**UNAUDITED**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2016**



SATURDAY



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17/06/2017  
COMPANIES HOUSE

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**THE HONITON FESTIVAL**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**Trustees**

A M Millar (resigned 20 January 2016)  
N Barrington-Prowse (resigned 20 January 2016)  
T H Bolshaw  
W P Patterson (resigned 31 May 2016)  
T P H Phillips  
R Tawse (resigned 3 May 2016)  
D J Reeks  
I Jeeves  
G V Sims-Revill

**Company registered number**

2692316

**Charity registered number**

1044602

**Registered office**

165 High Street  
Honiton  
Devon  
EX14 1LQ

**Accountants**

Griffin  
Chartered Accountants  
165 High Street  
Honiton  
Devon  
EX14 1LQ

**Bankers**

Lloyds Bank PLC  
High Street  
Honiton  
EX14 1JJ

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**THE HONITON FESTIVAL**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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The Trustees present their annual report together with the accounts of The Honiton Festival for the year ended 31 August 2016.

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

**Structure, governance and management**

The Honiton Festival is a company limited by guarantee governed by its Memorandum and Articles of Association dated 28 February 1992. It is registered as a charity with the Charity Commission.

The directors of the company are also charity trustees. The trustees are appointed and reappointed annually at the Annual General Meeting, in accordance with the Articles of Association. In addition the Board has, and exercises, a power of co-option. The majority of trustees are active local residents with a passion for quality live music and visual arts.

**Objectives and Activities**

The principal objectives of the charity are to advance, promote and develop the arts for the benefit of the public of Honiton and its surrounding district in particular (but without prejudice to the generality of the foregoing) to broaden the range of educational and community activities through the media of expressive and performing arts. The principal activity of the company continues to be the presentation of high quality live music.

In planning our activities for the year we kept in mind the charity commission guidance on public benefit.

**Achievements and performance**

Following on from last year's Trustees' Report when we promised to set out the results of various experiments we intended to carry out to improve attendance, we have to report that those experiments have not met with success. Our new Community Hall (the Beehive) was used for several presentations and the presentations themselves were in many cases a departure from the previous patterns of exclusively classical music. An example was an evening of big band music with a dance floor.

These departures from our normal pattern proved to be what can only be described as a financial disaster, attracting audiences in the region of 25 to 40 people. Much discussion has taken place within the Committee as a result of which we intend to 'remodel' the Festival.

Firstly we will change the name to the East Devon Music Festival along with the use of different venues from our usual Parish Church setting. The Festival is also expecting to receive a legacy from a will later in the year which hopefully will increase our ability to make more extensive use of marketing and advertising techniques.

**Reserves policy**

The charity's policy on reserves is to carry forward from each festival a sufficient level of reserves to cover its contractual liabilities in relation to advanced booking for the following festival.

The reserves figure in this set of accounts appears unusually high as it includes legacy income of £172,062. This money has not yet been paid to the charity, but the board is considering how to make best use of the legacy and

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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will revise its reserves policy to reflect its new financial position.

**Financial review**

We began the Financial year with a total of £14,453 in the bank and ended the year with £8,835.

The concert season began with a series of classical lunchtime concerts held on Fridays in the autumn and spring. Attendances at most of these were disappointing, and we made an average loss of £298 per concert. Audiences for these concerts have been in decline for several years, and we made a decision to discontinue the lunchtime concert series in 2016-17.

The summer festival took place in April and May 2016. We added two more popular concerts to the offerings this year, but the attendances for those was as disappointing as for the classical concerts. Overall losses per concert ranged from £13 to £1,963. The total loss was £4,489. It should be noted that concerts have almost always made a loss individually, although those losses were larger than ever this year.

We had a little sponsorship for the summer festival, but that amounted to only £660. That, together with £966 from Friends and Patrons was our only donated income. The remainder of our income was £4,818 from concert receipts and £832 from Gift Aid.

Despite the rather gloomy financial picture resulting from the 2015-16 concert season, we had some very good news in the spring of 2016 in the form of a legacy from a former supporter of the Festival. It appears that we are set to inherit in the region of £172,000 which will mean that the Festival will be financially secure for many years. Although this amount has not yet been paid to the charity, it is recognised within this set of accounts as per the requirements of the charities Statement Of Recommended Practice (SORP).

**Public benefit**

The trustees confirm that they have complied with the Charity Commission's guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities.

The report was approved by the Trustees on 25/4/2017 and signed on their behalf by:

  
**D J Reeks**  
Trustee

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**THE HONITON FESTIVAL**  
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**TRUSTEES' RESPONSIBILITIES STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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The Trustees (who are also directors of The Honiton Festival for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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**INDEPENDENT EXAMINER'S REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE HONITON FESTIVAL**

I report on the financial statements of the company for the year ended 31 August 2016 which are set out on pages 7 to 13.

This report is made solely to the company's Trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. My work has been undertaken so that I might state to the company's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's Trustees as a body, for my work or for this report.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on the after 1 January 2015.

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER**

The Trustees, who are also the directors of the company for the purposes of company law, are responsible for the preparation of the financial statements. The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the Act) and that an independent examination is needed.

Having satisfied myself that the company is not subject to audit under charity or company law and is eligible for independent examination, it is my responsibility to:

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

**BASIS OF INDEPENDENT EXAMINER'S REPORT**

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the company and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the statement below.

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**INDEPENDENT EXAMINER'S REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

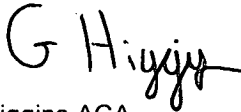
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**INDEPENDENT EXAMINER'S STATEMENT**

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
  - to prepare financial statements which accord with the accounting records, Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102) and in other respects comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities.
- have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Signed:



Graham Higgins ACA

Dated:

2/5/17

**GRIFFIN**

Chartered Accountants

165 High Street  
Honiton  
Devon  
EX14 1LQ



**THE HONITON FESTIVAL**  
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>INCOME FROM:</b>				
Donations and legacies	2	174,520	174,520	4,930
Charitable activities	3	4,818	4,818	12,174
Investments	4	6	6	8
<b>TOTAL INCOME</b>		<b>179,344</b>	<b>179,344</b>	<b>17,112</b>
<b>EXPENDITURE ON:</b>				
Charitable activities	7	12,600	12,600	24,017
<b>TOTAL EXPENDITURE</b>	8	<b>12,600</b>	<b>12,600</b>	<b>24,017</b>
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>166,744</b>	<b>166,744</b>	<b>(6,905)</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>166,744</b>	<b>166,744</b>	<b>(6,905)</b>
<b>RECONCILIATION OF FUNDS:</b>				
Total funds brought forward		13,433	13,433	20,338
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>180,177</b>	<b>180,177</b>	<b>13,433</b>

All activities relate to continuing operations.

The notes on pages 9 to 13 form part of these financial statements.

**THE HONITON FESTIVAL**  
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**REGISTERED NUMBER: 2692316**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2016**

	Note	£	2016 £	£	2015 £
<b>CURRENT ASSETS</b>					
Debtors	11	172,062		-	
Cash at bank and in hand		8,835		14,453	
		<u>180,897</u>		<u>14,453</u>	
<b>CREDITORS:</b> amounts falling due within one year					
	12	(720)		(1,020)	
<b>NET CURRENT ASSETS</b>			<u>180,177</u>		<u>13,433</u>
<b>NET ASSETS</b>			<u>180,177</u>		<u>13,433</u>
<b>CHARITY FUNDS</b>					
Unrestricted funds	13		<u>180,177</u>		<u>13,433</u>
<b>TOTAL FUNDS</b>			<u>180,177</u>		<u>13,433</u>

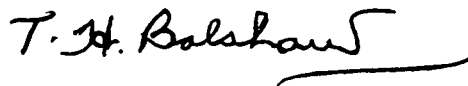
The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

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

The financial statements were approved by the Trustees on 25 April 2017 and signed on their behalf, by:



**D J Reeks**



**T H Bolshaw**

The notes on pages 9 to 13 form part of these financial statements.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

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### 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 (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006

The Honiton Festival 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.

#### 1.2 Reconciliation with previous Generally Accepted Accounting Practice

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required.

#### 1.3 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

#### 1.4 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 company and which have not been designated for other purposes.

#### 1.5 Income

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

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (CONTINUED)**

**1.6 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 directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the company's charitable operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

**1.7 Interest receivable**

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

**1.8 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.

**1.9 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.

**1.10 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 company 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.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**1. ACCOUNTING POLICIES (CONTINUED)**

**1.11 Financial instruments**

The company 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.

**2. INCOME FROM DONATIONS AND LEGACIES**

	<b>Unrestricted funds 2016 £</b>	<b>Total funds 2016 £</b>	<i>Total funds 2015 £</i>
Donations	2,458	2,458	4,930
Legacies	172,062	172,062	-
	<u>174,520</u>	<u>174,520</u>	<u>4,930</u>
Total donations and legacies	<u>174,520</u>	<u>174,520</u>	<u>4,930</u>

In 2015, of the total income from donations and legacies, £4,930 was to unrestricted funds and £ NIL was to restricted funds

**3. INCOME FROM CHARITABLE ACTIVITIES**

	<b>Unrestricted funds 2016 £</b>	<b>Total funds 2016 £</b>	<i>Total funds 2015 £</i>
Concerts	4,818	4,818	12,174
	<u>4,818</u>	<u>4,818</u>	<u>12,174</u>

In 2015, of the total income from charitable activities, £12,174 was to unrestricted funds and £ NIL was to restricted funds.

**4. INVESTMENT INCOME**

	<b>Unrestricted funds 2016 £</b>	<b>Total funds 2016 £</b>	<i>Total funds 2015 £</i>
Investment income	6	6	8
	<u>6</u>	<u>6</u>	<u>8</u>

In 2015, of the total investment income, £ 8 was to unrestricted funds and £ NIL was to restricted funds.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**5. DIRECT COSTS**

	<b>Concerts</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
Concert costs	8,106	8,106	17,285
Hall hire	820	820	1,062
Insurance	520	520	491
Printing, publicity and stationery	2,276	2,276	4,169
	<u>11,722</u>	<u>11,722</u>	<u>23,007</u>

**6. SUPPORT COSTS**

	<b>Governance</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
Concert costs	878	878	-
	<u>878</u>	<u>878</u>	<u>-</u>

**7. GOVERNANCE COSTS**

	<b>Unrestricted</b>	<b>Total</b>	<b>Total</b>
	<b>funds</b>	<b>funds</b>	<b>funds</b>
	<b>2016</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Accountancy fees	878	878	1,010
	<u>878</u>	<u>878</u>	<u>1,010</u>

**8. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE**

	<b>Other costs</b>	<b>Total</b>
	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Direct costs	11,722	23,007
Expenditure on governance	878	1,010
	<u>12,600</u>	<u>24,017</u>

**9. NET INCOMING RESOURCES/(RESOURCES EXPENDED)**

During the year, no Trustees received any remuneration (2015 - £NIL).  
During the year, no Trustees received any benefits in kind (2015 - £NIL).  
During the year, no Trustees received any reimbursement of expenses (2015 - £NIL).

**10. INDEPENDENT EXAMINERS' REMUNERATION**

The Independent Examiner's remuneration amounts to an Independent Examination fee of £ 180 (2015 - £ -), and an accounts preparation fee of £ 540(2015 - £1,550).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**11. DEBTORS**

	2016 £	2015 £
Other debtors	<u>172,062</u>	<u>-</u>

**12. CREDITORS: Amounts falling due within one year**

	2016 £	2015 £
Accruals and deferred income	<u>720</u>	<u>1,020</u>

**13. STATEMENT OF FUNDS**

	Brought Forward £	Income £	Expenditure £	Carried Forward £
<b>Unrestricted funds</b>				
General funds	<u>13,433</u>	<u>179,344</u>	<u>(12,600)</u>	<u>180,177</u>

**SUMMARY OF FUNDS**

	Brought Forward £	Income £	Expenditure £	Carried Forward £
General funds	<u>13,433</u>	<u>179,344</u>	<u>(12,600)</u>	<u>180,177</u>

**14. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Current assets	180,897	180,897	14,453
Creditors due within one year	(720)	(720)	(1,020)
	<u>180,177</u>	<u>180,177</u>	<u>13,433</u>

**15. MEMBERS' LIABILITY**

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £ 1 for the debts and liabilities contracted before he/she ceases to be a member.