

**Sherborne Arts Trust**  
(A Charitable Company Limited by Guarantee)

**Annual Report and Financial Statements**

**For the Year Ended 30 November 2020**

**Company Number: 07087384**  
**Charity Registered in England and Wales Number: 1136505**

# **Sherborne Arts Trust**

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For the Year Ended 30 November 2020

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**Sherborne Arts Trust**

Reference and Administrative Details

For the Year Ended 30 November 2020

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**Trustees and Directors**

Sir R A Fry  
C A Graham  
T D Hague  
S Healy  
T C D Shaw

**Company Number**

07087384

**Charity Number**

1136505

**Principal Office and Registered Office**

43 Hound Street  
Sherborne  
Dorset  
DT9 3AB

**Independent Examiner**

Michelle Ferris FCA  
Albert Goodman LLP  
Goodwood House  
Blackbrook Park Avenue  
Taunton  
Somerset  
TA1 2PX

The trustees, who are also directors for the purposes of the Companies Act, present their report and the unaudited financial statements of the charity for the year ended 30<sup>th</sup> November 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's memorandum and articles of association, the Statement of Recommended Practice (SORP FRS 102- implemented 1 January 2019), and are in accordance with the special provision relating to small companies within Part 15 of the Companies Act 2006.

### **Public Benefit**

The facilities we intend to create will benefit Sherborne and North Dorset by the provision of arts facilities that are currently unavailable within the area. We continue to review our aims and objectives in the light of the Charity Commission's general guidance.

### **Directors and Trustee's**

The directors and trustees of the company during the year were as follows:

- S M Dick (resigned 22 July 2020)
- Sir R A Fry
- C A Graham
- T D Hague (appointed 1 July 2020)
- S Healy
- T C D Shaw

The company is limited by guarantee and therefore the directors have no shareholdings. They are all members of the charity and therefore all liable to £1 contribution upon the charity's winding up.

### **Recruitment and Appointment of Council of Members**

The directors of the company are also Charity Trustees. Under the requirements of the Memorandum and Articles of Association, trustees are elected by full members at the Annual General Meeting.

All trustees must retire at the first Annual General Meeting and thereafter one third of the trustees has to retire from office annually and shall be eligible for re-election.

The Council of Management may co-opt additional Trustees during the year but such trustees must stand for election at the next Annual General Meeting.

Full members are those who have been approved by the trustees and have fully paid their annual subscriptions. The trustees may establish classes of membership with different rights and obligations.

Each member, including the trustees, is liable to a contribution of £1 in the event of the charity winding up.

## **Trustees' Induction and Training**

All Trustees are asked to study the Charity Commission's online document CC3 – The Essential Trustees: What You Need to Know. This year a number of Trustees have attended Trustee induction training days, hosted by Wilsons Solicitors.

## **Organisational Structure**

The trustees administer the charity and may call a general meeting at any time generally on Ad Hoc basis.

The trustees administer the charity and are not permitted to receive any remuneration for so doing.

## **Charitable Objects**

The objects for which the Charity is established (the "Objects") are to promote, and to advance the education of the public in the arts, in particular, but not exclusively by:

- Establishing and maintaining an arts centre;
- Promoting and advancing the participation and education of the general public in the arts;
- Fostering and promoting for the benefit of the public the improvement and development of artistic knowledge, understanding and appreciation of the arts.

## **Achievements and Performance**

As with all aspects of life nationally and internationally, the activity of the Charity has been dominated by the Covid-19 pandemic during the period covered by this report. At the time the virus began to affect everyday life the building work on the Paddock site was about to begin the main construction phase; that was discontinued in March 2020 as the impact began to bite.

Taking the commitment to underwrite the project against the highly uncertain future facing public venues, the benefactor was unwilling to continue the same level of funding and the Director was made redundant in May 2020. The benefactor then decided to switch his primary attention to Sherborne House, a Grade 1 listed property close to the Paddock site, where he hopes to partially re-create the facilities originally planned for the Paddock Project. This was clearly a disappointment but the plans for Sherborne House (which will be submitted for planning permission in 2021) are less comprehensive than those included in the Paddock Project and a dialogue was opened with the erstwhile benefactor on a new plan to design a scaled-down but complementary facility on the Paddock site.

Outline plans for an artisanal village to accommodate a combination of artists, makers and artisans have begun to be worked up in conjunction with the County and Town Councils, as well as the benefactor's private office.

## **How our activities deliver public benefit**

In common with all arts facilities during the pandemic, public benefit has been limited within the period covered by this annual report. In addition, the Paddock Project as originally conceived has not survived the impact of Covid-19.

However, against this rather discouraging background a new and innovative project is in gestation and will be fully defined within the period covered by the next annual report. The idea of an artisanal village, taken in conjunction with the facilities planned for Sherborne House and the existing Paddock Garden, coincides exactly with the Local Plan for Sherborne, drafted by Dorset Council. The Plan sees Sherborne developing into a centre for arts, performance and crafts and the plans now in development will contribute significantly to the achievement of that vision, with considerable commercial and quality of life benefits for Sherborne and the surrounding area.

While the Covid pandemic has had a profoundly disruptive effect on all aspects of public life, we believe we had adapted to changing circumstances well and intend to develop a new and viable project with demonstrable public benefit.

## **Financial Review**

The Trustees keep all the charity's activities under constant review to ensure that their objectives are being delivered.

The costs of the project have been met through the generosity of our benefactor. During the year, unrestricted funds of £250,000 (2019: £350,000) were received from the benefactor to cover the costs of the project. The expenditure during the year of £384,497 (2019: £221,976) relates to professional fees, planning, wages (until May 2020) and the costs associated with the public consultation. Once it was decided to discontinue the project in its previously planned form, operations of the trust were scaled down and the charity's administrator was made redundant in May 2020.

A deficit of £134,495 (2019: surplus of £128,027) was recorded for the year, decreasing the unrestricted reserves to £(5,634). The deficit on unrestricted reserves arises from expenditure not anticipated when the decision was made not to continue with the project as previously planned. A further grant has been agreed from the benefactor post year end that will bring the reserve back to surplus.

## **Reserves Policy**

During the feasibility and development stage of the project the Trustees policy is to have sufficient unrestricted reserves to cover project costs as they are incurred. The trustees will establish and seek to maintain a reserves policy suitable for the ongoing operation of the project when it opens.

## **Risk Management**

The major risks to which the charity is exposed have been discussed by the trustees and are regularly reviewed to ensure systems are in place to manage them.

## **Future Plans**

As noted above, outline plans for an artisanal village to accommodate a combination of artists, makers and artisans have begun to be worked up for the Paddock site, which will be fully outlined within the period covered by the next annual report.

## **Trustees' Responsibilities**

The trustees (who are directors of Sherborne Arts Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report (incorporating the Directors' Report) and the financial statements in accordance with 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).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and 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 in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that 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 and are responsible for the maintenance and integrity of the corporate and financial information on the charity's website.

Signed by order of the trustees on 24 August 2021

**Sir R A Fry**  
Trustee

## **Independent examiner's report to the trustees of Sherborne Arts Trust**

I report to the charity trustees on my examination of the accounts of Sherborne Arts Trust ("the Company") for the year ended 30 November 2020.

### **Responsibilities and basis of report**

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act").

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ("the 2011 Act"). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

### **Independent examiner's statement**

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not comply with these records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a "true and fair view" which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

### **Michelle Ferris BSc (Hons) FCA DChA**

Albert Goodman LLP  
Chartered Accountants  
Goodwood House  
Blackbrook Park Avenue  
Taunton  
Somerset  
TA1 2PX

Dated: 24 August 2021



**Sherborne Arts Trust**

## Statement of Financial Activities (including Income &amp; Expenditure account)

For the Year Ended 30 November 2020

	Notes	Unres- tricted £	Re- stricted £	2020 Total £	Unres- tricted £	Re- stricted £	2019 Total £
<b>Income</b>							
Grants receivable	2	250,000	-	250,000	350,000	-	350,000
Investment income		2	-	2	3	-	3
<b>Total income</b>		<b>250,002</b>	<b>-</b>	<b>250,002</b>	<b>350,003</b>	<b>-</b>	<b>350,003</b>
<b>Expenditure</b>							
Charitable activities	3	384,497	-	384,497	221,976	-	221,976
Other		-	-	-	-	-	-
<b>Total expenditure</b>		<b>384,497</b>	<b>-</b>	<b>384,497</b>	<b>221,976</b>	<b>-</b>	<b>221,976</b>
<b>Net (expenditure) / income for the year before transfers</b>		<b>(134,495)</b>	<b>-</b>	<b>(134,495)</b>	<b>128,027</b>	<b>-</b>	<b>128,027</b>
Transfers		-	-	-	-	-	-
<b>Net movement in funds</b>		<b>(134,495)</b>	<b>-</b>	<b>(134,495)</b>	<b>128,027</b>	<b>-</b>	<b>128,027</b>
<b>Reconciliation of funds</b>							
Total funds brought forward		128,861	9,524	138,385	834	9,524	10,358
<b>Total funds carried forward</b>		<b>(5,634)</b>	<b>9,524</b>	<b>3,890</b>	<b>128,861</b>	<b>9,524</b>	<b>138,385</b>

The results for the year derive from continuing activities and there are no gains or losses other than those shown above.

The statement of financial activities incorporates the income and expenditure account.

	Notes	2020 £	2019 £
<b>Fixed assets</b>			
Tangible fixed assets	5	-	599
Investments	6	100	-
		<u>100</u>	<u>599</u>
<b>Current assets</b>			
Debtors		-	-
Cash at bank and in hand		6,994	174,155
		<u>6,994</u>	<u>174,155</u>
<b>Creditors</b>			
Amounts falling due within one year	7	(3,204)	(36,369)
		<u>3,790</u>	<u>137,786</u>
<b>Net current assets</b>			
		<u><b>3,890</b></u>	<u><b>138,385</b></u>
<b>Funds</b>			
Unrestricted funds	8	(5,634)	128,861
Restricted funds	8	9,524	9,524
		<u><b>3,890</b></u>	<u><b>138,385</b></u>
<b>Total charity funds</b>			

These accounts have been prepared and delivered in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

For the year ending 30 November 2020 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved by the Board for issue on 24 August 2021 and signed on its behalf by:

**Sir R A Fry**  
Trustee

## **1 Accounting policies**

### **1.1 General information and basis of accounting**

Sherborne Arts Trust is a company limited by guarantee incorporated in the United Kingdom under the Companies Act. Each member of the charity undertakes to contribute a maximum of £1 to the charity's assets if it should be wound up while they are a member or within one year after they cease to be a member. The address of the registered office is given on page 2. The nature of the charity's operations and its principal activities are set out in the Trustees Report on pages 3-6.

The financial statements have been prepared on the historical cost basis and in accordance with the 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 2019)- (Charities SORP (FRS 102)) and the Companies Act 2006.

The charity 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 Group accounts**

The charity is part of a small group. The charity has taken advantage of the exemption provided by Section 398 of the Companies Act 2006 and the Charities Act 2011 and has not prepared group accounts.

### **1.3 Income**

Income from donations is recognised in the accounts when receivable and the amount can be reliably measured.

Donations made under the Gift Aid scheme are recognised when received. The amount recoverable from HMRC is accrued for at that point.

Income from grants is accounted for when unconditionally due and reasonable assurance can be gained that it will be received.

Income from investments is recognised in the accounts when receivable.

### **1.4 Expenditure**

Expenditure is recognised on an accrual basis as a liability is incurred. Some items of expenditure are inclusive of VAT, which cannot be recovered and is reported as part of the expenditure to which it relates.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services to its members and general public. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

### **1.5 Fixed assets**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimates residual value of each asset over its expected useful life as follows:

Computers	over 3 years straight line
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### **1.6 Investments**

Investments are shareholdings in wholly owned subsidiary companies, recognised at the share value at the date of incorporation.

**1.7 Debtors**

Other debtors are recognised at the settlement amount due and prepayments are valued at the amount prepaid.

**1.8 Cash at bank and in hand**

Cash at bank and in hand comprise cash on hand and call deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

**1.9 Creditors**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are recognised at their settlement amount.

**1.10 Taxation**

The company is a registered charity and is therefore not liable to corporation tax to the extent that income and gains are applied for charitable purposes.

**1.11 Pension contributions**

The charity operates a defined contribution pension scheme. The scheme and its assets are held by independent managers. Contributions are recognised in the Statement of Financial Activities in the period in which they become payable in accordance with the rules of the scheme.

**1.12 Fund accounting**

General funds are unrestricted funds receivable or generated for the objects of the company without further specified purpose and are available as general funds.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets this criterion is charged to the fund, together with a fair allocation of management and support costs.

**1.13 Financial instruments**

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and liabilities of the charity and their measurements are as follows:

Financial assets – trade and other debtors and accrued income are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments.

Cash at bank and deposit accounts– is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 12. Taxation and social security are not included in the financial instruments disclosure definition.

## 2 Grants receivable

	Unres- tricted £	Res- tricted £	Total 2020 £	Unres- tricted £	Res- tricted £	Total 2019 £
<b>Grant income</b>						
Grants	250,000	-	250,000	350,000	-	350,000
	<u>250,000</u>	<u>-</u>	<u>250,000</u>	<u>350,000</u>	<u>-</u>	<u>350,000</u>

## 3 Charitable expenditure

	Unres- tricted £	Res- tricted £	Total 2020 £	Unres- tricted £	Res- tricted £	Total 2019 £
Wages	49,429	-	49,429	78,898	-	78,898
Advertising and promotion	1,347	-	1,347	5,547	-	5,547
Planning and survey fees	318,167	-	318,167	129,610	-	129,610
Travel and subsistence	92	-	92	-	-	-
Insurance	469	-	469	-	-	-
Legal fees	11,610	-	11,610	6,510	-	6,510
Accountancy fees	800	-	800	140	-	140
Independent examiners fee	400	-	400	400	-	400
Sundry	1,583	-	1,583	290	-	290
Depreciation	599	-	599	581	-	581
	<u>384,497</u>	<u>-</u>	<u>384,497</u>	<u>221,976</u>	<u>-</u>	<u>221,976</u>

## 4 Wages and salaries

	2020 £	2019 £
Wages and salaries	45,949	72,273
Social security costs	2,823	5,479
Pension	657	1,146
	<u>49,429</u>	<u>78,898</u>

### Number of employees

The average monthly number of employees on an average head count basis during the year was:

	2020	2019
Employees	1	1
	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

As noted in the Trustees' Report, once it became clear that the project would be scaled back, the sole employee for the Trust was made redundant in May 2020.

The number of employees whose employee benefits (excluding employer pension costs and employer's national insurance) were £60,000 or more were:

	2020 number	2019 number
£70,001 - £80,000	-	1
	<u>-</u>	<u>1</u>
	<u>-</u>	<u>1</u>

The charity operates a defined contribution pension scheme. The pension charge for the year represents contributions payable by the charity to the scheme and amounted to £657 (2019: £1,146). Contributions totalling £nil (2019: £512) were payable to the scheme at the end of the year and are included in creditors.

The sole employee was considered to be key management personnel, along with the trustees. The trustees do not receive any remuneration and so the key management personnel remuneration was the total wages and salaries charge as noted above (2019: as above).

## 5 Tangible assets

	Computer equipment £	Total £
<b>Cost</b>		
As at 1 December 2019 and 30 November 2020	1,761	1,761
	<u>1,761</u>	<u>1,761</u>
<b>Depreciation</b>		
As at 1 December 2019	1,162	1,162
Charge for year	599	599
	<u>1,761</u>	<u>1,761</u>
As at 30 November 2020	1,761	1,761
	<u>1,761</u>	<u>1,761</u>
<b>Net book value</b>		
As at 30 November 2020	-	-
	<u>-</u>	<u>-</u>
As at 30 November 2019	599	599
	<u>599</u>	<u>599</u>

## Sherborne Arts Trust

### Notes to the Financial Statements

For the Year Ended 30 November 2020

In 2011, Dorset County Council donated land to the Trust. The land has not been formally valued and was given to the Trust only for the purpose of constructing an Arts Centre. It has no value to the Trust outside of this purpose and has therefore not been included in the financial statements.

## 6 Investments

The charity holds 100 £1 shares in its wholly owned trading subsidiary company, Sherborne Arts (Enterprises) Ltd, which was incorporated in the United Kingdom on 8 January 2021. The principal activity of the company is providing trading activities for the charity. The company has yet to file its first set of accounts, but has remained dormant since incorporation.

The charity has taken advantage of the exemption provided by Section 398 of the Companies Act 2006 and Charities Act 2011 and has not prepared group accounts.

## 7 Creditors – amounts due in less than one year

	2020 £	2019 £
Trade creditors	-	34,057
Accruals	1,200	1,800
Taxation and social security	1,904	-
Other creditors	100	512
	<u>3,204</u>	<u>36,369</u>

## 8 Statement of Funds

	Balance 01/12/2019 £	Income £	Expend- iture £	Transfers £	Balance 30/11/2020 £
<b>Restricted funds</b>					
Simon Digby Memorial Trust	9,524	-	-	-	9,524
<b>Total restricted funds</b>	<u>9,524</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,524</u>
<b>Unrestricted funds</b>					
General	128,861	250,002	(384,497)	-	(5,634)
<b>Total Funds</b>	<u>138,385</u>	<u>250,002</u>	<u>(384,497)</u>	<u>-</u>	<u>3,890</u>

**Statement of Funds – prior year**

	<b>Balance 01/12/2018 £</b>	<b>Income £</b>	<b>Expend- iture £</b>	<b>Transfers £</b>	<b>Balance 30/11/2019 £</b>
<b>Restricted funds</b>					
Simon Digby Memorial Trust	9,524	-	-	-	9,524
<b>Total restricted funds</b>	9,524	-	-	-	9,524
<b>Unrestricted funds</b>					
General	834	350,003	(221,976)	-	128,861
<b>Total Funds</b>	10,358	350,003	(221,976)	-	138,385

- Simon Digby (Sherborne) Memorial Trust – To build an access road to the site of the community arts centre

**9 Analysis of net asset between funds**

	<b>Unres- tricted £</b>	<b>Res- tricted £</b>	<b>Total 2020 £</b>	<b>Unres- tricted £</b>	<b>Res- tricted £</b>	<b>Total 2019 £</b>
Fixed assets	100	-	100	599	-	599
Net current assets	(5,734)	9,524	3,790	128,262	9,524	137,786
	(5,634)	9,524	3,890	128,861	9,524	138,385

**10 Related party transactions**

No remuneration was paid to any trustees during the year (2019: none).

During the year no expenses were reimbursed to trustees (2019: travelling expenses of £230 reimbursed to one trustee).

**11 Company limited by guarantee**

The company was incorporated as a company limited by guarantee and has no share capital. The guarantee to the company is £1 per member on the winding up of the company. At 30 November 2020 the company had five members and the total amount guaranteed is therefore £5.



**12 Financial instruments**

	<b>Total 2020 £</b>	<b>Total 2019 £</b>
Financial assets that are debt instruments measured at amortised cost	6,994	174,155
	<u>6,994</u>	<u>174,155</u>
Financial liabilities measured at amortised cost	1,300	36,369
	<u>1,300</u>	<u>36,369</u>

There are no items of gains, losses, income or expenditure to report (2019 – none).