

SHERBORNE HOUSE TRUST 2018

England & Wales · Charity number 1179440

Details

Other names	The Sherborne
Status	Registered
Legal form	Charitable company
Company number	11423527
Registered	2018-08-03
Register	View on the Charity Commission register

Contact

Address	The Sherborne Newland Sherborne Dorset DT9 3JG
Phone	07866456776
Email	chris@twocannons.co.uk
Website	thesherborne.uk

Activities

Objects: THE OBJECTS FOR WHICH THE CHARITY IS ESTABLISHED (THE OBJECTS) ARE RESTRICTED TO:1 PROMOTING, AND ADVANCING THE EDUCATION OF THE PUBLIC IN, THE ARTS, IN PARTICULAR, BUT NOT EXCLUSIVELY, BY:1.1 PROMOTING AND PROVIDING FACILITIES FOR PARTICIPATION IN THE ARTS; AND1.2 FOSTERING AND PROMOTING THE IMPROVEMENT AND DEVELOPMENT OF ARTISTIC KNOWLEDGE, UNDERSTANDING AND APPRECIATION OF THE ARTS; AND2 RESTORING, PRESERVING AND MAINTAINING, FOR THE PUBLIC BENEFIT, SHERBORNE HOUSE, SHERBORNE, DORSET, INCLUDING THE THORNHILL MURAL, SITUATED WITHIN SHERBORNE HOUSE.

Activities: RESTORING, PRESERVING AND MAINTAINING SHERBORNE HOUSE, SHERBORNE, DORSET, INCLUDING THE THORNHILL MURALPROMOTING, AND ADVANCING THE EDUCATION OF THE PUBLIC IN, THE ARTS, INCLUDING (a) PROMOTING AND PROVIDING FACILITIES FOR PARTICIPATION IN THE ARTS; AND(b)FOSTERING AND PROMOTING THE IMPROVEMENT AND DEVELOPMENT OF ARTISTIC KNOWLEDGE,UNDERSTANDING AND APPRECIATION OF THE ARTS

Classification

- **How:** Provides Buildings/facilities/open Space
- **What:** Arts/culture/heritage/science
- **Who:** The General Public/mankind

Geography

- Dorset

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£5,610,869	£2,232,873	£5,349,820	73
2024-03-31	£11,489,803	£518,563	£4,216,905	5
2023-06-30	£7,409,431	£276,969	£13,537,708	1
2022-06-30	£4,300,980	£99,313	£6,405,246	0
2021-06-30	£325,000	£9,211	-	-

Trustees

Name	Role	Appointed
CHRISTOPHER JOHN MITCHELL		2018-06-20
Eva de Blocq van Kuffeler		2023-10-12
Jonathan James Tiverton Brown		2023-08-15
Richard Henry Miller		2023-10-12
SIR ROBERT ALAN FRY		2023-10-12
Timothy David Hague		2023-10-12

SHERBORNE HOUSE TRUST 2018

England & Wales - Charity number 1179440

Accounts

Sherborne House Trust 2018
(A Charitable Company Limited by Guarantee)

Annual Report and Financial Statements

For the Year Ended 31 March 2025

Company Number: 11423527
Charity Registered in England and Wales Number: 1179440

Sherborne House Trust 2018
Contents
For the Year Ended 31 March 2025

	<u>Page</u>
Reference and Administrative Details	1
CEO Report	2
Trustee Directors' Report	3 – 8
Independent Auditors' Report	9 – 12
Consolidated Statement of Financial Activities	13
Balance Sheet and Consolidated Balance Sheet	14 – 15
Statement of Cash Flows and Consolidated Statement of Cash Flows	16
Notes to Financial Statements	17 – 31

Sherborne House Trust 2018
Reference and Administrative Details
For the Year Ended 31 March 2025

Trustees	E De Blocq Van Kuffeler S A T Cannon (resigned 26/06/2025) Sir R A Fry T D Hague S E Healy (resigned 13/01/2026) A Lucas (resigned 05/12/2025) R H Miller C J Mitchell J J Tiverton Brown
CEO	L Gilmore
Company secretary	C N Newitt (appointed 21/01/2026)
Charity Number	1179440
Company Number	11423527
Registered Office	Albert Goodman LLP Lupin Way Yeovil BA22 8WW
Principal address	Sherborne House Newland Sherborne Dorset DT9 3JG
Auditors	Xeinadin Audit Limited Wadebridge House 16 Wadebridge Square Poundbury Dorchester Dorset DT1 3AQ
Bankers	C Hoare & Co 37 Fleet Street London EC4P 4DQ

Sherborne House Trust 2018

CEO foreword

For the Year Ended 31 March 2025

The year marked a pivotal stage in the development of The Sherborne: the transition from an ambitious capital project to a fully public-facing cultural organisation. The Sherborne opened to the public on 7 May 2024, and welcomed over 55,000 visitors in the period under review.

Strong early engagement with exhibitions, hospitality, and events confirmed significant public interest and benefit, establishing The Sherborne as a successful and relevant cultural destination within Sherborne and the wider South West.

The first year was necessarily a period of learning. Bringing a newly restored Grade I listed building into public use—while simultaneously developing an artistic programme, operational systems and a public identity—was complex. The quality and care invested in the restoration were recognised through national and regional awards, including the Georgian Group Architectural Award for *Restoration of a Georgian Building in an Urban Setting*, providing independent validation of the stewardship of the building as it entered public use.

Artistically, important foundations were established. Early exhibitions and partnerships, particularly with Dorset Visual Arts, enabled local artists to be showcased while allowing the organisation to test audiences and programme formats. Steps were also taken towards defining a more independent artistic direction to reach regional and national audiences.

Looking ahead, the focus is on consolidation and growth: being a dynamic home to the arts in the South West, developing a vibrant artistic programme that is locally and nationally significant, deepening engagement with communities, artists, and visitors, and sharing inspiring creative and culinary experiences for everyone to enjoy. With the continued support of benefactors, Trustees, volunteers, partners, and audiences, The Sherborne is well positioned to move from establishment to maturity and realise its potential as a landmark cultural destination.



Liz Gilmore
CEO The Sherborne

20 Mar 2026

The Trustees, who also serve as directors for the purposes of the Companies Act, present their Annual Report and the financial statements of the group for the year ended 31 March 2025. The annual report serves the purposes of both a trustees' report and a directors' report under company law. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2006, the Charities Act 2011, and the *Accounting and Reporting by Charities: Statement of Recommended Practice* (SORP), applicable to charities preparing their accounts under the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102, effective 1 January 2019).

Directors and Trustees

The directors of the Company are the Charity's Trustees for the purpose of charity law and throughout this document are collectively referred to the Trustees.

The Trustees serving during the year and since the year end are as stated in the Reference and Administrative details on page 1.

Structure, Governance and Management

New Trustees are appointed by the existing Trustees in accordance with the Articles of Association, which require a minimum of three Trustees and do not set a maximum. Trustees are appointed for a three-year term, after which reappointment is subject to a vote of the Board. New Trustees undergo a structured induction and training programme, which includes familiarisation with the charity's governing documents and discussions with existing Trustees. This induction process will continue to evolve as new Trustees join the Board. Subsequent to the year end a formal conflicts of interest policy has been adopted.

Following the year end, Sally Cannon, Anya Lucas, and Sheila Healey retired as Trustees. The Board expresses its gratitude for their dedication, commitment, and valuable contribution to the charity. Recruitment of new Trustees is underway to maintain and enhance the Board's collective experience, strengthening oversight and strategic guidance for the future.

The Trustees meet as required to conduct the business of the charity and to provide strategic direction.

On 1 March 2025, the Trustees appointed Liz Gilmore as the charity's inaugural Chief Executive Officer. Liz brings extensive experience from her tenure at Hastings Contemporary, where she was recognised for her visionary leadership, creativity, and energy. Her appointment reflects The Sherborne's ambition to become a centre of artistic excellence and a vibrant hub for creativity and community engagement and Liz has begun delivering this vision. Since the year end, further steps have been taken to strengthen the executive leadership team, including senior appointments in operations, visitor experience, and marketing.

The trustees set the pay of key management personnel based on market benchmarking and the charity's financial position. Remuneration is reviewed annually and disclosed in line with SORP requirements.

The charity has one incorporated subsidiary, Sherborne House Enterprises Limited (Company Number: 13270147).

The principal funding for the restoration and development of the project has been provided through generous charitable donations from Mrs Sally Cannon and entities linked to or controlled by her.

No Trustee receives remuneration or other financial benefits for their work with the charity.

Objectives and activities

The charity's objects, as set out in its Articles of Association, are to promote and advance public education in the arts, particularly (but not exclusively) by:

- Promoting and providing facilities for participation in the arts; and
- Fostering and encouraging the improvement, development, and appreciation of artistic knowledge and understanding.

An additional objective is the restoration, preservation, and maintenance of Sherborne House in Sherborne, Dorset, including the historic Thornhill Mural, for the public benefit. In practice, this has involved the meticulous restoration of the building and its heritage features, including the Thornhill Mural and its associated staircase. A contemporary Pavilion extension has been added to the rear of the main house, creating a state-of-the-art, multi-functional space. This thoughtful combination of historic and modern design ensures the facility is fit for purpose in the 21st century and beyond.

The Trustees confirm that, in planning and carrying out activities, they have given due regard to the Charity Commission's guidance on public benefit.

The Trustees have conducted a review following the year end of the major risks to which the charity is exposed. Systems and procedures have been established to manage these risks proportionately and effectively, ensuring that both financial and non-financial risks are identified, assessed, and mitigated. A risk register is being created from the review undertaken and will be maintained and reviewed periodically. Actions to mitigate risks include insurance cover, financial controls, staff training. Trustees are satisfied that the charity's risk management processes are now effective.

Achievements and performance

Restoration and Conservation

The Sherborne was established to create a leading arts and cultural destination in the South West. The completed project successfully combines heritage conservation with contemporary cultural use.

The development has delivered:

- The conservation of a Grade I listed building of national and international significance, including the preservation of the historic James Thornhill mural and other heritage features.
- Flexible gallery spaces, outdoor performance areas, and a Pavilion extension, enabling a wide range of artistic, cultural, and community activity.
- Facilities that support the creation, presentation, and interpretation of artistic work, including workshops, public engagement areas and learning spaces for all ages.
- Integrated hospitality and retail provision, including Macready's restaurant and a shop, designed to complement the cultural offer and support the charity's long-term sustainability.

In November 2024, Historic England removed Sherborne House from its *Heritage at Risk* Register. A senior Inspector of Historic Buildings and Areas at Historic England commented:

“After more than 20 years of seeing Sherborne House in a sad and dilapidated condition with no viable use, it is very rewarding to see it brought back to life and transformed into a vibrant community asset, with its status restored as one of Sherborne's foremost historic buildings.”

The quality and sensitivity of the restoration received national recognition. The project won the Georgian Group Architectural Award for Best Restoration of a Georgian Building in an Urban Setting (2024). The Pavilion extension was also recognised, receiving Commercial Project of the Year at the Structural Timber Awards (2024).

Sherborne House Trust 2018

Trustees' Report

For the Year Ended 31 March 2025

The Sherborne was shortlisted as a finalist in the Dorset, Somerset & Bristol *Muddy Stilettos Awards 2025*, reflecting its growing profile as a regional cultural and hospitality destination.

The Trustees record their sincere thanks to The Friends of Sherborne House for their generous support, particularly for funding the conservation work to the James Thornhill mural and the production of a Heritage AV Tour of the house.

Launch

Practical Completion of the restoration and extension of Sherborne House was achieved on 19 April 2024, and The Sherborne formally opened to the public on 7 May 2024.

A soft opening period was followed by a targeted PR campaign running from June 2024 to March 2025. This activity successfully generated early awareness and media interest, but also highlighted the importance of a clearly articulated cultural direction to support sustained visibility and engagement.

With the support of The Friends of Sherborne House, the installation of the Macready Screen (made by Charles Dickens and William Macready) and the launch of the Heritage AV Tour, narrated by Jeremy Irons, provided a strong cultural focus. These initiatives generated coverage and enquiries from *iNews*, *The Sunday Times*, *Art Rabbit*, and *Good Housekeeping*, and reinforced Sherborne's identity as a cultural town and community.

Operations

During the reporting period, the organisation developed operational structures to support the transition from a capital project to a fully functioning, public-facing cultural venue. Pre-opening events enabled testing of visitor flows, building systems, and the integration of the galleries, hospitality, and event spaces.

The first year of trading, however, demonstrated the complexity of operating a multi-use historic building that combines exhibitions, hospitality, and events. The organisation gained valuable insight into staffing requirements, cost control, supplier relationships, and the delivery of a high-quality visitor experience.

By the end of the reporting period, Trustees had identified the need to review operational structures and processes to support long-term resilience and efficiency. This work is ongoing.

Artistic Programme

During the year, The Sherborne focused on establishing its artistic role locally, with the nationally significant James Thornhill mural at the heart of the offer. The venue was freely open to all, encouraging voluntary donations and supporting the widest possible engagement across all ages and backgrounds.

Dorset Visual Arts (DVA) curated a programme of seven exhibitions, primarily showcasing the work of Dorset-based artists drawn from its membership.

Key exhibitions included:

- *Housework* (7 May – 13 July 2024), curated by Amanda Wallwork with *Evolver Magazine*.
- *Jeremy Gardiner: Turning the Tide* (July – October 2024), featuring Dorset based contemporary landscapes.
- *Sculpture at The Sherborne* (from May 2024), presenting outdoor and site-specific works.
- *Making Dorset* (26 October 2024 – 12 January 2025), a successful exhibition celebrating Dorset craft across multiple media.
- *Drawing on Dorset* (23 November 2024 – 23 March 2025), exploring drawing inspired by the county's culture and landscape.
- *Where You Find Your Self* (December 2024), a Dorset Visual Arts group exhibition promoting reflection and engagement.
- *BIND* (1 – 27 March 2025), an interdisciplinary exhibition by the Dorset Visual Arts Salon Collective.

Sherborne House Trust 2018

Trustees' Report

For the Year Ended 31 March 2025

Over 100 Dorset-based artists were showcased during the year, providing a platform for regional talent and opportunities for public engagement. Exhibitions were supported by tours, talks, and workshops, enabling visitors to engage directly with artists and their work.

Cultural events, live music, literary talks, cinema screenings, and flexible co-working provision further extended The Sherborne's reach and relevance within the community.

While the programme during this period focused primarily on Dorset-based artists, planning for 2025 and beyond has begun to broaden the scope to include artists from outside the region. This reflects The Sherborne's ambition to develop a wider national and international profile, while continuing to support local creative practice.

Volunteers

A volunteer programme supporting galleries, gardens, and events was established ahead of opening. By March 2025, approximately 110 volunteers were actively contributing.

Volunteers play a vital role in delivering a welcoming visitor experience, supporting exhibitions and events, and contributing to the development and care of the gardens.

Fundraising

During the reporting period, the charity received small voluntary donations from visitors. The organisation did not undertake any formal public fundraising appeals during this time. The group is therefore not currently registered with any fund raising regulator and have not received any complaints in relation to fundraising.

Financial review

During the year, the group reported total income of £5,610,869 (2024: £11,489,803). The reduction compared with the prior year reflects the completion of the capital fundraising phase. Fixed asset additions during the period totalled £2,455,797. Revenue expenditure amounted to £2,232,873 (2024: £518,563), resulting in a surplus before impairment of £3,377,996 (2024: £10,971,240).

Following further professional advice and careful consideration, the Trustees concluded that Sherborne House met the criteria for recognition as a Heritage Asset. On completion of the restoration, the property was therefore transferred to heritage assets and held at valuation of £4,750,000.

This accounting treatment required a further impairment charge of £2,245,081 in the current year, representing the costs incurred to complete the restoration. The Trustees note that the valuation provided by Chesters Harcourt could not reflect the full cultural and heritage significance of the property, nor its social value to the Sherborne community. Similarly, it could not reflect the reinstatement value of the building and its additions, which has been assessed for insurance purposes at £16,503,165.

The valuers themselves acknowledged these limitations, noting that their valuation had limited relevance to "an extensive and frankly remarkable restoration, with the standard of construction and fit out being of the highest possible standard by any benchmark available to us."

After impairment, the group reported a surplus of £1,132,915 (2024: deficit of £9,320,803) and net assets of £5,349,820 (2024: £4,216,905).

Mrs Sally Cannon has agreed financial support for operations through to 31 March 2027, ensuring ongoing delivery of the artistic programme and maintenance of the building and mural.

The trustees will aim to maintain unrestricted reserves sufficient to cover three months of operating costs. At year-end, unrestricted funds excluding fixed assets totalled £200,629 held as general reserves.

Sherborne House Trust 2018

Trustees' Report

For the Year Ended 31 March 2025

This is the first year of the Company's operation and the aim is to increase reserves to the target level as soon as possible. Reserves are monitored and reviewed annually to ensure they meet the charity's operational needs.

Plans for future periods

Looking ahead, The Sherborne will focus on consolidating operational systems, and delivering an ambitious programme of high-quality exhibitions exploring the cultural and artistic heritage of Sherborne House and its relationship to place, landscape, and community. The programme will place contemporary practice in meaningful dialogue with historic collections, supporting wide public engagement and access to work of national significance, broadening the exhibition programme to include artists from beyond Dorset, while maintaining strong focus on South West talent.

- **Major Exhibitions 2025–2026:**

Reoccurring Intricacies (from 10 May 2025), curated by Tim Martin and featuring Helen Sear RA, Charlotte Hodes, and Amanda Benson;

A series of exhibitions by Sir Quentin Blake, curated by Liz Gilmore—*Our Friends in the Country*, *A Christmas Carol*, *Airborne over Sherborne*, and *100 Portraits*—designed to attract family, intergenerational, and first-time audiences;

Public presentation of the restored Sir James Thornhill's *The Folke Altarpiece*, which will expand public access to an important work of regional and national heritage.

Together with a dynamic programme of public activities—including talks, workshops, performances, and participatory events designed to engage diverse audiences—the exhibitions will establish a strong and distinctive programme for 2025–2026.

- **Education and Community Engagement:** Partnering with higher education institutions, local schools, and community organisations to support creative learning, emerging artists, and wider cultural participation, including a major student exhibition by Yeovil College in June 2025 with a further event planned for 2026.
- **Tourism and Heritage Activation:** Promoting The Sherborne as a destination for cultural tourism, highlighting the historic building, the Thornhill Mural, and its wider intangible cultural heritage. Initiatives will link the venue with Sherborne Castle, Sherborne Abbey, and other cultural sites across the South West.
- **Operational and Financial Sustainability:** Embedding robust management policies and systems, strengthening workforce structures, and developing volunteer programmes to ensure long-term growth, effective delivery of the artistic and cultural vision and financial sustainability.
- **Facilities and Accessibility:** Positioning The Sherborne at the heart of the community, whether that be flexible co-working facilities, events hospitality and hire opportunities, and broader visitor experience amenities, all in addition to our cultural, educational, and community offer.
- **Environmental Responsibility:** Continuing to prioritise sustainability across programming, operations, and building maintenance, in line with The Sherborne's environmentally sensitive design principles.

These initiatives will strengthen The Sherborne as an accessible and inspiring cultural destination, consolidating its role as a landmark venue while delivering lasting public benefit through artistic excellence and engagement.

Statement of Trustees' Responsibilities

The Trustees (who are directors of Sherborne House 2018 for the purposes of company law) are responsible for preparing the Trustees' 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 the Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charitable company and the group and of the income and expenditure, of the charitable group 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 judgements and accounting 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 maintaining proper accounting records which 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to our auditors

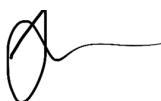
In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Small Company

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the Trustees on 20 Mar 2026 and signed on their behalf by:



.....
T D Hague
Trustee

Sherborne House Trust 2018

Independent Auditors' Report to the Trustees and Members
For the Year Ended 31 March 2025

Opinion

We have audited the financial statements of Sherborne House Trust 2018 (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2025, which comprise the consolidated Statement of Financial Activities, the consolidated and parent charitable company Balance Sheets, the consolidated and parent charitable company Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice, 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 March 2025 and of the group's incoming resources and application of resources 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 Companies Act 2006.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Emphasis of matter

We draw attention to Notes 11 and 12 of the financial statements which describe the difficulty in obtaining a valuation of Sherborne House for the purposes of impairment whilst acknowledging the substantial investment that was required to restore the property. Although the property is predominantly held for its heritage value, the property has mixed use in respect of its commercial activities, with proceeds used to support the group's charitable objectives. With a fair market value being unattainable the value in use approach used recognises the commercial value of the property. The Trustees consider it prudent to exclude the intangible value of the heritage aspects of the property which cannot be isolated from the overall restoration costs and cannot be separately quantified. Our opinion is not modified in respect of this matter.

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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Sherborne House Trust 2018

Independent Auditors' Report to the Trustees and Members
For the Year Ended 31 March 2025

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.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 8, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they 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 and parent charitable company'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 parent charitable company or to cease operations, or have no realistic alternative but to do so.

Sherborne House Trust 2018

Independent Auditors' Report to the Trustees and Members
For the Year Ended 31 March 2025

Auditor's responsibilities for the audit of the financial statements

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 auditor's 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:

We assessed the risk of material misstatement due to non-compliance with laws and regulations by:

- Obtaining an understanding of the legal and regulatory frameworks that are applicable to the Group and how it complies with those through enquires of management and those charged with governance. Laws and regulations which make have a direct material effect on the financial statements include the Companies Act 2006 and the Charity Act 2011. Other laws and regulations which may have a material effect on the financial statements include data protection and health and safety laws; and
- Communicating within the audit team and maintaining professional scepticism.

Specifically in respect of fraud we discussed with those charged with governance areas in which the Group was susceptible to fraud and whether there were an instances of known, suspected or alleged fraud. We also assessed the ability of internal controls to mitigate the risk of fraud.

We assessed the risk of non-compliance with laws and regulations by:

- Making enquiries of management and those charged with governance concerning actual and potential litigation or claims;
- Reading meeting minutes for evidence of discussions which may indicate potential litigation and claims;
- Reviewing the company's records for evidence of legal costs which may indicate non-compliance with laws and regulations; and
- Requesting sight of any correspondence from regulators.

To address the fraud risk of management override of controls, we:

- Tested the validity of journal entries;
- Tested accounting estimates for evidence of potential bias;
- Performed analytical procedures to identify any unusual relationships;
- Sought explanations and evidence for any transactions outside the normal course of business;
- Assessed the appropriateness of accounting policies, including in respect of revenue recognition; and
- Assessed the qualifications, competence and independence of management's expert who valued the charity's land and buildings for the purposes of their impairment review.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

Sherborne House Trust 2018

Independent Auditors' Report to the Trustees and Members
For the Year Ended 31 March 2025

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 auditor's report.

Use of our report

This report is made solely to the group and parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group and parent charitable company's members and trustees those matters we are required to state to them in an auditor's 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 group and parent charitable company and the group and parent charitable company's members as a body and the parent charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Mr P A Cattermole FCA (Senior Statutory Auditor)
For and on behalf of Xeinaadin Audit Limited
Chartered Accountants
Statutory Auditor

Wadebridge House
16 Wadebridge Square
Poundbury
Dorchester
Dorset
DT1 3AQ
20 Mar 2026

Date.....

Sherborne House Trust 2018Consolidated Statement of Financial Activities (including an Income & Expenditure account)
For the Year Ended 31 March 2025

		Unres- tricted	Res- tricted	2025 Total	Unres- tricted (as restated)	Res- tricted	2024 Total (as restated)
	Notes	£	£	£	£	£	£
Income from:							
Donations and legacies	2	3,117,467	1,134,465	4,251,932	11,485,095	-	11,485,095
Charitable activities	3	69,473	-	69,473	-	-	-
Other trading activities	4	1,281,804	-	1,281,804	3,474	-	3,474
Investments	5	7,660	-	7,660	1,234	-	1,234
Total income		4,476,404	1,134,465	5,610,869	11,489,803	-	11,489,803
Expenditure on:							
Raising funds	6	1,309,049	-	1,309,049	103,001	-	103,001
Charitable activities	7	923,824	-	923,824	415,562	-	415,562
Total expenditure		2,232,873	-	2,232,873	518,563	-	518,563
Net (expenditure)/income		2,243,531	1,134,465	3,377,996	10,971,240	-	10,971,240
Transfer between funds	18	1,134,465	(1,134,465)	-	-	-	-
Other recognised gains							
Impairment of fixed asset	11	(2,245,081)	-	(2,245,081)	(20,292,043)	-	(20,292,043)
Net movement in funds for the year		1,132,915	-	1,132,915	(9,320,803)	-	(9,320,803)
Reconciliation of funds							
Total funds brought forward		4,216,905	-	4,216,905	13,537,708	-	13,537,708
Total funds carried forward		5,349,820	-	5,349,820	4,216,905	-	4,216,905

The results for the period 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.

Sherborne House Trust 2018 – Company Registration Number: 11423527
Balance Sheet and Consolidated Balance Sheet
As at 31 March 2025

	Notes	2025 £ Group	2025 £ Charity	2024 £ Group	2024 £ Charity (as restated)
Fixed assets					
Intangible fixed assets	10	1,458	1,458	-	-
Tangible fixed assets	11	397,733	397,733	4,994,198	4,994,198
Heritage assets	12	4,750,000	4,750,000	-	-
Investments	13	-	466,905	-	100
		<u>5,149,191</u>	<u>5,616,096</u>	<u>4,994,198</u>	<u>4,994,298</u>
Current assets					
Stock	14	79,809	-	6,707	-
Debtors	15	582,071	555,840	857,956	1,062,391
Cash at bank and in hand		380,325	367,807	107,308	103,314
		<u>1,042,205</u>	<u>923,647</u>	<u>971,971</u>	<u>1,165,705</u>
Liabilities					
Creditors: amounts falling due within one year	16	(841,576)	(665,901)	(1,448,544)	(1,404,953)
		<u>200,629</u>	<u>257,746</u>	<u>(476,573)</u>	<u>(239,248)</u>
Net current assets					
		<u>5,349,820</u>	<u>5,873,842</u>	<u>4,517,625</u>	<u>4,755,050</u>
Total assets less current liabilities					
Creditors: amounts falling due after one year	17	-	-	(300,720)	(300,720)
		<u>5,349,820</u>	<u>5,873,842</u>	<u>4,216,905</u>	<u>4,454,330</u>
Total net assets					
The funds of the charity:					
Unrestricted funds:					
General funds		<u>5,349,820</u>	<u>5,873,842</u>	<u>4,216,905</u>	<u>4,454,330</u>
Total unrestricted funds	19	<u>5,349,820</u>	<u>5,873,842</u>	<u>4,216,905</u>	<u>4,454,330</u>
Restricted funds	19	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>5,349,820</u>	<u>5,873,842</u>	<u>4,216,905</u>	<u>4,454,330</u>
Total charity funds					

Sherborne House Trust 2018 – Company Registration Number: 11423527


Balance Sheet and Consolidated Balance Sheet

As at 31 March 2025

The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes on pages 17 to 31 form part of these accounts.

Approved by the Trustees for issue on ^{20 Mar 2026} and signed on their behalf by:



.....
T D Hague - Trustee

Sherborne House Trust 2018Statement of Cash Flows and Consolidated Statement of Cash Flows
For the Year Ended 31 March 2025

		2025	2025	2024	2024
		£	£	£	£
	Notes	Group	Charity	Group	Charity (as restated)
Cash flows from operating activities					
Net income/ (expenditure) for the year		1,132,915	1,419,512	(9,320,803)	(9,121,494)
Adjustments to cash flows from non-cash items:					
Depreciation and amortisation	10/11/12	57,223	57,223	-	-
Losses on revaluation of fixed assets	11	2,245,081	2,245,081	20,292,043	20,292,043
Interest receivable	5	(7,660)	(7,660)	(1,234)	(1,234)
		<u>3,427,559</u>	<u>3,714,156</u>	<u>10,970,006</u>	<u>11,169,315</u>
Working capital adjustments					
Decrease / (increase) in investments	13	-	-	-	-
Decrease / (increase) in stocks	14	(73,102)	-	(6,707)	-
(Increase) / decrease in debtors	15	275,885	506,551	(163,417)	(352,302)
Increase / (decrease) in creditors	16	164,635	(115,571)	57,057	35,932
		<u>3,794,977</u>	<u>4,105,136</u>	<u>10,856,939</u>	<u>10,852,945</u>
Cash flows from investing activities					
Purchase of tangible fixed assets	11	(3,528,120)	(3,532,057)	(10,780,657)	(10,780,657)
Purchase of intangible fixed assets	10	(1,500)	-	-	-
Investment in subsidiary	13	-	(316,246)	-	-
Interest received	5	7,660	7,660	1,234	1,234
		<u>(3,521,960)</u>	<u>(3,840,643)</u>	<u>(10,779,423)</u>	<u>(10,779,423)</u>
Net increase in cash and cash equivalents		<u>273,017</u>	<u>264,493</u>	<u>77,516</u>	<u>73,522</u>
Cash and cash equivalents at the beginning of the reporting period		<u>107,308</u>	<u>103,314</u>	<u>29,792</u>	<u>29,792</u>
Cash and cash equivalents at the end of the reporting period		<u>380,325</u>	<u>367,807</u>	<u>107,308</u>	<u>103,314</u>
Cash & Cash equivalents reconciliation:					
Cash at bank		<u>380,325</u>	<u>367,807</u>	<u>107,308</u>	<u>103,314</u>
Total cash & cash equivalents at the end of the reporting period		<u>380,325</u>	<u>367,807</u>	<u>107,308</u>	<u>103,314</u>

1 Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are:

1.1 Basis of accounting

Sherborne House Trust 2018 is a private company limited by guarantee incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the charity's operations and its principal activities are set out in the Trustees Report on pages 2 – 8. The address for the charity is as given on page 1, and it operates in England and Wales.

The financial statements have been prepared in £ sterling and 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 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (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 note(s).

These financial statements consolidate the results of the Charity and its wholly owned subsidiary, Sherborne House Enterprises Limited, on a line by line basis. The "Group" heading within the balance sheet refers to the consolidated accounts of Sherborne House Trust 2018 and Sherborne House Enterprises Limited.

In the parent company financial statements the investment in the trading subsidiary is accounted for at cost less impairment.

A separate Statement of Financial Activities or income and expenditure account, for the Charity itself has not been presented because the Charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006.

1.2 Legal status of the Trust

The Trust is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

The company is incorporated in England and Wales and the company registered office is detailed on page 1, reference and administration details.

1.3 Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern.

The Trustees have obtained commitments from viable sources for sufficient funding to support the Charity's activities for the period through to 31 March 2027 (see note 23).

The trustees have therefore made an assessment of going concern in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the charity has adequate resources to continue in operational existence for at least this period and there are no material uncertainties about the charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting when preparing the financial statements.

1.4 Income

All income is recognised once the charity has entitlement to the resources, it is certain that the resources will be received, and the monetary value of incoming resources can be measured with sufficient reliability.

1.5 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.

1.6 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

1.7 Intangible fixed assets

Intangible assets are capitalised at cost and held at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets as to write off the cost, less any estimated residual value, over their useful life as follows:

Website	straight line over 3 years
---------	----------------------------

1.8 Tangible fixed assets

The Charity owns the freehold of Sherborne House, Sherborne, Dorset, which the trustees intend to renovate and subsequently use to support the arts.

During the period, work has continued on the House, which has been capitalised within the financial statements. Associated purchases by way of equipment, plant and equipment and fixtures and fittings have also been capitalised.

During the year, the Trustees took the decision that Sherborne House met the definition of a heritage asset and therefore it was transferred to a heritage asset upon completion. Please see accounting policy below and note 11 to the accounts for more information.

The asset came into use during the year and therefore, depreciation has been provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life as follows:

Computer Equipment	straight line over 3 years
Plant and Machinery	straight line over 10 years
Fixtures and Fittings	straight line over 10 years

1.9 Heritage assets

During the year, the Trustees took the decision that Sherborne House met the definition of a heritage asset and therefore it was transferred to a heritage asset upon completion.

The House is held at valuation and was formally revalued in the year to 31 March 2024 by a professional valuer.

Depreciation is provided on the House to write off the valuation, less any residual value, over its useful life as follows:

Sherborne House	straight line over 100 years.
-----------------	-------------------------------

Heritage assets are not expected to be routinely acquired and each acquisition will therefore be considered on its own merits. The building is maintained and managed as part of the charitable operations of the organisation.

A full record is maintained of all spend on heritage assets and access to the public is free and encouraged.

1.10 Investments

Investments comprise shares in subsidiary undertakings and loans to subsidiaries to enable investment in continued return for the charity. These items are removed on consolidation for the group.

Shares in subsidiary undertakings are valued at the cost of the shares.

Loans to subsidiaries are recognised at the recoverable value of the amount of loan provided.

1.11 Stock

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods comprises direct materials. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell with any impairment loss being recognised immediately in the SOFA.

1.12 Debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Charity will not be able to collect all amounts due to according to the original terms of the receivables.

Other debtors comprise amounts due from funders, prepayments and accrued income. Amounts due from funders are recognised when the Charity is entitled to the money, prepayments arise from the payments for services prior to benefit from those services, and accrued income is amounts due for services provided, recognised at the point of provision of the services.

1.13 Cash at bank and in hand

Cash at bank and in hand comprise of cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

1.14 Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of Trust.

Restricted funds are from donations and grants in which the donor or funder has specified are to be solely used for particular areas of the Trust's work or for specific projects being undertaken by the Trust.

1.15 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 and provisions are recognised at their settlement amount.

1.16 Taxation

As a registered charity, the charity is not liable to corporation tax to the extent that income and gains are applied to charitable objectives.

1.17 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 are basic financial instruments and are debt instruments measured at amortised cost. Investment portfolios are basic financial instruments measured at fair value through the income and expenditure account. 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. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.18 Prior period adjustment

During the year, the subsidiary company became fully active. At this time, the costs incurred then became costs of raising funds for the group. As a result, the prior year has been restated to be comparable. The net result of this change is to move £103,001 in the prior year from unrestricted expenditure on charitable activities to unrestricted expenditure on raising funds. The surplus and total expenditure were unchanged as a result of this adjustment.

It was also identified that expenditure of £42,900 was incorrectly included in the subsidiary accounts in the prior year, when it should have been included in the charity accounts. As a result, the expenditure in the prior year was removed from the subsidiary accounts, through the intercompany loan, to the charity accounts. This has also reduced the interest charged on the intercompany loan by £190 as a result.

The combined adjustments have had the following impact on the previously reported 2024 accounts:

	2024 original	Adjustments	2024 amended
<u>Income - charity</u>			
Interest income	7,323	(190)	7,133
<u>Expenditure - charity</u>			
Wages and salaries	-	42,900	42,900
<u>Expenditure - subsidiary</u>			
Wages and salaries	99,155	(42,900)	56,255
Interest expense	6,089	(190)	5,899
	<u>105,244</u>	<u>(43,090)</u>	<u>62,154</u>
<u>Expenditure - group</u>			
Expenditure on raising funds	-	103,001	103,001
Expenditure on charitable activities	518,563	(103,001)	415,562
	<u>518,563</u>	<u>-</u>	<u>518,563</u>
<u>Debtors due < 1 year - charity</u>			
Amounts owed by group undertakings	323,590	(43,090)	280,500
<u>Reserves - charity</u>			
Unrestricted funds brought forward	13,575,824	-	13,575,824
Surplus/ (deficit) for the year	(9,078,404)	(43,090)	(9,121,494)
	<u>4,497,420</u>	<u>(43,090)</u>	<u>4,454,330</u>

2 Donations and legacies

	Unres- tricted funds £	Res- tricted funds £	2025 Total £	Unres- tricted funds £	Res- tricted funds £	2024 Total £
Donations and bequests	3,117,467	1,134,465	4,251,932	11,485,095	-	11,485,095
	3,117,467	1,134,465	4,251,932	11,485,095	-	11,485,095

3 Income from charitable activities

	Unres- tricted funds £	Res- tricted funds £	2025 Total £	Unres- tricted funds £	Res- tricted funds £	2024 Total £
Events	18,718	-	18,718	-	-	-
Rental and hire	35,430	-	35,430	-	-	-
Arts activities	15,325	-	15,325	-	-	-
	69,473	-	69,473	-	-	-

4 Income from other trading activities

	Unres- tricted funds £	Res- tricted funds £	2025 Total £	Unres- tricted funds £	Res- tricted funds £	2024 Total £
Income from trading subsidiary						
Food and drink sales	1,130,214	-	1,130,214	-	-	-
Venue hire	18,038	-	18,038	-	-	-
Events	477	-	477	-	-	-
Shop sales	133,075	-	133,075	474	-	474
Office rental income	-	-	-	3,000	-	3,000
	1,281,804	-	1,281,804	3,474	-	3,474

5 Investment income

	Unres- tricted funds £	Res- tricted funds £	2025 Total £	Unres- tricted funds £	Res- tricted funds £	2024 Total £
Bank interest	7,660	-	7,660	1,234	-	1,234

6 Expenditure on raising funds

	Unres- tricted	Res- tricted	2025 Total	Unres- tricted (as restated)	Res- tricted (as restated)	2024 Total
	£	£	£	£	£	£
Purchases	438,839	-	438,839	64,683	-	64,683
Wages	677,054	-	677,054	-	-	-
Other direct costs	193,156	-	193,156	38,318	-	38,318
	1,309,049	-	1,309,049	103,001	-	103,001

7 Expenditure on charitable activities

	Staff costs	Other Direct costs	2025 Total	Staff costs (as restated)	Other Direct costs (as restated)	2024 Total
	£	£	£	£	£	£
Charitable activities						
Wages and salaries	305,619	-	305,619	112,123	-	112,123
Other staff costs	-	41,683	41,683	-	8,538	8,538
Arts programme costs	-	4,632	4,632	-	-	-
Property costs	-	199,460	199,460	-	60,225	60,225
Administration costs	-	142,338	142,338	-	122,340	122,340
Advertising and marketing	-	22,162	22,162	-	33,240	33,240
Consultancy	-	24,401	24,401	-	27,547	27,547
Sundry costs	-	2,589	2,589	-	112	112
Depreciation	-	57,224	57,224	-	-	-
Accountancy	-	66,763	66,763	-	13,505	13,505
Audit	-	12,000	12,000	-	6,000	6,000
Professional fees	-	44,953	44,953	-	31,932	31,932
	305,619	618,205	923,824	112,123	303,439	415,562

Costs are allocated between activities based on an estimate of floor space and employee time.

8 Trustee directors

Charity trustees were not paid or received any other benefits from employment with the Trust or its subsidiary in the period (2024: £nil).

No charity trustee received payment for professional or other services supplied to the charity (2024: £nil).

Two charity trustees or their associated family members were reimbursed conference, travel and subsistence costs totalling £701 (2024: £nil).

9 Employees

Number of employees

The average monthly head count for the group was 73 staff (2024: 5 staff).

Employment costs	2025	2024
	£	£
Wages and salaries	898,835	99,155
Social security costs	67,397	10,747
Pension costs	16,441	2,221
	<u>982,673</u>	<u>112,123</u>

One employee earned between £70,000 - £79,999 (2024 – none).

The key management personnel of the group comprise those of the Trust and the key management personnel of its wholly owned subsidiary Sherborne House Enterprises Limited. The key management personnel of the group is therefore the Chief Executive of the Trust and the Commercial Director of Sherborne House Enterprises Limited. The total employee benefits (includes gross pay, employer pension and employer national insurance) of the key management personnel of the group were £89,604 (2024: £54,100).

Pension costs

The company operates a defined contribution pension scheme. The charge to the Statement of Financial Activities for the period is shown above.

Contributions totalling £4,748 (2024 - £1,230) were payable to the schemes at the end of the period and are included in creditors.

10 Intangible fixed assets

	Website	Total
	£	£
Cost		
At 1 April 2024	-	-
Additions	1,500	1,500
	<u>1,500</u>	<u>1,500</u>
At 31 March 2025	1,500	1,500
	<u>1,500</u>	<u>1,500</u>
Amortisation		
At 1 April 2024	-	-
Charge for the year	42	42
	<u>42</u>	<u>42</u>
At 31 March 2025	42	42
	<u>42</u>	<u>42</u>
Net book value		
At 31 March 2025	1,458	1,458
	<u>1,458</u>	<u>1,458</u>
At 31 March 2024	-	-
	<u>-</u>	<u>-</u>

11 Tangible fixed assets

	Assets in the course of construction £	Computer equipment £	Plant & Machinery £	Fixtures & fittings £	Total £
Cost					
At 1 April 2024	4,750,000	32,219	91,422	120,557	4,994,198
Additions	2,245,081	45,849	38,652	126,215	2,455,797
Impairment	(2,245,081)	-	-	-	(2,245,081)
Transfer	(4,750,000)	-	-	-	(4,750,000)
At 31 March 2025	-	78,068	130,074	246,772	454,914
Depreciation					
At 1 April 2024	-	-	-	-	-
Charge for the year	-	22,170	12,214	22,797	57,181
At 31 March 2025	-	22,170	12,214	22,797	57,181
Net book value					
At 31 March 2025	-	55,898	117,860	223,975	397,733
At 31 March 2024	4,750,000	32,219	91,422	120,557	4,994,198

The above assets are all held by the charity.

All assets previously recorded as assets under construction were completed during the year and are held by the Charity.

Following further professional advice and careful consideration, the Trustees determined that Sherborne House meets the criteria for recognition as a Heritage Asset in accordance with the Charities SORP. On completion, the asset was therefore transferred from assets under construction to heritage assets in these accounts.

The impairment of assets under construction reflects the adjustment of cost to the valuation at completion, as carried out by Chesters Harcourt, an independent external valuer, on an open market basis. For the reasons stated in the Trustees' Report, the valuation is likely to be of little relevance to a purchaser looking to secure such a significant building for their own purposes and there is little doubt that if marketed the value achieved would be in excess of the figure reported.

Sherborne House had remained unoccupied for many years and was included on Historic England's Heritage at Risk Register. A principal reason for this was the absence of any viable commercial use that could justify the substantial investment required to restore the building. In undertaking the restoration, the Trustees remained committed to the vision of Michael Cannon to create a landmark destination for the arts that would endure for public benefit. The exceptional generosity of Michael and Sally Cannon, together with the quality and care applied throughout the restoration, has enabled this vision to be realised. Sherborne House was removed from the Heritage at Risk Register in November 2024.

The Trustees recognise that the absence of comparable properties, together with the valuation methodologies permitted under the Charities SORP, limited the ability of the valuation to reflect the asset's value in use as a completed cultural and heritage property. As a result, the asset continues to be impaired and is included in the balance sheet at the open market valuation obtained.

12 Heritage assets

	Sherborne House £	Total £
Cost		
At 1 April 2024	-	-
Additions	4,750,000	4,750,000
	<hr/>	<hr/>
At 31 March 2025	4,750,000	4,750,000
	<hr/>	<hr/>
Depreciation		
At 1 April 2024	-	-
Charge for the year	-	-
	<hr/>	<hr/>
At 31 March 2025	-	-
	<hr/>	<hr/>
Net book value		
At 31 March 2025	4,750,000	4,750,000
	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2024	-	-
	<hr/> <hr/>	<hr/> <hr/>

The House is held at valuation. Please see accounting policy 1.9 for further information.

The property was valued on an open market basis as at 31 March 2024, by Chester Harcourt, an external valuer.

Summary analysis of heritage asset transactions

	2025 £	2024 £	2023 £	2022 £	2021 £
Transfer at valuation					
Sherborne House	4,750,000	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total additions	4,750,000	-	-	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

There were no disposals or impairments recognised on heritage assets for the 5 years disclosed above.

13 Investments

	Charity	
	Total 2025	Total 2024 (as restated)
	£	£
Sherborne House Enterprises Limited		
Ordinary shares of £1 each	100	100
Investment in subsidiary - loan due > 1 year	466,805	-
	<u>466,905</u>	<u>100</u>

Sherborne House Enterprises Limited (company no 13270147) was incorporated on 16 March 2021 as a wholly owned trading subsidiary of Sherborne House Trust 2018. The parent charity holds 100% of the issued share capital and 100% of the voting rights of the subsidiary trading company.

The principal activities of the company are the trade of Sherborne House. The registered office is the same as that of the Trust, detailed on page 1. The subsidiary gift aids its taxable profits to Sherborne House Trust 2018, and files accounts with the Registrar of Companies.

A summary of the trading results is shown below:

	2025	2024 (as restated)
	£	£
Turnover	1,289,117	474
Cost of sales	(1,181,673)	(75,607)
Gross profit/ (loss)	107,444	(75,133)
Administrative expenses	(369,519)	(121,275)
Other operating income	-	3,000
Operating profit/ (loss)	(262,075)	(193,408)
Interest payable	(24,524)	(5,899)
Profit/ (loss) before tax & profit/ (loss) for the financial year	(286,599)	(199,307)
Retained earnings brought forward in subsidiary	(237,321)	(38,014)
Gift aid to Sherborne House Trust 2018	-	-
Retained earnings carried forward in subsidiary	<u>(523,920)</u>	<u>(237,321)</u>
The assets and liabilities were:		
Fixed assets	-	-
Current assets	189,953	86,866
Current liabilities	(247,068)	(324,187)
Total assets less current liabilities	(57,115)	(237,321)
Creditors falling due after more than one year	(466,805)	-
Total net assets	<u>(523,920)</u>	<u>(237,321)</u>
Called up share capital	100	100
Profit and loss reserve	(524,020)	(237,421)
	<u>(523,920)</u>	<u>(237,321)</u>

14 Stock

	2025		2024	
	Group	Charity	Group	Charity
	£	£	£	£
Food and drink	27,596	-	-	-
Goods for resale	52,213	-	6,707	-
	<u>79,809</u>	<u>-</u>	<u>6,707</u>	<u>-</u>

15 Debtors

	2025		2024	
	Group	Charity	Group	Charity
	£	£	£	£
Trade debtors	65,124	1,500	39,087	39,087
Prepayments and accrued income	516,947	554,340	818,869	742,804
Amounts owed by group undertakings	-	-	-	280,500
	<u>582,071</u>	<u>555,840</u>	<u>857,956</u>	<u>1,062,391</u>

16 Creditors: Amounts falling due within one year

	2025		2024	
	Group	Charity	Group	Charity
	£	£	£	£
Trade creditors	139,051	81,571	196,786	185,200
Other creditors	268,459	187,600	19,466	100
Accruals and deferred income	407,192	391,920	1,223,139	1,219,653
Taxation and social security	26,874	4,810	9,153	-
	<u>841,576</u>	<u>665,901</u>	<u>1,448,544</u>	<u>1,404,953</u>

	2025		2024	
	Group	Charity	Group	Charity
	£	£	£	£
Deferred income b/fwd	-	-	-	-
Released from previous years	-	-	-	-
Resources deferred in the year	60,614	-	-	-
	<u>60,614</u>	<u>-</u>	<u>-</u>	<u>-</u>

Income has been deferred in relation to deposits for room hire and catering to be delivered after the year end.

17 Creditors: Amounts falling due after one year

	2025		2024	
	Group	Charity	Group	Charity
	£	£	£	£
Accruals	-	-	300,720	300,720
	-	-	300,720	300,720

18 Summary of movement in funds - Group

	Opening balance	Income	Expenditure	Transfers & losses	Closing balance
	£	£	£	£	£
Unrestricted funds - Group					
General	4,216,905	4,476,404	(2,232,873)	(1,110,616)	5,349,820
Restricted funds - Group					
Donations	-	1,134,465	-	(1,134,465)	-
	4,216,905	5,610,869	(2,232,873)	(2,245,081)	5,349,820

Summary of movement in funds – Charity

	Opening balance	Income	Expenditure	Transfers & losses	Closing balance
	£	£	£	£	£
Unrestricted funds - Charity					
General	4,454,330	3,211,811	(681,683)	(1,110,616)	5,873,842
Restricted funds - Charity					
Donations	-	1,134,465	-	(1,134,465)	-
	4,454,330	4,346,276	(681,683)	(2,245,081)	5,873,842

Summary of movement in funds – Group (2024)

	Opening balance	Income	Expenditure	Transfers & losses	Closing balance
	£	£	£	£	£
Unrestricted funds - Group					
General	13,537,708	11,489,803	(518,563)	(20,292,043)	4,216,905
	13,537,708	11,489,803	(518,563)	(20,292,043)	4,216,905

Summary of movement in funds – Charity (2024)

	Opening balance £	Income (as restated) £	Expenditure (as restated) £	Transfers & losses £	Closing balance (as restated) £
Unrestricted funds - Charity					
General	13,575,824	11,492,228	(321,679)	(20,292,043)	4,454,330
	<u>13,575,824</u>	<u>11,492,228</u>	<u>(321,679)</u>	<u>(20,292,043)</u>	<u>4,454,330</u>

The unrestricted funds of the charity are available for unrestricted use.

The restricted fund arose as a result of a specific donation provided by a Trustee (part of the disclosure made in note 21), for use for payment of the final capital balance. It was spent in full during the year on fixed assets, and a transfer has therefore been made to unrestricted funds as the asset has been purchased from a restricted fund donation but is held for general purposes, in accordance with paragraph 2.26 of the SORP.

19 Analysis of assets between funds – Group

	Fixed assets £	Cash at bank and in hand £	Other net current assets/ (liabilities) £	Creditors more than one year £	Total £
Unrestricted funds	5,149,191	380,325	(179,696)	-	5,349,820
As at 31 March 2025	<u>5,149,191</u>	<u>380,325</u>	<u>(179,696)</u>	<u>-</u>	<u>5,349,820</u>

Analysis of assets between funds – Charity

	Fixed assets £	Cash at bank and in hand £	Other net current assets/ (liabilities) £	Debtors more than one year £	Total £
Unrestricted funds	5,616,096	367,807	(110,061)	-	5,873,842
As at 31 March 2025	<u>5,616,096</u>	<u>367,807</u>	<u>(110,061)</u>	<u>-</u>	<u>5,873,842</u>

Analysis of assets between funds – Group (2024)

	Fixed assets £	Cash at bank and in hand £	Other net current assets/ (liabilities) £	Creditors more than one year £	Total £
Unrestricted funds	4,994,198	107,308	(583,881)	(300,720)	4,216,905
As at 31 March 2024	4,994,198	107,308	(583,881)	(300,720)	4,216,905

Analysis of assets between funds – Charity (2024)

	Fixed assets £	Cash at bank and in hand £	Other net current assets/ (liabilities) (as restated) £	Creditors more than one year £	Total (as restated) £
Unrestricted funds	4,994,298	103,314	(342,562)	(300,720)	4,454,330
As at 31 March 2024	4,994,298	103,314	(342,562)	(300,720)	4,454,330

20 Income and expenditure account of the Trust

The company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own Income and Expenditure Account or separate Statement of Financial Activities.

Prior to gift aid amounts received from the subsidiary, Sherborne House Trust 2018 has net income for the year of £1,419,512 (2024 – net expenditure of £9,078,404) based on income of £4,346,276 (2024 - £11,492,418).

21 Related party transactions

The charity has taken advantage of the exemption in FRS 102 “Related Party Disclosures” from disclosing transactions with other members of the group.

During the period, Sherborne House Trust 2018 received donations totalling £1,005,000 from The Cannon Foundation (2024 - £5,880,000), and £nil from Canprop I Limited (2024 - £1,510,000). The Cannon Foundation and Canprop I Limited are charities or companies under the control of individuals who are Trustees of Sherborne House Trust 2018.

In addition, Trustees (past and current) gave donations to the charity in the period totalling £3,121,358 (2024 - £3,970,000).

The wife of Jeremy Lee, a member of Key Management Personnel during the year, was paid for design services totalling £375 (2024 - £3,435). This was all paid during the year with no amounts due at the year end (2024 - £1,320 included within trade creditors).

22 Analysis of changes in net debt – Group

	At 1 April 2024	Cash flows	At 31 March 2025
Cash	107,308	273,017	380,325
	<u>107,308</u>	<u>273,017</u>	<u>380,325</u>

Analysis of changes in net debt – Charity

	At 1 April 2024	Cash flows	At 31 March 2025
Cash	103,314	264,493	367,807
	<u>103,314</u>	<u>264,493</u>	<u>367,807</u>

23 Events after the end of the reporting period

The trustees have considered events subsequent to the year end up to the date of approval of these financial statements.

Adjusting event

Following the year end, significant progress has been made in resolving the VAT dispute in relation to VAT claimed in relation to the restoration of Sherborne House. The matter is close to being settled with HMRC such that it is now possible to estimate with reasonable certainty the resulting VAT liability and associated further professional costs (together “the VAT Liability”). Consequently, a provision of £50,000 has been included in the accounts, which is netted off of amounts owed from HMRC within Debtors: prepayments and accrued income.

Non-adjusting event

The trustees have entered into agreements prior to the approval of these accounts with the Charity’s principal benefactor, Mrs. Sally Cannon, to provide the following:

- a) a grant for working capital for the Charity’s activities through to 31 March 2027
- b) a grant to cover any retention monies payable to Stonewood Builders Limited and the cost of certain additional building works carried out to the building since practical completion
- c) a grant to cover the VAT Liability to the extent it is not already covered by monies retained by HMRC.

In addition, Mrs. Cannon has also agreed to provide an unsecured loan to the trading subsidiary, Sherborne House Enterprises Limited that is repayable after 10 years. Part of this loan is to allow the trading subsidiary to repay £270,000 of its inter-company loan with the Charity (together with accrued interest), the remainder to provide working capital for its operations through to 31 March 2027. Whilst these are significant events no adjustment is required to the financial statements, and the trustees are satisfied the Company remains a going concern.

SHERBORNE HOUSE TRUST 2018

England & Wales - Charity number 1179440

Accounts

Sherborne House Trust 2018
(A Charitable Company Limited by Guarantee)

Annual Report and Financial Statements

For the Period from 1 July 2023 - 31 March 2024

Company Number: 11423527
Charity Registered in England and Wales Number: 1179440

Sherborne House Trust 2018

Contents

For the Period from 1 July 2023 - 31 March 2024

	<u>Page</u>
Reference and Administrative Details	1
Trustee Directors' Report	2 – 5
Independent Auditors' Report	6 – 9
Consolidated Statement of Financial Activities	10
Balance Sheet and Consolidated Balance Sheet	11
Statement of Cash Flows and Consolidated Statement of Cash Flows	12
Notes to Financial Statements	13 – 23

Sherborne House Trust 2018

Reference and Administrative Details

For the Period from 1 July 2023 - 31 March 2024

Trustees	S A T Cannon E De Blocq Van Kuffeler Sir R A Fry T D Hague S E Healy A Lucas R H Miller C J Mitchell J J Tiverton Brown
Charity Number	1179440
Company Number	11423527
Registered Office	Albert Goodman LLP Lupin Way Yeovil BA22 8WW
Principal address	Sherborne House Newland Sherborne Dorset DT9 3JG
Auditors	Xeinadin Audit Limited Wadebridge House 16 Wadebridge Square Poundbury Dorchester Dorset DT1 3AQ
Bankers	C Hoare & Co 37 Fleet Street London EC4P 4DQ

Sherborne House Trust 2018

Trustees' Report

For the Period from 1 July 2023 - 31 March 2024

The Trustees, who are also directors for the purposes of the Companies Act, present their annual report and the financial statements of the charity for the period ended 31 March 2024. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2006, Charities Act 2011 and the requirements of 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).

Structure, Governance and Management

New Trustees are appointed by the existing Trustees, in accordance with the Articles of Association, which stipulate a minimum of three Trustees and no maximum. Trustees are appointed for a term of three years, after which reappointment is subject to a vote by the Trustees. New Trustees undergo an induction and training process that includes receiving the charity's governing documents and engaging in discussions with current Trustees. This process will continue to evolve as the charity begins trading.

Following the deeply sad passing of Michael Cannon on 2 June 2023, Jonathan Tiverton Brown was appointed as a Trustee on 15 August 2023. Subsequently, we were delighted to welcome Sir Robert Fry, Sheila Healey, Richard Miller, Tim Hague, and Eva de Blocq van Kuffeler as Trustees on 12 October 2023, and Anya Lucas on 11 January 2024.

The Trustees convene as needed to conduct the business of the charity.

During the year under review, the Trustees engaged a highly experienced professional team to oversee the building works. The team was led by Spase Limited as architects and Peter Gunning & Partners LLP as quantity surveyors, with Stonewood Builders Limited serving as the main contractor.

The charity has one incorporated subsidiary, Sherborne House Enterprises Limited (Company Number: 13270147), which commenced trading during the year.

The principal funding for the project has been provided through exceptionally generous charitable donations from The Cannon Foundation, The M.R. Cannon 1998 Charitable Trust, and CanProp I Limited—entities linked to or controlled by Mrs Sally-Ann Cannon—as well as direct contributions from Mrs. Cannon herself.

None of the Trustees receive remuneration or any other benefits for their work with the charity.

Objectives and activities

The charity's objects, as outlined in its Articles of Association, are to promote and advance public education in the arts, particularly (but not exclusively) by:

- promoting and providing facilities for participation in the arts; and
- fostering and encouraging the improvement, development, and appreciation of artistic knowledge and understanding.

An additional object is the restoration, preservation, and maintenance of Sherborne House in Sherborne, Dorset, including the historic Thornhill Mural, for the public benefit. In practice, this has involved the meticulous restoration of the building and its historic features, including the Thornhill Mural and its associated staircase. A striking contemporary extension has also been added to the rear of the main house, creating a state-of-the-art venue for events and the arts. This thoughtful blend of historic and modern design ensures the facility is fit for purpose in the 21st century and beyond.

The Trustees confirm that they have given due regard to the Charity Commission's guidance on public benefit.

Sherborne House Trust 2018

Trustees' Report

For the Period from 1 July 2023 - 31 March 2024

Achievements and performance

During the year under review:

- **New Board Appointments:** Additional trustees were appointed to the Board to enhance its breadth and depth of expertise, ensuring robust leadership in preparation for the opening of *The Sherborne*.
- **Completion of Restoration:** The restoration and extension of Sherborne House were largely completed. Practical Completion was achieved just after the year end, on 19 April 2024.
- **Conservation Achievements:** International Fine Art Conservation Studios carried out extensive restoration of the Thornhill Mural and the Thornhill staircase. These critical works were generously funded by The Friends of Sherborne House, who also committed to financing an audio tour of the historic house and mural, narrated by Jeremy Irons.
- **Operational Preparations:** Under the leadership of Jeremy Lee, Commercial Director, a dedicated operational team was assembled to plan and execute a series of soft opening events in April 2024, paving the way for *The Sherborne* to open its doors to the public on 7 May 2024.
- **Artistic Initiatives:** Despite the ongoing building works, Dorset Visual Arts (DVA) hosted many tours of the house for individuals and organisations involved in the arts in Dorset. It also developed an initial visual arts programme for *The Sherborne*, running through to the end of 2024. Tickets for an initial test exhibition, *Land Work* by Paul Jones, held from 1 March 2024 to 6 April 2024, were sold out.
- **Volunteers:** A volunteer programme for the galleries, the gardens and events was created and approximately 52 volunteers were inducted in preparation for the opening of *The Sherborne*. This has risen to 110 active volunteers since *The Sherborne* has opened.

Fundraising

To date, the group has not received any public donations or undertaken any public fundraising appeals. The group is therefore not currently registered with any fund raising regulator and have not received any complaints in relation to fundraising.

Financial review

The group recorded income, or commitments of income, totalling £11,489,803 (2023: £7,409,431). Most of this funding has been allocated to capital building works, reflected in the accounts as fixed asset additions amounting to £10,780,657, of which £10,627,443 pertains to assets under construction. Revenue expenditure for the year was £518,563 (2023: £276,969). As a result, the group reported a surplus prior to impairment of fixed assets of £10,971,240 (2023: £7,132,462).

Included in the results noted above is an impairment of the valuation of Sherborne House. During its restoration, the Trustees remained committed to Michael Cannon's vision of creating a landmark destination for the Arts. Thanks to the extraordinary generosity of Michael and Mrs Sally-Ann Cannon and the success of the restoration efforts, Sherborne House now stands as an exceptional building with value that far exceeds its physical structure.

However, due to the presence of significant commercial activities, the SORP requires the property to be treated not as a heritage asset but as a commercial building, valued either at its open-marked worth or its value in use. This valuation method significantly undervalues the property compared to the costs incurred during its transformation into the landmark it is today. In particular, it does not reflect the outstanding quality of the restoration, the cultural and heritage significance of the property or its social value for the community of Sherborne.

Sherborne House Trust 2018

Trustees' Report

For the Period from 1 July 2023 - 31 March 2024

As a result, an impairment of £20,292,043 has been recorded, reducing the value of Sherborne House in the accounts to £4,750,000. After accounting for this impairment, the group reported a deficit of £9,320,803 for the year (2023: surplus of £7,132,462), and net assets of £4,216,905 (2023: £13,537,708).

The charity has received assurances from Mrs Sally-Ann Cannon regarding certain financial support for the trading operations of *The Sherborne* through to 31 March 2027. This support is intended to help establish the commercial activities, particularly the events business.

The Trustees have conducted a comprehensive review of the major strategic, business, and operational risks facing the charity. They confirm that systems are in place to produce regular reports, enabling proactive measures to mitigate these risks effectively.

The charity has no current reserves policy – now that *The Sherborne* is open, a reserves policy appropriate for operations will be set.

Plans for future periods

It is with profound sadness and regret that we acknowledge Michael Cannon's passing before he could witness the remarkable transformation of Sherborne House to its completion. Michael's vision extended far beyond the rescue and restoration of a historic Grade I listed building, formerly on the Historic England At Risk Register. He dreamed of creating *The Sherborne* — a landmark destination that redefines the arts centre and hospitality experience, combining creativity, community, and a sense of place.

We also pay tribute to Michael's wife, Mrs Sally-Ann Cannon, for her unwavering dedication to seeing his vision through to fruition.

The Sherborne's mission is to inspire audiences from regional, national, and international communities with a dynamic artistic and cultural programme. This includes visual and performing arts, cross-disciplinary projects, and community and education initiatives.

To lead us into this exciting new chapter, we are thrilled to announce that Liz Gilmore, currently Director of Hastings Contemporary in East Sussex, will join us as our inaugural Chief Executive Officer on 1 March 2025. Liz brings a wealth of experience from her exceptional tenure at Hastings Contemporary, where she has been widely celebrated for her visionary leadership, creativity, and tireless energy. Her appointment reflects the ambition and aspiration we hold for *The Sherborne* — to establish it as a beacon of artistic excellence and a vibrant hub for creativity and community engagement.

Statement of Trustees' Responsibilities

The Trustees (who are directors of Sherborne House 2018 for the purposes of company law) are responsible for preparing the Trustees' 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 the Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Sherborne House Trust 2018

Trustees' Report

For the Period from 1 July 2023 - 31 March 2024

Company law requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charitable company and the group and of the income and expenditure, of the charitable group 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 judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standard 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 maintaining proper accounting records which 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to our auditors

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Small Company

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the Trustees on 26 January 2025 and signed on their behalf by:

Sir R A Fry

Trustee

Sherborne House Trust 2018

Independent Auditors' Report to the Trustees and Members
For the Period from 1 July 2023 - 31 March 2024

Opinion

We have audited the financial statements of Sherborne House Trust 2018 (the 'parent charitable company') and its subsidiary (the 'group') for the period from 1 July 2023 to 31 March 2024, which comprise the consolidated Statement of Financial Activities, the consolidated and parent charitable company Balance Sheets, the consolidated and parent charitable company Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice, 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 March 2024 and of the group's incoming resources and application of resources for the period 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 Companies Act 2006.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

We have nothing to report in this regard.

Sherborne House Trust 2018

Independent Auditors' Report to the Trustees and Members
For the Period from 1 July 2023 - 31 March 2024

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 4, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they 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 and parent charitable company'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 parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 auditor's 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.

Sherborne House Trust 2018

Independent Auditors' Report to the Trustees and Members
For the Period from 1 July 2023 - 31 March 2024

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:

We assessed the risk of material misstatement due to non-compliance with laws and regulations by:

- Obtaining an understanding of the legal and regulatory frameworks that are applicable to the Group and how it complies with those through enquires of management and those charged with governance. Laws and regulations which make have a direct material effect on the financial statements include the Companies Act 2006 and the Charity Act 2011. Other laws and regulations which may have a material effect on the financial statements include data protection and health and safety laws; and
- Communicating within the audit team and maintaining professional scepticism.

Specifically in respect of fraud we discussed with those charged with governance areas in which the Group was susceptible to fraud and whether there were an instances of known, suspected or alleged fraud. We also assessed the ability of internal controls to mitigate the risk of fraud.

We assessed the risk of non-compliance with laws and regulations by:

- Making enquiries of management and those charged with governance concerning actual and potential litigation or claims;
- Reading meeting minutes for evidence of discussions which may indicate potential litigation and claims;
- Reviewing the company's records for evidence of legal costs which may indicate non-compliance with laws and regulations; and
- Requesting sight of any correspondence from regulators.

To address the fraud risk of management override of controls, we:

- Tested the validity of journal entries;
- Tested accounting estimates for evidence of potential bias;
- Performed analytical procedures to identify any unusual relationships;
- Sought explanations and evidence for any transactions outside the normal course of business;
- Assessed the appropriateness of accounting policies, including in respect of revenue recognition; and
- Assessed the qualifications, competence and independence of management's expert who valued the charity's land and buildings for the purposes of their impairment review.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 auditor's report.

Sherborne House Trust 2018

Independent Auditors' Report to the Trustees and Members

For the Period from 1 July 2023 - 31 March 2024

Use of our report

This report is made solely to the group and parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group and parent charitable company's members and trustees those matters we are required to state to them in an auditor's 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 group and parent charitable company and the group and parent charitable company's members as a body and the parent charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mr P A Cattermole FCA (Senior Statutory Auditor)

For and on behalf of Xeinadin Audit Limited

Chartered Accountants

Statutory Auditor

Wadebridge House
16 Wadebridge Square
Poundbury
Dorchester
Dorset
DT1 3AQ

Date: 30 January 2025

Sherborne House Trust 2018

Consolidated Statement of Financial Activities (including an Income & Expenditure account)

For the Period from 1 July 2023 - 31 March 2024

				2024				2023
	Notes	Unres- tricted £	Res- tricted £	Total £	Unres- tricted £	Res- tricted £	Total £	Total £
Income from:								
Donations and legacies	2	11,485,095	-	11,485,095	7,409,083	-	7,409,083	
Other trading activities		3,474	-	3,474	-	-	-	-
Investments	3	1,234	-	1,234	348	-	348	
Total income		11,489,803	-	11,489,803	7,409,431	-	7,409,431	
Expenditure on:								
Charitable activities	4	518,563	-	518,563	276,969	-	276,969	
Total expenditure		518,563	-	518,563	276,969	-	276,969	
Net (expenditure)/income		10,971,240	-	10,971,240	7,132,462	-	7,132,462	
Other recognised gains								
Impairment of fixed asset		(20,292,043)	-	(20,292,043)	-	-	-	-
Net movement in funds for the year		(9,320,803)	-	(9,320,803)	7,132,462	-	7,132,462	
Reconciliation of funds								
Total funds brought forward		13,537,708	-	13,537,708	6,405,246	-	6,405,246	
Total funds carried forward		4,216,905	-	4,216,905	13,537,708	-	13,537,708	

The results for the period 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.

Sherborne House Trust 2018 – Company Registration Number: 11423527
 Balance Sheet and Consolidated Balance Sheet
 As at 31 March 2024

		2024	2024	2023	2023
		£	£	£	£
	Notes	Group	Charity	Group	Charity
Fixed assets					
Tangible fixed assets	7	4,994,198	4,994,198	14,505,584	14,505,584
Investments	8	-	100	-	100
		<u>4,994,198</u>	<u>4,994,298</u>	<u>14,505,584</u>	<u>14,505,684</u>
Current assets					
Stock		6,707	-	-	-
Debtors	9	857,956	1,105,481	694,539	710,089
Cash at bank and in hand		107,308	103,314	29,792	29,792
		<u>971,971</u>	<u>1,208,795</u>	<u>724,331</u>	<u>739,881</u>
Liabilities:					
Creditors: amounts falling due within one year	10	(1,448,544)	(1,404,953)	(1,526,901)	(1,504,435)
Net current assets		<u>(476,573)</u>	<u>(196,158)</u>	<u>(802,570)</u>	<u>(764,554)</u>
Total assets less current liabilities		4,517,625	4,798,140	13,703,014	13,741,130
Creditors: amounts falling due after one year	11	(300,720)	(300,720)	(165,306)	(165,306)
Total net assets		<u><u>4,216,905</u></u>	<u><u>4,497,420</u></u>	<u><u>13,537,708</u></u>	<u><u>13,575,824</u></u>
The funds of the charity:					
Unrestricted funds:					
General funds		4,216,905	4,497,420	13,537,708	13,575,824
Total unrestricted funds	12	4,216,905	4,497,420	13,537,708	13,575,824
Restricted funds	12	-	-	-	-
Total charity funds		<u><u>4,216,905</u></u>	<u><u>4,497,420</u></u>	<u><u>13,537,708</u></u>	<u><u>13,575,824</u></u>

The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company. The notes on pages 13 to 23 form part of these accounts.

Approved by the Trustees for issue on 26 January 2025 and signed on their behalf by:

Sir R A Fry - Trustee

Sherborne House Trust 2018

Statement of Cash Flows and Consolidated Statement of Cash Flows

For the Period from 1 July 2023 - 31 March 2024

		2024	2024	2023	2023
		£	£	£	£
	Notes	Group	Charity	Group	Charity
Cash flows from operating activities					
Net income/ (expenditure) for the year		(9,320,803)	(9,078,404)	7,132,462	7,170,578
Adjustments to cash flows from non-cash items:					
Losses on revaluation of fixed assets	9	20,292,043	20,292,043	-	-
Interest receivable	3	(1,234)	(1,234)	(348)	(348)
		<u>10,970,006</u>	<u>11,212,405</u>	<u>7,132,114</u>	<u>7,170,230</u>
Working capital adjustments					
Decrease / (increase) in stocks		(6,707)	-	-	-
(Increase) / decrease in debtors	9	(163,417)	(395,392)	(70,163)	(85,713)
Increase / (decrease) in creditors	10	57,057	35,932	1,091,466	1,068,900
		<u>10,856,939</u>	<u>10,852,945</u>	<u>8,153,417</u>	<u>8,153,417</u>
Cash flows from investing activities					
Purchase of tangible fixed assets	7	(10,780,657)	(10,780,657)	(9,723,818)	(9,723,818)
Interest received	3	1,234	1,234	348	348
		<u>(10,779,423)</u>	<u>(10,779,423)</u>	<u>(9,723,470)</u>	<u>(9,723,470)</u>
Net increase in cash and cash equivalents		<u>77,516</u>	<u>73,522</u>	<u>(1,570,053)</u>	<u>(1,570,053)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>29,792</u>	<u>29,792</u>	<u>1,599,845</u>	<u>1,599,845</u>
Cash and cash equivalents at the end of the reporting period		<u>107,308</u>	<u>103,314</u>	<u>29,792</u>	<u>29,792</u>
Cash & Cash equivalents reconciliation:					
Cash at bank		<u>107,308</u>	<u>103,314</u>	<u>29,792</u>	<u>29,792</u>
Total cash & cash equivalents at the end of the reporting period		<u>107,308</u>	<u>103,314</u>	<u>29,792</u>	<u>29,792</u>

1 Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are:

1.1 Basis of accounting

Sherborne House Trust 2018 is a company limited by guarantee incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the charity' operations and its principal activities are set out in the Trustees Report on pages 2 - 5.

The financial statements have been prepared in £ sterling and 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 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements have been prepared for a 9 month period from 1 July 2023 – 31 March 2024. The year end of the charity was adjusted to reflect the commencement of trade in April 2024, and will remain at 31 March going forward. The comparative amounts in the financial statements (including the related notes) are presented for the 12 months from 1 July 2022 – 30 June 2023 and are therefore not entirely comparable with the current period. The legal authority to change the reporting period is provided by the memorandum and articles of the charity.

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 note(s).

These financial statements consolidate the results of the Charity and its wholly owned subsidiary, Sherborne House Enterprises Limited, on a line by line basis. The "Group" heading within the balance sheet refers to the consolidated accounts of Sherborne House Trust 2018 and Sherborne House Enterprises Limited.

In the parent company financial statements the investment in the trading subsidiary is accounted for at cost less impairment.

A separate Statement of Financial Activities or income and expenditure account, for the Charity itself has not been presented because the Charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006.

1.2 Legal status of the Trust

The Trust is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

The company is incorporated in England and Wales and the company registered office is detailed on page 1, reference and administration details.

1.3 Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern.

The trustees have obtained assurances that sufficient funding is available from viable sources to support deficits if required for a period of at least one year from the date of approval of the financial statements.

The trustees have therefore made an assessment of going concern in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the charity has adequate resources to continue in operational existence for at least this period and there are no material uncertainties about the charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting when preparing the financial statements.

1.4 Income

All income is recognised once the charity has entitlement to the resources, it is certain that the resources will be received, and the monetary value of incoming resources can be measured with sufficient reliability.

1.5 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.

1.6 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

1.7 Tangible fixed assets

The Charity owns the freehold of Sherborne House, Sherborne, Dorset, which the trustees intend to renovate and subsequently use to support the arts.

During the period, work has continued on the House, which has been capitalised within the financial statements. Associated purchases by way of equipment, plant and equipment and fixtures and fittings have also been capitalised. Depreciation will be provided once the House is completed and operational.

1.8 Stock

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods comprises direct materials. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell with any impairment loss being recognised immediately in the SOFA.

1.9 Debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Charity will not be able to collect all amounts due to according to the original terms of the receivables.

Other debtors comprise amounts due from funders, prepayments and accrued income. Amounts due from funders are recognised when the Charity is entitled to the money, prepayments arise from the payments for services prior to benefit from those services, and accrued income is amounts due for services provided, recognised at the point of provision of the services.

1.10 Cash at bank and in hand

Cash at bank and in hand comprise of cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

1.11 Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of Trust.

Restricted funds are from donations and grants in which the donor or funder has specified are to be solely used for particular areas of the Trust's work or for specific projects being undertaken by the Trust.

1.12 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 and provisions are recognised at their settlement amount.

1.13 Taxation

As a registered charity, the charity is not liable to corporation tax to the extent that income and gains are applied to charitable objectives.

1.14 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 are basic financial instruments and are debt instruments measured at amortised cost. Investment portfolios are basic financial instruments measured at fair value through the income and expenditure account. 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. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

2 Donations and legacies

	Unres- tricted funds £	Res- tricted funds £	2024 Total £	Unres- tricted funds £	Res- tricted funds £	2023 Total £
Donations and bequests	11,485,095	-	11,485,095	7,409,083	-	7,409,083
	11,485,095	-	11,485,095	7,409,083	-	7,409,083

3 Investment income

	Unres- tricted funds £	Res- tricted funds £	2024 Total £	Unres- tricted funds £	Res- tricted funds £	2023 Total £
Bank interest	1,234	-	1,234	348	-	348

4 Expenditure on charitable activities

	Staff costs £	Other Direct costs £	2024 Total £	Staff costs £	Other Direct costs £	2023 Total £
Charitable activities						
Wages and salaries	112,123	-	112,123	17,086	-	17,086
Staff welfare and subsistence	837	-	837	1,498	-	1,498
Promotional expenses	-	103,001	103,001	-	27,940	27,940
Donations	-	-	-	-	5,000	5,000
Rates and water	-	(1,329)	(1,329)	-	2,163	2,163
Insurance	-	114,471	114,471	-	102,698	102,698
Light and heat	-	52,951	52,951	-	31,258	31,258
Telephone	-	4,569	4,569	-	567	567
Travel	-	136	136	-	128	128
Bank charges	-	1,016	1,016	-	579	579
Advertising and marketing	-	33,240	33,240	-	35,520	35,520
Postage, printing and stationery	-	521	521	-	578	578
Consulting	-	27,547	27,547	-	12,088	12,088
Sundry	-	675	675	-	496	496
Entertainment	-	504	504	-	-	-
Repairs and maintenance	-	9,163	9,163	-	5,140	5,140
Accountancy	-	13,505	13,505	-	18,969	18,969
Audit	-	6,000	6,000	-	6,000	6,000
Legal fees	-	39,633	39,633	-	9,261	9,261
	112,960	405,603	518,563	18,584	258,385	276,969

5 Trustee directors

The charity trustees were not paid or received any other benefits from employment with the Trust or its subsidiary in the period (2023 - year: £nil).

No charity trustee received payment for professional or other services supplied to the charity (2023 - year: £none)

6 Employees

Number of employees

The average monthly head count and FTE was 5 staff (2023: 1 staff).

Employment costs	2024	2023
	£	£
Wages and salaries	99,155	15,000
Social security costs	10,747	1,756
Pension costs	2,221	330
	<u>112,123</u>	<u>17,086</u>

No employee earned more than £60,000 (2023 – none).

The key management personnel of the group comprise those of the Trust and the key management personnel of its wholly owned subsidiary Sherborne House Enterprises Limited. The key management personnel of the group comprise of the Managing Director of Sherborne House Enterprises Limited. The total employee benefits (includes gross pay, employer pension and employer national insurance) of the key management personnel of the Trust were £54,100 (2023: £17,086).

Pension costs

The company operates a defined contribution pension scheme. The charge to the Statement of Financial Activities for the period is shown above.

Contributions totalling £1,230 (2023 - £257) were payable to the schemes at the end of the period and are included in creditors.

7 Tangible fixed assets

	Assets in the course of construction	Computer equipment	Plant & Machinery	Fixtures & fittings	Total
	£	£	£	£	£
Cost					
At 1 July 2023	14,414,600	1,791	80,973	8,220	14,505,584
Additions	10,627,443	30,428	10,449	112,337	10,780,657
Impairment	(20,292,043)	-	-	-	(20,292,043)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2024	4,750,000	32,219	91,422	120,557	4,994,198
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 July 2023	-	-	-	-	-
Charge for the year	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2024	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31 March 2024	4,750,000	32,219	91,422	120,557	4,994,198
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2023	14,414,600	1,791	80,973	8,220	14,505,584
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The above assets are all held by the charity.

The assets in the course of construction completed shortly after the year end. The trustees were aware that the amount spent on the property may be in excess of its open market value, and commissioned a valuation of the property as at 31 March 2024, carried out by Chester Harcourt, an external valuer. The valuation of the property, as made on an open market basis, resulted in the impairment as shown above. This is also recognised as an expense on the face of the SOFA. The Trustees Report provides more detail on the value.

8 Investments

	Charity	
	Total 2024	Total 2023
	£	£
Sherborne House Enterprises Limited		
Ordinary shares of £1 each	100	100
	<hr/>	<hr/>

Sherborne House Trust 2018

Notes to the Financial Statements

For the Period from 1 July 2023 - 31 March 2024

Sherborne House Enterprises Limited (company no 13270147) was incorporated on 16 March 2021 as a wholly owned trading subsidiary of Sherborne House Trust 2018. The parent charity holds 100% of the issued share capital and 100% of the voting rights of the subsidiary trading company.

The principal activities of the company are the trade of Sherborne House. The registered office is the same as that of the Trust, detailed on page 1. The subsidiary gift aids its taxable profits to Sherborne House Trust 2018, and files accounts with the Registrar of Companies.

A summary of the trading results is shown below:

	2024	2023
	£	£
Turnover	3,474	-
Cost of sales	(75,607)	(17,940)
	<hr/>	<hr/>
Gross profit/ (loss)	(72,133)	(17,940)
Administrative expenses	(164,175)	(20,174)
	<hr/>	<hr/>
Operating profit/ (loss)	(236,308)	(38,114)
Interest payable	(6,089)	-
	<hr/>	<hr/>
Profit/ (loss) before tax & profit/ (loss) for the financial year	(242,397)	(38,114)
Retained earnings brought forward in subsidiary	(38,114)	-
Gift aid to Sherborne House Trust 2018	-	-
	<hr/>	<hr/>
Retained earnings carried forward in subsidiary	(280,511)	(38,114)
	<hr/>	<hr/>
The assets and liabilities were:		
Fixed assets	-	-
Current assets	86,866	43,412
Current liabilities	(367,277)	(81,426)
	<hr/>	<hr/>
Total net assets	(280,411)	(38,014)
	<hr/>	<hr/>
Called up share capital	100	100
Profit and loss reserve	(280,511)	(38,114)
	<hr/>	<hr/>
	(280,411)	(38,014)
	<hr/>	<hr/>

9 Debtors

	2024		2023	
	Group	Charity	Group	Charity
	£	£	£	£
Trade debtors	39,087	39,087	-	-
Prepayments and accrued income	818,869	742,804	694,539	651,227
Amounts owed by group undertakings	-	323,590	-	58,862
	<u>857,956</u>	<u>1,105,481</u>	<u>694,539</u>	<u>710,089</u>

10 Creditors: Amounts falling due within one year

	2024		2023	
	Group	Charity	Group	Charity
	£	£	£	£
Trade creditors	196,786	185,200	135,003	117,294
Other creditors	19,466	100	-	100
Accruals and deferred income	1,223,139	1,219,653	1,391,641	1,387,041
Taxation and social security	9,153	-	257	-
	<u>1,448,544</u>	<u>1,404,953</u>	<u>1,526,901</u>	<u>1,504,435</u>

11 Creditors: Amounts falling due after one year

	2024		2023	
	Group	Charity	Group	Charity
	£	£	£	£
Accruals	300,720	300,720	165,306	165,306
	<u>300,720</u>	<u>300,720</u>	<u>165,306</u>	<u>165,306</u>

12 Summary of movement in funds - Group

	Opening balance £	Income £	Expenditure £	Transfers & losses £	Closing balance £
Unrestricted funds - Group					
General	13,537,708	11,489,803	(518,563)	(20,292,043)	4,216,905
	<u>13,537,708</u>	<u>11,489,803</u>	<u>(518,563)</u>	<u>(20,292,043)</u>	<u>4,216,905</u>

Summary of movement in funds - Charity

	Opening balance £	Income £	Expenditure £	Transfers & losses £	Closing balance £
Unrestricted funds - Charity					
General	13,575,824	11,492,418	(278,779)	(20,292,043)	4,497,420
	<u>13,575,824</u>	<u>11,492,418</u>	<u>(278,779)</u>	<u>(20,292,043)</u>	<u>4,497,420</u>

Summary of movement in funds – Group (2023)

	Opening balance £	Income £	Expenditure £	Transfers & losses £	Closing balance £
Unrestricted funds - Group					
General	6,405,246	7,409,431	(276,969)	-	13,537,708
	<u>6,405,246</u>	<u>7,409,431</u>	<u>(276,969)</u>	<u>-</u>	<u>13,537,708</u>

Summary of movement in funds – Charity (2023)

	Opening balance £	Income £	Expenditure £	Transfers & losses £	Closing balance £
Unrestricted funds - Charity					
General	6,405,246	7,409,431	(238,853)	-	13,575,824
	<u>6,405,246</u>	<u>7,409,431</u>	<u>(238,853)</u>	<u>-</u>	<u>13,575,824</u>

13 Analysis of assets between funds – Group

	Tangible fixed assets £	Cash at bank and in hand £	Other net current assets/ (liabilities) £	Creditors more than one year £	Total £
Unrestricted funds	4,994,198	107,308	(583,881)	(300,720)	4,216,905
As at 31 March 2024	4,994,198	107,308	(583,881)	(300,720)	4,216,905

Analysis of assets between funds – Charity

	Tangible fixed assets £	Cash at bank and in hand £	Other net current assets/ (liabilities) £	Creditors more than one year £	Total £
Unrestricted funds	4,994,298	103,314	(299,472)	(300,720)	4,497,420
As at 31 March 2024	4,994,298	103,314	(299,472)	(300,720)	4,497,420

Analysis of assets between funds – Group (2023)

	Tangible fixed assets £	Cash at bank and in hand £	Other net current assets/ (liabilities) £	Creditors more than one year £	Total £
Unrestricted funds	14,505,584	29,792	(832,362)	(165,306)	13,537,708
As at 30 June 2023	14,505,584	29,792	(832,362)	(165,306)	13,537,708

Analysis of assets between funds – Charity (2023)

	Tangible fixed assets £	Cash at bank and in hand £	Other net current assets/ (liabilities) £	Creditors more than one year £	Total £
Unrestricted funds	14,505,684	29,792	(794,346)	(165,306)	13,575,824
As at 30 June 2023	14,505,684	29,792	(794,346)	(165,306)	13,575,824

14 Income and expenditure account of the Trust

The company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own Income and Expenditure Account or separate Statement of Financial Activities.

Prior to gift aid amounts received from the subsidiary, Sherborne House Trust 2018 has net expenditure for the period of £9,078,406 (2023 - £7,170,578) based on income of £11,492,418 (2023 - £7,409,431).

15 Related party transactions

The charity has taken advantage of the exemption in FRS 102 "Related Party Disclosures" from disclosing transactions with other members of the group.

During the period, Sherborne House Trust 2018 received donations totalling £5,880,000 from The Cannon Foundation (2023 - £3,676,671), and £1,510,000 from Canprop I Limited (2023 - £800,000). Last year, £100,000 was received from The M R Cannon 1998 Charitable Trust.

The Cannon Foundation, The M R Cannon 1998 Charitable Trust and Canprop I Limited are all charities or companies under the control of individuals who are Trustees of Sherborne House Trust 2018.

In addition, Trustees (past and current) gave donations to the charity in the period totalling £3,970,000 (2023 - £2,465,030).

16 Contingent liability

The charity is currently in dispute with HMRC in relation to VAT claimed since the cessation of the project and the ongoing use of Sherborne House. The total amount of VAT under dispute is £1.6m. The Trustees are robustly defending the position and believe that any material repayment is not probable, and the amount of any possible repayment cannot be estimated reliably at the time of approval of the financial statements. The matter is expected to be resolved within the next 12 months.

SHERBORNE HOUSE TRUST 2018

England & Wales - Charity number 1179440

Accounts

Sherborne House Trust 2018
(A Charitable Company Limited by Guarantee)

Annual Report and Financial Statements

For the Year Ended 30 June 2023

Company Number: 11423527
Charity Registered in England and Wales Number: 1179440

Sherborne House Trust 2018
Contents
For the Year Ended 30 June 2023

	<u>Page</u>
Reference and Administrative Details	1
Trustee Directors' Report	2 – 5
Independent Auditors' Report	7 – 9
Consolidated Statement of Financial Activities	10
Balance Sheet and Consolidated Balance Sheet	11
Statement of Cash Flows and Consolidated Statement of Cash Flows	12
Notes to Financial Statements	13 – 23

Sherborne House Trust 2018
Reference and Administrative Details
For the Year Ended 30 June 2023

Trustees	S A T Cannon E De Blocq Van Kuffeler Sir R A Fry T D Hague S E Healy A Lucas R H Miller C J Mitchell J J Tiverton Brown
Managing Director	J Lee
Charity Number	1179440
Company Number	11423527
Registered Office	Hendford Manor 33 Hendford Yeovil BA20 1UN
Principal address	Sherborne House Newland Sherborne Dorset DT9 3JG
Auditors	CB Reid Limited Wadebridge House 16 Wadebridge Square Poundbury Dorchester Dorset DT1 3AQ
Bankers	C Hoare & Co 37 Fleet Street London EC4P 4DQ

The Trustees, who are also directors for the purposes of the Companies Act, present their annual report and the financial statements of the charity for the year ended 30 June 2023. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2006, Charities Act 2011 and the requirements of 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).

Structure, Governance and Management

Sherborne House Trust 2018 is a charitable company, incorporated under Memorandum and Articles of Association dated 20 June 2018.

New Trustees are appointed by the existing Trustees. The Articles of Association prescribe a minimum of 3 Trustees and no maximum. Each Trustee is appointed for a term of 3 years, following which they must be reappointed by a vote of the Trustees. Trustees are inducted and trained by receipt of the governing document for the charity, and discussion with current Trustees. This process will be developed as the charity begins to trade.

Following the very sad death of Michael Cannon on 2 June 2023, Jonathan Tiverton Brown was appointed as a trustee on 15 August 2023. Subsequently we were very pleased to welcome Sir Robert Fry, Sheila Healey, Richard Miller, Tim Hague and Eva de Blocq van Kuffeler as trustees on 12 October 2023 and Anya Lucas on 11 January 2024. These appointments were made to add breadth and depth to the skills of the board in preparation for the opening of The Sherborne.

Due to the nature of the charity currently (being construction rather than operation), the Trustees meet as necessary in order to enact charity business.

During the year in review, the Trustees engaged an experienced professional team headed by Spase Limited as architects and Peter Gunning & Partners LLP as quantity surveyors to oversee the building works undertaken by the main contractor, Stonewood Builders Limited.

The charity has one incorporated subsidiary, Sherborne House Enterprises Limited (company number 13270147), which began to trade during the year.

The principal funding for the project has come from very generous charitable donations from The Cannon Foundation and The M R Cannon 1998 Charitable Trust, both of which have links to, or are controlled by, Michael and Sally-Ann Cannon, as well as from Michael and Sally-Ann Cannon themselves.

None of the Trustees receives remuneration or other benefit from work with the charity.

Objectives and activities

The charity's objects, as set out in the Articles of Association, are to promote, and advance the education of the public in, the arts, in particular, but not exclusively, by:

- promoting and providing facilities for participation in the arts; and
- fostering and promoting the improvement and development of artistic knowledge, understanding and appreciation of the arts.

A further object is to restore, preserve and maintain, for the public benefit, Sherborne House, Sherborne, Dorset, including the Thornhill Mural, situated within Sherborne House. In practice, this has involved painstakingly restoring the building, including the Thornhill Mural and its associated staircase, and adding a stunning contemporary extension at the rear of the main house to create an events and arts venue. It blends the old with the new, fit for purpose for the 21st century and beyond.

The Trustees confirm that they have had due regard to the Charity Commission's guidance on public benefit and have complied with all prevailing laws and regulations.

Achievements and performance

Stonewood Builders Limited started on site in the autumn of 2021 and the works are now well advanced. Due to procurement and other delays, the Trustees expect The Sherborne to open its doors to the public in late April 2024.

Dorset Visual Arts (DVA) will be based at The Sherborne and as lead visual arts partner will be responsible for creating and managing the visual arts programme there and the initial programme to the end of 2024 is now in place.

Jeremy Lee was appointed as managing director of Sherborne House Enterprises Limited from 6 April 2023. He is an experienced food and drink operator, who will be responsible for the commercial activities at The Sherborne and is now assembling his team to prepare for the opening.

The Friends of Sherborne House have generously agreed to cover the cost of conserving the Thornhill Mural and creating an audio tour of the Mural and the historic parts of the house. International Fine Art Conservation Studios carried out the conservation works for the mural and the staircase, previously undertaking a similar role for Redcliffe Homes.

Financial review

The group received income, or promises of income, amounting to £7,409,431 (2022 - £4,300,980). Almost all of this funding has been spent on capital building works (showing as fixed asset additions in the accounts of £9,725,818, with assets in the course of construction comprising £9,632,834 of this), with expenditure of £276,969 (2022 - £99,313) showing as revenue expenditure. This has resulted in the group reporting a surplus of £7,132,462 (2022 - £4,201,667), and net assets of £13,537,708 (2022 - £6,405,246).

The charity has received assurances from a valued donor that they will support the completion of the building's restoration and the operations financially for the initial period to allow the commercial activities, particularly the events business, to become established.

The Trustees have examined the major strategic, business and operational risks that the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

The charity has no current reserves policy – once the building project has been completed, a reserves policy appropriate for operations will be set.

Plans for future periods

It is a matter of great sadness and regret that Michael Cannon was not able to see the remarkable transformation of Sherborne House through to the end. His vision was not merely to rescue and restore a historic grade 1 listed building that was on the Historic England At Risk Register but to create The Sherborne, a thriving cultural and economic hub – an art space and events venue with a difference. We also commend Michael's wife, Mrs Sally-Ann Cannon, for her unerring commitment to complete his vision.

Sherborne House Trust 2018

Trustees' Report

For the Year Ended 30 June 2023

The focal point of The Sherborne's mission will be to showcase the best of artists and makers from across Wessex and the South West. This commitment will be evident in the array of major art exhibitions carefully curated by DVA to attract a broad audience. In addition to exhibitions, there will be an interactive and engaging arts events and activities programme. From hands-on workshops to thought-provoking talks, it will captivate minds and foster a continuous learning environment, facilitating diverse art forms. At the same time, the educational programme will collaborate with schools and educational institutions across the region.

The Sherborne will encourage active participation and will be equipped to host a myriad of events, from cultural event cinema screenings to live music recitals, literary talks and art house films.

Both the beautiful Thornhill Mural and the decorative staircase that adjoins it will be open for everyone to experience.

Beyond the canvas and sculptures, the Trust, through its trading company, will operate Macready's, a bistro restaurant and bar, offering a modern British menu that champions locally sourced suppliers. The Trust's trading company will operate The Sherborne's shop, a curated space filled with handcrafted treasures, seasonal gifts, and everyday indulgences, showcasing the very best of Dorset alongside sustainable brands.

The Sherborne's stunning spaces will be available for private hire, offering a picturesque setting for parties, conferences and weddings. On the top floor, we will have a flexible co-working space, where desks can be hired regularly or ad hoc.

The intention is that The Sherborne, with its mix of cultural and commercial activities, will become financially sustainable and self-sufficient, without relying on public subsidy. All profits from the commercial activities will be covenanted back to the Trust to support the arts programme and pay for the very high costs of running the building.

Statement of Trustees' Responsibilities

The Trustees (who are directors of Sherborne House 2018 for the purposes of company law) are responsible for preparing the Trustees' 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 the 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 group and of the income and expenditure, of the charitable group 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 judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standard 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 maintaining proper accounting records which 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to our auditors

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Small Company

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the Trustees on 24 March 2024 and signed on their behalf by:

Sir R A Fry
Trustee

Sherborne House Trust 2018

Independent Auditors' Report to the Trustees and Members
For the Year Ended 30 June 2023

Opinion

We have audited the financial statements of Sherborne House Trust 2018 (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 30 June 2023, which comprise the consolidated Statement of Financial Activities, the consolidated and parent charitable company Balance Sheets, the consolidated and parent charitable company Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice, 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 30 June 2023 and of the group's incoming resources and application of resources 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 Companies Act 2006.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

We have nothing to report in this regard.

Sherborne House Trust 2018

Independent Auditors' Report to the Trustees and Members
For the Year Ended 30 June 2023

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 4, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they 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 and parent charitable company'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 parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 auditor's 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.

Sherborne House Trust 2018

Independent Auditors' Report to the Trustees and Members
For the Year Ended 30 June 2023

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:

We assessed the risk of material misstatement due to non-compliance with laws and regulations by:

- Obtaining an understanding of the legal and regulatory frameworks that are applicable to the Group and how it complies with those through enquires of management and those charged with governance. Laws and regulations which make have a direct material effect on the financial statements include the Companies Act 2006 and the Charity Act 2011. Other laws and regulations which may have a material effect on the financial statements include data protection and health and safety laws; and
- Communicating within the audit team and maintaining professional scepticism.

Specifically in respect of fraud we discussed with those charged with governance areas in which the Group was susceptible to fraud and whether there were an instances of known, suspected or alleged fraud. We also assessed the ability of internal controls to mitigate the risk of fraud.

We assessed the risk of non-compliance with laws and regulations by:

- Making enquiries of management and those charged with governance concerning actual and potential litigation or claims;
- Reading meeting minutes for evidence of discussions which may indicate potential litigation and claims;
- Reviewing the company's records for evidence of legal costs which may indicate non-compliance with laws and regulations; and
- Requesting sight of any correspondence from regulators.

To address the fraud risk of management override of controls, we:

- Tested the validity of journal entries;
- Tested accounting estimates for evidence of potential bias;
- Performed analytical procedures to identify any unusual relationships;
- Sought explanations and evidence for any transactions outside the normal course of business; and
- Assessed the appropriateness of accounting policies, including in respect of revenue recognition.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 auditor's report.

Sherborne House Trust 2018

Independent Auditors' Report to the Trustees and Members
For the Year Ended 30 June 2023

Use of our report

This report is made solely to the group and parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group and parent charitable company's members and trustees those matters we are required to state to them in an auditor's 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 group and parent charitable company and the group and parent charitable company's members as a body and the parent charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mr P A Cattermole FCA (Senior Statutory Auditor)

For and on behalf of CB Reid Limited

Chartered Accountants

Statutory Auditor

Wadebridge House
16 Wadebridge Square
Poundbury
Dorchester
Dorset
DT1 3AQ

Date: 26 March 2024

Sherborne House Trust 2018

Consolidated Statement of Financial Activities (including an Income & Expenditure account)

For the Year Ended 30 June 2023

		Unres- tricted £	Res- tricted £	2023 Total £	Unres- tricted £	Res- tricted £	2022 Total £
Income from:	Notes						
Donations and legacies	2	7,409,083	-	7,409,083	4,300,980	-	4,300,980
Investments	3	348	-	348	-	-	-
Total income		7,409,431	-	7,409,431	4,300,980	-	4,300,980
Expenditure on:							
Charitable activities	4	276,969	-	276,969	99,313	-	99,313
Total expenditure		276,969	-	276,969	99,313	-	99,313
Net (expenditure)/income		7,132,462	-	7,132,462	4,201,667	-	4,201,667
Transfer between funds		-	-	-	-	-	-
Net movement in funds for the year		7,132,462	-	7,132,462	4,201,667	-	4,201,667
Reconciliation of funds							
Total funds brought forward		6,405,246	-	6,405,246	2,203,579	-	2,203,579
Total funds carried forward		13,537,708	-	13,537,708	6,405,246	-	6,405,246

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.

Sherborne House Trust 2018 – Company Registration Number: 11423527
 Balance Sheet and Consolidated Balance Sheet
 As at 30 June 2023

	Notes	2023 £ Group	2023 £ Charity	2022 £ Group	2022 £ Charity
Fixed assets					
Tangible fixed assets	7	14,505,584	14,505,584	4,781,766	4,781,766
Investments	8	-	100	-	100
		<u>14,505,584</u>	<u>14,505,684</u>	<u>4,781,766</u>	<u>4,781,866</u>
Current assets					
Debtors	9	694,539	710,089	624,376	624,376
Cash at bank and in hand		29,792	29,792	1,599,845	1,599,845
		<u>724,331</u>	<u>739,881</u>	<u>2,224,221</u>	<u>2,224,221</u>
Liabilities:					
Creditors: amounts falling due within one year	10	(1,526,901)	(1,504,435)	(600,741)	(600,841)
Net current assets		<u>(802,570)</u>	<u>(764,554)</u>	<u>1,623,480</u>	<u>1,623,380</u>
Total assets less current liabilities		<u>13,703,014</u>	<u>13,741,130</u>	<u>6,405,246</u>	<u>6,405,246</u>
Creditors: amounts falling due after one year	11	(165,306)	(165,306)	-	-
Total net assets		<u><u>13,537,708</u></u>	<u><u>13,575,824</u></u>	<u><u>6,405,246</u></u>	<u><u>6,405,246</u></u>
The funds of the charity:					
Unrestricted funds:					
General funds		<u>13,537,708</u>	<u>13,575,824</u>	<u>6,405,246</u>	<u>6,405,246</u>
Total unrestricted funds	12	13,537,708	13,575,824	6,405,246	6,405,246
Restricted funds	12	-	-	-	-
Total charity funds		<u><u>13,537,708</u></u>	<u><u>13,575,824</u></u>	<u><u>6,405,246</u></u>	<u><u>6,405,246</u></u>

The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes on pages 13 to 23 form part of these accounts.

Approved by the Board for issue on 24 March 2024 and signed on their behalf by:

Sir R A Fry
Trustee

Sherborne House Trust 2018

Statement of Cash Flows and Consolidated Statement of Cash Flows

For the Year Ended 30 June 2023

		2023	2023	2022	2022
		£	£	£	£
	Notes	Group	Charity	Group	Charity
Cash flows from operating activities					
Net income for the year		7,132,462	7,170,578	4,201,667	4,201,667
Adjustments to cash flows from non-cash items:					
Interest receivable	3	(348)	(348)	-	-
		<u>7,132,114</u>	<u>7,170,230</u>	<u>4,201,667</u>	<u>4,201,667</u>
Working capital adjustments					
(Increase) / decrease in debtors	9	(70,163)	(85,713)	(236,752)	(236,752)
Increase / (decrease) in creditors	10	1,091,466	1,068,900	577,087	577,087
		<u>8,153,417</u>	<u>8,153,417</u>	<u>4,542,002</u>	<u>4,542,002</u>
Cash flows from investing activities					
Purchase of tangible fixed assets	7	(9,723,818)	(9,723,818)	(2,999,431)	(2,999,431)
Interest received	3	348	348	-	-
		<u>(9,723,470)</u>	<u>(9,723,470)</u>	<u>(2,999,431)</u>	<u>(2,999,431)</u>
Net increase in cash and cash equivalents		<u>(1,570,053)</u>	<u>(1,570,053)</u>	<u>1,542,571</u>	<u>1,542,571</u>
Cash and cash equivalents at the beginning of the reporting period		<u>1,599,845</u>	<u>1,599,845</u>	<u>57,274</u>	<u>57,274</u>
Cash and cash equivalents at the end of the reporting period		<u>29,792</u>	<u>29,792</u>	<u>1,599,845</u>	<u>1,599,845</u>
Cash & Cash equivalents reconciliation:					
Cash at bank		<u>29,792</u>	<u>29,792</u>	<u>1,599,845</u>	<u>1,599,845</u>
Total cash & cash equivalents at the end of the reporting period		<u>29,792</u>	<u>29,792</u>	<u>1,599,845</u>	<u>1,599,845</u>

1 Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are:

1.1 Basis of accounting

Sherborne House Trust 2018 is a company limited by guarantee incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the charity' operations and its principal activities are set out in the Trustees Report on pages 2 - 5.

The financial statements have been prepared in £ sterling and 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 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (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 note(s).

These financial statements consolidate the results of the Charity and its wholly owned subsidiary, Sherborne House Enterprises Limited, on a line by line basis. The "Group" heading within the balance sheet refers to the consolidated accounts of Sherborne House Trust 2018 and Sherborne House Enterprises Limited.

In the parent company financial statements the investment in the trading subsidiary is accounted for at cost less impairment.

A separate Statement of Financial Activities or income and expenditure account, for the Charity itself has not been presented because the Charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006.

1.2 Legal status of the Trust

The Trust is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

The company is incorporated in England and Wales and the company registered office is detailed on page 1, reference and administration details.

1.3 Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern.

The trustees have obtained assurances that sufficient funding is available from viable sources to complete the development work and open the venue as an operational arts centre.

The trustees have made an assessment of going concern in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the charity has adequate resources to continue in operational existence for at least this period and there are no material uncertainties about the charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting when preparing the financial statements.

1.4 Income

All income is recognised once the charity has entitlement to the resources, it is certain that the resources will be received, and the monetary value of incoming resources can be measured with sufficient reliability.

1.5 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.

1.6 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

1.7 Tangible fixed assets

The Charity owns the freehold of Sherborne House, Sherborne, Dorset, which the trustees intend to renovate and subsequently use to support the arts.

During the year, work has continued on the House, which has been capitalised within the financial statements. Associated purchases by way of equipment, plant and equipment and fixtures and fittings have also been capitalised. Depreciation will be provided once the House is completed and operational.

1.8 Debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Charity will not be able to collect all amounts due to according to the original terms of the receivables.

Other debtors comprise amounts due from funders, prepayments and accrued income. Amounts due from funders are recognised when the Charity is entitled to the money, prepayments arise from the payments for services prior to benefit from those services, and accrued income is amounts due for services provided, recognised at the point of provision of the services.

1.9 Cash at bank and in hand

Cash at bank and in hand comprise of cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

1.10 Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of Trust.

Restricted funds are from donations and grants in which the donor or funder has specified are to be solely used for particular areas of the Trust's work or for specific projects being undertaken by the Trust.

1.11 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 and provisions are recognised at their settlement amount.

1.12 Taxation

As a registered charity, the charity is not liable to corporation tax to the extent that income and gains are applied to charitable objectives.

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 are basic financial instruments and are debt instruments measured at amortised cost. Investment portfolios are basic financial instruments measured at fair value through the income and expenditure account. 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. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

2 Donations and legacies

	Unres- tricted funds £	Res- tricted funds £	2023 Total £	Unres- tricted funds £	Res- tricted funds £	2022 Total £
Donations and bequests	7,409,083	-	7,409,083	4,300,980	-	4,300,980
	7,409,083	-	7,409,083	4,300,980	-	4,300,980

3 Investment income

	Unres- tricted funds £	Res- tricted funds £	2023 Total £	Unres- tricted funds £	Res- tricted funds £	2022 Total £
Bank interest	348	-	348	-	-	-

4 Expenditure on charitable activities

	Staff costs £	Other Direct costs £	2023 Total £	Staff costs £	Other Direct costs £	2022 Total £
Charitable activities						
Wages and salaries	17,086	-	17,086	-	-	-
Staff welfare and subsistence	1,498	-	1,498	-	-	-
Promotional expenses	-	27,940	27,940	-	-	-
Donations	-	5,000	5,000	-	-	-
Rates and water	-	2,163	2,163	-	258	258
Insurance	-	102,698	102,698	-	70,283	70,283
Light and heat	-	31,258	31,258	-	6,891	6,891
Telephone	-	567	567	-	511	511
Travel	-	128	128	-	-	-
Bank charges	-	579	579	-	87	87
Advertising and marketing	-	35,520	35,520	-	9,285	9,285
Postage, printing and stationery	-	578	578	-	375	375
Consulting	-	12,088	12,088	-	-	-
Sundry	-	496	496	-	-	-
Repairs and maintenance	-	5,140	5,140	-	2,680	2,680
Accountancy	-	18,969	18,969	-	4,743	4,743
Audit	-	6,000	6,000	-	4,200	4,200
Legal fees	-	9,261	9,261	-	-	-
	18,584	258,385	276,969	-	99,313	99,313

5 Trustee directors

The charity trustees were not paid or received any other benefits from employment with the Trust or its subsidiary in the year (2022: £nil).

No charity trustee received payment for professional or other services supplied to the charity (2022: £none)

6 Employees

Number of employees

The average monthly head count and FTE was 1 staff (2022: 0 staff).

Employment costs	2023	2022
	£	£
Wages and salaries	15,000	-
Social security costs	1,756	-
Pension costs	330	-
	<hr/>	<hr/>
	17,086	-
	<hr/>	<hr/>

No employee earned more than £60,000 (2022 – none).

The key management personnel of the group comprise those of the Trust and the key management personnel of its wholly owned subsidiary Sherborne House Enterprises Limited. The key management personnel of the group comprises the Managing Director of Sherborne House Enterprises Limited. The total employee benefits (includes gross pay, employer pension and employer national insurance) of the key management personnel of the Trust were £17,086 (2022: £nil).

Pension costs

The company operates a defined contribution pension scheme. The charge to the Statement of Financial Activities for the year is shown above.

Contributions totalling £257 (2022 - £nil) were payable to the schemes at the end of the year and are included in creditors.

7 Tangible fixed assets

	Assets in the course of construction	Computer equipment	Plant & Machinery	Fixtures & fittings	Total
	£	£	£	£	£
Cost					
At 1 July 2022	4,781,766	-	-	-	4,781,766
Additions	9,632,834	1,791	80,973	8,220	9,723,818
At 30 June 2023	14,414,600	1,791	80,973	8,220	14,505,584
Depreciation					
At 1 July 2022	-	-	-	-	-
Charge for the year	-	-	-	-	-
At 30 June 2023	-	-	-	-	-
Net book value					
At 30 June 2023	14,414,600	1,791	80,973	8,220	14,505,584
At 30 June 2022	4,781,766	-	-	-	4,781,766

The above assets are all held by the charity.

The assets in the course of construction are not complete at the year end, and a valuation will be undertaken when the property is complete.

8 Investments

	Total 2023 £	Charity Total 2022 £
Sherborne House Enterprises Limited Ordinary shares of £1 each	100	100

Sherborne House Enterprises Limited (company no 13270147) was incorporated on 16 March 2021 as a wholly owned trading subsidiary of Sherborne House Trust 2018. The parent charity holds 100% of the issued share capital and 100% of the voting rights of the subsidiary trading company.

The principal activities of the company are the trade of Sherborne House. The registered office is the same as that of the Trust, detailed on page 1. The subsidiary gift aids its taxable profits to Sherborne House Trust 2018, and files accounts with the Registrar of Companies.

A summary of the trading results is shown below:

	2023	2022
	£	£
Turnover	-	
Cost of sales	(17,940)	
	<hr/>	<hr/>
Gross profit	(17,940)	
Administrative expenses	(20,174)	
	<hr/>	<hr/>
Operating profit	(38,114)	
Investment income	-	
	<hr/>	<hr/>
Profit before tax & profit for the financial year	(38,114)	
Retained earnings brought forward in subsidiary	-	
Gift aid to Sherborne House Trust 2018	-	
	<hr/>	<hr/>
Retained earnings carried forward in subsidiary	(38,114)	
	<hr/> <hr/>	<hr/> <hr/>
The assets and liabilities were:		
Fixed assets	-	
Current assets	43,412	
Current liabilities	(81,426)	
	<hr/>	<hr/>
Total net assets	(38,014)	
	<hr/> <hr/>	<hr/> <hr/>
Called up share capital	100	
Profit and loss reserve	(38,114)	
	<hr/>	<hr/>
	(38,014)	
	<hr/> <hr/>	<hr/> <hr/>

9 Debtors

	2023		2022	
	Group	Charity	Group	Charity
	£	£	£	£
Prepayments and accrued income	694,539	651,227	624,376	624,376
Amounts owed by group undertakings	-	58,862	-	-
	<u>694,539</u>	<u>710,089</u>	<u>624,376</u>	<u>624,376</u>

10 Creditors: Amounts falling due within one year

	2023		2022	
	Group	Charity	Group	Charity
	£	£	£	£
Trade creditors	135,003	117,294	489,826	489,826
Other creditors	-	100	-	100
Accruals and deferred income	1,391,641	1,387,041	110,915	110,915
Taxation and social security	257	-	-	-
	<u>1,526,901</u>	<u>1,504,435</u>	<u>600,741</u>	<u>600,841</u>

11 Creditors: Amounts falling due after one year

	2023		2022	
	Group	Charity	Group	Charity
	£	£	£	£
Accruals	165,306	165,306	-	-
	<u>165,306</u>	<u>165,306</u>	<u>-</u>	<u>-</u>

12 Summary of movement in funds - Group

	Opening balance	Income	Expenditure	Transfers & losses	Closing balance
	£	£	£	£	£
Unrestricted funds - Group					
General	6,405,246	7,409,431	(276,969)	-	13,537,708
	<u>6,405,246</u>	<u>7,409,431</u>	<u>(276,969)</u>	<u>-</u>	<u>13,537,708</u>

Summary of movement in funds - Charity

	Opening balance £	Income £	Expenditure £	Transfers & losses £	Closing balance £
Unrestricted funds - Charity					
General	6,405,246	7,409,431	(238,853)	-	13,575,824
	<u>6,405,246</u>	<u>7,409,431</u>	<u>(238,853)</u>	<u>-</u>	<u>13,575,824</u>

Summary of movement in funds – Group (2022)

	Opening balance £	Income £	Expenditure £	Transfers & losses £	Closing balance £
Unrestricted funds - Group					
General	2,203,579	4,300,980	(99,313)	-	6,405,246
	<u>2,203,579</u>	<u>4,300,980</u>	<u>(99,313)</u>	<u>-</u>	<u>6,405,246</u>

Summary of movement in funds – Charity (2022)

	Opening balance £	Income £	Expenditure £	Transfers & losses £	Closing balance £
Unrestricted funds - Charity					
General	2,203,579	4,300,980	(99,313)	-	6,405,246
	<u>2,203,579</u>	<u>4,300,980</u>	<u>(99,313)</u>	<u>-</u>	<u>6,405,246</u>

13 Analysis of assets between funds – Group

	Tangible fixed assets £	Cash at bank and in hand £	Other net current assets/ (liabilities) £	Creditors more than one year £	Total £
Unrestricted funds	14,505,584	29,792	(832,362)	(165,306)	13,537,708
As at 30 June 2023	<u>14,505,584</u>	<u>29,792</u>	<u>(832,362)</u>	<u>(165,306)</u>	<u>13,537,708</u>

Analysis of assets between funds – Charity

	Tangible fixed assets £	Cash at bank and in hand £	Other net current assets/ (liabilities) £	Creditors more than one year £	Total £
Unrestricted funds	14,505,684	29,792	(794,346)	(165,306)	13,575,824
As at 30 June 2023	14,505,684	29,792	(794,346)	(165,306)	13,575,824

Analysis of assets between funds – Group (2022)

	Tangible fixed assets £	Cash at bank and in hand £	Other net current assets/ (liabilities) £	Creditors more than one year £	Total £
Unrestricted funds	4,781,766	1,599,845	23,635	-	6,405,246
As at 30 June 2022	4,781,766	1,599,845	23,635		6,405,246

Analysis of assets between funds – Charity (2022)

	Tangible fixed assets £	Cash at bank and in hand £	Other net current assets/ (liabilities) £	Creditors more than one year £	Total £
Unrestricted funds	4,781,866	1,599,845	23,535	-	6,405,246
As at 30 June 2022	4,781,866	1,599,845	23,535	-	6,405,246

14 Income and expenditure account of the Trust

The company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own Income and Expenditure Account or separate Statement of Financial Activities.

Prior to gift aid amounts received from the subsidiary, Sherborne House Trust 2018 has net income for the year of £7,132,462 (2022 - £4,201,667) based on income of £7,409,431 (2022 - £4,300,980).

15 Related party transactions

The charity has taken advantage of the exemption in FRS 102 “Related Party Disclosures” from disclosing transactions with other members of the group.

During the year, Sherborne House Trust 2018 received donations totalling £3,676,671 from The Cannon Foundation (2022 - £nil), £100,000 from The M R Cannon 1998 Charitable Trust (2022 - £4,175,000), and £800,000 from Canprop I Limited (2022 - £nil).

The Cannon Foundation, The M R Cannon 1998 Charitable Trust and Canprop I Limited are all charities or companies under the control of individuals who are Trustees of Sherborne House Trust 2018.

In addition, Trustees (past and current) gave donations to the charity in the year totalling £2,465,030 (2022 - £nil).

SHERBORNE HOUSE TRUST 2018

England & Wales - Charity number 1179440

Accounts

Sherborne House Trust 2018
(A Charitable Company Limited by Guarantee)

Annual Report and Financial Statements

For the Year Ended 30 June 2022

Company number: 11423527
Charity Registered in England and Wales Number: 1179440

Sherborne House Trust 2018
Contents
For the Year Ended 30 June 2022

	Page
Reference and administrative information	1
Trustees' report	2 – 5
Independent auditor's report	6 – 8
Statement of financial activities	9
Balance sheet	10
Statement of cash flows	11
Notes to the accounts	12 – 17

Sherborne House Trust 2018
Reference and Administrative Details
For the Year Ended 30 June 2022

Trustees

S A T Cannon
M R Cannon
C J Mitchell

Registered office

Hendford Manor
33 Hendford
Yeovil
BA20 1UN

Company Number

11423527

Charity Number

1179440

Auditors

Albert Goodman LLP, Goodwood House, Blackbrook Park Avenue, Taunton, TA1 2PX

Bankers

C Hoare & Co, 37 Fleet Street, London, EC4P 4DQ

Sherborne House Trust 2018

Trustees' Report

For the Year Ended 30 June 2022

The Trustees (who are also the directors of the charity for the purposes of Company Law) present their annual report and financial statements of the Charity for the year ended 30 June 2022. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2006, the Charities Act 2011 and the requirement of 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).

Structure, governance and management

Sherborne House Trust 2018 is a charitable company, incorporated under Memorandum and Articles of Association dated 20 June 2018.

The Trust is the beneficiary of donations from various charities linked to the founding trustees, Michael and Sally Cannon.

New Trustees are appointed by the existing Trustees. The Articles of Association prescribe a minimum of 3 Trustees and no maximum. Each Trustee is appointed for a term of 3 years, following which they must be reappointed by a vote of the Trustees.

Due to the nature of the charity currently (being construction rather than operation), the Trustees meet as necessary in order to enact charity business. The Trustees are seeking to identify and appoint additional Trustees in advance of the project completing and the building coming into operation.

All Trustees are made aware of their duties and obligations when taking on the appointment and are provided with a copy of the charity accounts as well as the information available from the Charity Commission.

During the year in review, the Trustees engaged an experienced professional team headed by Spase Limited as architects and Peter Gunning & Partners LLP as quantity surveyors to oversee the building works undertaken by the main contractor, Stonewood Builders Limited.

The charity has one incorporated subsidiary, Sherborne House Enterprises Limited (company number 13270147), which has been dormant during the year under review, and will begin to trade in the year to 30 June 2023, prior to completion of the building works.

The principal funding for the project has come from very generous charitable donations from The Cannon Foundation and The M R Cannon 1998 Charitable Trust, both of which have links to, or are controlled by, the current Trustees.

None of the Trustees receives remuneration or other benefit from work with the charity.

Sherborne House Trust 2018

Trustees' Report

For the Year Ended 30 June 2022

Objectives and Activities

The charity's objects, as set out in the Articles of Association, are :

"Promoting, and advancing the education of the public in, the arts, in particular, but not exclusively, by:

- promoting and providing facilities for participation in the arts and fostering; and
- promoting the improvement and development of artistic knowledge, understanding and appreciation of the arts; and

Restoring, preserving and maintaining, for the public benefit, Sherborne House, Sherborne, Dorset, including the Thornhill Mural, situated within Sherborne House.

In practice, this involves the painstaking restoration of the building, including the Thornhill Mural and its associated staircase, and the addition of a stunning contemporary extension at the rear of the main house - to create an events and arts venue to be known as The Sherborne, blending the old with the new, fit for purpose for the 21st century and beyond.

The Trustees confirm that they have had due regard to the Charity Commission's guidance on public benefit.

Achievements and Performance

Stonewood Builders Limited started on site in the autumn of 2021 and the works are now well advanced. The Trustees expect the building to be handed over in phases, with the main house being completed by October 2023 and the rear extension and the rear landscaping by February 2024. We hope The Sherborne will open its doors to the public, albeit with a "soft opening", at the end of October 2023.

The Trustees have agreed to appoint Dorset Visual Arts (DVA) as their principal visual arts partner. DVA will be based at The Sherborne and will be responsible for creating and managing the visual arts programme there. The detailed terms of the appointment are now being finalised, together with the initial programme from opening through to the summer of 2024.

The Trustees have been working closely with Jeremy Lee, an experienced food and drink operator, who will be responsible for the commercial activities at the house. Jeremy has been advising the Trustees as a consultant thus far and from 6 April 2023 he will become an employee and managing director of Sherborne House Enterprises Limited, paid a market rate salary, and will start assembling a team to prepare for the opening in the late autumn of 2023.

The Friends of Sherborne House have very generously agreed to cover the cost of conserving the Thornhill Mural and to help create an audio tour of the Mural and the historic parts of the house. The conservation works for the Mural and the staircase will be carried out by International Fine Art Conservation Studios who previously undertook a similar role for Redcliffe Homes.

Sherborne House Trust 2018

Trustees' Report

For the Year Ended 30 June 2022

Financial review

The charity received income, or promises of income, amounting to £4,300,980 (2021 - £325,000). Almost of all of this funding has been spent on capital building works (showing as fixed asset additions in the accounts of £2,999,431), with expenditure of £99,313 (2021 - £9,211) showing as revenue expenditure. This has resulted in the charity reporting a surplus of £4,201,667 (2021 - £315,789), and net assets of £6,405,246 (2021 - £2,203,579).

Works to complete the build are estimated to cost approximately a further £7-8m, and the charity has received assurances from its key funders that this will be provided to enable completion.

The Trustees have examined the major strategic, business and operational risks that the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

Accordingly, the charity has no current reserves policy – once the building project has been completed, a reserves policy appropriate for operations will be set.

Plans for future periods

Working with DVA, the Sherborne aims to hold a number of major art exhibitions a year attracting regular returning visitors from around the region, with works of Dorset artists and makers on display and available for sale throughout the year.

Alongside this, DVA will develop an interactive and engaging arts and cultural programme that appeals to a wide and diverse range of the local community, with particular focus on families, young people and emerging artists.

As well as managing over 500 m2 of events and exhibition space, The Sherborne through its trading company, will operate a 80 seat restaurant, a cocktail bar and retail shop, with offices on the top floor. These commercial activities will support and subsidise the arts activities and the not inconsiderable costs of running the building.

Statement of Trustees' Responsibilities

The trustees (who are directors of Sherborne House Trust 2018 for the purposes of company law) are responsible for preparing the Trustees' 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 of 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 accounting estimates that are reasonable and prudent;
- state whether 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.

Sherborne House Trust 2018
Trustees' Report
For the Year Ended 30 June 2022

The trustees are responsible for maintaining adequate accounting records which 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.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Small company

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the Trustees on 24 March 2023 and signed on their behalf by:

C J Mitchell
TRUSTEE

Sherborne House Trust 2018

Independent Auditor's Report to the Trustees and Members For the Year Ended 30 June 2022

Opinion

We have audited the financial statements of Sherborne House Trust 2018 (the 'charitable charity') for the year ended 30 June 2022, which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. 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 charitable company's affairs as at 30 June 2022, and of its incoming resources and application of resources, 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 Companies Act 2006.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

We have nothing to report in this regard.

Sherborne House Trust 2018

Independent Auditor's Report to the Trustees and Members For the Year Ended 30 June 2022

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on pages 4 – 5, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 auditor's 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:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Companies Act 2006, Charities Act 2011, health and safety, anti-bribery and data protection legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

Sherborne House Trust 2018

Independent Auditor's Report to the Trustees and Members For the Year Ended 30 June 2022

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation, claims and breaches of relevant legislation; and
- reviewing correspondence with the Charity Commission and other relevant regulators including the company's legal advisors and insurers.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's 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 the charitable company's trustees and members as a body, for our audit work, for this report, or for the opinions we have formed.

Michelle Ferris BSc (Hons) FCA DChA
Senior Statutory Auditor
for and on behalf of
Albert Goodman LLP
Chartered Accountants
Statutory Auditor

Goodwood House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

Date: 27 March 2023

Sherborne House Trust 2018
Statement of Financial Activities
For the Year Ended 30 June 2022

	Notes	Total Funds Unrestricted 2022 £	Total Funds Unrestricted 2021 £
Income and endowments from:			
Donations and legacies	2	4,300,980	325,000
Total		<u>4,300,980</u>	<u>325,000</u>
Expenditure on:			
Charitable activities	3	99,313	9,211
Total		<u>99,313</u>	<u>9,211</u>
Net income / (expenditure) & net movement in funds for the year		4,201,667	315,789
Reconciliation of funds			
Total funds brought forward		2,203,579	1,887,790
Total funds carried forward		<u>6,405,246</u>	<u>2,203,579</u>

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.

Sherborne House Trust 2018 – company registration number 11423527

Balance Sheet

As at 30 June 2022

		£	2022 £	£	As restated 2021 £
	Notes				
Fixed assets					
Tangible fixed assets	5		4,781,766		1,782,335
Investments	6		100		100
			<u>4,781,866</u>		<u>1,782,435</u>
Current assets					
Debtors	7	624,376		387,624	
Cash at bank and in hand		1,599,845		57,274	
		<u>2,224,221</u>		<u>444,898</u>	
Liabilities					
Creditors falling due within one year	8	(600,841)		(23,754)	
			<u>1,623,380</u>		<u>421,144</u>
Net current assets			<u>1,623,380</u>		<u>421,144</u>
Net assets			<u>6,405,246</u>		<u>2,203,579</u>
The funds of the charity					
Unrestricted general funds	9		6,405,246		2,203,579
Total charity funds			<u>6,405,246</u>		<u>2,203,579</u>

Approved by the Board for issue on 24 March 2023 and signed on their behalf by:

C J Mitchell
TRUSTEE

Sherborne House Trust 2018
Statement of Cash Flows
For the Year Ended 30 June 2022

		2022	As restated
		£	2021
	Notes		£
Cash flows from operating activities			
Net movements in funds for the year		4,201,667	315,789
Working capital adjustments:			
(Increase)/decrease in debtors	7	(236,752)	(71,376)
Increase/(decrease) in creditors	8	577,087	22,764
		<hr/>	<hr/>
Net cash flow from operations		4,542,002	267,177
		<hr/>	<hr/>
Cash flows from investing activities			
Acquisition of fixed assets	5	(2,999,431)	(232,335)
Acquisition of investments	6	-	(100)
		<hr/>	<hr/>
Net cash used in investing activities		(2,999,431)	(232,435)
		<hr/>	<hr/>
Net (decrease) / increase in cash and cash equivalents		1,542,571	34,742
		<hr/> <hr/>	<hr/> <hr/>
Cash and cash equivalents at the beginning of the reporting period		57,274	22,532
		<hr/>	<hr/>
Cash and cash equivalents at the end of the reporting period		1,599,845	57,274
		<hr/> <hr/>	<hr/> <hr/>
Cash & cash equivalents reconciliation:			
Cash at bank		1,599,845	57,274
		<hr/>	<hr/>
Total cash & cash equivalents at the end of the reporting period		1,599,845	57,274
		<hr/> <hr/>	<hr/> <hr/>

1. Accounting Policies

1.1 Basis of accounting

Sherborne House Trust 2018 is a company limited by guarantee incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the charity's operations and its principal activities are set out in the Trustees Report on pages 2 – 5.

The financial statements have been prepared in £ sterling on the historical cost basis and 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 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (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.

The accounts are prepared for the charity alone. The charity has a subsidiary that was dormant for the period of these accounts and consolidated accounts are not presented as the charity has taken advantage of the exemption provided by paragraph 139, Part 8 of the Charities Act 2011.

1.2 Funds structure

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Restricted funds can only be used for particular restricted purposes within the objective of the charity.

1.3 Prior period errors

During the current year it was identified that in the prior year, the investment in a subsidiary company of £100 was not recognised in the accounts. This has been corrected as a prior period adjustment, resulting in investments and other creditors in the 2021 figures both increasing by £100.

1.3 Income

All income is recognised once the charity has entitlement to the resources, it is certain that the resources will be received, and the monetary value of incoming resources can be measured with sufficient reliability.

1.4 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

1.5 Tangible fixed assets

The Charity owns the freehold of Sherborne House, Sherborne, Dorset, which the trustees intend to renovate and subsequently use to support the arts.

During the renovation period, Sherborne House will not be in a condition to be brought into use by the charity.

In light of the grant of planning consent for the works to Sherborne House, the professional fees relating to the works (principally architects, design, historic building, and other surveys etc) incurred in the period have been capitalised, as well as the costs of construction and renovation.

Since depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for that asset to be capable of operating in the manner intended by management, no depreciation has been charged during this accounting period.

The Trustees intend to review this accounting policy once the restoration of Sherborne House has been completed.

1.6 Cash at bank and in hand

Cash at bank and in hand comprise of cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

1.7 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 and provisions are recognised at their settlement amount.

1.8 Taxation

As a registered charity, the charity is not liable to corporation tax to the extent that income and gains are applied to charitable objectives.

1.9 Going concern

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

The trustees have obtained assurances that sufficient funding is available from viable sources to complete the development work and open the venue as an operational arts centre.

The trustees have made an assessment of going concern in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the charity has adequate resources to continue in operational existence for at least this period and there are no material uncertainties about the charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting when preparing the financial statements.

1.10 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 are basic financial instruments and are debt instruments measured at amortised. Investment portfolios are basic financial instruments measured at fair value through the income and expenditure account. Prepayments are not financial instruments.

Sherborne House Trust 2018
Notes to the Financial Statements
For the Year Ended 30 June 2022

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. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

2. Donations and legacies

	2022	2021
	£	£
Donations	4,300,980	325,000
	<u>4,300,980</u>	<u>325,000</u>
	<u><u>4,300,980</u></u>	<u><u>325,000</u></u>

3. Analysis of charitable expenditure

	2022	2021
	£	£
Rates and water	258	41
Insurance	70,283	24,099
Light and heat	6,891	1,187
Telephone	511	495
Security	-	1,723
Bank charges	87	76
Previous periods VAT recovered	-	(23,998)
Advertising & marketing	9,285	-
Printing & stationery	375	-
Consulting	-	-
Repair and maintenance	2,680	-
Accountancy	4,743	2,605
Audit	4,200	-
Legal fees	-	2,983
	<u>99,313</u>	<u>9,211</u>
	<u><u>99,313</u></u>	<u><u>9,211</u></u>

4. Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 30 June 2022 nor for the year ended 30 June 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 30 June 2022 nor for the year ended 30 June 2021.

Sherborne House Trust 2018
Notes to the Financial Statements
For the Year Ended 30 June 2022

5. Tangible fixed assets

	Assets in the course of construction £	Total £
Cost		
As at 01 July 2021	1,782,335	1,782,335
Additions	2,999,431	2,999,431
	<u>4,781,766</u>	<u>4,781,766</u>
As at 30 June 2022	<u>4,781,766</u>	<u>4,781,766</u>
Depreciation		
As at 01 July 2021	-	-
Charge for year	-	-
	<u>-</u>	<u>-</u>
As at 30 June 2022	<u>-</u>	<u>-</u>
Net book value		
As at 30 June 2022	<u>4,781,766</u>	<u>4,781,766</u>
As at 30 June 2021	<u>1,782,335</u>	<u>1,782,335</u>

6. Investments

	2022 £	As restated 2021 £
Shares in subsidiary undertaking	100	100
	<u>100</u>	<u>100</u>

Sherborne House Enterprises Limited (company number 13270147) was incorporated on 16 March 2021. It is a wholly owned subsidiary of Sherborne House Trust 2018 – the charity holds 100% of the issued share capital and 100% of the voting rights in the subsidiary company. The subsidiary company has a year end of 31 March and has been dormant since its formation, with profits of £nil (2021: £nil) and a balance sheet total of £100 (2021: £100).

7. Debtors: amounts falling due within one year

	2022 £	2021 £
VAT	481,474	379,573
Prepayments and accrued income	142,902	8,051
	<u>624,376</u>	<u>387,624</u>

Sherborne House Trust 2018
Notes to the Financial Statements
For the Year Ended 30 June 2022

8. Creditors: amounts falling due within one year	2022	As restated 2021
	£	£
Trade creditors	489,826	20,854
Other creditors	100	100
Accrued expenses	110,915	2,800
	600,841	23,754
	600,841	23,754

9. Analysis of charitable funds

	Fund B/fwd 01.07.21 £	Income £	Expenditure £	Fund C/fwd 30.06.22 £
<u>Unrestricted funds:</u>				
Expendable endowment	2,203,579	4,300,980	(99,313)	6,405,246
Total	2,203,579	4,300,980	(99,313)	6,405,246
	2,203,579	4,300,980	(99,313)	6,405,246

Prior year funds:

	Fund B/fwd 01.07.20 £	Income £	Expenditure £	Fund C/fwd 30.06.21 £
<u>Unrestricted funds:</u>				
Expendable endowment	1,887,790	325,000	(9,211)	2,203,579
Total	1,887,790	325,000	(9,211)	2,203,579
	1,887,790	325,000	(9,211)	2,203,579

10. Related party disclosures

The charity has no employees, and hence none that receive remuneration of over £60,000 (2021 – none).

None of the Trustees (or persons connected with them) received any remuneration during the current year (2021 – none).

Sherborne House Trust 2018
Notes to the Financial Statements
For the Year Ended 30 June 2022

During the period The Sherborne House Trust 2018 received donations totalling £nil from The Cannon Foundation (2021 - £225,000), £4,175,000 from The M R Cannon 1998 Charitable Trust (2021- £100,000), and £125,980 from Total Health World Limited (2021 - £nil). £25,980 of this is due at the year end and is included in debtors due in less than one year (2021 - £nil).

The Cannon Foundation, The M R Cannon 1998 Charitable Trust and Total Health World Limited are charities currently under the common control of the same individuals who are Trustees of the Sherborne House Trust 2018.

11. Ultimate controlling party

The Charitable company is ultimately controlled by its members who are also trustees.

12. Company limited by guarantee

The company is limited by guarantee of members and does not have a share capital.

The liability of members is limited to £10

SHERBORNE HOUSE TRUST 2018

England & Wales - Charity number 1179440

Accounts

REGISTERED COMPANY NUMBER: 11423527 (England and Wales)
REGISTERED CHARITY NUMBER: 1179440

Report of the Trustees and
Unaudited Financial Statements for the Year Ended 30 June 2021
for
Sherborne House Trust 2018
(A Company Limited by Guarantee)

Wills Bingley Limited
Chartered Accountants
St Denys House
22 East Hill
St. Austell
Cornwall
PL25 4TR

Sherborne House Trust 2018

Contents of the Financial Statements
for the Year Ended 30 June 2021

	Page
Report of the Trustees	1 to 3
Independent Examiner's Report	4
Statement of Financial Activities	5
Balance Sheet	6 to 7
Notes to the Financial Statements	8 to 13

Sherborne House Trust 2018

Report of the Trustees for the Year Ended 30 June 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 June 2021. The trustees have adopted the provisions of 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).

Objectives and activities

Objectives and aims

The objects for which the Trust is established are restricted to:

- A) Promoting, and advancing the education of the public in the arts, in particular, but not exclusively, by:
- promoting and providing facilities for participation in the arts; and
 - fostering and promoting the improvement and development of artistic knowledge, understanding and appreciation of the arts;
- B) Restoring, preserving and maintaining, for the public benefit, Sherborne House, Sherborne, Dorset, including the Thornhill mural, situated within Sherborne House.

Trust priorities

To protect and restore Sherborne House, its building and structure and to find creative solutions for its re-use leading to an economically sustainable future.

The trustees confirm they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

Achievement and performance

Charitable activities

After more than 2 years of consultations with Historic England and the local Planning Authority we were delighted to receive on 28 May 2021 planning consent and listed building consent for the re-use of Sherborne House as exhibition, events, function, restaurant and office space, with associated repair and extension. In reality the project involves the renovation of the building from top to bottom and the addition of a large contemporary extension at the rear.

We were pleased with the amount of support for the project from a wide range of parties, including local residents, the Friends of Sherborne House and the Sherborne & District Society CPRE. We are confident that the works will provide the basis for an economically sustainable future for the property as an integral part of the local community in Sherborne.

We have progressed discussions with Dorset Visual Arts with a view to them relocating to Sherborne House once the works are completed and being our principal Arts partner for arts related activities there.

We also identified Jeremy Lee, a well known and very experienced local operator to be responsible for the commercial activities at the house, which will support and subsidise the arts activities and the not inconsiderable operating costs associated with the building.

Sherborne House Trust 2018

Report of the Trustees - continued for the Year Ended 30 June 2021

Investment performance

The Trust has the benefit of continued generous support from the Cannon Foundation and the MR Cannon 1998 Charitable Trust, which have provided funding for the activities of the Trust to date.

Financial review

Reserves policy

The Trust's main asset is a freehold property, Sherborne House, Sherborne, Dorset.

The trustees have a reasonable expectation that the charity have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the financial statements.

Future plans

After a formal tender exercise, we have appointed Stonewood Builders Limited based in Chippenham as our main contractor for the works, and they started on site in September 2021. The significant ground works are ongoing, as is further detailed design work by our professional team. Most of the investigatory works in the house have now been finished. We have established a good relationship with the local conservation officer and detailed room schedules for the works to the main house have been agreed. We anticipate the project works will be completed by the end of summer 2023.

Structure, governance and management

Governing document

Sherborne House Trust 2018 was incorporated on 20 June 2018 as a company limited by guarantee and is governed by its memorandum and articles of association.

Organisational structure

Day to day management of the Trust is carried out by the trustees.

Related parties

None of the trustees receives remuneration or other benefit from work with the charity.

Reference and administrative details

Registered Company number

11423527 (England and Wales)

Registered Charity number

1179440

Sherborne House Trust 2018

Report of the Trustees - continued
for the Year Ended 30 June 2021

Registered office

Suite 1 Westbury Court
Church Road
Westbury On Trym
Bristol, BS9 3EF

Trustees

M R Cannon
Mrs S A T Cannon
C J Mitchell

Independent Examiner

P A Smith
FCCA
Wills Bingley Limited Chartered Accountants
St Denys House
22 East Hill
St. Austell
Cornwall, PL25 4TR

Commencement of activities

The trustees who have served during the period and since the period end are set out above.

In October 2018 the Charity acquired Sherborne House in Dorset and since then have been exploring various options for its restoration and future uses to ensure its future economic viability.

The trustees have examined the major strategic, business and operation risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 25 March 2022 and signed on its behalf by:



.....
C J Mitchell - Trustee

**Independent Examiner's Report to the Trustees of
Sherborne House Trust 2018**

Independent examiner's report to the trustees of Sherborne House Trust 2018 ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 30 June 2021.

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.

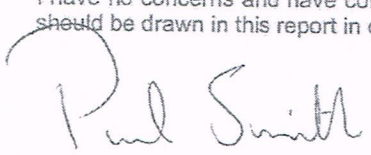
Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of FCCA which is one of the listed bodies.

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

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 accord with those 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.


P A Smith
FCCA
Wills Bingley Limited
Chartered Accountants
St Denys House
22 East Hill
St. Austell
Cornwall
PL25 4TR

Date: 25 March 2022

Sherborne House Trust 2018

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 30 June 2021

	Notes	30/6/21 Unrestricted fund £	30/6/20 Total funds £
Income and endowments from			
Donations and legacies	2	325,000	100,000
Expenditure on			
Other		<u>9,211</u>	<u>94,368</u>
NET INCOME		315,789	5,632
Reconciliation of funds			
Total funds brought forward		<u>1,887,790</u>	<u>1,882,158</u>
Total funds carried forward		<u><u>2,203,579</u></u>	<u><u>1,887,790</u></u>

The notes form part of these financial statements

Sherborne House Trust 2018

**Balance Sheet
30 June 2021**

	Notes	30/6/21 Unrestricted fund £	30/6/20 Total funds £
Fixed assets			
Tangible assets	6	1,782,335	1,550,000
Current assets			
Debtors	7	387,624	316,248
Cash at bank		<u>57,274</u>	<u>22,532</u>
		444,898	338,780
Creditors			
Amounts falling due within one year	8	(23,654)	(990)
Net current assets		<u>421,244</u>	<u>337,790</u>
Total assets less current liabilities		<u>2,203,579</u>	<u>1,887,790</u>
NET ASSETS		<u>2,203,579</u>	<u>1,887,790</u>
Funds	9		
Unrestricted funds:			
General fund		<u>2,203,579</u>	<u>1,887,790</u>
Total funds		<u>2,203,579</u>	<u>1,887,790</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 June 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 June 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The notes form part of these financial statements

Sherborne House Trust 2018

Balance Sheet - continued
30 June 2021

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 25 March 2022 and were signed on its behalf by:



.....
C J Mitchell - Trustee

The notes form part of these financial statements

Sherborne House Trust 2018

Notes to the Financial Statements for the Year Ended 30 June 2021

1. Accounting policies

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

The Charity owns the freehold of Sherborne House, Sherborne, Dorset.

The Charity has acquired a freehold property, Sherborne House, which the trustees intend to renovate and subsequently use to support the arts.

Sherborne House during the renovation period will not be in a condition to be brought into use by the Charity.

In light of the grant of planning consent for the works to Sherborne House, the professional fees relating to the works (principally architects, design, historic building and other surveys etc) incurred in the period have been capitalised, as well as the costs of certain preliminary works to the property.

Since depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for that asset to be capable of operating in the manner intended by management, no depreciation has been charged during this accounting period.

The Trustees intend to review this accounting policy once the restoration of Sherborne House has been completed.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Restricted funds can only be used for particular restricted purposes within the objects of the charity.

Sherborne House Trust 2018

Notes to the Financial Statements - continued
for the Year Ended 30 June 2021

1. Accounting policies - continued

Fund accounting

Restrictions arise when specified by the donor or when funds are raised for particular restricted purpose. Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2. Donations and legacies

	30/6/21	30/6/20
	£	£
Donations	<u>325,000</u>	<u>100,000</u>

The donations received during the year were from The Cannon Foundation, a registered Charity number 1121623, of £225,000 and The M R Cannon 1998 Charitable Trust, a registered Charity number 1072769, of £100,000.

The Cannon Foundation and The M R Cannon 1998 Charitable Trust are Charities under the common control of the same persons as the trustees.

3. Support costs

	Property Management	Finance	Other	Governance costs	Totals
	£	£	£	£	£
Other resources expended	<u>27,545</u>	<u>76</u>	<u>(23,998)</u>	<u>5,588</u>	<u>9,211</u>

Support costs, included in the above, are as follows:

	30/6/21	30/6/20
	Other resources expended	Total activities
	£	£
Rates and water	41	106
Insurance	24,099	24,680
Light and heat	1,187	2,111
Telephone	495	399
Security	1,723	1,476
Accountancy	-	939
Bank charges	76	44
Previous Periods VAT Recovered	(23,998)	-
Design, Reports and Surveys	-	61,892
Repair and Maintenance	-	2,391
Accountancy	2,605	-
Legal fees	<u>2,983</u>	<u>330</u>
	<u>9,211</u>	<u>94,368</u>

Sherborne House Trust 2018

Notes to the Financial Statements - continued
for the Year Ended 30 June 2021

4. Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 30 June 2021 nor for the year ended 30 June 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 30 June 2021 nor for the year ended 30 June 2020.

5. Comparatives for the statement of financial activities

	Unrestricted fund £
Income and endowments from Donations and legacies	100,000
Expenditure on	
Other	<u>94,368</u>
NET INCOME	5,632
Reconciliation of funds	
Total funds brought forward	1,882,158
Total funds carried forward	<u><u>1,887,790</u></u>

6. Tangible fixed assets

	Freehold property £
Cost	
At 1 July 2020	1,550,000
Additions	<u>232,335</u>
At 30 June 2021	<u>1,782,335</u>
Net book value	
At 30 June 2021	<u>1,782,335</u>
At 30 June 2020	<u>1,550,000</u>

Sherborne House Trust 2018

Notes to the Financial Statements - continued
for the Year Ended 30 June 2021

7. Debtors: amounts falling due within one year		
	30/6/21	30/6/20
	£	£
VAT	379,573	310,000
Prepayments and accrued income	<u>8,051</u>	<u>6,248</u>
	<u>387,624</u>	<u>316,248</u>

8. Creditors: amounts falling due within one year		
	30/6/21	30/6/20
	£	£
Trade creditors	20,854	-
Accrued expenses	<u>2,800</u>	<u>990</u>
	<u>23,654</u>	<u>990</u>

9. Movement in funds			
	At 1/7/20	Net movement	At
	£	in funds	30/6/21
		£	£
Unrestricted funds			
General fund	1,887,790	315,789	2,203,579
	<u>1,887,790</u>	<u>315,789</u>	<u>2,203,579</u>
TOTAL FUNDS			
	<u>1,887,790</u>	<u>315,789</u>	<u>2,203,579</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	325,000	(9,211)	315,789
	<u>325,000</u>	<u>(9,211)</u>	<u>315,789</u>
TOTAL FUNDS			
	<u>325,000</u>	<u>(9,211)</u>	<u>315,789</u>

Sherborne House Trust 2018

Notes to the Financial Statements - continued
for the Year Ended 30 June 2021

9. Movement in funds - continued

Comparatives for movement in funds

	At 1/7/19 £	Net movement in funds £	At 30/6/20 £
Unrestricted funds			
General fund	1,882,158	5,632	1,887,790
TOTAL FUNDS	<u>1,882,158</u>	<u>5,632</u>	<u>1,887,790</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	100,000	(94,368)	5,632
TOTAL FUNDS	<u>100,000</u>	<u>(94,368)</u>	<u>5,632</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/7/19 £	Net movement in funds £	At 30/6/21 £
Unrestricted funds			
General fund	1,882,158	321,421	2,203,579
TOTAL FUNDS	<u>1,882,158</u>	<u>321,421</u>	<u>2,203,579</u>

Sherborne House Trust 2018

Notes to the Financial Statements - continued
for the Year Ended 30 June 2021

9. Movement in funds - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	425,000	(103,579)	321,421
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>425,000</u>	<u>(103,579)</u>	<u>321,421</u>

10. Related party disclosures

As referred to above during the period The Sherborne House Trust 1998 received donations totalling £225,000 (2020 - £100,000) from The Cannon Foundation and donations totalling £100,000 from The M R Cannon 1998 Charitable Trust.

The Cannon Foundation and The M R Cannon 1998 Charitable Trust are charities currently under the common control of the same persons as the trustees. The trustees are seeking to identify and appoint further trustees of Sherborne House Trust 2018, including an independent chairman.

11. Ultimate controlling party

The Charitable company is ultimately controlled by its members who are also trustees.

12. Company limited by guarantee

The company is limited by guarantee of members and does not have a share capital.

The liability of members is limited to £10.

