

**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**

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For the Period from 1 July 2023 - 31 March 2024

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**Sherborne House Trust 2018**

Reference and Administrative Details

For the Period from 1 July 2023 - 31 March 2024

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**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

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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.

## **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

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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

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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

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### **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

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### **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

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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](http://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

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### **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 Xeinaudit 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 &amp; 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 £
<b>Income from:</b>							
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
<b>Total income</b>		<b>11,489,803</b>	<b>-</b>	<b>11,489,803</b>	<b>7,409,431</b>	<b>-</b>	<b>7,409,431</b>
<b>Expenditure on:</b>							
Charitable activities	4	518,563	-	518,563	276,969	-	276,969
<b>Total expenditure</b>		<b>518,563</b>	<b>-</b>	<b>518,563</b>	<b>276,969</b>	<b>-</b>	<b>276,969</b>
<b>Net (expenditure)/income</b>		<b>10,971,240</b>	<b>-</b>	<b>10,971,240</b>	<b>7,132,462</b>	<b>-</b>	<b>7,132,462</b>
<b>Other recognised gains</b>							
Impairment of fixed asset		(20,292,043)	-	(20,292,043)	-	-	-
<b>Net movement in funds for the year</b>		<b>(9,320,803)</b>	<b>-</b>	<b>(9,320,803)</b>	<b>7,132,462</b>	<b>-</b>	<b>7,132,462</b>
<b>Reconciliation of funds</b>							
Total funds brought forward		13,537,708	-	13,537,708	6,405,246	-	6,405,246
<b>Total funds carried forward</b>		<b>4,216,905</b>	<b>-</b>	<b>4,216,905</b>	<b>13,537,708</b>	<b>-</b>	<b>13,537,708</b>

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
<b>Fixed assets</b>					
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>
<b>Current assets</b>					
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>
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	10	(1,448,544)	(1,404,953)	(1,526,901)	(1,504,435)
		<u>(476,573)</u>	<u>(196,158)</u>	<u>(802,570)</u>	<u>(764,554)</u>
<b>Net current assets</b>					
		<u>4,517,625</u>	<u>4,798,140</u>	<u>13,703,014</u>	<u>13,741,130</u>
<b>Total assets less current liabilities</b>					
Creditors: amounts falling due after one year	11	(300,720)	(300,720)	(165,306)	(165,306)
		<u>4,216,905</u>	<u>4,497,420</u>	<u>13,537,708</u>	<u>13,575,824</u>
<b>Total net assets</b>					
<b>The funds of the charity:</b>					
Unrestricted funds:					
General funds		4,216,905	4,497,420	13,537,708	13,575,824
		<u>4,216,905</u>	<u>4,497,420</u>	<u>13,537,708</u>	<u>13,575,824</u>
Total unrestricted funds	12	4,216,905	4,497,420	13,537,708	13,575,824
Restricted funds	12	-	-	-	-
		<u>4,216,905</u>	<u>4,497,420</u>	<u>13,537,708</u>	<u>13,575,824</u>
<b>Total charity funds</b>					

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
<b>Cash flows from operating activities</b>					
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>
<b>Cash flows from investing activities</b>					
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>
<b>Cash &amp; Cash equivalents reconciliation:</b>					
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'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 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 £
<b>Charitable activities</b>						
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).

<b>Employment costs</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
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
	£	£	£	£	£
<b>Cost</b>					
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)
At 31 March 2024	4,750,000	32,219	91,422	120,557	4,994,198
<b>Depreciation</b>					
At 1 July 2023	-	-	-	-	-
Charge for the year	-	-	-	-	-
At 31 March 2024	-	-	-	-	-
<b>Net book value</b>					
At 31 March 2024	4,750,000	32,219	91,422	120,557	4,994,198
At 30 June 2023	14,414,600	1,791	80,973	8,220	14,505,584

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

**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:

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
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**

	<b>2024</b>		<b>2023</b>	
	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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**

	<b>2024</b>		<b>2023</b>	
	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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**

	<b>2024</b>		<b>2023</b>	
	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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 £
<b>Unrestricted funds - Group</b>					
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**

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

**Summary of movement in funds – Group (2023)**

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

**Summary of movement in funds – Charity (2023)**

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

**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
<b>As at 31 March 2024</b>	<b>4,994,198</b>	<b>107,308</b>	<b>(583,881)</b>	<b>(300,720)</b>	<b>4,216,905</b>

**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
<b>As at 31 March 2024</b>	<b>4,994,298</b>	<b>103,314</b>	<b>(299,472)</b>	<b>(300,720)</b>	<b>4,497,420</b>

**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
<b>As at 30 June 2023</b>	<b>14,505,584</b>	<b>29,792</b>	<b>(832,362)</b>	<b>(165,306)</b>	<b>13,537,708</b>

**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
<b>As at 30 June 2023</b>	<b>14,505,684</b>	<b>29,792</b>	<b>(794,346)</b>	<b>(165,306)</b>	<b>13,575,824</b>



**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.