

Sherborne Arts Trust
(A Charitable Company Limited by Guarantee)

Annual Report and Financial Statements

For the Year Ended 30 November 2019

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

Sherborne Arts Trust

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For the Year Ended 30 November 2019

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Sherborne Arts Trust

Reference and Administrative Details

For the Year Ended 30 November 2019

Trustees and Directors

S M Dick
Sir R A Fry
C A Graham
S Healy
T C D Shaw

Company Number

07087384

Charity Number

1136505

Principal Office and Registered Office

43 Hound Street
Sherborne
Dorset
DT9 3AB

Independent Examiner

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

The trustees, who are also directors for the purposes of the Companies Act, present their report and the unaudited financial statements of the charity for the year ended 30th November 2019.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's memorandum and articles of association, the Statement of Recommended Practice (SORP FRS 102- implemented 1 January 2015), and are in accordance with the special provision relating to small companies within Part 15 of the Companies Act 2006.

Public Benefit

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

Directors and Trustee's

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

- S M Dick
- Sir R A Fry
- C A Graham
- S Healy (appointed 12/04/2019)
- C J Mitchell (resigned 11/10/2019)
- T C D Shaw

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

Recruitment and Appointment of Council of Members

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

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

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

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

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

Trustees' Induction and Training

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

Organisational Structure

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

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

Charitable Objects

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

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

Achievements and Performance

Refinements to the design of the project building continued in the early part of the year and culminated in an application for planning permission in June 2019. The application was successful and allowed preparatory work on the site to begin, with the intention of starting major excavation in the summer of 2020 and a commencement of build in early 2021. The decision on planning permission was widely welcomed in the community, local government and regional media.

The Director has continued to develop local networks and support county wide arts projects. Given the lead time for an inaugural exhibition in 2022, she has also begun to develop the theme and main exhibits for the gallery's opening event. This will become her main focus for the remainder of the calendar year and beyond.

The trust continues to assiduously develop relationships with the Town Council and putative Unitary Authority.

How our activities deliver public benefit

The Paddock Project will be an inclusive space for people from all backgrounds and of all ages. Access to the building will be free, some exhibitions will be ticketed, others will be on a pay what you think basis. Discounts will be offered to groups including young people, those on pension credit, those with disabilities and low income families.

Learning and participation will be at the heart of everything we do and we will deliver a year round programme of courses, workshops, films, talks and discussions for communities of all ages and from all backgrounds.

We will support our local artists and flourishing arts communities, working in partnership to promote the extraordinary creativity and diversity in our region.

We know from many studies that arts and culture can transform the quality of life for individuals and communities. We will work with all our communities, especially the vulnerable and socially isolated, to improve the health, well being and confidence of our residents.

Financial Review

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

The costs of the project have been met through the generosity of our benefactor. During the year, unrestricted funds of £350,000 (2018: £177,097) were received from the benefactor to cover the costs of the project. The expenditure during the year of £221,976 (2018: £176,266) relates to professional fees, planning, wages (from July 2018) and the costs associated with the public consultation.

A surplus of £128,027 (2018: £834) was recorded for the year increasing the unrestricted reserves to £128,861. This surplus together with further unrestricted funds received from our benefactor after the year end have met the project costs incurred to the point it was decided to scale down the operation following the onset of the Covid-19 pandemic.

Reserves Policy

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

Risk Management

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

Future Plans

In the early part of 2020 it became apparent that the Covid-19 pandemic was likely to have a significant impact on the Paddock Project. The pandemic slowed progress with the development of the Arts Centre sufficiently that it was felt by the major funder that they could no longer support the construction of the Centre in its planned form.

As a result, the charity has decided to scale down operations and has taken steps to make the sole member of staff redundant. The charity will remain active whilst it is established what any future centre will look like, and the report should be considered in that context.

Trustees' Responsibilities

The trustees (who are directors of Sherborne Arts Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report (incorporating the Directors' Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the income and expenditure of the charitable company for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and are responsible for the maintenance and integrity of the corporate and financial information on the charity's website.

Signed by order of the trustees on 23 July 2020.

Sir R A Fry
Trustee

Sherborne Arts Trust

Independent Examiners' Report to the Trustees
For the Year Ended 30 November 2019

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

I report to the charity trustees on my examination of the accounts of Sherborne Arts Trust ("the Company") for the year ended 30 November 2019.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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

Michelle Ferris FCA

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

Dated: 30 July 2020

Sherborne Arts Trust

Statement of Financial Activities (including Income & Expenditure account)

For the Year Ended 30 November 2019

				2019			2018
	Notes	Unres- tricted £	Re- stricted £	Total £	Unres- tricted £	Re- stricted £	Total £
Income							
Grants receivable	2	350,000	-	350,000	177,097	-	177,097
Investment income		3	-	3	3	-	3
Total income		350,003	-	350,003	177,100	-	177,100
Expenditure							
Charitable activities	3	221,976	-	221,976	176,266	-	176,266
Other		-	-	-	-	-	-
Total expenditure		221,976	-	221,976	176,266	-	176,266
Net income / (expenditure) for the year before transfers		128,027	-	128,027	834	-	834
Transfers		-	-	-	-	-	-
Net movement in funds		128,027	-	128,027	834	-	834
Reconciliation of funds							
Total funds brought forward		834	9,524	10,358	-	9,524	9,524
Total funds carried forward		128,861	9,524	138,385	834	9,524	10,358

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

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

	Notes	2019 £	2018 £
Fixed assets			
Tangible fixed assets	5	599	1,180
Current assets			
Debtors	6	-	-
Cash at bank and in hand		174,155	20,848
		<u>174,155</u>	<u>20,848</u>
Creditors			
Amounts falling due within one year	7	(36,369)	(11,670)
		<u></u>	<u></u>
Net current assets		137,786	9,178
Net assets		<u>138,385</u>	<u>10,358</u>
Funds			
Unrestricted funds	8	128,861	834
Restricted funds	8	9,524	9,524
		<u></u>	<u></u>
Total charity funds		<u>138,385</u>	<u>10,358</u>

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

For the year ending 30 November 2019 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

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

Approved by the Board for issue on 23 July 2020 and signed on its behalf by:

Sir R A Fry
Trustee

1 Accounting policies

1.1 General information and basis of accounting

Sherborne Arts Trust is a company limited by guarantee incorporated in the United Kingdom under the Companies Act. Each member of the charity undertakes to contribute a maximum of £1 to the charity's assets if it should be wound up while they are a member or within one year after they cease to be a member. The address of the registered office is given on page 2. The nature of the charity's operations and its principal activities are set out in the Trustees Report on pages 3-5.

The financial statements have been prepared on the historical cost basis and in accordance with the accounting and reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)- (Charities SORP (FRS 102)) and the Companies Act 2006.

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Income

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

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

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

Income from investments is recognised in the accounts when receivable.

1.3 Expenditure

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

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

1.4 Fixed assets

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

Computers	over 3 years straight line
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1.5 Debtors

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

1.6 Cash at bank and in hand

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

Sherborne Arts Trust

Notes to the Financial Statements

For the Year Ended 30 November 2019

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 are recognised at their settlement amount.

1.8 Taxation

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

1.9 Pension contributions

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

1.10 Fund accounting

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

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

2 Grants receivable

	Unres- tricted £	Res- tricted £	Total 2019 £	Unres- tricted £	Res- tricted £	Total 2018 £
Grant income						
Grants	350,000	-	350,000	177,097	-	177,097
	<u>350,000</u>	<u>-</u>	<u>350,000</u>	<u>177,097</u>	<u>-</u>	<u>177,097</u>

3 Charitable expenditure

	Unres- tricted £	Res- tricted £	Total 2019 £	Unres- tricted £	Res- tricted £	Total 2018 £
Wages	78,898	-	78,898	35,149	-	35,149
Public consultation	-	-	-	-	-	-
Advertising and promotion	5,547	-	5,547	5,663	-	5,663
Website costs	-	-	-	-	-	-
Planning and survey fees	129,610	-	129,610	114,263	-	114,263
Travel and subsistence	-	-	-	140	-	140
Insurance	-	-	-	370	-	370
Legal fees	6,510	-	6,510	16,800	-	16,800
Accountancy fees	-	-	-	2,500	-	2,500
Independent examiners fee	540	-	540	800	-	800
Sundry	290	-	290	-	-	-
Trustee expenses	-	-	-	-	-	-
Depreciation	581	-	581	581	-	581
	<u>221,976</u>	<u>-</u>	<u>221,976</u>	<u>176,266</u>	<u>-</u>	<u>176,266</u>

4 Wages and salaries

	2019 £	2018 £
Wages and salaries	72,273	33,940
Social security costs	5,479	1,007
Pension	1,146	202
	<u>78,898</u>	<u>35,149</u>

Number of employees

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

	2019	2018
Employees	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

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

	2019 number	2018 number
£70,001 - £80,000	1	-
	<u>1</u>	<u>-</u>

The charity operates a defined contribution pension scheme. The pension charge for the year represents contributions payable by the charity to the scheme and amounted to £1,146 (2018: £202). Contributions totalling £512 (2018: £148) were payable to the scheme at the end of the year and are included in creditors.

The sole employee is considered to be key management personnel, along with the trustees. The trustees do not receive any remuneration and so the key management personnel remuneration was the total wages and salaries charge as noted above (2018: as above).

5 Tangible assets

	Computer equipment £	Total £
Cost		
As at 1 December 2018 and 30 November 2019	1,761	1,761
Depreciation		
As at 1 December 2018	581	581
Charge for year	581	581
As at 30 November 2019	1,162	1,162
Net book value		
As at 30 November 2019	599	599
As at 30 November 2018	1,180	1,180

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

6 Creditors – amounts due in less than one year

	2019 £	2018 £
Trade creditors	34,057	3,611
Accruals	1,800	6,123
Taxation and social security	-	1,788
Other creditors	512	148
	<u>36,369</u>	<u>11,670</u>

7 Statement of Funds

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

Statement of Funds – prior year

	Balance 01/12/2017 £	Income £	Expend- iture £	Transfers £	Balance 30/11/2018 £
Restricted funds					
Simon Digby Memorial Trust	9,524	-	-	-	9,524
	<u>9,524</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,524</u>
Total restricted funds	<u>9,524</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,524</u>
Unrestricted funds					
General	-	177,100	(176,266)	-	834
	<u>-</u>	<u>177,100</u>	<u>(176,266)</u>	<u>-</u>	<u>834</u>
Total Funds	<u>9,524</u>	<u>177,100</u>	<u>(176,266)</u>	<u>-</u>	<u>10,358</u>

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

8 Analysis of net asset between funds

	Unres- tricted £	Res- tricted £	Total 2019 £	Unres- tricted £	Res- tricted £	Total 2018 £
Fixed assets	599	-	599	1,180	-	1,180
Net current assets	128,262	9,524	137,786	(346)	9,524	9,178
	<u>128,861</u>	<u>9,524</u>	<u>138,385</u>	<u>834</u>	<u>9,524</u>	<u>10,358</u>

9 Related party transactions

No remuneration was paid to any trustees during the year (2018: none).

During the year one trustee was reimbursed expenses incurred on behalf of the charity totalling £230 (2018: £140).

The Cannon Foundation (No. 1121623) and M. R. Cannon 1998 Charitable Trust (No.1072769)

The above charities, in which a previous trustee, C J Mitchell, is also a trustee, donated a total of £350,000 to the Trust during the year (2018: £177,098).

10 Company limited by guarantee

The company was incorporated as a company limited by guarantee and has no share capital. The guarantee to the company is £1 per member on the winding up of the company. At 30 November 2019 the company had five members and the total amount guaranteed is therefore £5.

11 Non adjusting events after the financial period

The Trustees have identified the Covid-19 pandemic as a non-adjusting post balance sheet event as the position is not indicative of any conditions that were in existence at the year end. The pandemic slowed progress with the development of the Arts Centre sufficiently that it was felt by the major funder that they could no longer support the construction of the Centre in its planned form.

As a result, the charity has decided to scale down operations and has taken steps to make the sole member of staff redundant. The charity will remain active whilst it is established what any future centre will look like.